0870

Declassified E.O. 12356 Section 3.3/NND No. 785015

ACC

10000/136/232
(1 of 2)

ADVISORY COUNCIL, ADDR
ALLIED COMMISSION
APR. 1944; DEC. 1945 - A

0871

Declassified E.O. 12356 Section 3.3/NND No. 785015

10000/136/232
(1 of 2)

ADVISORY COUNCIL, ADDRESSES BY CHIEF COMMISSIONER, ALLIED COMMISSION
APR. 1944; DEC. 1945 – AUG. 1946

0872

Declassified E.O. 12356 Section 3.3/NND No. 785015

FO3/CC

LIST OF PAPERS

Office of the
Chief Commissioner

ALLIED COMMISSION

File under No. ') 803 ADVISORY COUNCIL, ADDRESSES BY CHIEF COMMISSIONER, ALLIED COMMISSION

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
36	Stone	21 Dec 45		Political Review
37	Stone	21 Dec-4 Jan 1945		Fortnightly Political Report
38	Stone	18 Jan 46		Political Review
39	Stone	18 Jan 46		AGENDA of Jan 18 Meeting of Adv Council
40	Stone	15 Jan-31 Jan 1946		Fortnightly Political Report
41	Stone	1 Feb-15 Feb 1946		Fortnightly Political Report
41a	Stone	1 Mar 46		Fortnightly Political Report
42	Stone	15 Mar 46		Political Review
43	Stone	15 Mar- 29 Mar 1946		Fortnightly Political Report
44	Lush	12 Apr 46		Political Review
45	Stone	12 Apr-26 Apr 1946		Fortnightly Political Report
46	Stone	10 May 46		Political Review
47	Stone	10 May- 24 May 1946		Fortnightly Political Report
48	Stone	7 Jun 46		Political Review
49	Stone	5 Jul 46		Political Review
50	Stone	5 Jul - 19 Jul 46		Fortnightly Political Report
51	Stone	2 Aug		Political Review
52	Stone	1 Aug - 16 Aug 1946		Fortnightly Political Report

2326

SECRET

0873

Declassified E.O. 12356 Section 3.3/NND No. 785015

8502/CC

Office of the
Chief Commissioner

LIST OF PAPERS

File under No. 8502 AIR FORCE - GENERAL

- ALLIED COMMISSION

Vol. I

From: 13 Feb 45
To :

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1/4	AFHQ G-5 581	14 Jun 45	AC - Stearns	Requests for Sp Flights, VIP (Upjohn)
2	MAAF/S73/8/AIR, Bevans	6 Jul 45	CC	Ai plane for exclusive use of AlCOM
3	Cbl COM GEN NAAF MED	27 Sep 45	AC	B-25 for Gen Lee
4	Ltr US Emb McK. Key	28 Sep 45	CC	Air Service to Milan
5	Memo Stearns	1 Oct 45	AF S/C	Air Service to Milan
6	Ltr Stone	1 Oct 45	MT Key	Air Service to Milan
7	8752/EC, Lush	8 Oct 45	AFHQ	French Milit. Aviation in Italy.
8	Ltr. Stone 8752/111/EC	12 Oct 45	Mr. Key	Info re AC air transp to compensate redutn in Allied feeder service in Ita
9	Ltr 8752/EC McCleary	12 Oct 45	AFHQ G-5	French Military Aviation in Italy
10	Memo 8752/153/EC	3 Nov 45	CC	French Aviation through Italy
11	Ltr AG 360.4 GEG-O	23 Nov 45	CC	French Aviation through Italy
12	Ltr Brady	12 Jan 46	Stone	2325 Meet. of Brodie and Lee with IAM
13	Ltr Stone	14 Jan 46	Brady	Meet. of Brodie and Lee with IAM

SECRET

APPENDIX 'C'

DRAFT OF RESOLUTION PREPARED BY M. COC. JUOV AFTER CONSULTATION WITH M. COUVE DE MURVILLE

("CONSULTING DRAFT")

Ayant pris en considération les changements qui sont intervenus en mois d'avril dans la composition du Gouvernement italien le Conseil consultatif constate avec satisfaction que le paragraphe 1 de la "Déclaration sur l'Italie" acceptée par la Conférence de Moscou est réalisé.

Le Gouvernement italien est devenu plus démocratique depuis qu'il comprend les représentants des différents partis italiens qui étaient toujours en lutte contre le fascisme.

Considérant la nécessité de réaliser les autres articles de la "Déclaration sur l' Italie" en particulier le paragraphe 3 : "toutes les institutions et organisations créées par le régime fasciste doivent être dissoutes" et le paragraphe 4 : "tous les éléments fascistes et pro-fascistes doivent être éliminés de la direction de l'administration et des services publics",

Le Conseil Consultatif a pris connaissance de l'article 2 de la déclaration du 27 avril 1945 du nouveau Gouvernement italien dans laquelle il est reconnu nécessaire de réaliser la démocratisation en punissant les criminels fascistes qui ont créé et soutenu le régime fasciste en Italie, maintenant tombé, et de chasser de la vie publique et de l'administration tous ces éléments dangereux.

Prenant note avec satisfaction de cette intention manifestée par le Gouvernement italien, le Conseil consultatif constate en même temps que l'administration et le régime existant jusqu'à présent dans quelques régions de l'Italie libérée sont loin de satisfaire aux exigences des paragraphes 3 et 4 de la déclaration sur l'Italie.

Le Conseil consultatif pour les affaires Italiennes a pris connaissance:

1. - des renseignements qui lui ont été communiqués par M. Pogonelov sur la situation en Sardaigne en ce qui concerne l'épuration et le fonctionnement des tribunaux;

2. - des renseignements d'ordre général qui lui ont été donnés sur les deux mêmes questions par le Général Sir Noel Mason MacFarlane et d'après lesquels la situation n'est pas (plus) satisfaisante dans les autres provinces de l'Italie libérée;

Le Conseil Consultatif demande au Commandant en Chef Allié de faire savoir au nouveau Gouvernement Italien que le Conseil consultatif émet le voeu que les mesures annoncées par le Gouvernement italien soient appliquées de façon rapide et complète pour réaliser le paragraphe 3 de la déclaration du 27 avril en vue de démocratiser le régime intérieur en Italie, d'assainir ainsi entièrement la situation intérieure, et de créer les conditions nécessaires au développement de la participation des forces antifascistes italiennes à la lutte contre l'Allemagne hitlérienne aux côtés des Nations Unies

et demande à la Commission de contrôle Alliée de suivre cette question avec le plus grande vigilance et de le tenir régulièrement informé des résultats obtenus.

2224

0874

Declassified E.O. 12356 Section 3.3/NND No. 759015

0 8 7 5

le Gouvernement italien est devenu plus démocratique depuis qu'il comprend les représentants des différents partis italiens qui étaient toujours en lutte contre le fascisme.

Considérant la nécessité de réaliser les autres articles de la déclaration sur l'Italie" en particulier le paragraphe 3 : "Toutes les institutions et organisations créées par le régime fasciste doivent être démantelées" et le paragraphe 4 : "Tous les éléments fascistes et pro-fascistes doivent être éliminés de la direction de l'administration et des services publics",

le Conseil Consultatif a pris connaissance de l'article 2 de la déclaration du 27 avril 1944 du nouveau Gouvernement italien aux termes duquel il est reconnu nécessaire de réaliser la démocratisation en poursuivant les criminels fascistes qui ont créé et soutenu le régime fasciste en Italie, maintenant tombé, et de chasser de la vie publique et de l'administration tous les éléments dangereux.

Prenant note avec satisfaction de cette intention manifestée par le Gouvernement italien, le Conseil Consultatif constate en même temps que l'administration et le régime existant jusqu'à présent dans quelques régions de l'Italie libérée sont loin de correspondre aux exigences des paragraphes 3 et 4 de la "Déclaration sur l'Italie".

Le Conseil Consultatif pour les Affaires Italiennes a pris connaissance:

1. - des renseignements qui lui ont été communiqués par M. Pogromov sur la situation en Sardaigne en ce qui concerne l'épuration et le fonctionnement des tribunaux;

2. - des renseignements d'ordre général qui lui ont été donnés sur les deux mêmes questions par le Général Sir Noel Mason MacFarlane et d'après lesquels la situation n'est pas (plus) satisfaisante dans les autres provinces de l'Italie libérée;

Le Conseil Consultatif demande au Commandant en Chef Allié de faire savoir au nouveau Gouvernement Italien que le Conseil Consultatif émet le vœu que les mesures annoncées par le Gouvernement Italien soient appliquées de façon rapide et sûre pour réaliser le paragraphe 4 de la déclaration du 27 avril en vue de démocratiser le régime intérieur en Italie, d'assainir ainsi notamment la situation intérieure, et de créer les conditions nécessaires au développement de la participation des forces anti-fascistes italiennes à la lutte contre l'Allemagne hitlérienne aux côtés des Nations Unies.

Il demande à la Commission de contrôle alliée de suivre cette question avec la plus grande vigilance et de la tenir régulièrement informé des résultats obtenus.

2324

Declassified E.O. 12356 Section 3.3/NND No. 785045

0876

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period August 1st to August 16, 1946)

Since your last meeting the principal factor in the Italian political scene has, as in the preceding fortnight, been the Paris Peace Conference. A certain sense of impatience on the part of Italians has been apparent. Further, the pessimism which ensued on publication of the terms of the draft treaty has hardly been softened by the necessary delay in consideration of the substance of the treaty, occasioned by debate on conference procedure.

On August 1, just after the terms of the draft were published, the Italian Government issued a statement in which it referred to the "unanimous painful impression caused by the harshness and gravity of the Treaty, particularly in its economic provisions." The Council of Ministers instructed its delegation to the Paris Conference to "make every effort in order that the United Nations . . . . may make it possible for Italy to become a positive element in international reconstruction and cooperation." Shortly thereafter the Government issued an official denial of a press report that the Italian Government had warned the US Government to expect drastic changes in Italian foreign policy unless the peace terms were modified.

In fact, Pietro Nenni's trip to several of the capitals of Northern Europe seems to have been aimed at laying the groundwork for, and ascertaining the possibility of, modifications in the Treaty. Upon his return to Rome on August 5, Nenni stated for publication that although the terms are indeed hard,

Declassified E.O. 12356 Section 3.3/NND No. 778545

(Period August 1st to August 16, 1946)

Since your last meeting the principal factor in the Italian political scene has, as in the preceding fortnight, been the Paris Peace Conference. A certain sense of impatience on the part of Italians has been apparent. Further, the pessimism which ensued on publication of the terms of the draft treaty has hardly been softened by the necessary delay in consideration of the substance of the treaty, occasioned by debate on conference procedure.

On August 1, just after the terms of the draft were published, the Italian Government issued a statement in which it referred to the "unanimous painful impression caused by the harshness and gravity of the Treaty, particularly in its economic provisions." The Council of Ministers instructed its delegation to the Paris Conference to "make every effort in order that the United Nations . . . . may make it possible for Italy to become a positive element in international reconstruction and cooperation." Shortly thereafter the Government issued an official denial of a press report that the Italian Government had warned the US Government to expect drastic changes in Italian foreign policy unless the peace terms were modified.

In fact, Pietro Nenni's trip to several of the capitals of Northern Europe seems to have been aimed at laying the groundwork for, and ascertaining the possibility of, modifications in the Treaty. Upon his return to Rome on August 5, Nenni stated for publication that although the terms are indeed hard, he was personally optimistic regarding the future, long term attitude toward Italy of the major powers. He went on to say that modifications of the treaty which appeared to be particularly desirable included: extension of the limits of the proposed free territory of Trieste so as to include therein Pola and the west coast of Istria; postponement of final decision on Italian

0877

Declassified E.O. 12356 Section 3.3/NND No. 778507

colonies (as has been agreed upon by the Council of Foreign Ministers) but without any derogation meanwhile of Italian sovereignty over the colonies; and improvement, from the Italian point of view, of the terms of the treaty dealing with Italian use of hydro-electric power produced in the territory to be ceded to France. The economic clauses, which had caused such grave concern when first published, Nenni thought the most likely to be modified.

An official invitation to Italy to appear before the Peace Conference was received just prior to Nenni's return. Following his report to the Council of Ministers and final consultations with the Italian delegation, the President of the Council, accompanied by Signori Saragat, Bonomi, Corbino, and Facchinetti, departed for Paris on August 7. According to an earlier announcement, the delegation also comprised the Italian ambassadors at Moscow, London, Washington, Rio de Janeiro, and Warsaw, as well as experts on juridical, military, and economic-financial questions. With regard to territorial problems, it had been stated that colonial experts and representatives of the frontier areas under discussion in the treaty would also be in attendance.

Signor de Gasperi had, of course, given several indications of the line which he would take in his address to the Peace Conference. Just before departing from Rome he said that he felt his position to be "four-fifths that of one accused as responsible for a war that I did not make and that the people did not want, one-fifth that of co-belligerent." The Prime Minister's formal address to the plenary session of the conference took place on August 10 and was, of course, widely reported in the local press, which generally praised it for moderation and dignity. Of the points made by De Gasperi, those which seemed most to interest Italian publicists were

0878

Declassified E.O. 12356 Section 3.3/NND No. 785045

concern when first published, Nenni thought the most likely to be modified.

An official invitation to Italy to appear before the Peace Conference was received just prior to Nenni's return. Following his report to the Council of Ministers and final consultations with the Italian delegation, the President of the Council, accompanied by Signori Saragat, Bonomi, Corbino, and Facchinetti, departed for Paris on August 7. According to an earlier announcement, the delegation also comprised the Italian ambassadors at Moscow, London, Washington, Rio de Janeiro, and Warsaw, as well as experts on juridical, military, and economic-financial questions. With regard to territorial problems, it had been stated that colonial experts and representatives of the frontier areas under discussion in the treaty would also be in attendance.

Signor de Gasperi had, of course, given several indications of the line which he would take in his address to the Peace Conference. Just before departing from Rome he said that he felt his position to be "four-fifths that of one accused as responsible for a war that I did not make and that the people did not want, one-fifth that of co-belligerent." The Prime Minister's formal address to the plenary session of the conference took place on August 10 and was, of course, widely reported in the local press, which generally praised it for moderation and dignity. Of the points made by De Gasperi, those which seemed most to interest Italian publicists were his opening observations that the draft treaty is extremely hard; his criticism of the severity of the demilitarization clauses; and his criticism of the proposed solution of the Venezia-Giulia problem which he characterized as a ruinous derogation of the ethnic principle which the Council of Foreign Ministers had previously agreed on. De Gasperi also proposed that the

Declassified E.O. 12356 Section 3.3/NND No. 780075

Trieste problem be set aside for a year, and then be settled by direct Italo-Yugoslav negotiations. With regard to the economic clauses, public attention was particularly directed at De Gasperi's opposition to enforced renunciation by Italy of claims against Germany.

In the days following de Gasperi's address, the local press has also given prominence to reports of the replies in rebuttal delivered by the Chiefs of the Yugoslav and Russian delegations to the conference.

The domestic political situation has in considerable degree been determined by the moods engendered by developments at Paris; several urgent problems, principally economic in nature, have of necessity been dealt with by the Government. The Minister of Labor went personally to Milan on the first week-end of the month to attempt to solve the difficulties which had led to strikes and labor unrest there. At the same time scattered demonstrations in protest at the peace terms were taking place in the North. At no time, however, either in territory under Italian administration or in AMG-administered Zone A of Venezia-Giulia, where supporters of both sides were manifesting discontent with the Trieste solution, did the authorities lose effective control of the situation.

The most serious disturbances during the period under review took place in Caccano, Sicily, beginning with a clash on August 5 between Carabinieri attempting to enforce amassing of wheat, and a sizable portion of the local citizenry. On August 8, however, the acting president of the Council of Ministers was able to report that order had been restored. It remains to be seen whether the fundamental problems of the outbreak--compliance with the Government amassing order, and the Government's ability to enforce the law-- have been solved.

0880

Declassified E.O. 12356 Section 3.3/NND No. 785045

2021

In the days following De Gasperi's address, the local press has also given prominence to reports of the replies in rebuttal delivered by the Chiefs of the Yugoslav and Russian delegations to the conference.

The domestic political situation has in considerable degree been determined by the moods engendered by developments at Paris; several urgent problems, principally economic in nature, have of necessity been dealt with by the Government. The Minister of Labor went personally to Milan on the first week-end of the month to attempt to solve the difficulties which had led to strikes and labor unrest there. At the same time scattered demonstrations in protest at the peace terms were taking place in the North. At no time, however, either in territory under Italian administration or in AMG-administered Zone A of Venezia-Giulia, where supporters of both sides were manifesting discontent with the Trieste solution, did the authorities lose effective control of the situation.

The most serious disturbances during the period under review took place in Caccamo, Sicily, beginning with a clash on August 5 between Carabinieri attempting to enforce amassing of wheat, and a sizable portion of the local citizenry. On August 8, however, the acting president of the Council of Ministers was able to report that order had been restored. It remains to be seen whether the fundamental problems of the outbreak--compliance with the Government amassing order, and the Government's ability to enforce the law-- have been solved.

The Government has also given serious consideration to the problems of unemployment relief, as epitomized in the dispute between the CGIL and the Industrial Confederation over extension beyond July 31 of the law forbidding dismissal of surplus labor in industrial establishments. The Government has now extended the ban on dismissals to September 30, and has urged labor and

2521

Declassified E.O. 12356 Section 3.3/NND No. 765045

0881

management to continue their efforts to agree on a mutually satisfactory arrangement. The Government has appointed a Commission which will investigate the facts of the situation and make recommendations to the Government for possible use should labor and management continue to fail to agree. Meanwhile the Industrial Confederation has promised payment of the Government-decreed "premium of the Republic" on a satisfactory solution of the problem of dismissals, although several individual industries are understood to be proceeding with payments of the premium.

DISTRIBUTION:
Chief of Secretariat, Adv Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
CC Files

2320

0821
Declassified E.O. 12356 Section 3.3/NND No. 785075

agree. Meanwhile the Industrial Confederation has promised payment of the Government-decreed "premium of the Republic" on a satisfactory solution of the problem of dismissals, although several individual industries are understood to be proceeding with payments of the premium.

DISTRIBUTION:
Chief of Secretariat, Adv Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
CC Files

2820

(52)

0883

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE FOR PRESENTATION AT THE 55th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON AUGUST 2, 1946.

Gentlemen:

At your last meeting, I reported on the results of the election and referendum, and on the preliminary stages of the transition for Monarchy to Republic in Italy. During the intervening weeks there have been two basic factors in the political situation in the country; first, the attempts by Prime Minister De Gasperi to form a government to carry on internal administration, which have been intimately associated with attempts to initiate the work of the Constituent Assembly. The second factor has been one which Italians consider vital to themselves and to their nation, but about which neither the Italian Government nor people have had a determining voice. I refer, of course, to the conclusion of a peace treaty with Italy.

It is not possible, in appreciating the recent political developments in Italy, completely to separate these two factors; De Gasperi himself, during the course of his remarks to the Constituent Assembly, acknowledged this fact by pointing out the necessity of forming a government before the peace conference of 21 nations should convene in Paris. It is not at all improbable that revelation of many of the preliminary decisions of the Council of Foreign Ministers, particularly those affecting Italy's frontiers, had considerable psychological effect in helping

2319

0884
Declassified E.O. 12356 Section 3.3/NND No. 780045

55th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON AUGUST 2, 1946.

Gentlemen:

At your last meeting, I reported on the results of the election and referendum, and on the preliminary stages of the transition for Monarchy to Republic in Italy. During the intervening weeks there have been two basic factors in the political situation in the country; first, the attempts by Prime Minister De Gasperi to form a government to carry on internal administration, which have been intimately associated with attempts to initiate the work of the Constituent Assembly. The second factor has been one which Italians consider vital to themselves and to their nation, but about which neither the Italian Government nor people have had a determining voice. I refer, of course, to the conclusion of a peace treaty with Italy.

It is not possible, in appreciating the recent political developments in Italy, completely to separate these two factors; De Gasperi himself, during the course of his remarks to the Constituent Assembly, acknowledged this fact by pointing out the necessity of forming a government before the peace conference of 21 nations should convene in Paris. It is not at all improbable that revelation of many of the preliminary decisions of the Council of Foreign Ministers, particularly those affecting Italy's frontiers, had considerable psychological effect in helping to precipitate the purely domestic matters which had to be solved before a government could be formed.

It became apparent soon after De Gasperi accepted President De Nicola's charge to form a government, that a critical issue would be whether Italian labor should receive a general wage increase at this time, to the possible detriment as claimed by Corbino, for example - of the country's efforts to control inflation. This basically economic issue appears to have been solved by political means and it seems safe to say that what

0885

Declassified E.O. 12356 Section 3.3/NND No. 785015

the political parties have been able to agree upon as government economic policy represents a series of compromises adding up to a moderate and slightly right of center position. It was evident during the course of the negotiations that labor politics had a considerable part; disagreement, and therefore the necessity for compromise, among the three principal parties of the CGIL was apparent. Inasmuch as these same parties were the three most influential in the governmental sphere, their disagreement was probably salutary in that it served to air inter-party differences and permit an appreciation of the obstacles to future government stability.

On July 10, it was reported that substantial agreement had been reached among the three mass parties on a Government program. The domestic aspects of the program, which are largely economic, aim at the recovery of public finance and the protection of the lira against further devaluation. There will be two budgets, a regular one which it is hoped to bring into balance, and an extraordinary budget, to be financed in part by a public loan and to be designed to meet expenditures on public works and other economic palliatives. In lieu of a general wage increase, it has been decided to grant the so-called "Republic" bonus, and at the same time to put in hand measures designed to stabilize, or, preferably, decrease the cost of living. In making this program known to the Constituent Assembly on July 15, De Gasperi gave the impression that the Italian Government will assume direct responsibility for the unemployed, thus relieving industries of their present considerable financial burden in this regard. He also indicated at this time that a principal preoccupation of the new Government will be the maintenance of public order and respect for law in Italy.

2318

The names of the members of the new Government were announced

0886

Declassified E.O. 12356 Section 3.3/NND No. 785005

the three most influential in the governmental sphere, their disagreement was probably salutary in that it served to air inter-party differences and permit an appreciation of the obstacles to future government stability.

On July 10, it was reported that substantial agreement had been reached among the three mass parties on a Government program. The domestic aspects of the program, which are largely economic, aim at the recovery of public finance and the protection of the lira against further devaluation. There will be two budgets, a regular one which it is hoped to bring into balance, and an extraordinary budget, to be financed in part by a public loan and to be designed to meet expenditures on public works and other economic palliatives. In lieu of a general wage increase, it has been decided to grant the so-called "Republic" bonus, and at the same time to put in hand measures designed to stabilize, or, preferably, decrease the cost of living. In making this program known to the Constituent Assembly on July 15, De Gasperi gave the impression that the Italian Government will assume direct responsibility for the unemployed, thus relieving industries of their present considerable financial burden in this regard. He also indicated at this time that a principal preoccupation of the new Government will be the maintenance of public order and respect for law in Italy.

2218

The names of the members of the new Government were announced on July 13, and the Cabinet was sworn in the next day. In accordance with the terms of the so-called MacMillian Memorandum of 1945, only the names of proposed Ministers of Navy, War and Air Force were submitted for the approval of the Allies. Contrary to some reports, I think you will be interested to know that the names thus approved were the only names submitted

0887

Declassified E.O. 12356 Section 3.3/NNO No. 785046

by De Gasperi.

A tentative proposal to decrease the total number of Ministers was not adopted; although some former Ministries were abolished, the total number is not changed from that of the previous Government. The Cabinet comprises eight Christian Democrats, four Socialists, four Communists, two Republicans, and one Independent; De Gasperi retained, in addition to the Prime Ministry, the Ministry of Interior and, until the conclusion of peace, the Ministry of Foreign Affairs. The former Ministry of Reconstruction has been replaced by a joint inter Ministerial committee.

As I have suggested, the Prime Minister's attempts to form a government coincided with the arrival of news of Italy's future fate. The Italian press reported extensively and commented bitterly on the decisions of the Council of Foreign Ministers; at the same time, there were outbreaks of violence in many cities throughout the country. In every case, so far as I can judge, the principal subject of protest by the demonstrators was the decision to internationalize that part of Venezia Giulia between the proposed so-called French Line and the area definitely confirmed as Italian. The demonstrations, like the press, assumed a marked anti-Allied tone. In this connection I think you may be interested to know that on July 11 I received a letter from De Gasperi expressing regret at demonstrations against Allied Officers and troops, which he attributed to the general atmosphere of anxiety, perturbation and disappointment of the Italian people with regard to the solution adopted by the Paris conference. 2317

In his address to the Constituent Assembly, to which I have already referred, the Prime Minister outlined the new Government's foreign policy. In regard to frontier questions, he said, Italy would seek to obtain an ethnic frontier to the east; he reaffirmed Italy's will to col-

0888

Declassified E.O. 12356 Section 3.3/NNI No. 785015

Prime Ministry, the Ministry of Interior and, until the conclusion of peace, the Ministry of Foreign Affairs. The former Ministry of Reconstruction has been replaced by a joint inter Ministerial committee.

As I have suggested, the Prime Minister's attempts to form a government coincided with the arrival of news of Italy's future fate. The Italian press reported extensively and commented bitterly on the decisions of the Council of Foreign Ministers; at the same time, there were outbreaks of violence in many cities throughout the country. In every case, so far as I can judge, the principal subject of protest by the demonstrators was the decision to internationalize that part of Venezia Giulia between the proposed so-called French Line and the area definitely confirmed as Italian. The demonstrations, like the press, assumed a marked anti-Allied tone. In this connection I think you may be interested to know that on July 11 I received a letter from De Gasperi expressing regret at demonstrations against Allied officers and troops, which he attributed to the general atmosphere of anxiety, perturbation and disappointment of the Italian people with regard to the solution adopted by the Paris conference. 2317

In his address to the Constituent Assembly, to which I have already referred, the Prime Minister outlined the new Government's foreign policy. In regard to frontier questions, he said, Italy would seek to obtain an ethnic frontier to the east; he reaffirmed Italy's will to collaborate with Yugoslavia, and asked, with reference to the western frontier, that Italy be consulted on all problems regarding French claims. In other matters connected with the peace treaty, De Gasperi sought to define his conception of Italy's best interests and concluded by saying that the Government would not pledge its word on a peace treaty before consulting the

0889

Declassified E.O. 12356 Section 3.3/NND No. 785045

Constituent Assembly, to which, he noted, the law gives the right to decide whether a peace treaty is to be signed or rejected.

During the last fortnight, the Government has undertaken efforts to obtain support for Italy's cause among nations other than those represented in the Council of Foreign Ministers. To this end Pietro Nenni has made a trip to the capitals of northern Europe with the avowed purpose of explaining Italy's position, and in the last few days, Count Sforza has arrived on a similar mission in South America.

Although no formal invitation has yet been received by the Italian Government to the Conference at Paris, the Prime Minister feels that he has received assurances of such an invitation, and hopes shortly to go to Paris at the head of a delegation. In all probability the Italian Ambassadors at London, Washington, Rio de Janeiro and Moscow will form part of any such delegation, in addition to economic, geographic and other experts, and a group representing Venezia Giulia. I envisage that the delegation, unlike that which appeared on July 19 before the Foreign Ministers' special commission on the free territory of Trieste, will be concerned with all aspects of the treaty. The delegation which was heard by the Trieste commission confined its first statement to a reservation of acceptance of the principal of internationalization and took exception to the short notice on which they had been summoned to present Italy's views. I understand, however, that a few days later definite Italian views on the form and structure of the proposed future international state were submitted in writing.

Meanwhile, Italy's international position remains juridically unchanged, since the Italian Government has been too occupied with the broad problems of internal organization and long term international arrangements

0890

Declassified E.O. 12356 Section 3.3/NND No. 785015

2346

explaining Italy's position, and in the last few days, Count Sforza has arrived on a similar mission in South America.

Although no formal invitation has yet been received by the Italian Government to the Conference at Paris, the Prime Minister feels that he has received assurances of such an invitation, and hopes shortly to go to Paris at the head of a delegation. In all probability the Italian Ambassadors at London, Washington, Rio de Janeiro and Moscow will form part of any such delegation, in addition to economic, geographic and other experts, and a group representing Venezia Giulia. I envisage that the delegation, unlike that which appeared on July 19 before the Foreign Ministers' special commission on the free territory of Trieste, will be concerned with all aspects of the treaty. The delegation which was heard by the Trieste commission confined its first statement to a reservation of acceptance of the principal of internationalization and took exception to the short notice on which they had been summoned to present Italy's views. I understand, however, that a few days later definite Italian views on the form and structure of the proposed future international state were submitted in writing.

Meanwhile, Italy's international position remains juridically unchanged, since the Italian Government has been too occupied with the broad problems of internal organization and long term international arrangements to be able to study and comment on the proposed revision of the 1943 armistice terms.

That gentlemen, concludes my report.

(51)

0891

Declassified E.O. 12356 Section 3.3/NND No. 785015

2346

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

0 8 9 2 1

Declassified E.O. 12356 Section 3.3/NND No. 785045

Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

0863

Declassified E.O. 12356 Section 3.3/NND No. 785045

0894

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 800

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period July 5th ---- July 19th, 1946)

Since my last political review, which was read to the Council by Brigadier Lush on July 5th, I have to report that after 10 days of negotiations Signor de Gasperi has succeeded in forming the first Government of the Italian Republic. The process, despite considerable difficulties in agreeing upon the political and economic programme and in deciding the new composition of the Ministries, had been completed in 10 days, a period of time which, for shortness, compared favorably with that taken up in the formation of former Italian governments.

The economic programme which had been drafted for Signor de Gasperi by Signor Corbino, former Liberal Party Minister for the Treasury, was anti-inflationary in tendency and aimed at reduction in the cost of living as opposed to increase in wages. The Communist Party came out in firm opposition and demanded salary increases for all workers of at least 20%. In this they received a measure of support from the Socialists who maintained that while inflation had to be avoided steps should also be taken to meet the demands of the needy classes. The solution preferred by the Socialists was that there should be a greater amount of essential commodities at controlled prices. Throughout the discussion of this particular aspect of the governmental programme the Christian Democrats insisted that no undertakings should be assumed which might undermine the position of the lira. In a statement to the press on July 9th Signor de Gasperi pointed out that economic questions could not be solved en bloc but that in general he was determined that an anti-inflationist policy must be followed in dealing with labor problems. The fact had to be borne in mind that Italy

Declassified E.O. 12356 Section 3.3/NND No. 778505

Brigadier Lush on July 5th, I have to report that after 10 days of negotiations Signor de Gasperi has succeeded in forming the first Government of the Italian Republic. The process, despite considerable difficulties in agreeing upon the political and economic programme and in deciding the new composition of the Ministries, had been completed in 10 days, a period of time which, for shortness, compared favorably with that taken up in the formation of former Italian governments.

The economic programme which had been drafted for Signor de Gasperi by Signor Corbino, former Liberal Party Minister for the Treasury, was anti-inflationary in tendency and aimed at reduction in the cost of living as opposed to increase in wages. The Communist Party came out in firm opposition and demanded salary increases for all workers of at least 20%. In this they received a measure of support from the Socialists who maintained that while inflation had to be avoided steps should also be taken to meet the demands of the needy classes. The solution preferred by the Socialists was that there should be a greater amount of essential commodities at controlled prices. Throughout the discussion of this particular aspect of the governmental programme the Christian Democrats insisted that no undertakings should be assumed which might undermine the position of the lira. In a statement to the press on July 9th Signor de Gasperi pointed out that economic questions could not be solved en bloc but that in general he was determined that an anti-inflationist policy must be followed in dealing with labor problems. The fact had to be borne in mind that Italy needed foreign loans which could only be obtained if such a policy was adhered to. Finally, on 9th July at a meeting presided over by Signor de Gasperi and attended by representatives of the Christian-Democrat, Republican, Communist and

Declassified E.O. 12356 Section 3.3/NND No. 750015

Socialist parties, general agreement was reached in the economic and financial sphere as also in the field of foreign policy. Briefly the following points were agreed upon: in foreign policy, the need for joint action in the defence of Italy's interests on the part of all parties represented in the Government was reaffirmed and it was declared that all the ministers would share equally the responsibility for the Government's foreign policy. As regards internal policy it was laid down that the maintenance of public order and respect for the law were to be the essential principles in the Government's action. As to financial policy, the meeting agreed that their objectives must be the recovery of public finances and the defence of the purchasing power of the lira. With these ends in view the budget would be divided into two parts, namely, an ordinary and an extraordinary budget, the revenue for the latter having to be derived from an internal loan to be launched next September, from an extraordinary tax on capital and from confiscation of Fascist and war profits. The solution of the salary question took the form of a compromise. It was decided that while the Government must aim at reducing the cost of living, at the same time they would grant all workers a bonus to be known as the "bonus of the Republic", 3,000 lire for each head of a family and 1,500 lire for other workers, the unemployed and the war veterans being eligible also for the 1,500 lire bonus. The final point in the new programme was the reaffirmation of the Government's intention to carry out land reform.

As a first practical step in line with the Government's expressed determination to bring down the cost of living, the bread ration, it was agreed, should be raised to 250 grammes per day and the pasta ration to 2,000 or 3,000 grammes per month which according to various estimates would mean an increase in the real value of wages of anything up to 18%. In actual fact the pasta ration remains fixed for the present at 2,000 grammes per month, since from the supply point of view it is apparent that the 3,000 gramme goal would be difficult to attain. Simultaneously with the discussion of the programme,

2 enclosures

0896

Declassified E.O. 12356 Section 3.3/NND No. 785015

were to be the essential principles in the Government's action. As to financial policy, the meeting agreed that their objectives must be the recovery of public finances and the defence of the purchasing power of the lira. With these ends in view the budget would be divided into two parts, namely, an ordinary and an extraordinary budget, the revenue for the latter having to be derived from an internal loan to be launched next September, from an extraordinary tax on capital and from confiscation of Fascist and war profits. The solution of the salary question took the form of a compromise. It was decided that while the Government must aim at reducing the cost of living, at the same time they would grant all workers a bonus to be known as the "bonus of the Republic", 3,000 lire for each head of a family and 1,500 lire for other workers, the unemployed and the war veterans being eligible also for the 1,500 lire bonus. The final point in the new programme was the reaffirmation of the Government's intention to carry out land reform.

As a first practical step in line with the Government's expressed determination to bring down the cost of living, the bread ration, it was agreed, should be raised to 250 grammes per day and the pasta ration to 2,000 or 3,000 grammes per month which according to various estimates would mean an increase in the real value of wages of anything up to 18%. In actual fact the pasta ration remains fixed for the present at 2,000 grammes per month, since from the supply point of view it is apparent that the 3,000 grumme goal would be difficult to attain. Simultaneously with the discussion of the programme, discussions were held between the three major parties regarding the actual structure of the new government, the Socialists having previously proposed that the number of Ministries should be reduced to 10 by combining the ministries of War, Air and Marine into a single Ministry of National Defence, by fusing the

50

Declassified E.O. 12356 Section 3.3/NND No. 785015

Ministry of Finance with the Treasury and certain other alterations. However, when Signor de Gasperi was finally able to announce his Government it was seen that it contained 17 Ministries, only 2 less than before though with the same number of Ministers, two Ministers without Portfolio having being appointed. Changes in the structure of the Government other then numerical changes had all the same taken place. The Ministries for the Constituent Assembly and for the Consultative Assembly had, for obvious reasons, disappeared. The Ministry of Reconstruction no longer figured, in that it had been an ineffective creation which it was thought better to suppress and a Ministry of Mercantile Marine had been created. Government policy on reconstruction will be coordinated by an interministerial committee which will probably be on the model of that which collaborated with the Allies since 1944. The following is the full list of the new Government as announced in the press on July 14th:

Ministry	Minister	Party
Foreign Affairs (ad interim)	De Gasperi	Christian Democrat
Interior	De Gasperi	Christian Democrat
Without Portfolio	Nenni	Socialist
Without Portfolio	Macrelli	Republican
Justice	Gullo	Communist
Finance	Scoccimarro	Communist
Treasury	Corbino	Independent
Education	Gonella	Christian Democrat
Public Works	Romita	Socialist
Agriculture	Segni	Christian Democrat
Transport	Ferrari	Communist
P.T.T.	Scelba	Christian Democrat
Ind. & Commerce	Morandi	Socialist
Labour	D'Aragona	Socialist
Post-war Assistance	Sereni	Communist
Navy	Micheli	Christian Democrat
Air	Cingolani	Christian Democrat
War	Fuchinetti	Republican
Mercantile Marine	Aldisio	Christian Democrat

The name of Signor Togliatti is absent from the Government for the reason that he had preferred to remain outside in order to look after the affairs of the Communist Party. Signor Nenni receives an appointment as Minister without Port-

Foreign Affairs

Declassified E.O. 12356 Section 3.3/NND No. 785015

Reconstruction no longer [illegible]

which it was thought better to suppress and a Ministry of Mercantile Marine had been created. Government policy on reconstruction will be coordinated by an interministerial committee which will probably be on the model of that which collaborated with the Allies since 1944. The following is the full list of the new Government as announced in the press on July 12th:

Ministry	Minister	Party
Foreign Affairs (ad interim)	De Gasperi	Christian Democrat
Interior	De Gasperi	Christian Democrat
Without Portfolio	Nenni	Socialist
Without Portfolio	Macrelli	Republican
Justice	Gullo	Communist
Finance	Scoccimarro	Communist
Treasury	Corbino	Independent
Education	Gonella	Christian Democrat
Public Works	Romita	Socialist
Agriculture	Segni	Christian Democrat
Transport	Ferrari	Communist
P.T.T.	Scelba	Christian Democrat
Ind. & Commerce	Morandi	Socialist
Labour	D'Aragona	Socialist
Post-war Assistance	Sereni	Communist
Navy	Micheli	Christian Democrat
Air	Cingolani	Christian Democrat
War	Facchinetti	Republican
Mercantile Marine	Aldisio	Christian Democrat

The name of Signor Togliatti is absent from the Government for the reason that he had preferred to remain outside in order to look after the affairs of the Communist Party. Signor Nenni receives an appointment as Minister without Portfolio but he will take over the Portfolio of the Ministry of Foreign Affairs from Signor de Gasperi after the Peace Treaty. The much sought after Portfolio of the Interior has been retained by the Christian Democrat Party as also the Ministry of Education which had been a bone of contention during the negotiations. Signor de Gasperi at one moment had felt constrained to threaten abandoning the attempt to form the Government if the Socialists maintained

50

Declassified E.O. 12356 Section 3.3/NND No. 785015

0899

their objection to the Portfolio of education being given to a Christian Democrat as opposed to a "layman". The Socialist Party found themselves without support from the Communist Party on this point, however, and finally gave way on the understanding that they would retain the Ministry of Industry and Commerce.

On 13th July representatives of the parties met to discuss the appointment of under-secretaries of which it had been decided that there should be 24 in number. It was agreed that 10 under-secretaries should be Christian Democrats, 5 Socialists, 5 Communists, 3 Republicans and one Independent.

Throughout the period of negotiation for the formation of the Government news from Paris of progress in the decisions of the Foreign Ministers of the Four Great Powers continued to cause the greatest consternation in Italy and now that invitations have been sent out by France to the other 20 nations who will attend the Peace Conference on 29th July, the Italian Government is actively preparing its case against what is generally regarded by the Italian people as a harsh and unjust peace in store for it. At the first meeting of the Constituent Assembly, on 16th July, after the formation of the Government, Signor de Gasperi devoted much of his speech to his views on what Italy should regard as its aims at the Peace Conference. Signor de Gasperi, preceded by a delegation of experts, will shortly leave for Paris to expound the Italian case to the Conference. According to Il Popolo his functions during his absence will be carried out by Signor Nenni.

2812

DISTRIBUTION:

Chief of Secretariat, Adv Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI

0900

Declassified E.O. 12356 Section 3.3/NND No. 785045

ment of under-secretaries of which it had been decided that there should be 24 in number. It was agreed that 10 under-secretaries should be Christian Democrats, 5 Socialists, 5 Communists, 3 Republicans and one Independent.

Throughout the period of negotiation for the formation of the Government news from Paris of progress in the decisions of the Foreign Ministers of the Four Great Powers continued to cause the greatest consternation in Italy and now that invitations have been sent out by France to the other 20 nations who will attend the Peace Conference on 29th July, the Italian Government is actively preparing its case against what is generally regarded by the Italian people as a harsh and unjust peace in store for it. At the first meeting of the Constituent Assembly, on 16th July, after the formation of the Government, Signor de Gasperi devoted much of his speech to his views on what Italy should regard as its aims at the Peace Conference. Signor de Gasperi, preceded by a delegation of experts, will shortly leave for Paris to expound the Italian case to the Conference. According to Il Popolo his functions during his absence will be carried out by Signor Nenni.

2342

DISTRIBUTION:

Chief of Secretariat, Adv Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
CC Files

0901

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE FOR PRESENTATION
AT THE
54th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON JULY 5, 1946

Gentlemen:

In my last review to the Council on June 7, I reported that unofficial results of the Referendum showed a victory for the Republic by a plurality of approximately two million votes. It was thought that the Supreme Court of Cassation, which had the task of scrutinizing the ballots and examining the appeals, would finish its labors by June 8 and declare the results of the referendum on that day. Victory having already been unofficially conceded to the Republic, it was believed furthermore that the King would leave for Portugal immediately thereafter. The Queen and royal children had already left Italy on June 6 aboard the Italian cruiser "Duca degli Abruzzi", destined for Portugal.

By June 8, it became known that certain groups of Monarchists had entered protests against the legality of the Referendum. The most important protest was made by the Secretary of the Liberal Party and Signor Cattani, Liberal Party Cabinet Minister, who drew the attention of the Prime Minister to Article II of Decree Law No. 98 of March 16, 1946, which provides that the outcome of the Referendum shall be calculated on the "majority of voting electors". Thus, for example, if 26 million votes were cast and two million were found to be technically invalid, the majority in the Referendum would nevertheless have to be over thirteen million, rather than over twelve million according to Signor Cattani's interpretation. Also on June 8, I received a letter from Count Benedetti, head of the Italian Monarchist Union, requesting scrutiny by the Allied authorities of the

0902
Declassified E.O. 12356 Section 3.3/NND No. 785045

Gentlemen:

In my last review to the Council on June 7, I reported that unofficial results of the Referendum showed a victory for the Republic by a plurality of approximately two million votes. It was thought that the Supreme Court of Cassation, which had the task of scrutinizing the ballots and examining the appeals, would finish its labors by June 8 and declare the results of the referendum on that day. Victory having already been unofficially conceded to the Republic, it was believed furthermore that the King would leave for Portugal immediately thereafter. The Queen and royal children had already left Italy on June 6 aboard the Italian cruiser "Duca degli Abruzzi", destined for Portugal.

By June 8, it became known that certain groups of Monarchists had entered protests against the legality of the Referendum. The most important protest was made by the Secretary of the Liberal Party and Signor Cattani, Liberal Party Cabinet Minister, who drew the attention of the Prime Minister to Article II of Decree Law No. 98 of March 16, 1946, which provides that the outcome of the Referendum shall be calculated on the "majority of voting electors". Thus, for example, if 26 million votes were cast and two million were found to be technically invalid, the majority in the Referendum would nevertheless have to be over thirteen million, rather than over twelve million according to Signor Cattani's interpretation. Also on June 8, I received a letter from Count Benedetti, head of the Italian Monarchist Union, requesting scrutiny by the Allied authorities of the electoral material being examined by the Court of Cassation. His letter was in effect a request to the Allied authorities to intervene or to check, if not to supervise, the work of the Court. I forwarded Count Benedetti's letter to the Prime Minister for such action as he might deem appropriate and so notified the writer.

On June 10 the Court of Cassation made an interim report to the Government and the people on the basis of almost complete reports (118 precincts had not

Declassified E.O. 12356 Section 3.3/NND No. 760075

yet been heard from). Results as announced by the Court were 12,672,767 votes for the Republic and 10,684,905 votes for the Monarchy. The report concluded that the Court would pass final judgment on the protests and claims before complete results of the referendum were proclaimed. The Council of Ministers immediately thereafter issued a communique stating that the Council had taken note of the Court's findings which indicated a majority favoring the Republic, calling upon all Italians to preserve calm and order and declaring June 11 a national holiday in honor of the Republic. In Rome the next day, demonstrations took place in the Piazza del Popolo to celebrate the advent of the Republic. Signor Romita, Minister of the Interior, spoke to the crowd in a reasonable manner, assuring those people who had voted in favor of the Monarchy that they had nothing to fear and that they would be treated like all other Italians provided that they accepted the results of the Referendum as the rest of their fellow citizens were doing.

The interim report of the Court led to a most unfortunate situation, however, inasmuch as those members of the Government of republican tendencies desired the Republic to be proclaimed immediately on the basis of the Court's interim repor while the King on the other hand was not convinced that it was proper for him to transfer the sovereign powers to the Provisional President of the Republic until the definitive findings of the Court had been received. In the days following the Court's interim report the Cabinet met early and late to discuss ways and means of transferring the powers of Government before the final decision or otherwise to work out a compromise solution. The King proposed the appointment of Signor de Gasperi as his Lieutenant General, since Signor de Gasperi as President of the Council of Ministers would, under Decree Law No. 98, automatically assume the functions of Chief of State on the final proclamation of the Republic. Under this proposal the King intended to retire to the country until the Court's final de-

2510

0904

Declassified E.O. 12356 Section 3.3/NND No. 789045

which indicated a majority favoring the Republic, calling upon all Italians to preserve calm and order and declaring June 11 a national holiday in honor of the Republic. In Rome the next day, demonstrations took place in the Piazza del Popolo to celebrate the advent of the Republic. Signor Romita, Minister of the Interior, spoke to the crowd in a reasonable manner, assuring those people who had voted in favor of the Monarchy that they had nothing to fear and that they would be treated like all other Italians provided that they accepted the results of the Referendum as the rest of their fellow citizens were doing.

The interim report of the Court led to a most unfortunate situation, however, inasmuch as those members of the Government of republican tendencies desired the Republic to be proclaimed immediately on the basis of the Court's interim repor while the King on the other hand was not convinced that it was proper for him to transfer the sovereign powers to the Provisional President of the Republic until the definitive findings of the Court had been received. In the days following the Court's interim report the Cabinet met early and late to discuss ways and means of transferring the powers of Government before the final decision or otherwise to work out a compromise solution. The King proposed the appointment of Signor de Gasperi as his Lieutenant General, since Signor de Gasperi as President of the Council of Ministers would, under Decree Law No. 98, automatically assume the functions of Chief of State on the final proclamation of the Republic. Under this proposal the King intended to retire to the country until the Court's final decision was known. The Government asked the King to set forth in detail the manner in which he proposed to appoint the Lieutenant General and the powers which he would assign to him.

2510

The King's formal reply came on June 12 in a letter to the Prime Minister which was simultaneously published in Roman newspapers confirming his willingness to await the decision of the majority of Italian electors, which he said would be clarified by the decision of the Supreme Court, and concluding with the statement

(40)

0905

Declassified E.O. 12356 Section 3.3/NND No. 765015

that he was sure that he and the Government could continue their cooperation for the sake of Italian unity. The Government, after three meetings during the day, took a different view of the situation and issued a communique in the early morning hours of June 13 in which it adopted the position that the interim report on the Referendum by the Court had automatically established a transitional regime and that as a result thereof, the functions of the chief of state fell automatically to the President of the Council of Ministers. The Government communique ended by saying that the King's letter to the Prime Minister could not be considered to modify this constitutional situation.

During these negotiations and deliberations on both sides, the King made a sudden and secret decision to leave Italy. He left from Ciampino airport at four o'clock in the afternoon of June 13 by Italian aircraft, spending the night in Barcelona and joining his wife and children in Portugal the next day. The first news of the King's actual departure from Rome was received in the Allied Commission by a telephone call from Ciampino airport relayed by Rome Area Allied Command, one-half hour after the plane took off. The destination was unknown. Shortly after 5:00 p.m. Avv. Lucifero, Minister of the Royal Household, telephoned for an appointment with me and subsequently arrived in my office at 5:45. Avv. Lucifero informed me that the King had left Italy which was the first report that I received that the King had actually left the country. While Avv. Lucifero would not tell me at that time what the King's destination was, he did inform me that a Royal proclamation would be issued later that evening. When I asked Avv. Lucifero if the proclamation would be issued by the Royal Household 2309 the Government, he replied "I do not recognize a revolutionary government."

The royal proclamation, which was released late in the evening of the 13th, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the provisional and partial results made

0906

Declassified E.O. 12356 Section 3.3/NND No. 757565

to the President of the Council of Ministers. The Government communique ended by saying that the King's letter to the Prime Minister could not be considered to modify this constitutional situation.

During these negotiations and deliberations on both sides, the King made a sudden and secret decision to leave Italy. He left from Ciampino airport at four o'clock in the afternoon of June 13 by Italian aircraft, spending the night in Barcelona and joining his wife and children in Portugal the next day. The first news of the King's actual departure from Rome was received in the Allied Commission by a telephone call from Ciampino airport relayed by Rome Area Allied Command, one-half hour after the plane took off. The destination was unknown. Shortly after 5:00 p.m. Avv. Lucifero, Minister of the Royal Household, telephoned for an appointment with me and subsequently arrived in my office at 5:45. Avv. Lucifero informed me that the King had left Italy which was the first report that I received that the King had actually left the country. While Avv. Lucifero would not tell me at that time what the King's destination was, he did inform me that a Royal proclamation would be issued later that evening. When I asked Avv. Lucifero if the proclamation would be issued by the Royal Household 2399 the Government, he replied "I do not recognize a revolutionary government."

The royal proclamation, which was released late in the evening of the 13th, recalled the King's oft-expressed willingness to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation as indicated in his letter of June 12. The proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary" act by assuming powers that did not belong to it. Thus, it was stated, the King was faced with the alternative of causing bloodshed or enduring violence, and in order not to become an accomplice

0907

Declassified E.O. 12356 Section 3.3/NND No. 927800/15

to the illegality committed and to spare the people further suffering, he had chosen to leave the country. However, it was added that, in leaving, Umberto II felt it his duty as an Italian and as King to protest against the violence committed. He called on his followers not to do anything to threaten the unity of the country. All those who had sworn allegiance to the King were released from their oaths. The proclamation stated finally that the country could always rely on the King as the most devoted of its sons.

The King's departure was likewise carefully concealed from the Italian Government and when an Italian aircraft was requested for the King from the Italian Ministry of Aeronautics, the Ministry was requested by the Palace not to inform the Prime Minister since the Palace would do that itself directly. Accordir to the Presidency of the Council of Ministers, the Prime Minister learned of the King's departure through other channels.

The Government issued a statement on June 14, saying that the King's proclamation was a "spiteful" document constructed on a false basis. Regardless of the Government's earlier recognition of the results of the referendum on June 10, the King continued to discuss a delegation of royal powers, and in spite of the difficulty of reconciling the two points of view, the Government had continued the discussions with the King until they were broken off by Avv. Lucifero the night of June 12, it declared. It was stated that the King's letter of June 12 ignored the report of the Court and therefore the Council had to meet to reaffirm the results of the referendum. The President of the Council had given the King proof that a peaceful solution was sought and the King had recognized more than once the loyalty of the Government, which the drafters of the proclamation seemed to ignore. The Government's statement ended by saying that the last two sentences of the proclamation were all that remained of the original proclamation prepared by the King and by deploring that a difficult situation, which had developed not

0908

Declassified E.O. 12356 Section 3.3/NND No. 785045

rely on the King as the most devoted of its sons.

The King's departure was likewise carefully concealed from the Italian Government and when an Italian aircraft was requested for the King from the Italian Ministry of Aeronautics, the Ministry was requested by the Palace not to inform the Prime Minister since the Palace would do that itself directly. Accordir to the Presidency of the Council of Ministers, the Prime Minister learned of the King's departure through other channels.

The Government issued a statement on June 14, saying that the King's proclamation was a "spiteful" document constructed on a false basis. Regardless of the Government's earlier recognition of the results of the referendum on June 10, the King continued to discuss a delegation of royal powers, and in spite of the difficulty of reconciling the two points of view, the Government had continued the discussions with the King until they were broken off by Avv. Lucifero the night of June 12, it declared. It was stated that the King's letter of June 12 ignored the report of the Court and therefore the Council had to meet to reaffirm the results of the referendum. The President of the Council had given the King proof that a peaceful solution was sought and the King had recognized more than once the loyalty of the Government, which the drafters of the proclamation seemed to ignore. The Government's statement ended by saying that the last two sentences of the proclamation were all that remained of the original proclamation prepared by the King and by deploring that a difficult situation, which had developed not without dignity, had ended on an undignified note.

On the same day the Prime Minister spoke to the nation, recalling that the procedure for deciding the results of the referendum was laid down by law, and promulgated by the King. He stated that all parties in Italy, and the same conclusion was reached abroad, considered that the decision was arrived at freely and honestly. Signor de Gasperi stated it was distasteful to reopen the controversy but that on repeated occasions he had found the King in a conciliatory

Declassified E.O. 12356 Section 3.3/NND No. 785075

mood, and that it was possible to consider from a human angle the tragedy of Umberto II who had inherited a discredited dynasty. De Gasperi said that the nation could consider this last episode of an old dynasty as a part of the national catastrophe. He closed by calling on all to present a united front to those threatening Italy's frontiers.

The Court of Cassation issued its final official report on the referendum on June 18. The definitive findings of the Court included reports from all of the precincts previously missing and consideration of the protests of irregularities in voting. According to the Court's final report the Republic received 12,717,923 votes, and the Monarchy received 10,719,284 votes. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. The final report of the court indicated that there were approximately one million and a half invalid votes.

Immediately thereafter, the Council of Ministers approved a decree establishing procedures in view of the change in the institutional form of the state. The decrees during the interim period would be issued by the President of the Council of Ministers in virtue of his authority as provisional chief of state. The Italian tricolor was established provisionally as the national flag without the Savoy coat of arms. The Government also approved a decree dissolving the Senate on the date the Constituent Assembly should convene, that is, June 25, 1946. The law provided that the personal status of the senators shall be considered by the Constituent Assembly in due course.

2502

At the request of the American and British Governments, I called on the Prime Minister on June 21 to extend to him the congratulations of those governments upon the orderly manner in which the first free elections since pre-Fascist days had been carried out in Italy. I said that the United States and British

Declassified E.O. 12356, Section 3.3/NND No. 735045

on June 18. The definitive findings of the Court included reports from all of the precincts previously missing and consideration of the protests of irregularities in voting. According to the Court's final report the Republic received 12,717,923 votes, and the Monarchy received 10,719,284 votes. The Court decided that the phrase in the electoral law "majority of the electoral vote" must be interpreted as meaning a majority of the electors who expressed themselves through valid votes. The final report of the court indicated that there were approximately one million and a half invalid votes.

Immediately thereafter, the Council of Ministers approved a decree establishing procedures in view of the change in the institutional form of the state. The decrees during the interim period would be issued by the President of the Council of Ministers in virtue of his authority as provisional chief of state. The Italian tricolor was established provisionally as the national flag without the Savoy coat of arms. The Government also approved a decree dissolving the Senate on the date the Constituent Assembly should convene, that is, June 25, 1946. The law provided that the personal status of the senators shall be considered by the Constituent Assembly in due course.

At the request of the American and British Governments, I called on the 250?
Prime Minister on June 21 to extend to him the congratulations of those governments upon the orderly manner in which the first free elections since pre-Fascist days had been carried out in Italy. I said that the United States and British Governments had been particularly impressed by the large number of electors who participated in the elections, thus demonstrating their appreciation of the responsibility of each citizen in a democracy.

The Constituent Assembly convened in Rome, at Palazzo Montecitorio on June 25. Giuseppe Saragat, Socialist party leader, was elected President of the Assembly. Subsequently, four vice-presidents and a secretary were elected. The

(49)

Declassified E.O. 12356 Section 3.3/NND No. 750015

session was opened by Signor Orlando as the dean of the deputies in point of age, The Prime Minister replied on behalf of the Government. Both speeches referred to the meeting of the Council of Foreign Ministers in Paris and reiterated the reasons why Italy should not be subjected to a punitive peace.

The President of the Italian Republic was elected by the Constituent Assembly Friday afternoon, June 28. The Assembly's choice, by 396 out of 504 votes cast, was Enrico de Nicola, a Neapolitan jurist, 69 years old, with a distinguished legal and parliamentary career behind him. The new President arrived in Rome on Monday, July 1 and will take up temporary residence in the Palazzo Madama. Signor de Gasperi was received by the President the same afternoon and handed in his government's resignation. At the time of writing (July 3) President de Nicola, after consulting government and party leaders in the formation of a new government representative of the people's will as expressed in the recent national elections, has charged Signor de Gasperi with the task of forming a new government.

This, Gentlemen, concludes my political review. I regret that my attendance at a SACMED conference at Caserta on July 5 prevents my attendance at your meeting.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC, (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ

0912
Declassified E.O. 12356 Section 3.3/NND No. 927015

Assembly Friday afternoon, June 28. The Assembly's choice, by 396 out of 504 votes cast, was Enrico de Nicola, a Neapolitan jurist, 69 years old, with a distinguished legal and parliamentary career behind him. The new President arrived in Rome on Monday, July 1 and will take up temporary residence in the Palazzo Madama. Signor de Gasperi was received by the President the same afternoon and handed in his government's resignation. At the time of writing (July 3) President de Nicola, after consulting government and party leaders in the formation of a new government representative of the people's will as expressed in the recent national elections, has charged Signor de Gasperi with the task of forming a new government.

This, Gentlemen, concludes my political review. I regret that my attendance at a SACMED conference at Caserta on July 5 prevents my attendance at your meeting.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC, (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

(44)

0913
Declassified E.O. 12356 Section 3.3/NND No. 785615

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE FOR PRESENTATION
AT THE
53rd MEETING OF THE ADVISORY COUNCIL FOR ITALY ON JUNE 7, 1946.

Gentlemen:

As was to be expected, the first week of the period under review was entirely taken up with preparations for the elections on June 2nd and 3rd. The Council of Ministers was unable to meet during this period and therefore no government business was transacted. All the Ministers and political party leaders were touring the country at lightning speed, making their final pre-election speeches.

Political excitement reached its fever pitch on May 30th with the holding of the last publicly allowed political gatherings. On that day Signor de Gasperi spoke in Florence and Milan. He had spoken earlier in the week in Sicily, Southern Italy and Rome. Signor Togliatti made his principal speech at a large Communist gathering on the Palatine Hill on May 30th while the Republicans met in the Piazza della Cancelleria, the Socialists at the Basilica of Maxentius and Senator Orlando addressed the adherents of the National Democratic Union in the Teatro Adriano. Political gatherings were of course forbidden on May 31st and June 1st and there was consequently a noticeable slackening of the tension at least on the surface. Political activities no doubt continued on these days but the general air of orderliness throughout the country was only marred by one incident, when, it is reported, a hand grenade was thrown into the offices of the Avanti newspaper in Milan during the evening of June 1st.

2305

Before reporting on the elections themselves and discussing such results as have become known at the time of writing, I would like to draw your attention to one or two events which took place during the last week of May and may be said

0914
Declassified E.O. 12356 Section 3.3/NND No. 785045

As was to be expected, the first week of the period under review was entirely taken up with preparations for the elections on June 2nd and 3rd. The Council of Ministers was unable to meet during this period and therefore no government business was transacted. All the Ministers and political party leaders were touring the country at lightning speed, making their final pre-election speeches.

Political excitement reached its fever pitch on May 30th with the holding of the last publicly allowed political gatherings. On that day Signor de Gasperi spoke in Florence and Milan. He had spoken earlier in the week in Sicily, Southern Italy and Rome. Signor Togliatti made his principal speech at a Lungo Communist gathering on the Palatine Hill on May 30th while the Republicans met in the Piazza della Cancelleria, the Socialists at the Basilica of Maxentius and Senator Orlando addressed the adherents of the National Democratic Union in the Teatro Adriano. Political gatherings were of course forbidden on May 31st and June 1st and there was consequently a noticeable slackening of the tension at least on the surface. Political activities no doubt continued on these days but the general air of orderliness throughout the country was only marred by one incident, when, it is reported, a hand grenade was thrown into the offices of the Avanti newspaper in Milan during the evening of June 1st.

2505

Before reporting on the elections themselves and discussing such results as have become known at the time of writing, I would like to draw your attention to one or two events which took place during the last week of May and may be said to have some influence on the elections also. As you are already aware, at 5.30 p.m. on May 29th, the Executive Commissioner of the Allied Commission, acting on my behalf, called on the President of the Council and left with him a written communication to the effect that in view of the imminent elections the Allied

47

0915

Declassified E.O. 12356 Section 3.3/NND No. 785075

Governments regarded as terminated the undertaking given by successive Italian Governments since the armistice regarding the truce on the institutional question. Although in practice the institutional truce has been violated a number of times by both sides in recent months, and could not therefore be said to be operative any longer, it was necessary from the point of view of the Allied Governments to take official action to terminate the truce in order that at some future date the Italian political parties should not be able to accuse the Allied authorities of having hampered their electoral activities by insisting on the maintenance of the truce and thereby prejudicing the free expression of the popular will.

During the week the press was full of rumours regarding the imminent signature of the new armistice terms. These rumours were given a stimulus by the visit to Rome of the Supreme Allied Commander on May 29th. However, General Morgan did not see the President of the Council on this occasion and there was, needless to say, no truth in the story that the new armistice was about to be signed. However, on instructions from the Supreme Allied Commander, I caused the text of the revised armistice as agreed by the Four Foreign Ministers at Paris on May 16th to be officially communicated to Signor de Gasperi at 11 a.m. on June 1st. The text of this document is as follows:

"Whereas hostilities have ceased.

"Whereas after the armistice, Italian Forces contributed to the war against Germany, Italy declared war on Germany as from October 13, 1943 and thereby became a co-belligerent against Germany.

"Whereas the armistice terms have thereby become in part obsolete or have been superseded by events.

"Whereas the Government of Italy has requested and the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France have agreed to a modification of the armistice regime in the light of existing circumstances.

2304

0916

Declassified E.O. 12356 Section 3.3/NND No. 785045

to take official action to terminate the truce in order that at some later date the Italian political parties should not be able to accuse the Allied authorities of having hampered their electoral activities by insisting on the maintenance of the truce and thereby prejudicing the free expression of the popular will.

During the week the press was full of rumours regarding the imminent signature of the new armistice terms. These rumours were given a stimulus by the visit to Rome of the Supreme Allied Commander on May 29th. However, General Morgan did not see the President of the Council on this occasion and there was, needless to say, no truth in the story that the new armistice was about to be signed. However, on instructions from the Supreme Allied Commander, I caused the text of the revised armistice as agreed by the Four Foreign Ministers at Paris on May 16th to be officially communicated to Signor de Gasperi at 11 a.m. on June 1st. The text of this document is as follows:

"Whereas hostilities have ceased.

"Whereas after the armistice, Italian Forces contributed to the war against Germany, Italy declared war on Germany as from October 13, 1943 and thereby became a co-belligerent against Germany.

"Whereas the armistice terms have thereby become in part obsolete or have been superseded by events. 2304

"Whereas the Government of Italy has requested and the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France have agreed to a modification of the armistice regime in the light of existing circumstances.

"Accordingly, the afore-mentioned Governments have decided that the Armistice terms shall be modified as follows, pending the coming into force of a treaty of peace.

"1. The additional conditions of armistice of September 29, 1943 are hereby abrogated.

"2. Relations between the United States, United Kingdom, Soviet and French

(41)

0917

Declassified E.O. 12356 Section 3.3/NND No. 785045

Governments, acting in the interest of the United Nations, and Italy, shall be governed by the Armistice of September 3, 1943, as modified by the present agreement.

"3. The Allied Commission is hereby abolished.

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

"(B) The employment and disposition of the Italian Navy shall remain as at present under the command and control of the Supreme Allied Commander.

"(C) Pending the coming into force of any treaty of Peace, Allied Military Government shall be continued under the Supreme Allied Commander, Mediterranean, in Venezia Giulia and in the Province of Udine.

"4. The provisions of the present instrument shall not apply in or affect the administration of any Italian colony or dependency.

"5. Simultaneously with the coming into force of the present agreement, further agreements shall be concluded between the United States and Italy, and between the United Kingdom and Italy, providing for the maintenance in Italy of Allied Forces under redeployment, and for the retention of the Allied Forces required for the Allied lines of communication to Austria.

"6. Italian prisoners of war now held under the jurisdiction of the United States, United Kingdom, the Soviet Union and France shall be repatriated as soon as possible.

"7. The Government and people of Italy will abstain from all acts detrimental to the interest of the United Nations or of their nationals.

2303

"8. The Italian Government will cooperate in the apprehension and surrender for trial of, or in making available as witnesses, Italian subjects or nationals of

0918

Declassified E.O. 12356 Section 3.3/NND No. 759015

the control functions of supervision and direction of the Italian Armed Forces heretofore exercised by the Land, Navy and Air Force Sub-Commissions in the Allied Commission. This section shall control the production of armaments.

"(B) The employment and disposition of the Italian Navy shall remain as at present under the command and control of the Supreme Allied Commander.

"(C) Pending the coming into force of any treaty of Peace, Allied Military Government shall be continued under the Supreme Allied Commander, Mediterranean, in Venezia Giulia and in the Province of Udine.

"4. The provisions of the present instrument shall not apply in or affect the administration of any Italian colony or dependency.

"5. Simultaneously with the coming into force of the present agreement, further agreements shall be concluded between the United States and Italy, and between the United Kingdom and Italy, providing for the maintenance in Italy of Allied Forces under redeployment, and for the retention of the Allied Forces required for the Allied lines of communication to Austria.

"6. Italian prisoners of war now held under the jurisdiction of the United States, United Kingdom, the Soviet Union and France shall be repatriated as soon as possible.

"7. The Government and people of Italy will abstain from all acts detrimental to the interest of the United Nations or of their nationals.

2303

"8. The Italian Government will cooperate in the apprehension and surrender for trial of, or in making available as witnesses, Italian subjects or nationals of states at war with the United Nations designated by the United Nations as war crimes commission or the International Military Tribunal established by the agreement signed at London on August 8, 1945.

"9. The Italian Government will provide, at its own expense, all necessary facilities for and will cooperate with the United Nations in the search for and

(48)

Declassified E.O. 12356 Section 3.3/NND No. 785045

restitution of property wrongfully removed from the territories of the United Nations and located in Italian territory.

"10. The Italian Government, in full recognition of the absolute and untrammelled right of the people of Italy to choose by constitutional means the form of democratic government they desire, hereby renews its pledge to submit to the will of the people, to this end, the Italian Government undertakes to provide through free elections for an expression of the popular will on the democratic forms of government to be chosen by the people, it being understood that the choice shall be decided by the majority of the popular vote, which shall be binding upon the present government and upon bodies constituted through such elections.

"11. The present agreement shall be without prejudice to any claims of any of the United Nations against Italy rising out of hostilities conducted in or by Italy and shall in no way affect the final disposal of Italian territory or property, nor shall it impair any limitations or restrictions which may be imposed upon Italy in the Treaty of Peace.

"12. The present agreement shall enter into force upon signature thereof by the President of the Council of Ministers of Italy, and by the Supreme Allied Commander in Italy duly authorized thereto by the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France and shall remain in force until superseded by other arrangements or until the coming into force of the Peace Treaty with Italy."

The agreement revising the armistice terms will be signed by the Supreme Allied Commander and the Italian Government at the same time as two supplementary agreements between the United States and Italy and the United Kingdom and Italy respectively regarding the maintenance of Allied troops in this country. These supplementary agreements will be negotiated with the Italian Government and I understand that they are, for your information, similar to the agreements which the British Government concluded with the United States Government in London

2302

0920

Declassified E.O. 12356 Section 3.3/NND No. 785015

free elections for an expression of the popular will on the democratic forms of government to be chosen by the people, it being understood that the choice shall be decided by the majority of the popular vote, which shall be binding upon the present government and upon bodies constituted through such elections.

"11. The present agreement shall be without prejudice to any claims of any of the United Nations against Italy rising out of hostilities conducted in or by Italy and shall in no way affect the final disposal of Italian territory or property, nor shall it impair any limitations or restrictions which may be imposed upon Italy in the Treaty of Peace.

"12. The present agreement shall enter into force upon signature thereof by the President of the Council of Ministers of Italy, and by the Supreme Allied Commander in Italy duly authorized thereto by the Governments of the United States, United Kingdom, Union of Soviet Socialist Republics and France and shall remain in force until superseded by other arrangements or until the coming into force of the Peace Treaty with Italy."

The agreement revising the armistice terms will be signed by the Supreme Allied Commander and the Italian Government at the same time as two supplementary agreements between the United States and Italy and the United Kingdom and Italy respectively regarding the maintenance of Allied troops in this country. These supplementary agreements will be negotiated with the Italian Government and I understand that they are, for your information, similar to the agreements which the British Government concluded with the United States Government in London during the war for similar purposes and recently with certain Allied Governments since the liberation of Western Europe in connection with British lines of communication with Germany and Austria.

The only other development of importance during this period was the proclamation of King Umberto II on June 1st. This statement came as the climax to a week of great activity on the part of all Monarchist sympathizers. The

(48)

2302

Declassified E.O. 12356 Section 3.3/NND No. 785015

09215

King himself was in the vanguard making appearances in Salerno, on May 28th, Catania, Messina and Reggio Calabria. On May 31st he was in Genoa and on June 1st he appeared in Milan and Venice where his presence is reported to have been variously received. In his statement of June 1st, His Majesty spoke with sympathy of the voter's personal attempts to do his duty in the present crisis and he reiterated his pledge to accept the results of the referendum. He stated that he would ask the supporters of the Monarchy also to respect "the decision of the majority without reservation." The King then went on to say that, should the referendum show that the majority of the people was in favor of the Monarchy, he pledged himself that, so soon as the Constituent Assembly had accomplished its task, the Italian people would again be given the opportunity to express their views on the institutional question in such form as the representatives of the people might suggest. By that time feelings would have calmed down and many Italians who were now perplexed would have had time to make a mature choice. Signor Togliatti, writing in the Unita on June 1st, immediately branded the King's statement as "a last attempt to confuse people who are still uncertain." He said that, even in the event of a Monarchist victory, King Umberto would not automatically ascend the throne but would have to abide by the decision of the Constituent Assembly on the selection of the Head of the State. As for a second referendum, the Communist leader declared, somewhat incautiously, that the electors had had enough electoral campaigns.

The elections themselves were held throughout Italy except in [illegible] Giulia and Bolzano Province on June 2nd and 3rd. According to all reliable accounts they passed off without incident. The poll seems to have been particularly heavy and it is expected that abstentions will prove to be low.

2301

The voting procedure seems to have been rather slow at first in the big centres where the electors often had to wait four or five or six hours before

09221

Declassified E.O. 12356 Section 3.3/NND No. 765045

that he would ask the supporters of the Monarchy also to respect "the decision of the majority without reservation." The King then went on to say that, should the referendum show that the majority of the people was in favor of the Monarchy, he pledged himself that, so soon as the Constituent Assembly had accomplished its task, the Italian people would again be given the opportunity to express their views on the institutional question in such form as the representatives of the people might suggest. By that time feelings would have calmed down and many Italians who were now perplexed would have had time to make a mature choice. Signor Togliatti, writing in the Unita on June 1st, immediately branded the King's statement as "a last attempt to confuse people who are still uncertain." He said that, even in the event of a Monarchist victory, King Umberto would not automatically ascend the throne but would have to abide by the decision of the Constituent Assembly on the selection of the Head of the State. As for a second referendum, the Communist leader declared, somewhat incautiously, that the electors had had enough electoral campaigns.

The elections themselves were held throughout Italy except in [illegible] Giulia and Bolzano Province on June 2nd and 3rd. According to all reliable accounts they passed off without incident. The poll seems to have been particularly heavy and it is expected that abstentions will prove to be low.

2801

The voting procedure seems to have been rather slow at first in the big centres where the electors often had to wait four or five or six hours before their turn came. Nevertheless, despite the long waits there appears to have been no unpleasantness apart from a little mild grumbling. The electors appear to have been duly impressed by the seriousness of the decision that they were taking and discharged their duty with a high sense of political decorum.

As regards the results of the voting, the position as at the time of writing (June 6th) is as follows. Out of 35,318 electoral precincts, the

48

0923

Declassified E.O. 12356 Section 3.3/NND No. 785075

ballots of 34,875 have been scrutinized. This scrutiny shows the following distribution of votes throughout the country:

Christian Democrats	8,049,101
Socialists	4,696,490
Communists	4,294,875
National Democratic Union	1,535,546
Italian Republican Party	998,091
Uomo Qualunque Party	1,201,773
Action Party	334,935
Liberty Bloc	632,536
Democratic Republican Concentration	94,464
Unionist Movement	71,902
Christian Social Party	51,673
Other lists	830,525
TOTAL	22,791,911

It is estimated that 25,000 ballots have still to be scrutinized.

The results of the referendum on the institutional question have not been officially published as they were received at the Ministry of the Interior but have been collated for general publication. This proclamation may take place on Saturday. The unofficial results show a victory for the republic by a plurality of over two million.

That, Gentlemen, concludes my report.

2300

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI

0924

Declassified E.O. 12356 Section 3.3/NND No. 785045

Italian Republican Party	998,091
Uomo Qualunque Party	1,201,773
Action Party	334,935
Liberty Bloc	632,536
Democratic Republican Concentration	94,464
Unionist Movement	71,902
Christian Social Party	51,673
Other lists	830,525
TOTAL	22,791,911

It is estimated that 25,000 ballots have still to be scrutinized.

The results of the referendum on the institutional question have not been officially published as they were received at the Ministry of the Interior but have been collated for general publication. This proclamation may take place on Saturday. The unofficial results show a victory for the republic by a plurality of over two million.

That, Gentleman, concludes my report.

2300

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC, (6)
Exec Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ, (2)

(48)

0925

Declassified E.O. 12356 Section 3.3/NND No. 785075

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period May 10th --- May 24th, 1946)

As reported in my supplementary statement at the 52nd meeting of the Advisory Council for Italy on May 10th, King Victor Emmanuel abdicated in favor of his son Prince Humbert, on May 9th. An official communique was issued by the Royal Household in the evening of that day as follows:

"Today, at 12 o'clock in Naples, King Victor Emmanuel III signed the instrument of abdication and, according to custom, left as a voluntary exile. As soon as the new King returns to Rome an official communication will be made to the Council of Ministers."

The actual instrument of abdication is couched in the following terms:

"I abdicate in favor of my son, Humbert of Savoy, Prince of Piedmont.

Signed Victor Emmanuel III,
King of Italy,
Naples May 9th, 1946."

The President of the Council stated to the press on the same evening that the essential point was that any change should not affect the solemn and unequivocal pledge given by the Crown to entrust its fate to the decisions of the referendum and the Constituent Assembly. He said he had no reason to doubt that this would be so and that he was awaiting the official communication which would reach him on the following day before the meeting of the Council of Ministers.

2299

The King's abdication was the subject of bitter comment in the Left Wing press, particularly in the Communist newspaper "Unita" to which Signor Togliatti, Secretary-General of the Communist Party, contributed an article in

0926
Declassified E.O. 12356 Section 3.3/NND No. 785015

As reported in my supplementary statement at the 52nd meeting of the Advisory Council for Italy on May 10th, King Victor Emmanuel abdicated in favor of his son Prince Humbert, on May 9th. An official communique was issued by the Royal Household in the evening of that day as follows:

"Today, at 12 o'clock in Naples, King Victor Emmanuel III signed the instrument of abdication and, according to custom, left as a voluntary exile. As soon as the new King returns to Rome an official communication will be made to the Council of Ministers."

The actual instrument of abdication is couched in the following terms:

"I abdicate in favor of my son, Humbert of Savoy, Prince of Piedmont.

Signed Victor Emmanuel III,
King of Italy,
Naples May 9th, 1946."

The President of the Council stated to the press on the same evening that the essential point was that any change should not affect the solemn and unequivocal pledge given by the Crown to entrust its fate to the decisions of the referendum and the Constituent Assembly. He said he had no reason to doubt that this would be so and that he was awaiting the official communication which would reach him on the following day before the meeting of the Council of Ministers.

2299

The King's abdication was the subject of bitter comment in the Left Wing press, particularly in the Communist newspaper "Unita" to which Signor Togliatti, Secretary-General of the Communist Party, contributed an article in which he accused the Royal Family of having violated the truce on the Institutional Question. He stated that the Lieutenant of the Realm was in fact described in official documents as "the Lieutenant-General of the Realm" and not of the King. The law governing the holding of the referendum laid down three points:

Declassified E.O. 12356 Section 3.3/NND No. 759045

(1) That the people would be called upon to decide whether Italy was to be a Republic or a Monarchy;

(2) That even if the referendum were to favor the Monarchy, the decision on the person of the King would still rest with the Constituent Assembly;

(3) That if the referendum were to favor the Monarchy, the Lieutenancy would be maintained until the new Constitution had been approved.

At its meeting on May 10th, the Council discussed the situation arising out of King Victor Emmanuel's abdication and Signor de Gasperi read to the assembled Ministers the following letter from the new King:

"My father's abdication gives me succession to the throne ope legis. His action in no way alters the constitutional powers exercised by me in my capacity as Lieutenant-General; nor does it modify in any way the pledge I took concerning the referendum and the Constituent Assembly. I feel certain that the Government wishes to continue to collaborate with me in the interests of the country until the decision of the popular consultation."

Signor de Gasperi proposed that in view of these assurances the Council of Ministers should accept King Humbert's succession. Signor Togliatti formally protested against what he termed a "violation of the institutional truce." His charges were rebutted by the Ministers Cattani and Corbino. The Action Party Minister, Bracci, eventually proposed the compromise formula which involved the deletion of the words "by the Grace of God and the will of the Nation" from the headings of decrees and legal judgments. The Council, after many hours of discussion, approved a decree law of one single article providing that all the regulations on the limits of the powers of the Crown in accordance with Decree No. 98 of March 6th, 1946, should remain in force and that decrees and judgments should be issued in the name of "Humbert the Second, King of Italy," only. On the same day, the new King made a proclamation to the Italian people in which he swore before God that he would loyally respect the fundamental laws of the State

0928

Declassified E.O. 12356 Section 3.3/NND No. 785045

At its meeting on May 10th, the Council discussed the situation arising out of King Victor Emmanuel's abdication and Signor de Gasperi read to the assembled Ministers the following letter from the new King:

"My father's abdication gives me succession to the throne ope legis. His action in no way alters the constitutional powers exercised by me in my capacity as Lieutenant-General; nor does it modify in any way the pledge I took concerning the referendum and the Constituent Assembly. I feel certain that the Government wishes to continue to collaborate with me in the interests of the country until the decision of the popular consultation."

Signor de Gasperi proposed that in view of these assurances the Council of Ministers should accept King Humbert's succession. Signor Togliatti formally protested against what he termed a "violation of the institutional truce" His charges were rebutted by the Ministers Cattani and Corbino. The Action Party Minister, Bracci, eventually proposed the compromise formula which involved the deletion of the words "by the Grace of God and the will of the Nation" from the headings of decrees and legal judgments. The Council, after many hours of discussion, approved a decree law of one single article providing that all the regulations on the limits of the powers of the Crown in accordance with Decree No. 98 of March 6th, 1946, should remain in force and that decrees and judgments should be issued in the name of "Humbertthe Second, King of Italy," only. On the same day, the new King made a proclamation to the Italian people in which he swore before God that he would loyally respect the fundamental laws of the State as renewed and perfected by the people's will and he confirmed his pledge to respect, like all other Italians, the free decisions of the imminent elections which he was certain would be taken bearing in mind the best interests of the country.

King Victor Emmanuel's abdication was inevitably the cause for numerous demonstrations during the week-end, all of which seem to have passed off without

(47)

Declassified E.O. 12356 Section 3.3/NND No. 760075

09229

serious incident. There was a spontaneous Monarchist demonstration on the day of the King's abdication and an organised meeting on the following Sunday. On the Republican side a mass meeting was held in Piazza del Popolo on May 11th at which the Left Wing press claims 200,000 citizens were present and paraded uninterruptedly in the centre of the city for an hour and a half.

The abdication has been generally interpreted, especially in Left-Wing political circles, as an astute move on the part of the Monarchist Party to improve its chances in the forthcoming elections. While the King himself has repeatedly declared his intention of submitting to the will of the people, certain sections of his supporters have been campaigning vigorously for a postponement of the elections, or at least of the holding of the referendum, on the grounds that the country has not been allowed sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians will be unable to express their opinion on June 2nd. This campaign took the form of approaches to various Allied officers, including myself, and it was for this reason and in order to remove any form of misconception on the responsibility of the Allies in this matter that I published the following statement to the press on May 17th:

"The date of June 2nd was set by the Italian Government and, by his signature on the decree, was confirmed by the King when he was Luogotenente. Since the Italian Government with the King's approval has set the date, it is not correct to address me on the subject and I must refuse to receive, therefore, any petitions or other communications requesting Allied Commission intervention.

2298

"The question of postponement has not been raised with me either by the King or the Italian Government. Any move by the Allied Commission in this matter would therefore be an unwarranted intervention in Italian internal affairs."

In the meantime the political parties have been most active in their

0930

Declassified E.O. 12356 Section 3.3/NND No. 779005 #7

The abdication has been generally interpreted, especially in Left-wing political circles, as an astute move on the part of the Monarchist Party to improve its chances in the forthcoming elections. While the King himself has repeatedly declared his intention of submitting to the will of the people, certain sections of his supporters have been campaigning vigorously for a postponement of the elections, or at least of the holding of the referendum, on the grounds that the country has not been allowed sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians will be unable to express their opinion on June 2nd. This campaign took the form of approaches to various Allied officers, including myself, and it was for this reason and in order to remove any form of misconception on the responsibility of the Allies in this matter that I published the following statement to the press on May 17th:

"The date of June 2nd was set by the Italian Government and, by his signature on the decree, was confirmed by the King when he was Luogotenente. Since the Italian Government with the King's approval has set the date, it is not correct to address me on the subject and I must refuse to receive, therefore, any petitions or other communications requesting Allied Commission intervention.

2298

"The question of postponement has not been raised with me either by the King or the Italian Government. Any move by the Allied Commission in this matter would therefore be an unwarranted intervention in Italian internal affairs."

In the meantime the political parties have been most active in their campaigning in this important pre-election period. In fact, in the latter part of the period under review public attention has been focussed very largely on the electoral campaign to the virtual exclusion of all else. Numerous important speeches have been made, notably one by Signor de Gasperi in Rome on May 11th. On the subject of the Monarchy, the President of the Council asked his audience whether they really wished to establish a Republic. In other words, did they

47

0931

Declassified E.O. 12356 Section 3.3/NNM No. 785045

think they were capable of assuming the greater responsibility and the greater sacrifices called for by a regime in which everything, including the choice of the Head of the State, depended on their personal decision? He went on to say that if Italians had confidence in the Republic which was in theory the most ideal democratic regime, if they believed they were ready for the Republican order, they could not give their votes to those parties which, as had happened in France, wished to lead Italy to a Republic dominated by one single Assembly or by the most daring and unscrupulous men, by an Assembly which might become a committee of public safety or a dictatorship by one man or one party. Signor de Gasperi therefore appealed for greater unity within the Christian Democrat party and expressed his belief that in spite of the national disaster, Italians would save themselves and would save Italy.

On the same day, Signor Nenni spoke in Milan and affirmed his belief that no reactionary force in the country could prevent the holding of the elections on June 2nd. On that day the people would pass judgment not on the King but on the political institution of the Monarchy. He again called for the maintenance of the alliance between the Socialists and Communists and referred to the dangers of any foreign policy which aimed at attaching Italy to any so-called bloc of great powers.

Sunday, May 12th, was notable for numerous political speeches throughout the country. The President of the Council spoke in Trento where he disclosed that there had been attempts to induce the Government to postpone the elections, while on the other hand exaggerated fears had been expressed on the subject of a possible coup d'etat. These difficulties, he said, had been overcome without affecting the formal pledge on the part of the King and the nation to submit to the arbitration of the people on June 2nd. Taking up the point he had made in his speech in Rome on the day before, Signor de Gasperi emphasized again the

2497

0 9 3 2 1

Declassified E.O. 12356 Section 3.3/NNB No. 785045

they could not give their votes to those parties which, as had happened in France, wished to lead Italy to a Republic dominated by one single Assembly or by the most daring and unscrupulous men, by an Assembly which might become a committee of public safety or a dictatorship by one man or one party. Signor de Gasperi therefore appealed for greater unity within the Christian Democrat party and expressed his belief that in spite of the national disaster, Italians would save themselves and would save Italy.

On the same day, Signor Nenni spoke in Milan and affirmed his belief that no reactionary force in the country could prevent the holding of the elections on June 2nd. On that day the people would pass judgment not on the King but on the political institution of the Monarchy. He again called for the maintenance of the alliance between the Socialists and Communists and referred to the dangers of any foreign policy which aimed at attaching Italy to any so-called bloc of great powers.

Sunday, May 12th, was notable for numerous political speeches throughout the country. The President of the Council spoke in Trento where he disclosed that there had been attempts to induce the Government to postpone the elections, while on the other hand exaggerated fears had been expressed on the subject of a possible coup d'etat. Those difficulties, he said, had been overcome without affecting the formal pledge on the part of the King and the nation to submit to the arbitration of the people on June 2nd. Taking up the point he had made in his speech in Rome on the day before, Signor de Gasperi emphasized again the importance of the presence in the Constituent Assembly of a mature group of men who stood for liberty, order and progress as well as for the maintenance and defence of spiritual, Christian traditions. The rest of his speech at Trento was devoted to a study of the local ethnic problem. He hoped that common sense would prevail and that it would be possible to reach a loyal agreement between the two ethnic groups in the Alto Adige based on equity, justice and democracy.

2297

47

0933

Declassified E.O. 12356 Section 3.3/NND No. 785075

Speaking later on in the day at Rovereto, Signor de Gasperi dealt with the Colonies and declared that Italians could not accept a bargain at their expense.

Count Sforza spoke in Milan on the same day and declared that the Republic stood for stability and the Monarchy for adventures. In Palermo, Signor Togliatti announced that the Communist party recognized the right of the Sicilian people to administrative autonomy within the framework of national unity. At Verona, Signor Nenni affirmed that the Italian people on June 2nd would not proclaim the Republic of Nenni and Togliatti; nor would it proclaim the Republic of de Gasperi. On June 2nd Italy would proclaim the Republic of the whole Italian people.

During the last week, King Humbert made surprise visits to Sardinia on May 19th, to Naples on the 20th and to Turin on the 22nd. He seems to have been generally well received. On May 21st, Signor de Gasperi spoke in Cagliari and discussed the food situation, Venezia Giulia (with special reference to the results of the Paris meeting of the four Foreign Ministers), the Italian Navy (which he declared should form part of the international naval force which the UNO proposed to create) and the Colonies (which he stated still required Italian assistance for their future exploitation). The latter half of his speech was taken up by a description of his party's policy of decentralization and regional autonomies. On May 19th Signor Gasparotto, for the National Democratic Union, Signor Saragat for the Socialists and Signor Giannini for the Uomo Qualunque Party made speeches in Milan. Signor Gronchi discussed the social programme of the Christian Democratic Party in Bologna, while in Florence Signor Covelotto, speaking on behalf of the National Democratic Union, affirmed the need for a strong central bloc. Count Sforza also spoke in criticism of the Monarchy. The Socialist point of view was illustrated by Signor Pertini in Naples andSignor Nenni in Salerno. Speaking at Catanzaro, Signor Togliatti affirmed that the Communists also defended the "Italianita" of Trieste. The institutional question was the

[illegible] in Palermo, while in Salerno Signor Salvagg

0934
Declassified E.O. 12356 Section 3.3/NND No. 759015

Signor Nenni affirmed that the Italian people on June 2nd would not proclaim the Republic of Nenni and Togliatti; nor would it proclaim the Republic of de Gasperi. On June 2nd Italy would proclaim the Republic of the whole Italian people.

During the last week, King Humbert made surprise visits to Sardinia on May 19th, to Naples on the 20th and to Turin on the 22nd. He seems to have been generally well received. On May 21st, Signor de Gasperi spoke in Cagliari and discussed the food situation, Venezia Giulia (with special reference to the results of the Paris meeting of the four Foreign Ministers), the Italian Navy (which he declared should form part of the international naval force which the UNO proposed to create) and the Colonies (which he stated still required Italian assistance for their future exploitation). The latter half of his speech was taken up by a description of his party's policy of decentralization and regional autonomies. On May 19th Signor Gasparotto, for the National Democratic Union, Signor Saragat for the Socialists and Signor Giannini for the Uomo Qualunque Party made speeches in Milan. Signor Gronchi discussed the social programme of the Christian Democratic Party in Bologna, while in Florence Signor Covelotto, speaking on behalf of the National Democratic Union, affirmed the need for a strong central bloc. Count Sforza also spoke in criticism of the Monarchy. The Socialist point of view was illustrated by Signor Pertini in Naples and Signor Nenni in Salerno. Speaking at Catanzaro, Signor Togliatti affirmed that the Communists also defended the "Italianita" of Trieste. The institutional question was the main topic of Signor La Malfa's speech in Palermo, while in Salerno Signor Selvaggi discussed the same subject from the Monarchist point of view. On May 20th, the veteran statesman Orlando addressed 40,000 people in Messina.

2296

During the period under review the Council of Ministers has transacted a certain amount of business other than that arising out of the abdication and the preparations for the holding of the national elections. At their meeting on May 10th, Signor de Gasperi made a full report on his mission to Paris. He

0 9 3 5

Declassified E.O. 12356 Section 3.3/NND No. 788045

stated that the Yugoslav representatives had adopted an extremely rigid attitude. He, for his part, had made it clear that no democratic Italian Government could accept the loss of Trieste and he had refused the Russian offer of colonial compensations therefor. He had also had the opportunity in private conversations of discussing Italy's other problems with the four Foreign Ministers. To Mr. Bevin he had expressed the hope that Italy might be allowed to retain her navy as an international force in the services of the UNO. As regards the colonies, he had suggested a form of mandate in which Italy would take part as soon as she was admitted to the UNO. He had had a most cordial conversation with M. Molotov with whom he had discussed the colonies and relations with Yugoslavia. M. Molotov had indeed insisted that he should stay in Paris to meet M. Kardelj with whom he had had a cordial non-political talk.

Meeting on May 15th, the Council of Ministers discussed public order in relation to the forthcoming elections. Signor Romita, the Minister of the Interior, informed the Council of the measures he had taken to ensure that the elections would be held in the greatest calm. On his proposal it was decided to inform the Italian Federation General of Labor that the Government would not allow strikes of an economic character until after June 2nd. The Council decided in principle to call upon employers and workers to avoid during the next few weeks any discussion on questions which might lead to suspension of work and to disturbances. Signor Cattani also drew attention to certain difficulties which had arisen in connection with the distribution of electoral certificates. At the end of the discussion the Council formally reconfirmed its determination to hold the political elections and the referendum on June 2nd. The Council then examined the problem of the locust plague in Sardinia and, on the subject 2295 OVRA lists, adopted Signor Bracci's proposal that the original lists should be published with the sole exclusion of persons who had died and of police officials and that a commission should be set up to try those amongst the suspects who had appealed against their inclusion in the lists. The next item under examination

0936
Declassified E.O. 12356 Section 3.3/NND No. 785065

he had suggested a form of mandate in which Italy would take part as soon as she was admitted to the UNO. He had had a most cordial conversation with M. Molotov with whom he had discussed the colonies and relations with Yugoslavia. M. Molotov had indeed insisted that he should stay in Paris to meet M. Kardelj with whom he had had a cordial non-political talk.

Meeting on May 15th, the Council of Ministers discussed public order in relation to the forthcoming elections. Signor Romita, the Minister of the Interior, informed the Council of the measures he had taken to ensure that the elections would be held in the greatest calm. On his proposal it was decided to inform the Italian Federation General of Labor that the Government would not allow strikes of an economic character until after June 2nd. The Council decided in principle to call upon employers and workers to avoid during the next few weeks any discussion on questions which might lead to suspension of work and to disturbances. Signor Cattani also drew attention to certain difficulties which had arisen in connection with the distribution of electoral certificates. At the end of the discussion the Council formally reconfirmed its determination to hold the political elections and the referendum on June 2nd. The Council then examined the problem of the locust plague in Sardinia and, on the subject of the OVRA lists, adopted Signor Bracci's proposal that the original lists should be published with the sole exclusion of persons who had died and of police officials and that a commission should be set up to try those amongst the suspects who had appealed against their inclusion in the lists. The next item under examination was King Humbert's request for the publication of an amnesty decree. The Council finally decided to approve this decree, account being taken of similar measures promulgated in recent months, of the condition of public safety, of the requirements of justice and of the need for the political pacification of the country which the Government had repeatedly recognized. The amnesty decree will not be

2495

0937

Declassified E.O. 12356 Section 3.3/NND No. 785015

published until after the elections on June 2nd but it will bear the date of May 15th. It was decided that an amnesty would be granted immediately quashing sentences up to six months imprisonment or 9,000 lire fines. This measure would be absorbed in the general amnesty decree which will be published after June 2nd and in which special attention will be given to political crimes. The Council also examined a draft statute for the Sicilian region which provides for a very wide autonomy of the Island with a large measure of decentralization, within the framework of the united Italian State. The statute was approved and will be submitted to the Constituent Assembly for its coordination with the new constitution of the State. A similar statute for Sardinia is also in preparation. The Council concluded its meeting by examining the coal situation.

On the following day, May 16th, the Council again studied the problem of public order and it was decided to ban open-air political meetings during the two days before the elections and not to interfere with the discretionary powers of the Minister of the Interior with regard to the holding of political meetings since the condition of public order did not give rise to anxiety. Other decrees approved by the Council provided for the grant of an attendance bonus for civil servants, for radical changes in the present working of Assize Courts and for the allocation of a further sum of 5 billion lire on land reclamation works.

The Council's meeting on May 23rd was taken up by discussions on the negotiations now in progress between the Italian Air Ministry and the Trans-continental and Western Airways, Inc., for the creation of a joint company 'Linee Aeree Italiane'. Signor Nenni enquired whether this projected Anglo-American concern might not become, in view of the possibility that it might assume a monopolistic form, a threat to the existence of other Italian companies. Signor Nenni also raised the question of the seizure of Italian fishing trawlers by the Yugoslav authorities. The President of the Council stated that he had referred the matter to the Allied Commission. The Minister for Marine suggested that, pending international settlement of the question of fishing rights, Italian

2294

Declassified E.O. 12356 Section 3.3/NNO No. 785045

wide autonomy of the island with a large measure of decentralization, within the framework of the united Italian State. The statute was approved and will be submitted to the Constituent Assembly for its coordination with the new constitution of the State. A similar statute for Sardinia is also in preparation. The Council concluded its meeting by examining the coal situation.

On the following day, May 16th, the Council again studied the problem of public order and it was decided to ban open-air political meetings during the two days before the elections and not to interfere with the discretionary powers of the Minister of the Interior with regard to the holding of political meetings since the condition of public order did not give rise to anxiety. Other decrees approved by the Council provided for the grant of an attendance bonus for civil servants, for radical changes in the present working of Assize Courts and for the allocation of a further sum of 5 billion lire on land reclamation works.

The Council's meeting on May 23rd was taken up by discussions on the negotiations now in progress between the Italian Air Ministry and the Trans-continental and Western Airways, Inc., for the creation of a joint company 'Linee Aeree Italiane'. Signor Nenni enquired whether this projected Anglo-American concern might not become, in view of the possibility that it might assume a monopolistic form, a threat to the existance of other Italian companies. Signor Nenni also raised the question of the seizure of Italian fishing trawlers by the Yugoslav authorities. The President of the Council stated that he had referred the matter to the Allied Commission. The Minister for Marine suggested that, pending international settlement of the question of fishing rights, Italian crews should not proceed too far from territorial waters. Public order was also the subject of further discussion and the Minister of the Interior reported on the additional measures which he had taken. A number of charges and counter-charges were made by various Ministers on the subject of the alleged attempts of the political parties to influence the elections by the use of force. The Council

(47)

294

Declassified E.O. 12356 Section 3.3/NND No. 785075

0936

finally approved a declaration as follows:

"The Council of Ministers, recalling that the law approved by the Consultative Assembly decided on by the Council of Ministers itself, ratified and issued by the head of the State, binds everybody to respect the decision of the people's referendum; reaffirms its intention of taking care, with the greatest energy and objectivity, that the voting operations take place in an atmosphere of freedom and under the full authority of the State, which alone has the duty and the right to safeguard public order, which is entrusted exclusively to its own organisms. The Government therefore is firmly determined to forestall and repress any act of intimidation or violence, and to prevent any attempt to prepare and create armed Party formations, and appeals to the Parties and the press to be good enough to help the Government in its effort to revive in the people the sense of responsibility and self-discipline, of which it gave proof during the recent administrative elections."

The Council also approved the text of a proclamation to the Armed Forces submitted by the Services Ministers. This proclamation, after reaffirming the freedom of opinion of the members of the Armed Forces, reminds them of their allegiance to the laws of the country and of their duty to observe that the regulations are enforced for the preservation of public order.

May 24th was celebrated through Italy as the anniversary of Italy's entry into the 1915/1918 war. In Rome, the President of the Council, various Ministers, the Chief of the General Staff, Representatives of the Armed Forces and of the CGIL attended a ceremony at the tomb of the unknown soldier. The official speaker was Signor Gasperotto who declared that Italians looked confidently to the United Nations in the hope that Italy's contribution to victory would be taken into account and that the victorious Allies would not impose unbearable conditions of peace. Signor Cianca of the Action Party gave a radio address on the same day from the Republican angle and General Bencivenga addressed a large [illegible] of war wounded, war veterans, reduci and partisans in the Piazza del

2293

Declassified E.O. 12356 Section 3.3/NND No. 785045

has the duty and the right to safeguard public order, which is entrusted exclusively to its own organisms. The Government therefore is firmly determined to forestall and repress any act of intimidation or violence, and to prevent any attempt to prepare and create armed Party formations, and appeals to the Parties and the press to be good enough to help the Government in its effort to revive in the people the sense of responsibility and self-discipline, of which it gave proof during the recent administrative elections."

The Council also approved the text of a proclamation to the Armed Forces submitted by the Services Ministers. This proclamation, after reaffirming the freedom of opinion of the members of the Armed Forces, reminds them of their allegiance to the laws of the country and of their duty to observe that the regulations are enforced for the preservation of public order.

May 24th was celebrated through Italy as the anniversary of Italy's entry into the 1915/1918 war. In Rome, the President of the Council, various Ministers, the Chief of the General Staff, Representatives of the Armed Forces and of the CGIL attended a ceremony at the tomb of the unknown soldier. The official speaker was Signor Gasparotto who declared that Italians looked confidently to the United Nations in the hope that Italy's contribution to victory would be taken into account and that the victorious Allies would not impose unbearable conditions of peace. Signor Ciasca of the Action Party gave a radio address on the same day from the Republican angle and General Bencivenga addressed a large gathering of war wounded, war veterans, reduci and partisans in the Piazza del Popolo. The celebrations went off without untoward incident and although both Monarchists and Republicans had alleged in advance that their opponents were preparing to disturb public order by violence, no reports of any such incidents have been received.

2293

In the field of foreign affairs, it became known on May 16th that the

(47)

0941

Declassified E.O. 12356 Section 3.3/NND No. 778045

four Foreign Ministers, having failed to reach agreement on the conclusion of a peace treaty with Italy, had agreed on an immediate revision of the armistice terms. The President of the Council reported to his colleagues on this agreement on May 16th and stated that a member of the Italian Delegation in Paris would arrive on May 17th by air bringing with him the text of the new armistice terms. According to information which had reached him and to communications which he had received from the Allied Commission he understood that it was a question of a revision of the armistice terms rather than of a modus vivendi. He summed up the revision as follows:

(1) The abolition of the Allied Commission and the creation in its place of a military commission attached to the Mediterranean Military Command.

(2) The drawing up of civil affairs agreements between Great Britain and the United States of America on the one hand and Italy on the other.

(3) The immediate repatriation of all Italian prisoners of war.

(4) The confirmation of the declaration that the armistice would leave Italy's territorial position unprejudiced.

(5) An undertaking on the part of Italy to hand over war criminals.

(6) An undertaking on the part of the Italian Government and of the Allies to allow free elections.

On the following day, Signor de Gasperi stated to the press that the full text of the Armistice with the supplementary agreements was still being elaborated by the Allied Governments and that no forecast could be made as to when the revised Armistice would be signed. As regards the conference of the Deputies of the Foreign Ministers which would start in Paris on May 27th, Signor de Gasperi confirmed that Italian Representatives would be asked on May 27th and 28th to expound the Italian Government's views on the claims made by France and Austria respectively. There was therefore no question of negotiations and the President of the Council did not believe that his presence would be necessary.

2292

0 9 4 2 1

Declassified E.O. 12356 Section 3.3/NND No. 778545

[illegible] that it was a question of a revision of the armistice terms rather than of a modus vivendi. He summed up the revision as follows:

(1) The abolition of the Allied Commission and the creation in its place of a military commission attached to the Mediterranean Military Command.

(2) The drawing up of civil affairs agreements between Great Britain and the United States of America on the one hand and Italy on the other.

(3) The immediate repatriation of all Italian prisoners of war.

(4) The confirmation of the declaration that the armistice would leave Italy's territorial position unprejudiced.

(5) An undertaking on the part of Italy to hand over war criminals.

(6) An undertaking on the part of the Italian Government and of the Allies to allow free elections.

On the following day, Signor de Gasperi stated to the press that the full text of the Armistice with the supplementary agreements was still being elaborated by the Allied Governments and that no forecast could be made as to when the revised Armistice would be signed. As regards the conference of the Deputies of the Foreign Ministers which would start in Paris on May 27th, Signor de Gasperi confirmed that Italian Representatives would be asked on May 27th and [illegible]th to expound the Italian Government's views on the claims made by France and Austria respectively. There was therefore no question of negotiations and the President of the Council did not believe that his presence would be necessary. The defence of Italian interests would be entrusted to the Ambassadors Marchese Moli di Soragna and Count Carandini. Signor de Gasperi would of course go at once to Paris if his presence there was desired.

2292

DISTRIBUTION:
Chief of Secretariat, Adv Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC, (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
CC Files

(47)

0943

Declassified E.O. 12356 Section 3.3/NNO No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 393

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE FOR PRESENTATION AT THE 52nd MEETING OF THE ADVISORY COUNCIL FOR ITALY ON MAY 30th, 1946.

Gentlemen:

The four Foreign Ministers' Conference at Paris has been the dominating topic of news during the last fortnight. It has aroused Italian interest almost to the exclusion of everything else. The news of the scale of reparations proposed to be exacted from Italy and of the plans for the disposal of the Italian Fleet have provoked the most violent reactions in all sections of the Italian press. On April 29th the President of the Council despatched a telegram to each of the four Ministers met in Paris, the text of which is as follows:

"Press reports from Paris, particularly those relating to reparations and the Navy, arouse profound anxiety among Italian public opinion at large. Not being in possession of direct news of the proceedings of the meeting of the four Foreign Ministers, the Italian Government hesitates to believe these reports and continues to have faith in a peace with justice and in the foresight of the statesmen who are preparing the peace treaty in Paris. However, following the decision to form two Committees, financial and naval, the former to examine Italy's capacity to pay reparations, and the latter to study the present situation of our Navy, the Italian Government asks that Italian financial and naval experts be heard by these Committees, in order that the voice of the party principally interested, namely Italy, may be heard, and her case appraised, even though only on strictly technical and informative lines, before any decision is reached. The Italian Government further expects that, after the consultation of [illegible] and before any definite decision is taken, it may be allowed to

229

Declassified E.O. 12356 Section 3.3/NND No. 780045

Gentlemen:

The four Foreign Ministers' Conference at Paris has been the dominating topic of news during the last fortnight. It has aroused Italian interest almost to the exclusion of everything else. The news of the scale of reparations proposed to be exacted from Italy and of the plans for the disposal of the Italian Fleet have provoked the most violent reactions in all sections of the Italian press. On April 29th the President of the Council despatched a telegram to each of the four Ministers met in Paris, the text of which is as follows:

"Press reports from Paris, particularly those relating to reparations and the Navy, arouse profound anxiety among Italian public opinion at large. Not being in possession of direct news of the proceedings of the meeting of the four Foreign Ministers, the Italian Government hesitates to believe these reports and continues to have faith in a peace with justice and in the foresight of the statesmen who are preparing the peace treaty in Paris. However, following the decision to form two Committees, financial and naval, the former to examine Italy's capacity to pay reparations, and the latter to study the present situation of our Navy, the Italian Government asks that Italian financial and naval experts be heard by these Committees, in order that the voice of the party principally interested, namely Italy, may be heard, and her case appraised, even though only on strictly technical and informative lines, before any decision is reached. The Italian Government further expects that, after the consultation of the experts and before any definite decision is taken, it may be allowed to express its own point of view on questions which are of fundamental importance for the whole Italian people. I therefore appeal to you to be good enough to convey this profound desire of ours, inspired by those democratic methods of consultation which alone can ensure European rebirth and which furthermore bear out the friendly and formal assurances given us in the course of these last months. Two years of war fought with extreme loyalty side by side with the United Nations justify this expectation of ours."

(46)

291

0945

Declassified E.O. 12356 Section 3.3/NND No. 785015

On the same day it became known that the Marquis Meli Lupi di Soragna, a former Ambassador, had been appointed as Head of the Italian Delegation to the Peace Conference, should an Italian Delegation be invited to participate in the Conference's work. The Ambassador was received by the President of the Council on April 29th and left for Paris on the following day accompanied by the Marchese Colonna. Later in the week, however, - on May 1st - the Italian Government received an invitation from M. Bidault to send representatives to Paris to state the Italian case on Venezia Giulia. After some discussion it was decided that Signor de Gasperi should himself go and he accordingly left on the following day accompanied by Count Corrandini, the Italian Ambassador in London, and numerous experts of the Italian Ministry of Foreign Affairs. Signor de Gasperi presented the Italian case to the four Foreign Ministers on May 3rd and according to press reports was much encouraged by their reception of it. However, this first phase of optimism has been rapidly succeeded by one of depression due to the apparent failure of the four Ministers to reach agreement among themselves on the question of the North-East Frontier. It is not yet known whether Signor de Gasperi has had any opportunity to state officially the Italian Government's point of view on reparations, the fleet and Italy's overseas possessions, although it is known that he had every intention of doing so if the opportunity could be made.

In the absence of Signor de Gasperi, the Council of Ministers has not transacted much business but it met on May 3rd under the Presidency of the Vice-President, Signor Nenni. It approved several decrees for the reduction of the staffs of the armed forces, allotted 11,000,000 lire to the S. Cecilia Academy, approved the arrangements for the distribution of relief commodities to State employees and took a final decision on the publication of the full list of 727 OVRA agents. The Council also approved a decree which re-establishes the people's juries of 10 registered electors for the Courts of Assize.

The Christian Democrat Party National Congress, the main proceedings of

Declassified E.O. 12356 Section 3.3/NND No. 785045
09466

received an invitation from M. Bidault to send representatives to [illegible] the Italian case on Venezia Giulia. After some discussion it was decided that Signor de Gasperi should himself go and he accordingly left on the following day accompanied by Count Cerandini, the Italian Ambassador in London, and numerous experts of the Italian Ministry of Foreign Affairs. Signor de Gasperi presented the Italian case to the four Foreign Ministers on May 3rd and according to press reports was much encouraged by their reception of it. However, this first phase of optimism has been rapidly succeeded by one of depression due to the apparent failure of the four Ministers to reach agreement among themselves on the question of the North-East Frontier. It is not yet known whether Signor de Gasperi has had any opportunity to state officially the Italian Government's point of view on reparations, the fleet and Italy's overseas possessions, although it is known that he had every intention of doing so if the opportunity could be made.

In the absence of Signor de Gasperi, the Council of Ministers has not transacted much business but it met on May 3rd under the Presidency of the Vice-President, Signor Nenni. It approved several decrees for the reduction of the staffs of the armed forces, allotted 11,000,000 lire to the S. Cecilia Academy, approved the arrangements for the distribution of relief commodities to State employees and took a final decision on the publication of the full list of 727 OVRA agents. The Council also approved a decree which re-establishes the people's juries of 10 registered electors for the Courts of Assize.

The Christian Democrat Party National Congress, the main proceedings of which were reported in my last fortnightly review, concluded its labours in Rome on April 29th. Signor de Gasperi made a detailed statement in which he echoed the anxiety of Italian public opinion over the news coming from Paris. He exhorted his audience to maintain calm, lest certain manifestations of opinion should be distorted by other countries into a justification for a hostile attitude and for charges of neo-Fascism against the Italian people. The Congress concluded its labours by appointing a new executive, after having decided that in future there

Declassified E.O. 12356 Section 3.3/NND No. 785045

should be only one Deputy secretary instead of three as hitherto. Signor de Gasperi was re-elected Secretary-General and Signor Picconi was elected Deputy Secretary. The other members of the Executive are as follows: Signori Restagno, Pastore, Bossetti, Maria Jervolino, Brusasca, Mattarella, Venoni, Lazzati, Petrone, Fuschini and Fanfani. The following were reconfirmed in their posts: Signor Restagno as Administrative Secretary and Signor Gonella as Editor of "Il Popolo", the official organ of the Party. The following are to be ex-officio members of the Executive: Signor Achille Grandi, Secretary of the CGIL; Signora Angela Guidi Cingolani, National Delegate of the Women's Movement; and Signor Giulio Andreotti, National Delegate of the Youth Groups. On the proposal of Signor de Gasperi it was unanimously approved that the following should remain on the Executive: Signor Tupini, as Commissioner for the Constituent Assembly, and Signor Cingolani as Commissioner for the Consultative Assembly. Finally the following will be members of the Executive in an advisory capacity: the Ministers Gronchi and Scelba and the Under Secretaries Spataro, Sceni, Caseleni and Morazza.

The National Congress of the Italian Liberal Party was opened in Rome on April 29th. The inaugural address was made by Senator Croce who declared that the aim of the Liberal Party was to establish or rather to re-establish democratic political methods. He declared that in the choice of the measures to be adopted in solving the economic problems of the country no guiding principle should be followed other than that of deciding whether it helped or harmed liberty. On the subject of the institutional question, Senator Croce claimed that a liberal should not attribute too great importance to a question which did not affect the substance of liberty but only the juridical form of the state. The real decisions incumbent on the Liberal Party were on the one hand to engage all their forces in the task of ensuring that the popular reply to the referendum would be oriented

2-89

Declassified E.O. 12356 Section 3.3/NND No. 780015

0948

the official organ of the Party. The following are to be ex-officio members of the Executive: Signor Achille Grandi, Secretary of the CGIL; Signora Angela Guidi Cingolani, National Delegate of the Women's Movement; and Signor Giulio Andreotti, National Delegate of the Youth Groups. On the proposal of Signor de Gasperi it was unanimously approved that the following should remain on the Executive: Signor Tupini, as Commissioner for the Constituent Assembly, and Signor Cingolani as Commissioner for the Consultative Assembly. Finally the following will be members of the Executive in an advisory capacity: the Ministers Gronchi and Scelba and the Under Secretaries Spataro, Segni, Cassiani and Morezza.

The National Congress of the Italian Liberal Party was opened in Rome on April 29th. The inaugural address was made by Senator Croce who declared that the aim of the Liberal Party was to establish or rather to re-establish democratic political methods. He declared that in the choice of the measures to be adopted in solving the economic problems of the country no guiding principle should be followed other than that of deciding whether it helped or harmed liberty. On the subject of the institutional question, Senator Croce claimed that a liberal should not attribute too great importance to a question which did not affect the substance of liberty but only the juridical form of the state. The real decisions incumbent on the Liberal Party were on the one hand to engage all their forces in the task of ensuring that the popular reply to the referendum would be adopted whatever it was, and, on the other hand, to surround and reinforce the monarchy or the republic with institutions which would guarantee impartiality and freedom for all. Signor Bonomi, as honorary speaker, next addressed the Congress and after assuring the Liberals of the solidarity of the Labour Democrat Party with the Liberals went on to deplore the attitude of the Allies towards Italy as revealed by the proceedings of the Paris Conference. He complained that "the faults and

(16)

2-89

Declassified E.O. 12356 Section 3.3/NND No. 785615

09491

mistakes of the Fascist war are remembered and the 20 months of heroic cobelligerency are forgotten." This tone of anxiety over the international situation was dominant in the speeches of succeeding orators such as Signor Nitti and Signor Orlando. The former said Italy today was threatened from all sides and had no friends and could only raise herself again by the united efforts of her children. It was essential that Italians should fight as little as possible amongst themselves and should unite in the face of the common danger. Signor Bresio in his speech recalled the feats of the partisans. Signor Casandra next delivered his political report which, following the lead given by Senator Croce, claimed that the institutional question was a problem of secondary importance whereas the main duty of the Liberal Party was to create a new state.

During the second day of the Congress's proceedings Count Carandini spoke and declared himself to belong to the party's progressive left-wing with special reference to land reform and to industrial reform, advocating the nationalization of the great industrial combines as an exceptional measure. He concluded, amid expressions of approval and dissent, by stating that only a limited degree of socialization could guarantee the moral improvement of the working classes and dissuade them from experiments in collectivism. The next speaker was Signor Bresio who raised the vital question of the Party's attitude on the monarchy-republic dispute. He declared himself in favor of taking up a definite stand and said that he personally had already decided for a republic.

On the third day of the Congress, Signor de Caro spoke and created something of a sensation by declaring that the Italian fleet would scuttle itself rather than submit to being handed over to the Allied powers. Signor Corbino who spoke mainly on the financial situation also proclaimed the belief that no Italian Government could subscribe to peace conditions which would perpetuate the state of Italy's "humiliating inferiority." Later in the day, Signor Sogno, who was one of the prominent resistance leaders in the North, spoke in favor of a progressive

2:88

Declassified E.O. 12356 Section 3.3/NND No. 785015

selves and should unite in the face of the common danger. Signor Bonomi in his speech recalled the feats of the partisans. Signor Casandro next delivered his political report which, following the lead given by Senator Croce, claimed that the institutional question was a problem of secondary importance whereas the main duty of the Liberal Party was to create a new state.

During the second day of the Congress's proceedings Count Carandini spoke and declared himself to belong to the party's progressive left-wing with special reference to land reform and to industrial reform, advocating the nationalisation of the great industrial combines as an exceptional measure. He concluded, amid expressions of approval and dissent, by stating that only a limited degree of socialisation could guarantee the moral improvement of the working classes and dissuade them from experiments in collectivism. The next speaker was Signor Bonomi who raised the vital question of the Party's attitude on the monarchy-republic dispute. He declared himself in favor of taking up a definite stand and said that he personally had already decided for a republic.

On the third day of the Congress, Signor de Caro spoke and created something of a sensation by declaring that the Italian fleet would scuttle itself rather than submit to being handed over to the Allied powers. Signor Corbino who spoke mainly on the financial situation also proclaimed the belief that the Italian Government could subscribe to peace conditions which would perpetuate the state of Italy's "humiliating inferiority." Later in the day, Signor Segni, who was one of the prominent resistance leaders in the North, spoke in favor of a progressive monarchy. Towards the end of the day's proceedings three resolutions were submitted for the vote, the first in favor of a non-committal attitude on the institutional question, the second favoring the monarchy and the third the republic. Voting began in the evening and the results were announced on May 4th. The "non-committal" motion was rejected by 508 votes to 309. The "monarchical" motion received 412 votes and the "republican" motion 261 votes. 121 blank votes were recorded and 11

2:88

46

Declassified E.O. 12356 Section 3.3/NND No. 785015

declared null and void. The text of the winning motion is as follows:

"The third Liberal Party Congress recalls that during the twenty years of the Fascist regime and the twenty months of resistance, Liberals of the Monarchist trend and those of the Republican trend have fought side by side for the rebirth of a liberal and democratic Italy; it pledges from this moment all Liberals to accept loyally the verdict of the popular consultation, whatever may be the result, by explicitly abandoning a legitimist attitude and to oppose, in the case of a Republican solution, any attempt at a monarchical restoration against the people's will; recognizing the need for a renovation of the monarchical institution, it expresses the conviction that the maintenance of constitutional continuity offers at the present difficult moment the best guarantees both for the safeguard of public liberties and for the progressive evolution of the democratic system, juridical order and social progress, leaving to its own dissentient adherents full freedom of propaganda and voting." The Congress then confirmed Senator Croce as President of the Party and Signor de Caro and Count Carandini were elected Vice-Presidents. The President of the Congress read the names of the 30 members of the National Council designated by the regional representatives while the nomination of the other 70 members of the national council was referred to a special committee.

May 1st was celebrated throughout Italy as Labour Day by orderly demonstrations in the principal centres.

The Christian Democratic newspaper Il Popolo published on May 1st a table showing the final results of the administrative elections based on data supplied by the Ministry of the Interior. I give this table below since it seems to me to be more readily comprehensible than the tables which have appeared in other publications.

2287

0952

Declassified E.O. 12356 Section 3.3/NND No. 785015

recent legally the verdict of the popular consultation, whatever may be the result, by explicitly abandoning a legitimist attitude and to oppose, in the case of a Republican solution, any attempt at a monarchical restoration against the people's will; recognizing the need for a renovation of the monarchical institution, it expresses the conviction that the maintenance of constitutional continuity offers at the present difficult moment the best guarantees both for the safeguard of public liberties and for the progressive evolution of the democratic system, juridical order and social progress, leaving to its own dissentient adherents full freedom of propaganda and voting." The Congress then confirmed Sumner Croce as President of the Party and Signor de Caro and Count Carandini were elected Vice-Presidents. The President of the Congress read the names of the 30 members of the National Council designated by the regional representatives while the nomination of the other 70 members of the national council was referred to a special committee.

May 1st was celebrated throughout Italy as Labour Day by orderly demonstrations in the principal centres.

The Christian Democratic newspaper Il Popolo published on May 1st a table showing the final results of the administrative elections based on data supplied by the Ministry of the Interior. I give this table below since it seems to me to be more readily comprehensible than the tables which have appeared in other publications.

2287

(16)

Declassified E.O. 12356 Section 3.3/NND No. 785015

PARTIES	NORTH Seats	CENTRAL Seats	SOUTH Seats	ISLANDS Seats	TOTAL Seats	Communes
Christian Democrats	22.714	4.294	6.647	3.124	36.779	2.034
with other parties in Centre Concentration	1.148	1.184	3.412	1.062	6.808	349
TOTAL	23.862	5.478	10.059	4.186	43.585	2.383
Socialists	2.640	467	466	174	3.747	146
Communists	1.383	566	578	283	3.310	143
Social-Communists with other parties	21.908	7.262	4.969	2.192	36.331	2.000
TOTAL	26.431	8.295	6.013	2.649	43.388	2.289
Independent	4.491	950	2.569	807	8.817	479
Local Parties	1.094	12	154	1.231	2.491	149
Liberals	403	166	1.208	220	1.997	100
Labour Democrats	14	97	931	288	1.330	69
Ex-Servicemen and Reduci	201	126	669	144	1.140	56
Republicans	124	599	150	66	939	38
Actionists	70	31	145	40	286	9
Guglielmotti	8	27	393	105	533	23
Italian Democrats	5	12	56	-	73	5
Right Concentration	73	106	988	232	1.399	65
Other groupings	68	16	176	27	287	18
Communes in which no group prevails	-	-	-	-	-	30
GRAND TOTAL	56.844	15.915	23.511	9.995	106.265	5.722

That, Gentlemen, concludes my report.

2486

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI

0954
Declassified E.O. 12356 Section 3.3/NND No. 785045

Socialists	2.640	467	466	174	3.747	146
Communists	1.883	566	578	283	3.310	143
Social-Communists with other parties	21.908	7.262	4.969	2.192	36.331	2.000
TOTAL	26.431	8.295	6.013	2.649	43.388	2.289
Independent	4.491	950	2.569	807	8.817	479
Social Democrats	1.094	12	154	1.231	2.491	149
Liberals	403	166	1.208	220	1.997	100
Labour Democrats	14	97	931	288	1.330	69
Ex-Servicemen and Reduci	201	126	669	144	1.140	56
Republicans	124	599	150	66	939	38
Actionists	70	31	146	40	286	9
Qualunquisti	8	27	393	105	533	20
Italian Democrats	5	12	56	-	73	5
Right Concentration	73	106	988	232	1.399	65
Other groupings	68	16	176	27	287	13
Communes in which no group prevails	-	-	-	-	-	39
GRAND TOTAL	56.244	15.915	23.511	9.995	106.665	5.722

That, Gentlemen, concludes my report.

2256

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Exec Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

46

0955

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period April 12th -- April 26th, 1946)

The period under review has been notable mainly for the holding of the Socialist Party and Christian Democratic Party National Congresses and for a serious crisis in the food situation.

The 24th National Congress of the Socialist Party was opened in Florence on April 11th and lasted until April 17th. The principal topic of discussion was to be the question of fusion with the Communist Party, linked with which to a certain degree was the future position of Signor Nenni, the Secretary-General of the Party, himself. The proceedings were opened by Signor Togliatti, the Communist leader, who ridiculed the idea that his Party wished to absorb the Socialists. He pleaded for a permanent union in domestic and foreign affairs of the two left-wing parties. There followed speeches by representatives from Switzerland, Poland, Austria, Bulgaria and San Marino. Prof. Laski, the Chairman of the British Labour Party spoke next and acclaimed the Labour Party victory in Great Britain last summer as a sign of the times - the world wanted Socialism and was moving towards it. He declared that British Labour stood shoulder to shoulder with Italian Socialism in this movement and went on to predict that, in May, Italians would be sitting side by side on equal terms with their British comrades at the Peace Conference table.

Signor Nenni next rose to make his political report. He claimed that the Socialist Party had been, if not the only one, at least the most [illegible] and consistent champion of the Constituent Assembly. The political elections lay ahead and there was now no need to fear the outcome. He then outlined the Party's programme -- a democratic Republic; a united State with local autonomies; a single

2:85

0956
Declassified E.O. 12356 Section 3.3/NND No. 759045

Socialist Party and Christian Democratic Party National Congresses and for a serious crisis in the food situation.

The 24th National Congress of the Socialist Party was opened in Florence on April 11th and lasted until April 17th. The principal topic of discussion was to be the question of fusion with the Communist Party, linked with which to a certain degree was the future position of Signor Nenni, the Secretary-General of the Party, himself. The proceedings were opened by Signor Togliatti, the Communist leader, who ridiculed the idea that his Party wished to absorb the Socialists. He pleaded for a permanent union in domestic and foreign affairs of the two left-wing parties. There followed speeches by representatives from Switzerland, Poland, Austria, Bulgaria and San Marino. Prof. Laski, the Chairman of the British Labour Party spoke next and acclaimed the Labour Party victory in Great Britain last summer as a sign of the times - the world wanted Socialism and was moving towards it. He declared that British Labour stood shoulder to shoulder with Italian Socialism in this movement and went on to predict that, in May, Italians would be sitting side by side on equal terms with their British comrades at the Peace Conference table.

Signor Nenni next rose to make his political report. He claimed that the Socialist Party had been, if not the only one, at least the most intrepid and consistent champion of the Constituent Assembly. The political elections lay ahead and there was now no need to fear the outcome. He then outlined the Party's programme -- a democratic Republic; a united State with local autonomies; a single legislative Chamber supported by a Chamber of Economic Councils; a President elected by the Chamber; a government responsible to the Chamber; a Constitution guaranteeing freedom of conscience, thought, speech, press and organization; definition of the right to work, to a home, to existence and to education; limitation of the right of ownership with socialization of the public services

2285

0957

Declassified E.O. 12356 Section 3.3/NND No. 785015

and monopolies; repudiation of war. In foreign policy, the Party believed that Italy could not afford to side with any bloc, whether Russian or Anglo-American. She needed to make regional ententes with France, Spain, Yugoslavia and Greece. The just frontier with Yugoslavia was that of 1919. Other claims to Italian territory were inadmissible. The Socialists wanted trusteeship for the Colonies, access to raw materials and freedom of emigration. As regards the Church, the Party accepted the Lateran Treaty as a fact, but it was necessary to define powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Constituent Assembly and the Republic were in the cycle of the bourgeois revolution but they could only survive by exceeding this limitation. For this the unity of the working classes was essential. The Socialists could tackle the political struggle on the basis of unity brought about either by the "pact of united action" or by "fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni concluded his report by quoting the results of the administrative elections as proof of the overwhelming strength of the combined left-wing parties.

Signor Nenni's report was the subject of lively debate on successive days. Delegates spoke on the four motions submitted for discussion which advocated more or less close co-operation with the Communists. The most important attack on Signor Nenni and the "fusionist" elements came from Signor Saragat, recently Italian Ambassador at Paris. The latter claimed that Signor Nenni's report contained no single word which expressed the true aspirations of Socialists. He formulated his criticism of Signor Nenni's policy as follows: "The policy of fusionism as it is conceived today is not inspired by a real desire on the part of the working class, but by the possibility of exploiting the total control it confers to the service of particular interests." This speech had a mixed reception. The delegates were often hostile in attitude in the early

0 9 5 8 1

Declassified E.O. 12356 Section 3.3/NND No. 785045

powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Constituent Assembly and the Republic were in the cycle of the bourgeois revolution but they could only survive by exceeding this limitation. For this the unity of the working classes was essential. The Socialists could tackle the political struggle on the basis of unity brought about either by the "pact of united action" or by "fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni concluded his report by quoting the results of the administrative elections as proof of the overwhelming strength of the combined left-wing parties.

Signor Nenni's report was the subject of lively debate on successive days. Delegates spoke on the four motions submitted for discussion which advocated more or less close co-operation with the Communists. The most important attack on Signor Nenni and the "fusionist" elements came from Signor Saragat, recently Italian Ambassador at Paris. The latter claimed that Signor Nenni's report contained no single word which expressed the true aspirations of Socialists. He formulated his criticism of Signor Nenni's policy as follows: "The policy of fusionism as it is conceived today is not inspired by a real desire on the part of the working class, but by the possibility of exploiting the total control it confers to the service of particular interests." This speech had a mixed reception. The delegates were often hostile in attitude in the early stages, but in the end gave Signor Saragat a great ovation, not perhaps so much on account of the content of his speech, but for the able manner in which he delivered it.

Signor Nenni counterattacked in the concluding phases of the congress and claimed that the criticisms levelled against the Executive lacked concreteness

(43)

2284

Declassified E.O. 12356 Section 3.3/NND No. 760045

0959

and were purely ideological -- no answer had been given to the problem put by himself as to which political forces could be counted on for the production of the new ruling class and for the purpose of which he had asked for collaboration with the Communists.

The results of the voting on the four motions submitted for discussion were as follows: - the "mozione di base" (inspired by Signor Nenni) gained 338,346 votes (represented by 273 delegates); the "unified" motion (Pertini - Silone - Giustizia Sociale - Fonderie Fiat) - 308,062 votes (represented by 252 delegates); the "critica sociale" motion (Saragat) - 83,761 votes (represented by 79 delegates) and the Genoa Federation motion - 14,252 votes (represented by 15 delegates). The text of the winning motion reads as follows:-

"The 24th Congress of the Italian Socialist Party of Proletarian Unity, the first held since the Fascist dictatorship, salutes the memory of all who, from Giacomo Matteotti to Bruno Buozzi, from the Freedom Volunteers in Spain to the partisans of the war of liberation have helped to destroy Fascist tyranny with the shedding of their blood and their sacrifices; observes that various gaps in the work of the Party Executive have occurred but admits that, generally speaking, it has made a consistent effort to solve the problem of the restoration of democracy, to bring the country to the Constituent Assembly and the Republic and consequently approves the line of policy pursued by the majority of the Executive and the report of the Secretary General; the Congress reaffirms that the Socialist Party is, and remains, a class Party inspired by the economic and social principles of Marxism, having as its ultimate aim the destruction of capitalism, and as its immediate objectives the creation of the Republican and democratic State and the gradual application of substantial reforms in the sphere of land, industry and credit, which will free all the working classes from political oppression and economic exploitation; declares that there is an incompatibility between the members of the Socialist Party of Proletarian Unity

2483

historic moment,

Declassified E.O. 12356 Section 3.3/NND No. 778067

338,346 votes (represented by 273 delegates); the "unified" motion (Pertini - Silone - Giustizia Sociale - Fonderia Pisa) - 300,062 votes (represented by 252 delegates); the "critica sociale" motion (Saragat) - 83,761 votes (represented by 79 delegates) and the Genoa Federation motion - 14,252 votes (represented by 15 delegates). The text of the winning motion reads as follows:-

"The 24th Congress of the Italian Socialist Party of Proletarian Unity, the first held since the Fascist dictatorship, salutes the memory of all who, from Giacomo Matteotti to Bruno Buozzi, from the Freedom Volunteers in Spain to the partisans of the war of Liberation have helped to destroy Fascist tyranny with the shedding of their blood and their sacrifices; observes that various gaps in the work of the Party Executive have occurred but admits that, generally speaking, it has made a consistent effort to solve the problem of the restoration of democracy, to bring the country to the Constituent Assembly and the Republic and consequently approves the line of policy pursued by the majority of the Executive and the report of the Secretary General; the Congress reaffirms that the Socialist Party is, and remains, a class Party inspired by the economic and social principles of Marxism, having as its ultimate aim the destruction of capitalism, and as its immediate objectives the creation of the Republican and democratic State and the gradual application of substantial reforms in the sphere of land, industry and credit, which will free all the working classes from political oppression and economic exploitation; declares that there is no incompatibility between the members of the Socialist Party of Proletarian Unity and their religious belief. The Congress, in this present historic moment, reaffirms the necessity for the autonomy and independence of the Party, considering them indispensable conditions for making the pact of united action between the Socialist and Communist Parties - a pact of which the necessity is admitted - the instrument of proletarian action to guarantee the development of the democratic method. It therefore reaffirms, as a result of the debate on the relations

(45)

2683

Declassified E.O. 12356 Section 3.3/NND No. 786045

09611

between the Socialists and Communists, that there is no question of fusion between the two Parties, but only a question of unity of the working class. Unity of action must assume a concrete political substance; it will, therefore, be the task of the new Party Executive to organize, on the plane of the conquest and defence of the Republican democratic State, the joint activities of the two Parties of the working classes and of democratic forces. In the international sphere, condemning any kind of policy of hegemony and spheres of influence, the Congress entrusts the Party with the task of helping with all its strength in the reorganization of the Workers' International, appealing to the proletarian Parties to bring into being the most efficacious method of avoiding fresh wars. The Congress sees in the results of the administrative elections, culminating with the Socialist victory in Milan, a sign of the country's growing confidence in the Socialist Party; in view of the imminence of the institutional referendum and the elections for the Constituent Assembly, it calls upon and rallies men and women voters to vote for the democratic Republic and the programme which the Party today issues to the whole of the Italian people."

The final day of the proceedings of the Congress was taken up with the election of the new Party Executive. In view of the very small majority secured by the Nenni group, it was essential to effect a compromise and form an Executive representative of the three principal motions. The new Executive was eventually elected with Signor Nenni as Chairman (a new post) and Signor Ivan Matteo Lombardi (at present in the U.S.A.) as Secretary-General. The members of the Executive are Signori VALCARENGHI (Iniziativa Socialista), SIMONINI (Critica Sociale), SARAGAT (Critica Sociale), PERTINI (Unified motion), SILONE (Unified motion), CHIGNOLI (Fiat), ZAGARI (Iniziativa Socialista), BASSO, CACCIATORE, MORANDI, JACOMETTI, FOSCOLO LOMBARDI and LINA MERLIN (all Mozione di base). Signori LIZZADRI and MATTEO MATTEOTTI, and the editor of the "Avanti" will act in an advisory capacity.

2482

0962

Declassified E.O. 12356 Section 3.3/NND No. 785045

Congress entrusts the Party with the task of helping with all its strength in the reorganisation of the Workers' International, appealing to the proletarian Parties to bring into being the most efficacious method of avoiding fresh wars. The Congress sees in the results of the administrative elections, culminating with the Socialist victory in Milan, a sign of the country's growing confidence in the Socialist Party; in view of the imminence of the institutional referendum and the elections for the Constituent Assembly, it calls upon and rallies men and women voters to vote for the democratic Republic and the programme which the Party today issues to the whole of the Italian people."

The final day of the proceedings of the Congress was taken up with the election of the new Party Executive. In view of the very small majority secured by the Nenni group, it was essential to effect a compromise and form an Executive representative of the three principal motions. The new Executive was eventually elected with Signor Nenni as Chairman (a new post) and Signor Ivan Matteo Lombardi (at present in the U.S.A.) as Secretary-General. The members of the Executive are Signori VALCARENGHI (Iniziativa Socialista), SIMONINI (Critica Sociale), SARAGAT (Critica Sociale), PERTINI (Unified motion), SILONE (Unified motion), CHIGNOLI (Fiat), ZAGARI (Iniziativa Socialista), BASSO, CACCIATORE, MORANDI, JACOMETTI, FOSCOLO LOMBARDI and LINA MERLIN (all Mozione di base). Signori LIZZADRI and MATTEO MATTEOTTI, and the editor of the "Avanti" will act in an advisory capacity.

The Christian Democratic Party Congress opened in Rome on April 24th and is due to close on April 27th. Signor de Gasperi, the President of the Council and Secretary-General of the Party, spoke on the opening day. He said that the programme of the Christian Democrats, having been carefully studied and drafted by the technical committees working under the Party Executive, had been drawn up and developed in full detail as shown by the resolutions of the Party's National

0963

Declassified E.O. 12356 Section 3.3/NND No. 785045

2282

Council. It was therefore absurd and inaccurate to maintain that the Christian Democrats had no programme for the solution of the main problems of political and social life. How could one think of reforms when one was continually tormented by worry over the ruin of Italy? About 7 million Italians were homeless; more than a third of Italy's road network was destroyed; 80% of the railway system was in a disastrous state and therefore absolutely idle; the electrical industry was reduced to 20% of what it was before the war; the mercantile marine had almost disappeared. To all this must be added the "moral ruin that all the measures of epuration bring in their train" He then reviewed the vast and complete record of Christian Democracy and the activities of its Youth and Women's organizations and revealed that the latest census of the Party had given an aggregate total of registered members of 1,054,000, but he thought it ought to be in the neighbourhood of 1,500,000. Loyalty to Trade Union unity must be maintained but subject to the condition that unity within the C.G.I.L. was not subordinated to Party programmes and directives. He declared that he had no intention of arousing resentment, but wanted to give a warning that the Christian Democrats were not prepared to yield to brow-beating and intimidation. They hoped that it would not be necessary to react against acts of violence because the Government would have the means necessary for preventing them; in any case they had no intention of tolerating them. In this connection he added: "if there is still something that disturbs our hope of a serene and free decision by the Italian people in the elections, it is the rumours of arms and armed men and of intimidation from the Left and the Right." Signor de Gasperi then recalled how he had upheld in the C.L.N. the principle of the Constituent Assembly against the insurrectional conception of the Socialists, affirming the principle of the revival of liberty and confidence by consultation of the people. Today Italy had reached the Referendum which constituted the most democratic and decisive method

2281

0964

Declassified E.O. 12356 Section 3.3/NND No. 785045

was reduced to 20% of what it was before the war; the mercantile marine had almost disappeared. To all this must be added the "moral ruin that all the measures of coercion bring in their train". He then reviewed the vast and complete record of Christian Democracy and the activities of its Youth and Women's organizations and revealed that the latest census of the Party had given an aggregate total of registered members of 1,054,000, but he thought it ought to be in the neighbourhood of 1,500,000. Loyalty to Trade Union unity must be maintained but subject to the condition that unity within the C.G.I.L. was not subordinated to Party programmes and directives. He declared that he had no intention of arousing resentment, but wanted to give a warning that the Christian Democrats were not prepared to yield to brow-beating and intimidation. They hoped that it would not be necessary to react against acts of violence because the Government would have the means necessary for preventing them; in any case they had no intention of tolerating them. In this connection he added: "if there is still something that disturbs our hope of a serene and free decision by the Italian people in the elections, it is the rumours of arms and armed men and of intimidation from the Left and the Right." Signor de Gasperi then recalled how he had upheld in the C.G.I.L. the principle of the Constituent Assembly against the insurrectional conception of the Socialists, affirming the principle of the revival of liberty and confidence by consultation of the people. Today Italy had reached the Referendum which constituted the most democratic and decisive method of solving the institutional question in the last instance, in such a way as to avoid any dispute over the final decision of the people and over a method which had a pacifying effect because of its ultra-democratic nature and because it was in consonance with the sound rules of democracy. It was, however, absolutely necessary that all Parties and citizens should disarm. As regards the other Parties, Signor de Gasperi said, "The position of our Party is clear and definite. We are neither Socialists nor Communists, but we favour solidarity in the sense of the solidarity of groups in the interests, and for the purposes, of helping in

2281

(95)

0965

Declassified E.O. 12356 Section 3.3/NND No. 785045

0966

Declassified E.O. 12356 section 3.3/NND No. 778566

the exploitation of the country, and through the system in which work has ensured pre-eminence over everything. In our Party there are also landowners and industrialists: I do not think there are many, but I am convinced that their presence in our ranks is an advantage. The collaboration of these same landowners of today under legal forms must be founded on equity and on the democratic principle of the majority, without acts of violence and clashes, in freedom for all. We must pay particular attentionto ways and means of taking a decisive step in the extension of agricultural small-holdings, giving land to the agricultural day labourers who have none. One principle must be very clear; reforms must be applied regionally inasmuch as centralized land legislation is not possible."

As regards industrial reform it was not possible to think that in Italy two or three million organized workers should presume to decide, unaided, the fate of the working classes when there were still many workers who were not centrally organized.

"We are afraid that Marxism, as a tendency, may transform the economic sphere into a political one leading, at a certain point, to intervention with coercion which will be capable of making us lose our freedom; this is our fear and our reason for hesitating in the face of certain proposals. Marxism is permeated by the dialectical materialism which denies the conception of life affirmed by the Church. We do not yet know the extent to which this materialistic principle inspires the existing Parties. They certainly do not repeat the phrase that the religion of humanity is solely the product and the reflection of economic oppression in the heart of society; nevertheless we cannot be tranquil and rest content with the accommodating statements made by this or that Party in dealing with Catholics and believers; we do not in fact know the extent to which these statements are a continuation of the tactics often affirmed by Lenin in his writings."

On April 25th, delegate PICCIONI spoke on the institutional question. The reception of this speech revealed that its topic was the one which interested the delegates most. Signor Piccioni disclosed that in an internal Party Referend-

in the extension of agricultural small-holdings, giving land to the agricultural day labourers who have none. One principle must be very clear; reforms must be applied regionally inasmuch as centralised land legislation is not possible."

As regards industrial reform it was not possible to think that in Italy two or three million organized workers should presume to decide, unaided, the fate of the working classes when there were still many workers who were not centrally organized.

"We are afraid that Marxism, as a tendency, may transform the economic sphere into a political one leading, at a certain point, to intervention with coercion which will be capable of making us lose our freedom; this is our fear and our reason for hesitating in the face of certain proposals. Marxism is permeated by the dialectical materialism which denies the conception of life affirmed by the Church. We do not yet know the extent to which this materialistic principle inspires the existing Parties. They certainly do not repeat the phrase that the religion of humanity is solely the product and the reflection of economic oppression in the heart of society; nevertheless we cannot be tranquil and rest content with the accommodating statements made by this or that Party in dealing with Catholics and believers; we do not in fact know the extent to which these statements are a continuation of the tactics often affirmed by Lenin in his writings."

On April 25th, delegate PICCIONI spoke on the institutional question. The reception of this speech revealed that its topic was the one which interested the delegates most. Signor Piccioni disclosed that in an internal Party Referendum in 86 provincial committees, 836,812 members had voted out of 1,500,000. Of these, 503,085 had voted for the Republic; 146,061 for the Monarchy and 187,666 had taken up a non-committal attitude. More than 250 delegates had put down their names to speak on this subject at the Congress, but Signor de Gasperi was able to reduce this number to a score. The debates during the afternoon of April 25th and during April 26th were extremely lively and it was often difficult to

Declassified E.O. 12356 Section 3.3/NND No. 785015

maintain order. A motion was finally submitted by Signori PICCIONI, PELLIZZARI, GRANDI, ALDISIO and SANTORO-PASSARELLI, which affirmed (1) that the battle now taking shape was the battle for freedom and social justice; (2) that the defence and guarantee of freedom in the new Constitution and structure of the State, as well as social justice, must be the first and absolute obligation for all registered members of, and adherents to, the Party; (3) that Christian Democracy made a supreme appeal for the unity of all the sound forces of the country for safeguarding the Christian Democratic conception of public life; and (4) "that, in view of the present situation of the country, the imminence of the referendum and its character of direct democracy, necessarily bound up with the individual citizen's freedom of conscience, the Congress vindicates for the Party, as an organised political force, the duty to state its policy on the institutional question and, having also taken note of the result of the voting on it among the registered members of the Party, declares itself in favour of the Republican solution."

The first three points of the above motion were carried unanimously by acclamation. Voting by secret ballot was held on the fourth point and resulted in 740,000 in favour of the Republic, 254,000 in favour of the Monarchy and 68,000 abstentions.

The Council of Ministers has not transacted much business during the period under review. Its attention has been chiefly occupied by the food problem. In meetings over Easter week-end, it became clear that, unless further Allied support were forthcoming, the bread ration would have to be cut from 200 to 150 grammes on April 24th if the total stocks of wheat held in the country were not to be reduced to 10,000 tons by May 15th. The Council approved a measure on April 17th for the supplementary amassing of 6% of the legal retentions held by producers. This programme is supposed to produce approximately 75,000 tons by May 15th or 30th, but it was felt that it would be largely

2-19

0 9 6 8 1

Declassified E.O. 12356 Section 3.3/NND No. 785045

incorporating the Christian Democratic conception of public life; and (4) "that, in view of the present situation of the country, the imminence of the referendum and its character of direct democracy, necessarily bound up with the individual citizen's freedom of conscience, the Congress vindicates for the Party, as an organised political force, the duty to state its policy on the institutional question and, having also taken note of the result of the voting on it among the registered members of the Party, declares itself in favour of the Republican solution."

The first three points of the above motion were carried unanimously by acclamation. Voting by secret ballot was held on the fourth point and resulted in 740,000 in favour of the Republic, 254,000 in favour of the Monarchy and 68,000 abstentions.

The Council of Ministers has not transacted much business during the period under review. Its attention has been chiefly occupied by the food problem. In meetings over Easter week-end, it became clear that, unless further Allied support were forthcoming, the bread ration would have to be cut from 200 to 150 grammes on April 24th if the total stocks of wheat held in the country were not to be reduced to 10,000 tons by May 15th. The Council approved a measure on April 17th for the supplementary amassing of 6% of the legal retentions held by producers. This programme is supposed to produce approximately 75,000 tons by May 15th or 30th, but it was felt that it would be largely ineffective if at the same time the Council decided to cut the ration. On April 23rd the Council authorized Signor de Gasperi to cut the ration, if absolutely necessary. The President of the Council held his hand, however, until he could consult Mr. La Guardia, the Director-General of UNRRA. He accordingly spoke to Mr. La Guardia on the trans-Atlantic telephone on the same evening and

(45)

Declassified E.O. 12356 Section 3.3/NND No. 785045

learnt that two ships with a cargo of 8,000 tons of wheat each had been diverted from Great Britain to Italy. There was a possibility of a third. In view of this information, Signor de Gasperi has decided not to reduce the bread ration for the present, but to concentrate on the supplementary emergency programme. The immediate crisis has eased, therefore, but the situation is still extremely grave. It is, however, rather optimistically hoped that the May and June arrivals (which will also include shipments of gift wheat from the Argentine) will suffice to see the country through the next few critical months.

Preparations for the political elections continue. The Giornale del Mattino of April 20th reported that the Ministry of the Interior had announced that 322 lists of candidates had been submitted in the individual constituencies, numbering 31 in all, as follows: Ancona 8, Aosta 2, Aquila 12, Bari 12, Benevento 9, Bologna 7, Brescia 8, Cagliari 8, Catania 12, Catanzaro 13, Como 8, Cuneo 10, Florence 3, Genoa 10, Lecce 11, Mantua 8, Milan 10, Naples 23, Palermo 15, Parma 8, Perugia 10, Pisa 10, Potenza 9, Rome 27, Salerno 13, Siena 9, Trento 9, Turin 10, Udine 7, Venice 8, Verona 7. Count Sforza has been put up as an independent Republican candidate and Gen. Nobile, the Arctic explorer, has joined the Communist Party and will stand in the elections accordingly.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC, (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
OC Files

2278

0970
Declassified E.O. 12356 Section 3.3/NND No. 780015

also include shipments of gift wheat from the Argentine) will suffice to see the country through the next few critical months.

Preparations for the political elections continue. The Giornale del Mattino of April 27th reported that the Ministry of the Interior had announced that 322 lists of candidates had been submitted in the individual constituencies, numbering 31 in all, as follows: Ancona 8, Aosta 2, Aquila 12, Bari 12, Benevento 9, Bologna 7, Brescia 8, Cagliari 8, Catania 12, Catanzaro 13, Como 8, Cuneo 10, Florence 9, Genoa 10, Lecce 11, Mantua 8, Milan 10, Naples 23, Palermo 14, Parma 8, Perugia 10, Pisa 10, Potenza 9, Rome 27, Salerno 13, Siena 9, Teramo 9, Turin 10, Udine 7, Venice 8, Verona 7. Count Sforza has been put up as an independent Republican candidate and Gen. Nobile, the Arctic explorer, has joined the Communist Party and will stand in the elections accordingly.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC, (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
SC Files

2278

Declassified E.O. 12356 Section 3.3/NND No. 780015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY BRIGADIER MAURICE S. LUSH FOR PRESENTATION
AT THE
51st MEETING OF THE ADVISORY COUNCIL FOR ITALY ON 12TH APRIL 1946.

Gentlemen:

The past fortnight has been notable for a general atmosphere of calm preparation for the forthcoming political elections. A few incidents of disturbance of public order, such as the demonstrations connected with the return of a body of prisoners of war from Russia, have indeed occurred but the general picture has been one of orderly activity. The political parties have been drawing up their programmes and various regroupings have become evident, occasioned in most cases by differences of opinion within the individual parties on the subject of the institutional form of the State. Communal elections have continued to take place and the results have followed the now familiar pattern - a slight advantage to the Christian Democratic Party over the left-wing concentration. I should mention, however, that on April 7th, the Socialist Party won a resounding victory in Milan, with the Christian Democrats in the second place and the Communists running third.

The Council of Ministers met on March 29th and finally agreed on the symbols to be used in the referendum. It then listened to a report on prisoners of war made by Signor Gasparetto who revealed that Great Britain had sent back 143,000 but still kept 266,000; France had sent back 39,791 but still had 28,000; while America had sent back all prisoners of war totalling 60,000. For your information, the latest figures as known to this Commission are as follows: Great Britain 250,000 returned, 150,000 retained, France had sent back 45,000 and retained 27,000. The United States had returned all prisoners of war, a total of [illegible]

2272

Declassified E.O. 12356 Section 3.3/NND No. 938015

The past fortnight has been notable for a general atmosphere of calm preparation for the forthcoming political elections. A few incidents of disturbance of public order, such as the demonstrations connected with the return of a body of prisoners of war from Russia, have indeed occurred but the general picture has been one of orderly activity. The political parties have been drawing up their programmes and various regroupings have become evident, occasioned in most cases by differences of opinion within the individual parties on the subject of the institutional form of the State. Communal elections have continued to take place and the results have followed the now familiar pattern - a slight advantage to the Christian Democratic Party over the left-wing concentration. I should mention, however, that on April 7th, the Socialist Party won a resounding victory in Milan, with the Christian Democrats in the second place and the Communists running third.

The Council of Ministers met on March 29th and finally agreed on the symbols to be used in the referendum. It then listened to a report on prisoners of war made by Signor Gasparetto who revealed that Great Britain had sent back 143,000 but still kept 266,000; France had sent back 39,791 but still had 28,000; while America had sent back all prisoners of war totalling 60,000. For your information, the latest figures as known to this Commission are as follows: Great Britain 250,000 returned, 150,000 retained, France had sent back 45,000 and retained 27,000. The United States had returned all prisoners of war, a total of 104,000. The Council then approved a measure whereby a proportion of insurance premiums due by workers should be paid by their employers without right of refund and also agreed that a further period of 30 days should be allowed for the completion of committals for epuration. The Council then approved a decree on the seizure by the State of war profits and of exceptional profits from speculation. It also approved

Declassified E.O. 12356 Section 3.3/NND No. 759065

a decree authorizing the taxation of luxury expenditure. It next voted the expenditure of 328,000,000 lire for the work of reconstructing State property and approved, subject to the opinion of the consultative Assembly, the coining and issue of a new metal currency. There was a lively debate on mine-clearance and it was disclosed that some 250,000 hectares of land were still mined and would require 14,000,000 working days for clearance.

Meeting again on April 5th, the Council studied a report on the food situation delivered by Signor Montesti, the High Commissioner for food. The latter urged the adjustment of prices to make them economically remunerative for producers and the allocation of adequate funds for large purchases abroad. The Council next approved various measures connected with mine clearance and a decree ordering the extension until July 31st of the existing press regulations, the application of which had been limited to the duration of the State of war. A six months' extension of the existing regulations governing requisitions was similarly approved. There was some further discussion on the counting of the votes in the referendum and the political elections and dispositions were made for the simultaneous publication of both sets of results by the evening of June 3rd. At the end of the meeting, each of the Ministers was given a copy of the first list of members of the CVRA which will shortly be published. On April 6th, the Council discussed the publication of this list and agreed that the names of those whose, guilt had been definitely ascertained, would be published on the completion, by a special committee, of the work in process of studying the documents. At this same meeting the Council approved several financial measures, including a decree increasing to 15 milliard lire the amount of the payments in advance already authorized in favour of industrial undertakings by "public law" banks, a decree increasing the cost of living

2426

0 9 7 4 1

Declassified E.O. 12356 Section 3.3/NND No. 785045

still mined and would require 14,[illegible]

Meeting again on April 5th, the Council studied a report on the food situation delivered by Signor Mentasti, the High Commissioner for Food. The latter urged the adjustment of prices to make them economically remunerative for producers and the allocation of adequate funds for large purchases abroad. The Council next approved various measures connected with mine clearance and a decree ordering the extension until July 31st of the existing press regulations, the application of which had been limited to the duration of the State of war. A six months' extension of the existing regulations governing requisitions was similarly approved. There was some further discussion on the counting of the votes in the referendum and the political elections and dispositions were made for the simultaneous publication of both sets of results by the evening of June 3rd. At the end of the meeting, each of the Ministers was given a copy of the first list of members of the CVRA which will shortly be published. On April 6th, the Council discussed the publication of this list and agreed that the names of those whose guilt had been definitely ascertained, would be published on the completion, by a special committee, of the work in process of studying the documents. At this same meeting the Council approved several financial measures, including a decree increasing to 15 milliard lire the amount of the payments in advance already authorized in favour of industrial undertakings by "public law" banks, a decree increasing the cost of living allowances of pensioned State employees, a decree granting a credit of 10 milliard lire to prevent unemployment and provide homes for the homeless, a decree authorizing the expenditure of 16 milliard lire for the repair of war damage to harbour works and plant and a decree allocating 5 milliard lire for public land reclamation work.

2476

(44)

Declassified E.O. 12356 Section 3.3/NND No. 785045

On April 7th, it was announced that on the previous day the Italian Government had dispatched to London for presentation to the Council of Foreign Ministers a memorandum on the question of reparations. This memorandum emphasizes Italy's inability in view of her grave economic situation to bear the burden which may be imposed upon her, the unfairness of such a measure after Italy's co-belligerency in the war against Germany and Japan, Italy's right to demand reparations from Germany for requisitions and war damage, the unfairness on the part of nations claiming reparations from Italy to recompense themselves from Italian property abroad and the impossibility of ignoring the contribution made to the Allied war effort by Italian co-operator prisoners of war.

On March 29th, the High Court of Justice deposed from Office Senators Pietro Badoglio, Giuseppe Bruzzi, Bindo Galli, Manigio Maraviglia, Enzo Nosedà and Ettore Porro. It rejected the request for deposition from office of Senators Pietro Acquarone, Arturo Bocciardo, Andrea Matterazzo and Salvatore Sartorio Segre.

The Chief Commissioner, Admiral Stone, left Italy for a visit to the United States on April 4th. He will be away for about three weeks and while in Washington, he will discuss, amongst other questions concerning Italy, the contemplated reorganization of the Allied Commission to correspond with the realities of the present situation.

Professor Harold Laski, the Chairman of the British Labour Party, accompanied by Major Healy and Mr. Marnshaw of the Party Executive is at present in Italy to attend the Italian Socialist Party Congress at Florence. Professor Lasky was in Milan on April 8th, in Turin on April 9th and will be in Florence until April 15th when he will come to Rome for three days.

In the field of party politics, as I have already mentioned, programmes

Declassified E.O. 12356 Section 3.3/NND No. 977615

measure after Italy's co-belligerency in the war against Germany and Japan, Italy's right to demand reparations from Germany for requisitions and war damage, the unfairness on the part of nations claiming reparations from Italy to recompense themselves from Italian property abroad and the impossibility of ignoring the contribution made to the Allied war effort by Italian co-operator prisoners of war.

On March 29th, the High Court of Justice deposed from Office Senators Pietro Badoglio, Giuseppe Brezzi, Bindo Galli, Manigio Mareviglia, Enzo Nosedo and Ettore Porro. It rejected the request for deposition from office of Senators Pietro Acquarone, Arturo Bocciardo, Andrea Mattarazzo and Salvatore Sartorio Sagro.

The Chief Commissioner, Admiral Stone, left Italy for a visit to the United States on April 4th. He will be away for about three weeks and while in Washington, he will discuss, amongst other questions concerning Italy, the contemplated reorganization of the Allied Commission to correspond with the realities of the present situation.

Professor Harold Laski, the Chairman of the British Labour Party, accompanied by Major Healy and Mr. Marnshaw of the Party Executive is at present in Italy to attend the Italian Socialist Party Congress at Florence. Professor Lasky was in Milan on April 8th, in Turin on April 9th and will be in Florence until April 15th when he will come to Rome for three days.

In the field of party politics, as I have already mentioned, programmes are being defined and regroupings are taking place. Perhaps the most interesting phenomenon is the constant skirmishing between the President of the Council and Signor Togliatti. The results of the communal elections have shown the measure of support on which the various parties can count and no doubt the Left-wing group is a little nonplussed at the strength of the Christian Democrats. In any event, Signor Togliatti seems to feel the need for a

0977

Declassified E.O. 12356 Section 3.3/NND No. 785045

09781

conciliatory attitude towards Signor De Gasperi, while the latter is a little more aloof than formerly. In an interview given to "Milano-Sera" on March 31st, Signor Togliatti, after discussing the Liberal Party as a "factor of confusion and disorder" denied that a "personal duel" existed between the President of the Council and himself. He went on to say that, if the political elections followed the pattern of the communal elections, a coalition Government of the Christian Democrats and the Left-wing concentration would have to be formed. He hoped that the Christian Democrats would be the same loyal collaborators as hitherto, but if they became the shield for conservative and even reactionary forces, then difficulties might be expected. In conclusion, the Minister of Justice had a few hard words to say for Signor Bonomi, whose present activities he branded as "aiming at saving the monarchical institution by means of a complicated manoeuvre of his particular type". Speaking in the Piazza del Duomo at Milan on March 31st, Signor Togliatti discussed international affairs and criticised the men of the "old ruling classes" who had been in power since the Armistice with the Allies for having adopted too weak an attitude in the defence of Italy's interests and independence. He particularly stigmatized them for asking the Allied Control Commission for its help to prevent the advance of the more determined democratic and popular organizations.

Speaking at Viterbo on April 6th, Signor De Gasperi, after admitting that Signor Togliatti had collaborated loyally for the last three years with the Centre parties, asked his audience not to forget the ideological origins of the Communist Party, under whatever aspect the Party presented itself today. The Communist promise of religious tolerance was not enough - the Italian people did not want to lose the guarantee of seeing religious freedom respected in the future. "The spirit that dominates the Communists, he declared", comes

Declassified E.O. 12356 Section 3.3/NNN No. 778505

cal elections followed the pattern of the communal elections, a coalition Government of the Christian Democrats and the Left-wing concentration would have to be formed. He hoped that the Christian Democrats would be the same loyal collaborators as hitherto, but if they became the shield for conservative and even reactionary forces, then difficulties might be expected. In conclusion, the Minister of Justice had a few hard words to say for Signor Bonomi, whose present activities he branded as "aiming at saving the monarchical institution by means of a complicated manouvre of his particular type". Speaking in the Piazza del Duomo at Milan on March 31st, Signor Togliatti discussed international affairs and criticized the men of the "old ruling classes" who had been in power since the Armistice with the Allies for having adopted too weak an attitude in the defence of Italy's interests and independence. He particularly stigmatized them for asking the Allied Control Commission for its help to prevent the advance of the more determined democratic and popular organizations.

Speaking at Viterbo on April 6th, Signor De Gasperi, after admitting that Signor Togliatti had collaborated loyally for the last three years with the Centre parties, asked his audience not to forget the ideological origins of the Communist Party, under whatever aspect the Party presented itself today. The Communist promise of religious tolerance was not enough - the Italian people did not want to lose the guarantee of seeing religious freedom respected in the future. "The spirit that dominates the Communists, he declared", comes from far away and we have the right to think that it does not conform to the real mind of the Italian people". Signor De Gasperi then claimed that his party approximated in its ideals to the British Labour Party and did not believe in making facile electoral promises such as the immediate allocation of land to the peasants. He concluded this speech with some familiar remarks on the subject of the Italian colonies and the disputed frontier zones.

Declassified E.O. 12356 Section 3.3/NND No. 785045

Signor Nenni, speaking in Milan on April 4th, also added his contribution to the battle. He remarked that the Christian Democrats would not be responsible if they collected the votes of those who upheld Fascism, but the Party must decide once and for all what position it would take on the institutional question. As far as the Socialists were concerned, he gave three reasons for the Republican stand of the Party - the first, a moral one, because the Monarchy was responsible for fascism; the second, a political one, because it was time that the State became an instrument of freedom for the people; the third, a social one, because the Republic was not an end, but a means for giving the people a feeling of their sovereignty in social and economic matters. On the subject of the pact of limited action with the Communists, Signor Nenni declared that it was based on the will of the Italian workers to create in Italy not the dictatorship of a Party or a class, but democracy for the whole people.

The institutional question has in fact been the cause of much regrouping in the various parties. The Rome section of the Liberal Party, meeting on April 1st, pronounced itself overwhelmingly in favour of the Monarchy. On April 3rd, however, the Left-wing members of the Liberal Party tendered their resignations to the Executive, declaring themselves in favour of a Liberal Democratic Republic. This group may well join the Republican movement of Signor Parri and La Malfa who recently resigned from the Action Party. It is now expected that the Liberal Party will adopt the monarchist platform at its forthcoming congress, which had been postponed until April 29th as a result of the discussions within the Party. 2273

During the period under review, we have also seen the emergence of a new political group called the National Democratic Union. The text of a manifesto drafted by Senator Croce and signed by him and Signori Nitti, Orlando

0980

Declassified E.O. 12356 Section 3.3/NND No. 785015

one, because the Monarchy was responsible for fascism; the second, a political one, because it was time that the State became an instrument of freedom for the people; the third, a social one, because the Republic was not an end, but a means for giving the people a feeling of their sovereignty in social and economic matters. On the subject of the pact of limited action with the Communists, Signor Nenni declared that it was based on the will of the Italian workers to create in Italy not the dictatorship of a Party or a class, but democracy for the whole people.

The institutional question has in fact been the cause of much regrouping in the various parties. The Rome section of the Liberal Party, meeting on April 1st, pronounced itself overwhelmingly in favour of the Monarchy. On April 3rd, however, the Left-wing members of the Liberal Party tendered their resignations to the Executive, declaring themselves in favour of a Liberal Democratic Republic. This group may well join the Republican Movement of Signor Parri and La Malfa who recently resigned from the Action Party. It is now expected that the Liberal Party will adopt the monarchist platform at its forthcoming congress, which had been postponed until April 29th as a result of the discussions within the Party. 2273

During the period under review, we have also seen the emergence of a new political group called the National Democratic Union. The text of a manifesto drafted by Senator Croce and signed by him and Signori Nitti, Orlando and Bonomi was published in the press on April 2nd. The manifesto declared that the liberal and Labour Democratic parties could not afford to be absent from the forthcoming political struggle and the new union therefore combined both the Liberal and Democratic tendencies. It hoped, however, that other parties and movements would find in it a center round which to rally in the name of liberty. The most important feature of this document was the

44

Declassified E.O. 12356 Section 3.3/NND No. 778040

attitude taken on the institutional question -- the union guaranteed to its members absolute freedom of conscience in the Monarch - Republic controversy. It seems that the manifesto was in fact published before the consent of the Labour Democratic leaders had been formally given and the Republican section of the Party, signori Mole and Cavalotto immediately protested. But differences of opinion were finally smoothed over and the Labour Democrats agreed to subscribe to the manifesto. Signor Mole, however, insisted on the publication of a statement of policy drawn up by signor Bonomi in which a more explicit attitude is defined as regards social questions, land and industrial reform and the middle classes.

That, gentlemen, concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
~~Soviet Union~~ Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser(A), AC
Political Adviser (B), AC (6)
Exec Commissioner, AC
CC Files
British Resident Minister, AFHQ.
American Political Adviser, AFHQ
G-5, AFHQ (2)

2272

0982

Declassified E.O. 12356 Section 3.3/NND No. 785015

subscribe to the manifesto. Signor Mole, however, insisted on the publication of a statement of policy drawn up by signor Bonomi in which a more explicit attitude is defined as regards social questions, land and industrial reform and the middle classes.

That, gentlemen, concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
~~Soviet Union~~ Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser(A), AC
Political Adviser (B), AC (6)
Exec Commissioner, AC
CC Files
British Resident Minister, AFHQ.
American Political Adviser, AFHQ
G-5, AFHQ (2)

2472

44

0983

Declassified E.O. 12356 Section 3.3/NND No. 785075

0984

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of March 13th to March 29th 1946)

It is still too early to get a complete over-all picture of the progress of the administrative elections in the country. On the third Sunday in March (24th) voting continued in 1344 communes including 12 provincial capitals and the results were more favourable to the Leftwing Parties than on previous Sundays. On March 29th, the Christian Democrat paper "Il Popolo" published a table of the "Official Results for 2855 communes" during the first three Sundays of the month. This table showed majorities for the Christian Democrat Party or the parties of the Centre Concentration in 1144, and majorities for the Leftwing Concentration in 1,125, communes. According to the official "Giornale del Mattino", however, voting took place on the first three Sundays in March in 2988 communes. It will obviously be some time before the final correct statistics can be compiled.

Leaving aside the manoeuvrings of the political parties on the eve of the campaign for the political elections, the Government have during the period under review taken various steps in preparation for the elections. At its meeting on March 12th, the Council of Ministers fixed the date on which the referendum and the elections for the Constituent Assembly would be held, as June 2nd. It was noted that elections could not be held in Venezia Giulia because of the present international situation or in Bolzano Province because the electoral lists would not be completed in time. At a later

Declassified E.O. 12356 Section 3.3/NND No. 785015

It is still too early to get a complete over-all picture of the progress of the administrative elections in the country. On the third Sunday in March (24th) voting continued in 1344 communes including 12 provincial capitals and the results were more favoureble to the Leftwing Parties than on previous Sundays. On March 29th, the Christian Democrat paper "Il Popolo" published a table of the "Official Results for 2855 communes" during the first three Sundays of the month. This table showed majorities for the Christian Democrat Party or the parties of the Centre Concentration in 1144, and majorities for the Leftwing Concentration in 1,125, communes. According to the official "Giornale del Mattino", however, voting took place on the first three Sundays in March in 2988 communes. It will obviously be some time before the final correct statistics can be compiled.

Leaving aside the manoeuvrings of the political parties on the eve of the campaign for the political elections, the Government have during the period under review taken various steps in preparation for the elections. At its meeting on March 12th, the Council of Ministers fixed the date on which the referendum and the elections for the Constituent Assembly would be held, as June 2nd. It was noted that elections could not be held in Venezia Giulia because of the present international situation or in Bolzano Province because the electoral lists would not be completed in time. At a later meeting on March 22nd, the Council agreed that, in view of experience in the administrative elections, voting would, if necessary, be carried over to June 3rd. At the same meeting, the Council approved the decree regulating the operation and the proclamation of the results of the referendum. The duty of proclaiming the results will fall on the Court of Cassation which will also decide any claims submitted to it within 22 days from the date of the

(43)

2271

0985

Declassified E.O. 12356 Section 3.3/NND No. 785045

elections. It was also decided that the voting forms for the referendum and the political elections should be different from each other in colour. On March 28th, the Council finally decided on the symbols to be used in the referendum - a crown without the cross for the Monarchy and an oak and a laurel branch entwined round the traditional female head representing Italy, for the Republic. The Council also agreed on the hours of voting and the precise functions of the Court of Cassation. As at present arranged, it should be possible to announce the results of the voting five days after the elections, i.e. on June 8th.

On March 16th the Lieut. of the Realm signed the two decrees on the referendum and the holding of the Constituent Assembly elections. In returning them to the President of the Council, H.R.H. addressed to him a letter in which he observed that his present action was in the tradition of the House of Savoy, a tradition which had been typified by his father's decision to retire irrevocably from public life in 1944 and by his own signature of the decree of June 24 1944. If the pact between the Monarchy and the people were to be confirmed, it would constitute the foundation of a reformed Monarchy which would make self-government and social justice fully operative. After expressing the hope that the elections would be held in the utmost freedom of persons and conscience and after releasing from their oaths all those so bound to the Head of the State, the Lieut. of the Realm solemnly undertook to respect the free decisions of the people.

Political commentators were not slow to hail the above-mentioned letter as the start of the electoral campaign and the Left-wing papers rather bi- 2-270
terly observed that the Monarchy was trying to capitalise on a situation forced on it by the march of events. Some observers also noted that H.R.H.'s reference to the irrevocable nature of King Victor Emmanuel's retirement from

0986
Declassified E.O. 12356 Section 3.3/NND No. 785045

precise functions of the Court of Cassation. As at present arranged, it should be possible to announce the results of the voting five days after the elections, i.e. on June 8th.

On March 16th the Lieut. of the Realm signed the two decrees on the referendum and the holding of the Constituent Assembly elections. In returning them to the President of the Council, H.R.H. addressed to him a letter in which he observed that his present action was in the tradition of the House of Savoy, a tradition which had been typified by his father's decision to retire irrevocably from public life in 1944 and by his own signature of the decree of June 24 1944. If the pact between the Monarchy and the people were to be confirmed, it would constitute the foundation of a reformed Monarchy which would make self-government and social justice fully operative. After expressing the hope that the elections would be held in the utmost freedom of persons and conscience and after releasing from their oaths all those so bound to the Head of the State, the Lieut. of the Realm solemnly undertook to respect the free decisions of the people.

Political commentators were not slow to hail the above-mentioned letter as the start of the electoral campaign and the Left-wing papers rather bitterly observed that the Monarchy was trying to capitalise on a situation forced on it by the march of events. Some observers also noted that H.R.H.'s reference to the irrevocable nature of King Victor Emmanuel's retirement from public life was an advance from the position taken by H.M. in 1944 when his decision was deemed to be only a temporary one. It has generally been agreed that this development somewhat improves Prince Umberto's chances in the forthcoming elections. In any case the Republicans are already preparing their counterblasts. In an interview given to the "Momento" on March 23rd, Count Sforza stated his view that only the Republic could give concord, order and

(43)

2-270

0987

Declassified E.O. 12356 Section 3.3/NNB No. 785015

peace to Italy... it was the most formidable question that had been put to Italy for centuries. "Woe to the veterans if they remain silent in difficult situations of so decisive a nature". "The Leftwing Parties have all along made no secret of their Republican leanings and the centre of interest is therefore at present focussed on the Centre parties, particularly the Christian Democrats. Speaking at Turin on March 24th, Signor De Gasperi claimed that there was nothing wrong about the Christian Democrats' present attitude of indecision. In history there had been "hesitations and qualms of the noblest kind". It is reported, however, that, at an internal referendum of the Rome Section of the Party on March 27th 9,000 votes were in favour of the Republic, 2,100 votes in favour of the Monarchy and there were 2,300 votes in favour of a motion recommending political "agnosticism" or a refusal to decide on the issue at this present stage.

Owing to the absence of many Ministers from Rome during the period under review, not much governmental business apart from that connected with the elections has been transacted.

However, the Council has examined various projects for the relief of unemployment, the promotion of public works, the restoration of ports and harbours and the employment of "reduci". It has also studied the food situation and approved the decree granting an amnesty for various military offences. On March 28th, the Council, amongst other business, approved the draft of a law regarding the regulations supplementary to decree-law No. 702 of Nov 9th, 1945, on epuration. The new regulations provide for the prolongation of the time limit for committals to epuration until May 31st, subject to their being limited to the northern territories restored to the Italian Government after the entry into force of the above-mentioned decree, whereas, as regards the rest of Italian territory, epuration will cease on March 31st.

2269

0988

Declassified E.O. 12356 Section 3.3/NNN No. 738045

attitude of indecision. In history there had been "hesitations and qualms of the noblest kind". It is reported, however, that, at an internal referendum of the Rome Section of the Party on March 27th 9,000 votes were in favour of the Republic, 2,100 votes in favour of the Monarchy and there were 2,300 votes in favour of a motion recommending political "agnosticism" or a refusal to decide on the issue at this present stage.

Owing to the absence of many Ministers from Rome during the period under review, not much governmental business apart from that connected with the elections has been transacted.

However, the Council has examined various projects for the relief of unemployment, the promotion of public works, the restoration of ports and harbours and the employment of "reduci". It has also studied the food situation and approved the decree granting an amnesty for various military offences. On March 28th, the Council, amongst other business, approved the draft of a law regarding the regulations supplementary to decree-law No. 702 of Nov 9th, 1945, on epuration. The new regulations provide for the prolongation of the time limit for committals to epuration until May 31st, subject to their being limited to the northern territories restored to the Italian 2269 Government after the entry into force of the above-mentioned decree, whereas, as regards the rest of Italian territory, epuration will cease on March 31st.

Of the many political speeches made during the fortnight, the only noteworthy one was that of Signor De Gasperi at Turin on March 24th. The President of the Council defended himself on the question of the referendum which, the Christian Democrats had originally proposed, should be held four months after the labours of the Constituent Assembly had begun. The anticipatory referendum was a necessary compromise for which he accepted the responsibility

(43)

0986

Declassified E.O. 12356 Section 3.3/NND No. 785015

only in the eyes of history. Replying to Signor Togliatti's Terni speech, Signor De Gasperi declared that Christian Democracy wanted the new political regime to function by means of a responsible majority and a minority free of control. The Party was for this reason opposed to Signor Togliatti's "theory of unity" which was most useful in exceptional times, such as the clandestine period, but nonsense at the moment of the elections. Turning to foreign policy, the President again declared that Italy must not enter into the polemics between the two blocs, above all before she knew what treatment was in reserve for her. On the subject of art. 66 of the Law on the Constituent Assembly, he claimed that the Christian Democrats had fought hard for its removal and had, in fact, succeeded in modifying it appreciably. As regards the rumoured rebirth of Fascism, the President stated that Fascism would not be revived but it was necessary to be inflexible against attitudes and ways of living that recalled its existence. Signor De Gasperi then had a hard word for the Liberals. The new Italian period, he said, would belong to the people and the old plutocratic constellation would not be restored. The President of the Council concluded his speech by declaring that the only hope for the new world was for it to be based on Christian civilisation.

A distinguished visitor to Rome during the week-end March 23rd/25th, was Mr. Herbert Hoover, the former President of the United States of America, who is visiting Europe to study the food situation. Mr. Hoover was received by His Holiness the Pope on March 23rd and by Sig. De Gasperi on the same day. He called on the High Commissioner for Food in the afternoon and presided over a meeting at which he was informed of Italy's most pressing needs. After underlining the present world scarcity of cereals, Mr. Hoover declared that the 120 days until the next harvest would be crucial. Fresh restrictions and sacrifices might have to be imposed on the Italian people. On March

0901

Declassified E.O. 12356 Section 3.3/NND No. 7X58/5

cy, the President again declared that Italy must not enter into the polemics between the two blocs, above all before she knew what treatment was in reserve for her. On the subject of Art. 66 of the Law on the Constituent Assembly, he claimed that the Christian Democrats had fought hard for its removal and had, in fact, succeeded in modifying it appreciably. As regards the rumoured rebirth of Fascism, the President stated that Fascism would not be revived but it was necessary to be inflexible against attitudes and ways of living that recalled its existence. Signor De Gasperi then had a hard word for the Liberals. The new Italian period, he said, would belong to the people and the old plutocratic constellation would not be restored. The President of the Council concluded his speech by declaring that the only hope for the new world was for it to be based on Christian civilisation.

A distinguished visitor to Rome during the week-end March 23rd/25th, was Mr. Herbert Hoover, the former President of the United States of America, who is visiting Europe to study the food situation. Mr. Hoover was received by His Holiness the Pope on March 23rd and by Sig. De Gasperi on the same day. He called on the High Commissioner for Food in the afternoon and presided over a meeting at which he was informed of Italy's most pressing needs. After underlining the present world scarcity of cereals, Mr. Hoover declared that the 120 days until the next harvest would be crucial. Fresh restrictions and sacrifices might have to be imposed on the Italian people. On March 25th, Mr. Hoover held a press conference at which he stated that the Italian fats and sugar rations would only be maintained if supplies arrived, while there were only sufficient wheat reserves for about a month more. He again referred to the 120 day "famine" period and reiterated America's promise to make a generous contribution towards the solution of the problem.

(43)

0911

Declassified E.O. 12356 Section 3.3/NND No. 785015

The island of Sicily has again been in the news. On March 12th, the Council of Ministers examined and approved the project submitted by the Sicilian Consultative Assembly as regards the grant of regional autonomy to the island. The project was then sent to the Consultative Assembly for study by a special commission. At the same meeting, the Council also accepted the resignation of Signor Aldisio, the High Commissioner for Sicily, who is entering politics. It is anticipated that a Government official, rather than a politician, will be appointed to succeed Signor Aldisio. On March 14th Signori Finocchiaro-Aprile, Varvaro and Restuccia, the Separatist leaders, were set free as a result of their successful appeal to the Council of State. An official communique was released on March 25th, announcing these events, maintaining that the release of the Separatist leaders and of their followers detained in Sicily was a necessary premise for the pacification of men's spirits and expressing the hope that the period of unrest which has lasted for the last three years was now ended. The belief is widely held that separatism as a movement is dead, but Signor Finocchiaro-Aprile has exploited to the full his present moment of news value to air his views and declare his party's readiness to compete in the elections.

The Allied Boundary Commission has continued its labours in Venezia Giulia and has recently paid a visit to Zone "B". There have been large-scale demonstrations in Trieste and some serious instances of public disorder, but the Commission has let it be known that it is indifferent to these manifestations. On March 23th, the Italian press, with the exception of "Unita", published prominently and in full the Supreme Allied Commander's statement on public order in Venezia Giulia. The statement, which was authorised by the British and United States Governments, declared the Allied intention to maintain the balance in Venezia Giulia and to give full support to A.M.G. in-

2 [illegible] 8

0 0 9 6 2

Declassified E.O. 12356 Section 3.3/NND No. 735047

resignation of Signor Aldisio, the High Commissioner for Sicily, who is entering politics. It is anticipated that a Government official, rather than a politician, will be appointed to succeed Signor Aldisio. On March 16th Signori Finocchiaro-Aprile, Varvaro and Restuccia, the Separatist leaders, were set free as a result of their successful appeal to the Council of State. An official communique was released on March 25th, announcing these events, maintaining that the release of the Separatist leaders and of their followers detained in Sicily was a necessary premise for the pacification of men's spirits and expressing the hope that the period of unrest which has lasted for the last three years was now ended. The belief is widely held that separatism as a movement is dead, but Signor Finocchiaro-Aprile has exploited to the full his present moment of news value to air his views and declare his party's readiness to compete in the elections.

The Allied Boundary Commission has continued its labours in Venezia Giulia and has recently paid a visit to Zone "B". There have been large-scale demonstrations in Trieste and some serious instances of public disorder, but the Commission has let it be known that it is indifferent to these manifestations. . On March 28th, the Italian press, with the exception of "Unita", published prominently and in full the Supreme Allied Commander's statement on public order in Venezia Giulia. The statement, which was authorised by the British and United States Governments, declared the Allied intention to maintain the balance in Venezia Giulia and to give full support to A.M.G. industry the forces of law and order in that province.

The "Giornale del Mattino" on March 14th, carried a Washington report to the effect that the United States and British Governments were agreed on the grant of a provisional status for Italy, Great Britain having withdrawn her former objections. This report naturally caused a stir in Italian political circles. Signor De Gasperi, when interviewed, declared his satisfaction at this

0993

Declassified E.O. 12356 Section 3.3/NND No. 785045

development and particularly at the reported (but completely unsubstantiated) British Foreign Office declaration that a modus vivendi need not interfere with the work of concluding an early Peace Treaty. The President of the Council observed that, if a modus vivendi were agreed, particularly if it included some financial and economic clauses, Italy's situation would at once become much easier and she would be able to settle down seriously to the work of reconstruction and the provision of relief.

Turning to the international field, Spain had been claiming some attention in Italian thoughts. At the meeting of the Council of Ministers on March 15th, Sig. Nenni, supported by Signori Togliatti and Cianca, asked that, in view of present developments, the Italian Ambassador at Madrid should be recalled. Sig. De Gasperi replied that, in view of the armistice conditions prevailing in Italy, the Italian Government were bound to conform to the attitudes of the United Nations and to subscribe to whatever decisions they might reach. At the Council meeting on March 28th, Signor De Gasperi reported on Italy's relations with Spain and repeated the view that Italy should follow the lead of the Allies in this matter. Signor Nenni again spoke in opposition, claiming that the Italian Government had made two mistakes, firstly in sending an Ambassador to Spain at all and secondly in concluding a commercial treaty with that country. He urged the need of recalling the Italian Ambassador as soon as possible as a gesture of solidarity with the Spanish people in their struggle against the Falangist regime and of establishing contact with the Spanish Republican Government in France.

2267

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI

0994

Declassified E.O. 12356 Section 3.3/NND No. 77552/5

work of reconstruction and the provision of relief.

Turning to the international field, Spain had been claiming some attention in Italian thoughts. At the meeting of the Council of Ministers on March 15th, Sig. Nenni, supported by Signori Togliatti and Ciasca, asked that, in view of present developments, the Italian Ambassador at Madrid should be recalled. Sig. De Gasperi replied that, in view of the armistice conditions prevailing in Italy, the Italian Government were bound to conform to the attitudes of the United Nations and to subscribe to whatever decisions they might reach. At the Council meeting on March 26th, Signor De Gasperi reported on Italy's relations with Spain and repeated the view that Italy should follow the lead of the Allies in this matter. Signor Nenni again spoke in opposition, claiming that the Italian Government had made two mistakes, firstly in sending an Ambassador to Spain at all and secondly in concluding a commercial treaty with that country. He urged the need of recalling the Italian Ambassador as soon as possible as a gesture of solidarity with the Spanish people in their struggle against the Falangist regime and of establishing contact with the Spanish Republican Government in France.

2267

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)
CC Files

(43)

0 9 9 5

Declassified E.O. 12356 Section 3.3/NND No. 785045

MAR 1 4 REC'D

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
50th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON 15 MARCH 46

Gentlemen:

After the developments reported in the last political review circulated to the Council, the Italian Government have had a relatively quiet fortnight. The chief item of political interest, namely the debates in the Consultative Assembly on the draft decree setting forth the powers of the Constituent Assembly, will be dealt with later in this report. But, first, I should like to mention a few items of business which the Council of Ministers has transacted. At its meeting on March 5th, it listened to and approved the Ministry of the Interior's report on the disturbances which took place recently at Badolato (Cosenza). The Council also approved the measures taken by the Minister to prevent disorder during the forthcoming electoral campaign. The Council then examined in detail and approved a draft legislative decree on Fascist "profits". This decree makes the regulations for the confiscation of Fascist profits part and parcel of the State taxation system.

Signor De Gasperi, the President of the Council, held a press conference of Italian and foreign journalists in Rome on March 4th. On the subject of Russia, whose relations with Great Britain and the United States have become a widely discussed topic in the Italian press, he urged his hearers to abstain from such references as might convey the false impression that Italy intended to join any anti-Soviet front. With regard to the Alto Adige, he remarked that Italy could not change her attitude which was based on the defence of the Brenner frontier and on the concession of the widest autonomy. Signor De Gasperi pointed out that

2266

0 9 9 6 1

Declassified E.O. 12356 Sec. 3.4 NND No. 763049

After the developments reported in the last political review circulated to the Council, the Italian Government have had a relatively quiet fortnight. The chief item of political interest, namely the debates in the Consultative Assembly on the draft decree setting forth the powers of the Constituent Assembly, will be dealt with later in this report. But, first, I should like to mention a few items of business which the Council of Ministers has transacted. At its meeting on March 5th, it listened to and approved the Ministry of the Interior's report on the disturbances which took place recently at Badolato (Cosenza). The Council also approved the measures taken by the Minister to prevent disorder during the forthcoming electoral campaign. The Council then examined in detail and approved a draft legislative decree on Fascist "profits". This decree makes the regulations for the confiscation of Fascist profits part and parcel of the State taxation system.

Signor De Gasperi, the President of the Council, held a press conference of Italian and foreign journalists in Rome on March 4th. On the subject of Russia, whose relations with Great Britain and the United States have become a widely discussed topic in the Italian press, he urged his hearers to abstain from such references as might convey the false impression that Italy intended to join any anti-Soviet front. With regard to the Alto Adige, he remarked that Italy could not change her attitude which was based on the defence of the Brenner frontier and on the concession of the widest autonomy. Signor De Gasperi pointed out that autonomy should and would be granted quickly, even if preliminary measures of organization, which would take some time, were needed in order to apply it to the full. He added that the difficulties were increased by the fact that the Südtiroler Volkspartei refused to collaborate in any way with the organization of autonomy, so as not to prejudice a plebiscite of their own imagination to which no

(41)

2266

Declassified E.O. 12356 Section 3.3/NND No. 785045

reference had ever been made in competent quarters. On Venezia Giulia, the President of the Council stated that he had asked the Allied Boundary Commission to examine the case of the Italians who had been deported by Marshal Tito's Government and added that the Italian Government hoped that "the Commission would direct its attention to the whole of Venezia Giulia, not excluding the islands, Fiume, and Zara". The frontier with Yugoslavia must be fixed not on paper only but must be based on an understanding between the Italian and Yugoslav peoples. Signor De Gasperi went on to say that renewed appeals had been addressed to the Allied Governments for the early repatriation of Italian prisoners of war so that they could cast their votes in the forthcoming elections. He then praised the Minister of the Interior for the energy displayed in organizing the administrative elections in 5,600 communes.

Signor Gasparotto, the Minister for Post War Relief, also made an important statement before the Consultative Assembly, on March 4th, on the war damage suffered by Italy. Damage to property was calculated as follows: in agriculture at 192,274,000,000 lire; in buildings at 121 milliards in central and southern Italy and from 1,000 to 1,200 milliards in northern Italy. Human casualties were: in the Army 220,000 killed or missing and 125,000 wounded; in the Navy 25,780 killed or missing and 2,853 wounded; in the Air Force 6,530 killed or missing and 2,875 wounded. 1,478,000 Italian prisoners of war had been taken. 27,000 partisans had been killed and 17,000 wounded. During the whole war there were 297,000 killed of whom about 90,000 were killed after September 8th, 1943. Bombed out people whose homes were destroyed numbered two and a half millions. Refugees and evacuees in Italy numbered 469,000 of whom 56,550 were from Venezia Giulia and Dalmatia. 100,000 people had been repatriated and 446,000 interned and deported. 100,000 civilians had died or been reported missing as a result of enemy action. There were still 371,000 Italian prisoners

0998

Declassified E.O. 12356 Section 3.3/NND No. 785045

but must be based on an understanding between the Italian and Yugoslav peoples. Signor De Gasperi went on to say that renewed appeals had been addressed to the Allied Governments for the early repatriation of Italian prisoners of war so that they could cast their votes in the forthcoming elections. He then praised the Minister of the Interior for the energy displayed in organizing the administrative elections in 5,600 communes.

Signor Gasperotto, the Minister for Post War Relief, also made an important statement before the Consultative Assembly, on March 4th, on the war damage suffered by Italy. Damage to property was calculated as follows: in agriculture at 192,274,000,000 lire; in buildings at 121 milliards in central and southern Italy and from 1,000 to 1,200 milliards in northern Italy. Human casualties were: in the Army 220,000 killed or missing and 125,000 wounded; in the Navy 25,780 killed or missing and 2,873 wounded; in the Air Force 6,530 killed or missing and 2,875 wounded. 1,478,000 Italian prisoners of war had been taken. 27,000 partisans had been killed and 17,000 wounded. During the whole war there were 297,000 killed of whom about 90,000 were killed after September 8th, 1943. Bombed out people whose homes were destroyed numbered two and a half millions. Refugees and evacuees in Italy numbered 469,000 of whom 56,550 were from Venezia Giulia and Dalmatia. 100,000 people had been repatriated and 446,000 interned and deported. 100,000 civilians had died or been reported missing as a result of enemy action. There were still 371,000 Italian prisoners of war to be repatriated. Signor Gasperotto finally said that his department had spent 5,553,741,000 lire up to February 9th last, on relief measures.

As already stated, during the period under review, the centre of political gravity has moved to the sessions of the Consultative Assembly. On March 5th, this body discussed measures for the relief of repatriates and returning

(42)

Declassified E.O. 12356 Section 3.3/NND No. 785045

prisoners of war and also examined the industrial situation, but on March 7th and successive days it settled down to a detailed study of the draft decree law governing the Constituent Assembly's powers and duration. Signor Nenni, the Minister for the Constituent Assembly, opened the debate with a statement of the government's position. He said that it seemed paradoxical to define in advance the duties of a sovereign assembly, but the fact of having left the normal legislative activity to the Government would not conflict with such sovereignty if it were remembered that the Assembly would be charged with the solution of the fundamental problems of the nation's life and would need to be relieved of much of the burden of normal legislative activity. The next speaker was Signor Nitti who had several complaints to make. He criticized the procedure for holding the elections and claimed that the country would be made to undergo a period of permanent elections in which it was questionable whether the Government would be able to maintain order. He then called on Signor De Gasperi to adopt a prouder and more audacious attitude in his foreign policy. After a digression on his attitude, past and present, towards the Monarchy, the veteran statesman branded the law on the Constituent Assembly as dictatorial and asked his hearers to meditate seriously on the obligations of that body. Signor Arangio Ruiz, of the Liberal Party, spoke next and expressed satisfaction that it had been decided to hold a referendum on the institutional question. The Liberal Party would not be averse to a referendum on the powers of the Assembly. Signor La Malfa, of the Action Party, followed and voiced approval of the Government's action. He paid a tribute to Signor Togliatti's breadth of view and political genius as displayed at the recent Communist Party Congress and expressed the hope that the Communist and Christian Democratic Parties would be able to work side by side in the democratic structure of the State. The discussions continued on March 8th. The Socialist Signor Mazzoni attacked the monarchy and Signor Crispo, a Liberal

2264

1000

Declassified E.O. 12356 Section 3.3/NND No. 759015

legislative activity to the Government would not conflict with such sovereignty if it were remembered that the Assembly would be charged with the solution of the fundamental problems of the nation's life and would need to be relieved of much of the burden of normal legislative activity. The next speaker was Signor Nitti who had several complaints to make. He criticized the procedure for holding the elections and claimed that the country would be made to undergo a period of permanent elections in which it was questionable whether the Government would be able to maintain order. He then called on Signor De Gasperi to adopt a prouder and more audacious attitude in his foreign policy. After a digression on his attitude, past and present, towards the Monarchy, the veteran statesman branded the law on the Constituent Assembly as dictatorial and asked his hearers to meditate seriously on the obligations of that body. Signor Arangio Ruiz, of the Liberal Party, spoke next and expressed satisfaction that it had been decided to hold a referendum on the institutional question. The Liberal Party would not be averse to a referendum on the powers of the Assembly. Signor La Malfa, of the Action Party, followed and voiced approval of the Government's action. He paid a tribute to Signor Togliatti's breadth of view and political genius as displayed at the recent Communist Party Congress and expressed the hope that the Communist and Christian Democratic Parties would be able to work side by side in the democratic structure of the State. The discussions continued on March 8th. The Socialist Signor Mazzoni attacked the monarchy and Signor Crispo, a Liberal, defended it. Signor Calamandrei of the Action Party, took issue with Signor Nitti's pessimism and Signor Nenni's optimism. The Christian Democrat, Signor Conella, spoke warmly in favour of the referendum on the institutional question. On the following day - March 9th - Signori di Pietro, Ricci, Lombardo, Pellegrino, and Lucifero spoke in the morning. In the afternoon, the veteran Signor Orlando,

2264

47

Declassified E.O. 12356 Section 3.3/NND No. 788015

amidst prolonged applause, summed up the debate. He admitted that there were gaps in the law. He regretted the absence of representatives from Trieste and Venezia Giulia in the future Consituent Assembly. He urged a policy of pacification towards Sicily on the Government. He next praised the decision to hold a referendum on the institutional question but pronounced himself as opposed to a second referendum on the Assembly's powers. He believed that the classic radicalism of Italian politicians would suffice to set any necessary limits on the Assembly's activities. He concluded by extolling the Government's spirit of compromise and Signor De Gasperi's political genius. When voting was over, it was revealed that 222 "consultori" had voted, 172 in favour of the law and 50 against it. The only serious opposition to the measure came from the Italian Democratic (Monarchist) Party, whose leader, Signor Lucifero, made a statement denying the qualifications of the present party Government to preside over the political elections.

On Sunday last, March 10th, the administrative elections began in 436 communes. They will continue on the three successive Sundays in March and on the first Sunday in April. As from April 7th, both to avoid their clashing with the Easter holidays and to prevent interference with propaganda for the convocation of the Constituent Assembly, they will be suspended and postponed until after the political elections. By April 7th voting will have taken place in 5,675 centres out of the approximately 7,300 Italian communes. At a meeting on March 4th, Signori De Gasperi, Romita, and Spataro decided to put off the reconstitution of the local administrations of the big towns such as Milan until after the political elections. This decision has caused much dissatisfaction in 2263 where there have been demonstrations of protest. As regards the elections on March 10th and according to the reports which have come in from centres near Rome, everything went off very smoothly. There were [illegible]

1002

Declassified E.O. 12356 Section 3.3/NND No. 740063

second referendum on the Assembly's powers. He believed that the classic radicalism of Italian politicians would suffice to set any necessary limits on the Assembly's activities. He concluded by extolling the Government's spirit of compromise and Signor De Gasperi's political genius. When voting was over, it was revealed that 222 "consultori" had voted, 172 in favour of the law and 50 against it. The only serious opposition to the measure came from the Italian Democratic (Monarchist) Party, whose leader, Signor Lucifero, made a statement denying the qualifications of the present party Government to preside over the political elections.

On Sunday last, March 10th, the administrative elections began in 436 communes. They will continue on the three successive Sundays in March and on the first Sunday in April. As from April 7th, both to avoid their clashing with the Easter holidays and to prevent interference with propaganda for the convocation of the Constituent Assembly, they will be suspended and postponed until after the political elections. By April 7th voting will have taken place in 5,675 centres out of the approximately 7,300 Italian communes. At a meeting on March 4th, Signori De Gasperi, Romita, and Spataro decided to put off the reconstitution of the local administrations of the big towns such as Milan until after the political elections. This decision has caused much dissatisfaction in [illegible] 2263 where there have been demonstrations of protest. As regards the elections on March 10th and according to the reports which have come in from centres near Rome, everything went off very smoothly. There were large crowds at the polls, particularly women, and there were no disorders of any note. As the results are still coming in, I cannot give you any complete picture as yet.

On March 8th it was announced that the Allied Boundary Commission had arrived in Trieste and would shortly settle down to its labours. The Commission's findings will be kept secret and no press conferences will be held or

(42)

1003

Declassified E.O. 12356 Section 3.3/NND No. 785045

public statements made. The Commission will probably be in Venezia Giulia for about three weeks.

In the field of foreign affairs, the Foreign Ministry Press Office issued a communique on March 2nd announcing that Signor Saragat, the Italian Ambassador at Paris, had asked the President of the Council that he might be allowed to resign from his post with a view to devoting himself entirely to internal politics pending the elections to the Constituent Assembly. Signor Saragat's resignation has been accepted and it is rumoured that he may be succeeded at Paris by another Socialist leader, Signor Silone.

It was announced on March 3rd that a commercial treaty between Italy and Denmark had been signed on the previous day. The agreement provides for trade exchanges to the total value of 564 million lire.

The political parties are girding themselves for the forthcoming electoral campaign. The groupings, it seems will be roughly five in number: The Christian-Democrats will stand alone; the Communists may join forces with the Socialists, if the forthcoming Socialist Party Congress decides in favour of fusion with the Communists; the third bloc is the qualunquista-Monarchist group; a fourth will be the Liberal-lay democratic alliance headed by Signori Orlando, Nitti, Bonomi, Croce, de Nicola, and Porzio; the last is the Democratic Republican bloc grouped round Signori Parri, Pacciardi, and Lussu.

There appears to be a serious split in the Socialist Party. Speaking at Venice early in the month, Signor Pertini admitted the existence of an internal crisis which he claimed to be nothing more than "growing pains", a proof of democratic vitality. He expressed himself strongly against any fusion with the Communists because the Socialist Party, by virtue of being independent of foreign influences and democratic, constituted an element in Italian politics that could not be suppressed. The disappearance of the Socialist Party would be a misfortune for the whole of democracy.

That Gentlemen, concludes my report.

2262

1004

Declassified E.O. 12356 Section 3.3/NND No. 785045

Saragat's resignation has been accepted and it is rumoured that he may be succeeded at Paris by another Socialist leader, Signor Silone.

It was announced on March 3rd that a commercial treaty between Italy and Denmark had been signed on the previous day. The agreement provides for trade exchanges to the total value of 564 million lire.

The political parties are girding themselves for the forthcoming electoral campaign. The groupings, it seems will be roughly five in number: The Christian-Democrats will stand alone; the Communists may join forces with the Socialists, if the forthcoming Socialist Party Congress decides in favour of fusion with the Communists; the third bloc is the qualunquists-Monarchist group; a fourth will be the Liberal-lay democratic alliance headed by Signori Orlando, Nitti, Bonomi, Croce, de Nicola, and Porzio; the last is the Democratic Republican bloc grouped round Signori Parri, Pacciardi, and Lussu.

There appears to be a serious split in the Socialist Party. Speaking at Venice early in the month, Signor Pertini admitted the existence of an internal crisis which he claimed to be nothing more than "growing pains", a proof of democratic vitality. He expressed himself strongly against any fusion with the Communists because the Socialist Party, by virtue of being independent of foreign influences and democratic, constituted an element in Italian politics that could not be suppressed. The disappearance of the Socialist Party would be a misfortune for the whole of democracy.

2262

That, Gentlemen, concludes my report.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Exec Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

40

1005

Declassified E.O. 12356 Section 3.3/NND No. 775015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Feb 16th to Mar 1st 1946)

The political news during the period under review has been dominated by the decisions taken by the Council of Ministers in regard to the convocation of the Constituent Assembly and the powers which that body will wield once it has been convoked. Discussions on this subject began at a meeting of the Cabinet Council on February 19th, attended by Signori Brosio, Togliatti, Nenni, Molu and Gianca and presided over by Signor de Gasperi. The latter made a detailed survey of both former and recent discussions and put forward various suggested solutions. He said that the Decree Law of June 25th, 1944, No. 151, which had been promulgated by the Bonomi Government at Salerno, was not detailed enough on the question of the powers of the Constituent Assembly and it must therefore be supplemented by further legislative action. The steps to be taken seem to be agreement between the parties, the issue of complementary legislative orders, a referendum prior to the Constituent Assembly and a referendum after the convocation of the Constituent Assembly with the object of ratifying the decisions of, and the new statutory charter decided on by, the Assembly. At this stage, Signor de Gasperi did not discuss the possibility of submitting to the nation the choice of the institutional form of the State. As regards the appointment of the members of the Cabinet at the moment of convoking the Assembly, he declared that there were two solutions; either to empower the Assembly directly to make the choice or to make up the Cabinet by distributing the portfolios among the six parties in accordance with the results of the elections. Signor de Gasperi did not indicate which of these solutions he himself favoured,

2261

1006

Declassified E.O. 12356 Section 3.3/NND No. 785015

The political news during the period under review has been dominated by the decisions taken by the Council of Ministers in regard to the convocation of the Constituent Assembly and the powers which that body will wield once it has been convoked. Discussions on this subject began at a meeting of the Cabinet Council on February 19th, attended by Signori Bonomi, Togliatti, Nenni, Molè and Casasa and presided over by Signor de Gasperi. The latter made a detailed survey of both former and recent discussions and put forward various suggested solutions. He said that the Decree Law of June 25th, 1944, No. 151, which had been promulgated by the Bonomi Government at Salerno, was not detailed enough on the question of the powers of the Constituent Assembly and it must therefore be supplemented by further legislative action. The steps to be taken seem to be agreement between the parties, the issue of complementary legislative orders, a referendum prior to the Constituent Assembly and a referendum after the convocation of the Constituent Assembly with the object of ratifying the decisions of, and the new statutory charter decided on by, the Assembly. At this stage, Signor de Gasperi did not discuss the possibility of submitting to the nation the choice of the institutional form of the State. As regards the appointment of the members of the Cabinet at the moment of convoking the Assembly, he declared that there were two solutions: either to empower the Assembly directly to make the choice or to make up the Cabinet by distributing the portfolios among the six parties in accordance with the results of the elections. Signor de Gasperi did not indicate which of these suggestions he himself favoured, but confined himself to putting forward the various theories and inviting the party leaders to define their points of view. Signor Togliatti declared himself to be opposed to a referendum on the institutional form of the State and, although he favoured an agreement between the parties for the purpose of defining the powers of the Constituent Assembly or the issue of a law supplementing the Legislative Decree of June 25th 1944, he did not entirely exclude the possibility of consulting the nation directly on this issue. Signor Nenni was in favour of the idea of the absolute

41a

2261

10071

Declassified E.O. 12356 Section 3.3/NND No. 760045

sovereignty of the Assembly which should not be restricted by any form of intervention. This view was shared by Signor Cianca of the Action Party. Signor Nola stated that the Labour Democrats had not yet defined their view-point but his personal opinion was that recourse should be had to a new law or to agreement between the parties. Signor Brosio declared that a referendum was desirable both to decide on institutional form of the State and to define the powers of the Constituent Assembly. As it was necessary for the party leaders to consult their party executives in the light of these discussions, the meeting was suspended.

Meeting on the 28th February, the Cabinet Council continued its discussions with particular reference to the views expressed by the legal experts of the U.S. State Department in a document which the U.S. Ambassador had left with the Prime Minister. Signor de Gasperi held the view that this document was only of value insofar as it gave some indication of what international opinion was in this matter. The Cabinet did, however, make some progress in examining a plan which entailed the submission of a draft law defining the powers of the Constituent Assembly to the electors in order that they might express their opinion by a simple "yes" or "no". It was thought that if such a law were to include a provision for the institution of a civil regency during the period of activity of the Constituent Assembly, the referendum would in practice become a referendum on the institutional problem and would make it unnecessary to hold a specific referendum for that purpose. This would of course have satisfied the Left-Wing parties, while at the same time meeting the Liberal demand for some form of popular consultation. At this stage, therefore, the attitude of the six parties seemed to be as follows: the Liberal insisted that the definition of the powers of the Assembly should be carried out by a referendum and that the same system should be used for resolving the institutional question. They were opposed to the setting up of a civil regency. It was to be presumed, however, that they would agree to the definition of the powers of the Assem-

2260

Declassified E.O. 12356 Section 3.3/NND No. 785045

Assembly. As it was necessary for the party leaders to consult their party executives in the light of these discussions, the meeting was suspended.

Meeting on the 28th February, the Cabinet Council continued its discussions with particular reference to the views expressed by the legal experts of the U.S. State Department in a document which the U.S. Ambassador had left with the Prime Minister. Minister de Gasperi held the view that this document was only of value insofar as it gave some indication of what international opinion was in this matter. The Cabinet did, however, make some progress in examining a plan which entailed the submission of a draft law defining the powers of the Constituent Assembly to the electors in order that they might express their opinion by a simple "yes" or "no". It was thought that if such a law were to include a revision for the institution of a civil regency during the period of activity of the Constituent Assembly, the referendum would in practice become a referendum on the institutional problem and would make it unnecessary to hold a specific referendum for that purpose. This would of course have satisfied the Left-Wing parties, while at the same time meeting the liberal demand for some form of popular consultation. At this stage, therefore, the attitude of the six parties seemed to be as follows: the Liberal insisted that the definition of the powers of the Assembly should be carried out by a referendum and that the same system should be used for resolving the institutional question. They were opposed to the setting up of a civil regency. It was to be presumed, however, that they would agree to the definition of the powers of the Assembly by a law to be submitted by means of a referendum to popular approval. On this basis they would maintain that the Assembly must carry out its mandate completely within six months. The Labour Democrats appeared to accept the definition of powers by agreement between the six parties. They were in favour of a referendum to decide the institutional question. It was expected, however, that they would agree to any solution which would reconcile the extreme viewpoints. The Action party were opposed to the holding of either referendum and maintained that an agreement between

41a

2260

1009

Declassified E.O. 12356 Section 3.3/NND No. 785015

the parties was sufficient for defining the Assembly's powers. They also considered the Assembly to be competent to resolve the institutional question. The Socialists were not, in principle, opposed to the holding of a referendum on the Assembly's powers but were against a referendum on the institutional question. They accepted the limitation of powers but maintained that the duration of the Constituent Assembly mandate could not be less than one year. They were in favour of a civil regency but apparently were not opposed to a referendum on the setting up of a three-member civil regency. The Communists took the same position as the Socialists but seemed more prepared to negotiate. The Christian Democrats were apparently in favour of a law on the powers of the Assembly to be approved by a referendum and of a referendum on the institutional question to be held after the work of the Assembly had begun.

The Cabinet Council resumed its discussions on February 22nd. The Liberals remained firm on their demand for a double referendum prior to the convocation of the Assembly, while the Communists and Socialists were opposed to this plan although they were apparently prepared to accept a referendum after the conclusion of the Assembly's labours. The Council also discussed the possibility of setting up a three-member civil regency which gave hope of early agreement between the parties. The Left-Wing parties, however, ultimately indicated that they were not in favour of such a solution. The Council again examined the views of the U.S. State Department and reaffirmed Italy's right to give herself, by legal and democratic means, the constitution she considered best for herself, particularly in view of the many official statements made by the Allies recognising this right. At the conclusion of this meeting, Signor de Gasperi made a statement to the press declaring that the Cabinet had reached a satisfactory stage in its discussions and asking for confidence since the situation was one of the gravest and most complicated [illegible] been under examination. The convocation of the Constituent Assembly was *sui generis*. There were no precedents or parallels among the historic constituent assemblies such as

2259

1010

Declassified E.O. 12356 Section 3.3/NND No. 785015

bly mandate could not be less than one year. They were in favour of a civil regency but apparently were not opposed to a referendum on the setting up of a three-member civil regency. The Communists took the same position as the Socialists but seemed more prepared to negotiate. The Christian Democrats were apparently in favour of a law on the powers of the Assembly to be approved by a referendum and of a referendum on the institutional question to be held after the work of the Assembly had begun.

The Cabinet Council resumed its discussions on February 22nd. The Liberals remained firm on their demand for a double referendum prior to the convocation of the Assembly, while the Communists and Socialists were opposed to this plan although they were apparently prepared to accept a referendum after the conclusion of the Assembly's labours. The Council also discussed the possibility of setting up a three-member civil regency which gave hope of early agreement between the parties. The Left-Wing parties, however, ultimately indicated that they were not in favour of such a solution. The Council again examined the views of the U.S. State Department and reaffirmed Italy's right to give herself, by legal and democratic means, the constitution she considered best for herself, particularly in view of the many official statements made by the Allies recognising this right. At the conclusion of this meeting, Signor de Gasperi made a statement to the press declaring that the Cabinet had reached a satisfactory stage in its discussions and asking for confidence since the situation was one of the gravest and most complicated [illegible] examination. The convocation of the Constituent Assembly was sui generis. There were no precedents or parallels among the historic constituent assemblies such as those of the French or American type. In the case of these constituent assemblies, the monarchy had already fallen. In Italy, on the contrary, it was a question of judging the monarchy in its presence. As regards the relations between the Government and the Constituent Assembly, the Cabinet already had a fairly clear plan but it had not yet been decided whether the plan would be applied by a law or by a referendum. In that event the question had to be settled within the coming week because

410

2259

Declassified E.O. 12356 Section 3.3/NND No. 785045

the Government had no intention of adjourning the labours of the Consultative Assembly but intended, after a few more sittings, to invite that Assembly to examine the decisions reached. Signor de Gasperi ended by assuring his interviewers of the Government's absolute determination to hold the elections and come to an agreement.

The next day was mainly occupied with consultations within the various parties. The press teemed with speculative suggestions and, according to its party colouration, each paper put forward the ideal solution. The negotiations between the parties continued during February 24th and 25th but the Cabinet Council met again on February 26th and considerable progress was made towards a decision. The Left-Wing parties were known to have waived their objections to a referendum on the institutional question and the discussion now centered on precisely what form the referendum should take. However the question of the compulsory vote caused fresh difficulties. You will recall that the Consultative Assembly had expressed itself in favour of compulsory voting, only the Left-Wing Representatives being opposed to it. The Liberals maintained their view that compulsory voting was essential for a true expression of the popular will and stated that in view of the decision of the Consultative Assembly the Government were bound to come out in favour of it. Signor Togliatti produced the familiar arguments that the compulsory vote was undemocratic and an expedient of dictators. He pointed out that three parties of the Government were in favour of it and three were opposed to it, while unanimity was essential for approval of it.

The full Council of Ministers met on February 27th and Signor de Gasperi reported at length on the debates which had taken place during the last few days in the Cabinet Council. He then went on to give full details of the draft decree dealing with the referendum on the institutional question and the duties, composition and duration of the Constituent Assembly. After much discussion, in which all the ministers took part, the Council approved the essential points of the decree, namely:

2258

Declassified E.O. 12356 Section 3.3/NND No. 735015

colouration, each paper put forward the ideal solution. The negotiations between the parties continued during February 24th and 25th but the Cabinet Council met again on February 26th and considerable progress was made towards a decision. The Left-Wing parties were known to have waived their objections to a referendum on the institutional question and the discussion now centered on precisely what form the referendum should take. However the question of the compulsory vote caused fresh difficulties. You will recall that the Consultative Assembly had expressed itself in favour of compulsory voting, only the Left-Wing Representatives being opposed to it. The Liberals maintained their view that compulsory voting was essential for a true expression of the popular will and stated that in view of the decision of the Consultative Assembly the Government were bound to come out in favour of it. Signor Togliatti produced the familiar arguments that the compulsory vote was undemocratic and an expedient of dictators. He pointed out that three parties of the Government were in favour of it and three were opposed to it, while unanimity was essential for approval of it.

The full Council of Ministers met on February 27th and Signor de Gasperi reported at length on the debates which had taken place during the last few days in the Cabinet Council. He then went on to give full details of the draft decree dealing with the referendum on the institutional question and the duties, composition and duration of the Constituent Assembly. After much discussion, in which all the ministers took part, the Council approved the essential points of the decree, namely:

(a) a referendum on the institutional question to be held at the same time as the elections for the Constituent Assembly;

(b) the definition of the powers of the Assembly and of the Government's responsibility to it;

(c) the ways and means of ensuring, in the event of a Republic being chosen, the exercise of the powers of the Head of the State until the new constitution should enter into force;

41 Da

2258

Declassified E.O. 12356 Section 3.3/NND No. 785015

(...) [illegible] part of the military and civilian officials of the State to respect the result of the referendum and their exoneration, for the purpose of exercising their freedom to vote, from any undertakings previously assumed by them.

The general pattern of the elections and the convocation of the Assembly has now become much clearer. The Constituent Assembly will meet in Rome two weeks after the end of the elections. It will presumably be housed in the Montecitorio building. It will have to vote its own Standing Rules in the same manner as the Consultative Assembly has done. These rules will be based on those of the Chamber of Deputies. The President of the Constituent Assembly will be elected at its first meeting. At the same time as the elections for the Constituent Assembly, the people will be called upon to decide by means of a referendum on the institutional form of the State. The question to be put will probably be "do you want a Republic - yes or no"? but final decision has not been taken as to the exact form. If 51% of the voters are in favour of a republic, the Assembly, after having elected its President, will designate the provisional Head of the State who will remain in office until the appointment of the Head of the State in accordance with the rules of the constitution decided on by the Assembly. Before the provisional Head is appointed, his powers will be exercised by the President of the Council in office at the moment of the elections. The Constituent Assembly will delegate legislative functions to the Government, except in the matter of approving international treaties and any electoral laws that may have to be drafted. The Government will be able to submit to examination by the Assembly any other legislation on which it considers a decision by the latter desirable. The Government will be responsible to the Constituent Assembly. Guarantees will, however, be given to prevent frequent Cabinet crises. The Government will not be bound to resign if any of its proposals are rejected by the Assembly but resignations will be obligatory only as the result of a categorical motion of no confidence being passed, not earlier than 48 hours after the submission of a proposal, and adopted by an absolute majority of the members of the Assembly.

2257

Declassified E.O. 12356 Section 3.3/NND No. 785015

Assembly. It will have to vote its own Standing Rules in the same manner as the Consultative Assembly has done. These rules will be based on those of the Chamber of Deputies. The President of the Constituent Assembly will be elected at its first meeting. At the same time as the elections for the Constituent Assembly, the people will be called upon to decide by means of a referendum on the institutional form of the State. The question to be put will probably be "do you want a Republic - yes or no"? but final decision has not been taken as to the exact form. If 51% of the voters are in favour of a republic, the Assembly, after having elected its President, will designate the provisional Head of the State who will remain in office until the appointment of the Head of the State in accordance with the rules of the constitution decided on by the Assembly. Before the provisional Head is appointed, his powers will be exercised by the President of the Council in office at the moment of the elections. The Constituent Assembly will delegate legislative functions to the Government, except in the matter of approving international treaties and any electoral laws that may have to be drafted. The Government will be able to submit to examination by the Assembly any other legislation on which it considers a decision by the latter desirable. The Government will be responsible to the Constituent Assembly. Guarantees will, however, be given to prevent frequent Cabinet crises. 2257 Government will not be bound to resign if any of its proposals are rejected by the Assembly but resignations will be obligatory only as the result of a categorical motion of no confidence being passed, not earlier than 48 hours after the submission of a proposal, and adopted by an absolute majority of the members of the Assembly. If the majority of the voters on the referendum give a reply in favour of the Monarchy, the present system of law-making by the Lieutenant of the Realm and the Council of Ministers will continue to operate. The Constituent Assembly will cease to exist on the day of the entry into force of the new constitution and, whatever happens, not later than the 10th month, counting from its first session. Until the new constitution

41a

1015

Declassified E.O. 12356 Section 3.3/NND No. 785015

enters into force, the powers of the Head of the State are to be regulated by the laws so far in force insofar as they are applicable. The new parliament which will follow the Constituent Assembly must, within a year, ratify all the laws decided on by the Government and the Assembly, except the Constituent laws. Such laws as are not ratified will cease to have effect. Before the convocation of the Assembly all State officials, both civilian and military must pledge themselves to respect the result of the referendum and the decisions of the Constituent Assembly. This pledge will not prejudice the oath previously taken by them.

On February 26th the Council continued and completed its discussions on the law on the powers of the Constituent Assembly and on the law for the political elections. The first of these two laws would be sent immediately to the Consultative Assembly which would begin discussion of it on March 4th or 5th, while the second law would enter into force immediately so that the electoral campaign could be opened. There was much discussion on the desirability of holding a referendum on the powers of the Constituent Assembly, the party leaders maintaining the points of view previously expressed. It was eventually decided, however, that only the referendum on the institutional question should be held. As regards compulsory voting, the deadlock was solved by the proposal of Sg. de Gasperi himself who put forward a formula suggesting that the exercise of the vote was an obligation which no citizen could evade without falling short of a definite duty towards the country in a decisive moment in the life of the nation. He proposed that the list of those who abstained without justification, from voting in the elections for the Constituent Assembly should be exposed for a month in the communal registers and that for a period of 5 years the observation "did not vote in the elections for the Constituent Assembly" should be inserted in the certificates of good conduct issued to anyone who so abstained. The Council also discussed the question of article 66 of the electoral law and eventually reached a decision laying down that any official in charge of public

2256

Declassified E.O. 12356 Section 3.3/NND No. 778545

State officials, both civilian and military, must pledge themselves to respect the result of the referendum and the decisions of the Constituent Assembly. This pledge will not prejudice the oath previously taken by them.

On February 28th the Council continued and completed its discussions on the law on the powers of the Constituent Assembly and on the law for the political elections. The first of these two laws would be sent immediately to the Consultative Assembly which would begin discussion of it on March 4th or 5th, while the second law would enter into force immediately so that the electoral campaign could be opened. There was much discussion on the desirability of holding a referendum on the powers of the Constituent Assembly, the party leaders maintaining the points of view previously expressed. It was eventually decided, however, that only the referendum on the institutional question should be held. As regards compulsory voting, the deadlock was solved by the proposal of Sg. de Chapuri himself who put forward a formula suggesting that the exercise of the vote was an obligation which no citizen could evade without falling short of a definite duty towards the country in a decisive moment in the life of the nation. He proposed that the list of those who abstained without justification, from voting in the elections for the Constituent Assembly should be exposed for a month in the communal registers and that for a period of 5 years the observation "did not vote in the elections for the Constituent Assembly" should be inserted in the certificates of good conduct issued to anyone who so abstained. The Council also discussed the question of article 66 of the electoral law and eventually reached a decision laying down that any official in charge of a public service, or a minister of any religion, or anyone holding a public appointment or fulfilling civil or military functions, who abused his powers and in the exercise of them tried to compel voters to sign a statement of submission of candidates or to force the electors to vote in favour of, or against, specified lists or specified candidates, or to compel them to abstain from voting, should be punished with imprisonment from six months to three years and a fine ranging from 3000 to 20,000 lire.

41a

2256

Declassified E.O. 12356 Section 3.3/NND No. 785015

At its meeting on March 1st, the Council definitely approved without substantial alteration the draft law submitted by Sg. De Gasperi. In the first article of the law, the formula of the referendum was altered and it was definitely decided that the question to be asked should be "Republic or Monarchy"? The law was immediately sent to the Consultative Assembly for examination by that body.

Apart from the discussions leading up to the decision on the law governing the powers of the Constituent Assembly, the Council of Ministers has transacted a considerable amount of other business. In the earlier part of the period under review, the Council's activities were somewhat hampered by the absence of the Action Party Ministers, but on February 15th it examined the question of the Italian Army and decided to call up the class born in the 2nd and 3rd quarters of 1924 which amounts to some 40 thousand men. The Council unanimously recognised that the army effectives during the transition period should not be reduced below a minimum of efficiency. It also recognised the need for the proposed call-up in order to facilitate the early release of the older classes, particularly of the men of the 1921 class. Meeting on the 20th of February, the Council decided on the issue of a new reconstruction loan to be launched shortly. The Council was unable to fix the exact date for the issue of the loan but it was agreed in principle that it should coincide with the end of the winter which had become increasingly difficult for all classes in the country. It was reported that the loan would bear 5% interest. At the same meeting, the Council finally approved the decree granting an amnesty for military offences.

On February 17th Sg. Corbino, the Minister of the Treasury, delivered a speech in Naples on the present economic situation. He began by dealing with certain problems of a political nature affecting the Liberal Party. He remarked first of all that Italy expected a Peace of justice and said that it must be made clear that any peace which did not respect the indispensable requirements of a country like Italy would never be signed by any responsible Government. He then turned to

2255

Declassified E.O. 12356 Section 3.3/NND No. 785015

considerable amount of other business. In the earlier part of the period under review, the Council's activities were somewhat hampered by the absence of the Foreign Ministers, but on February 15th it extended the quantum of the Italian Army and decided to call up the class born in the 2nd and 3rd quarters of 1924 which amounts to some 40 thousand men. The Council unanimously recognised that the army effectives during the transition period should not be reduced below a minimum of efficiency. It also recognised the need for the proposed call-up in order to facilitate the early release of the older classes, particularly of the men of the 1921 class. Meeting on the 16th of February, the Council decided on the issue of a new reconstruction loan to be launched shortly. The Council was unable to fix the exact date for the issue of the loan but it was agreed in principle that it should coincide with the end of the winter which has become increasingly difficult for all classes in the country. It was reported that the loan would bear 5% interest. At the same meeting, the Council finally approved the decree granting an amnesty for military offences.

On February 17th Sg. Corbino, the Minister of the Treasury delivered a speech in Naples on the present economic situation. He began by dealing with certain problems of a political nature affecting the Liberal Party. He remarked first of all that Italy expected a Peace of justice and said that it must be made clear that any peace which did not respect the indispensable requirements of a country like Italy would never be signed by any responsible Government. He then turned to the various aspects of Italy's relations with the Allies, dwelling in particular on the issue by them of A.M. lire. After recalling that, in accordance with an agreement which would enter into force on March 15th, this issue and the financial means assured for the Allied forces would be supplied by the Italian Government, he remarked that while the portion of A.M. lire representing the expenditure of U.S. troops in Italy bore an

41a

2255

Declassified E.O. 12356 Section 3.3/NND No. 785045

1019

equivalent credit in dollars, the other portion representing the expenditures of British troops had so far no equivalent in sterling. While realising that the conditions of Great Britain was different from that of the U.S. of America, he expressed the hope that the British Government would accede to the reported requests of the Italian Government to grant the sterling equivalent. On the question of the budget he declared that financial recovery must be achieved by restricting State expenditure, increasing industrial output and restoring confidence in the lire. He noted the considerable fall in prices at the present time; although the fall in the prices of food had been impeded by circumstances outside the control of the Italian Government, in all other commodities the decrease had been satisfactory and was continuing. He was anxious that it should be realised that he was determined not to resume the printing of fresh currency at a time so delicate in the national economy. He then spoke of Italian industries and said that the Government was prepared to help them to overcome the first phase of a technical nature, but the Government's possibilities were much more limited than was popularly supposed and the reproaches leveled at the Government were absolutely unfounded; the recovery of Italian industry was not and could never be, solely the responsibility of the Government.

On February 20th it was announced that Professor Mario Bracci, the Rector of Siena University, had been appointed Minister of Foreign Trade in succession to Sg. La Malfa and that Sg. Alberto Cianca has been appointed Minister of the Consultative Assembly in succession to Sg. Lussu.

The Council of Ministers on February 27th approved a draft decree empowering the Prime Minister to adopt summer time. A Regional Commissioner was appointed by the Council to supervise the control of electric power in central and southern Italy. The Council next approved a decree authorising the expenditure of 2 milliard lire in addition to the 37 milliard lire already sanctioned for carrying out urgent public works. Another decree authorised the expenditure of two milliard

2254

1020
Declassified E.O. 12356 Section 3.3/NND No. 778545

budget he declared that financial recovery must be achieved by restricting State expenditure, increasing industrial output and restoring confidence in the lira. He noted the considerable fall in prices at the present time; although the fall in the prices of food had been impeded by circumstances outside the control of the Italian Government, in all other commodities the decrease had been satisfactory and was continuing. He was anxious that it should be realised that he was determined not to resume the printing of fresh currency at a time so delicate in the national economy. He then spoke of Italian industries and said that the Government was prepared to help them to overcome the first phase of a technical nature, but the Government's possibilities were much more limited than was popularly supposed and the reproaches levelled at the Government were absolutely unfounded; the recovery of Italian industry was not and could never be, solely the responsibility of the Government.

On February 20th it was announced that Professor Mario Bracci, the Rector of Siena University, had been appointed Minister of Foreign Trade in succession to Sg. La Malfa and that Sg. Alberto Cianca had been appointed Minister of the Consultative Assembly in succession to Sg. Lussu.

The Council of Ministers on February 27th approved a draft decree empowering the Prime Minister to adopt summer time. A Regional Commissioner was appointed by the Council to supervise the control of electric power in central and southern Italy. The Council next approved a decree authorising the expenditure of 8 milliard lire in addition to the 37 milliard lire already sanctioned for carrying out urgent public works. Another decree authorised the expenditure of two milliard lire for the repairing and reconstruction of buildings belonging to the Workmen's Dwelling Institutes.

At its meeting on March 1st, the Council discussed the question of postponing the date of the Administrative elections until April 7th, and the possibility or otherwise of holding them in the big cities before the Constituent Assembly was convoked. No decision was reached at this meeting. The Council next discussed and

4a

2254

Declassified E.O. 12356 Section 3.3/NND No. 785015

approved Signor Gasparotto's scheme authorising Prefects to order private firms, in case of need, to increase to 10% the proportion of their staffs compulsorily allotted to "reduci". The Council also decided on the enforced retirement of government officials of the first five grades and also of three university professors.

The Consultative Assembly has been chiefly occupied during the period under review by its examination of the electoral law. As already mentioned, in approved an amendment introducing compulsory voting by 179 votes to 156, but the Government in the event did not feel bound to follow the Assembly's lead. On February 19th, the Assembly discussed Articles 3 to 14 of the law and a Communist proposal to lower the age limit of the electors from 21 to 18 was defeated. Signor Nenni warned the Assembly that the electoral law must be promulgated by March 12th. On the following day, the Assembly discussed Articles 14 to 34. The most notable feature of the debate on February 21st was the defeat of an amendment of Article 66 which threatens penalties for priests who, by their action, influence the votes of electors. The amendment was proposed by Signor Lucifero of the Italian Democratic Party and was supported by the Christian Democrats. It was defeated by 215 votes to 65. The debate aroused a lively interest in the press and a lot of acid remarks were exchanged by the Left-Wing parties and the Christian Democrats. The Assembly's sitting on February 22nd was described by some sections of the press as "tumultuous". The Communist proposal that the national flag should not be used as an emblem for the electoral lows was defeated by 147 to 134 votes. A proposal made by Signor Scoca of the Christian Democratic Party that electors who failed to cast their votes should be punished with a fine of 500 lire was approved. Other details of the law were discussed. After a final statement by Signor Nenni the electoral law was approved by 178 votes to 84.

2253

In the fields of foreign relations, it is reported that a commercial agreement between Italy and Belgium was initialled in Rome on February 16th and that negotiations will be completed with the conclusion of a financial agreement. It has also been reported that the Italian Government is in negotiations with the

1022
Declassified E.O. 12356 Section 3.3/NND No. 750075

an amendment introducing compulsory voting by 179 votes to 156, but the Government in the event did not feel bound to follow the Assembly's lead. On February 19th, the Assembly discussed Articles 3 to 14 of the law and a Communist proposal to lower the age limit of the electors from 21 to 18 was defeated. Signor Romita warned the Assembly that the electoral law must be promulgated by March 12th. On the following day, the Assembly discussed Articles 14 to 34. The most notable feature of the debate on February 21st was the defeat of an amendment of Article 66 which threatens penalties for priests who, by their action, influence the votes of electors. The amendment was proposed by Signor Lucifero of the Italian Democratic Party and was supported by the Christian Democrats. It was defeated by 213 votes to 89. The debate aroused a lively interest in the press and a lot of acid remarks were exchanged by the Left-Wing parties and the Christian Democrats. The Assembly's sitting on February 22nd was described by some sections of the press as "tumultuous". The Communist proposal that the national flag should not be used as an emblem for the electoral laws was defeated by 147 to 134 votes. A proposal made by Signor Scoca of the Christian Democratic Party that electors who failed to cast their votes should be punished with a fine of 500 Lire was approved. Other details of the law were discussed. After a final statement by Signor Romita the electoral law was approved by 178 votes to 84.

In the field of foreign relations, it is reported that a commercial agreement between Italy and Belgium was initialled in Rome on February 16th and that negotiations will be completed with the conclusion of a financial agreement. It has also been reported that the Italian Government is in negotiations with the Norwegian Government and the Czechoslovak Government for the conclusion of commercial agreements. On February 24th it was announced that the Chinese Government had officially communicated to the Italian Government their agreement for the appointment of Doctor Sergio Fenoaltea as Italian Ambassador to the Chinese Republic. The Ambassador will be leaving very shortly for his post.

41a

2252

1023

Declassified E.O. 12356 Section 3.3/NND No. 780075

There has, of course, been the usual amount of press speculation on the conclusion of a Peace Treaty and the familiar topics of Venezia Giulia, the Alto Adige, the Colonies, reparations and so on, have been well ventilated. It would serve no purpose to enter into the details here, but it is perhaps noteworthy that in the last days of February much prominence was given to a report that the U.S. Government was proposing to the British and Soviet Governments that a modus vivendi should be agreed for the revision of the Italian Armistice terms pending the conclusion of the Peace. The slow rate of progress made by the deputies of the Foreign Ministers in framing the Italian Peace is, of course, responsible for this recrudescence of speculation about a modus vivendi.

There are a few developments of importance in the field of party politics whichshould be mentioned in this report. The Socialist Party Executive held meetings in Rome from February 11th to the 14th. It approved the political report that Signor Nenni, Secretary General, will submit to the National Congress on its behalf. It decided that the 24th National Congress would be held in Florence from April 11th to 17th. It seems that a certain section of the Socialist Party will press at the National Congress for united action by all the working-class parties.

The "Uomo Qualunque" movement has been much in prominence during the period under review. On February 16th it was announced that the "Uomo Qualunque Front" and the Italian Democratic Party would act together in concert during the coming elections. On the same day the Front opened a Congress in Rome which lasted until February 19th. The Congress served the purpose of converting the so-called Front into a regular political party. Signor Giannini was appointed President and Signori Marina and Lagravinese were made Vice-Presidents. In his final speech, Signor Giannini did not formulate any clear programme but spoke in somewhat vague terms of the solution of Italian problems within the framework of European reconstruction. He finally asked the Congress to pass the following order of the day: "The Uomo Qualunque Front, having transformed itself into a political party in the third sitting of its first National Congress on February 18th 1946 [illegible]

1024
Declassified E.O. 12356 Section 3.3/NND No. 785015

sion of the Peace. The slow rate of progress made by the deputies of the Foreign Ministers in framing the Italian Peace is, of course, responsible for this recrudescence of speculation about a modus vivendi.

There are a few developments of importance in the field of party politics which should be mentioned in this report. The Socialist Party Executive held meetings in Rome from February 11th to the 14th. It approved the political report that Signor Nenni, Secretary General, will submit to the National Congress on its behalf. It decided that the 24th National Congress would be held in Florence from April 11th to 17th. It seems that a certain section of the Socialist Party will press at the National Congress for united action by all the working-class parties.

The "Uomo Qualunque" movement has been much in prominence during the period under review. On February 16th it was announced that the "Uomo Qualunque Front" and the Italian Democratic Party would act together in concert during the coming elections. On the same day the Front opened a Congress in Rome which lasted until February 19th. The Congress served the purpose of converting the so-called Front into a regular political party. Signor Giannini was appointed President and Signori Mariani and Lagravinese were made Vice-Presidents. In his final speech, Signor Giannini did not formulate any clear programme but spoke in somewhat vague terms of the solution of Italian problems within the framework of European reconstruction. He finally asked the Congress to pass the following order of the day: "The Uomo Qualunque Front, having transformed itself into a political party in the third sitting of its first National Congress on February 18th 1946, calls upon the provisional authorities, who provisionally govern the country, pending the free elections which will indicate the men who will lead it, to take note of the creation of the Party."

It was reported on February 21st that the Action Party Leaders who had not agreed with the line of policy adopted by the Party in the recent Congress met at

410

Declassified E.O. 12356 Section 3.3/NND No. 785015

1025

Signor Parri's house on the previous day. The meeting was attended by more than 100 persons. Signor La Malfa made a speech in which he enumerated the fundamental reasons for their disagreement with their old comrades in the struggle and the principles giving rise to the need to bring into being a new movement in which the democratic and republican forces of the country would be grouped together. The meeting decided to form a new party which would take the name of the "Democratic Republican Movement". The press of February 28th published the programme of this new party. The movement intends to achieve two objects: firstly, to group under the new political banner all Italians who desire, with the new democratic republic, to found a new state of law, order and justice in Italy, and secondly, with this nucleus of forces to contribute to a more extensive concentration of a democratic and republican nature. On the eve of the Constituent Assembly, the manifesto states, innumerable Italians caught between reactionary, monarchist and neo-Fascist propaganda and the furor of ruinous revolutionary experiments, are without guidance and undecided. After more than 30 years of wars, agitation, adventures and tyrannies, Italians have need of peace, work, social justice and well-being. The democratic republic is the institutional structure which meets these needs: it must reorganise the system of the national economy in such a way as to increase productivity; it must promote enterprise and public intervention and help private enterprise according to whichever of these two methods gives the best results for the advantage of the community; it must fight the poverty in which a great part of the Italian people lives, guarantee work and a minimum of spiritual and material well-being to all citizens, reduce by means of a policy, inspired by a sense of responsibility and justice, the social inequalities between class and class and give the country the character of a serious, efficient and modern democracy. The manifesto bears the signatures of several hundreds of men known throughout Italy; the most prominent of whom are: Signori Parri, La Malfa, Spinelli, Pagi, Tino, Ramirez, Salvatorelli,

2252

Declassified E.O. 12356 Section 3.3/NND No. 759015

new party. The movement intends to achieve two objects: firstly, to group under the new political banner all Italians who aspire, with the new democratic republic, to found a new state of law, order and justice in Italy, and secondly, with this nucleus of forces to contribute to a more extensive concentration of a democratic and republican nature. On the eve of the Constituent Assembly, the manifesto states, innumerable Italians caught between reactionary, monarchist and neo-Fascist propaganda and the fear of ruinous revolutionary experiments, are without guidance and undecided. After more than 30 years of wars, agitation, adventures and tyrannies, Italians have need of peace, work, social justice and well-being. The democratic republic is the institutional structure which meets these needs; it must reorganise the system of the national economy in such a way as to increase productivity; it must promote enterprise and public intervention and help private enterprise according to whichever of these two methods gives the best results for the advantage of the community; it must fight the poverty in which a great part of the Italian people lives, guarantee work and a minimum of spiritual and material well-being to all citizens, reduce by means of a policy, inspired by a sense of responsibility and justice, the social inequalities between class and class and give the country the character of a serious, efficient and modern democracy. The manifesto bears the signatures of several hundreds of men known throughout Italy; the most prominent of whom are: Signori Parri, La Malfa, Spinelli, Pagi, Tino, Ramirez, Salvatorelli, Omodeo, de Ruggiero, Lionello Venturi.

2252

DISTRIBUTION:

~~Chief of Secretariat, Advisory Council (2)~~
~~US Representative, ACI~~
~~Soviet Union Representative, ACI~~
~~French Representative, ACI~~
~~United Kingdom Representative, ACI~~
~~Greek Representative, ACI~~
~~Political Adviser (A), AC~~
~~Political Adviser (B), AC (6)~~
~~Executive Commissioner, AC~~
~~British Resident Minister, AFHQ~~
~~American Political Adviser, AFHQ~~
~~C- , AFHQ (2)~~
~~DB, Files~~

-11-

Declassified E.O. 12356 Section 3.3/NND No. 785045

FEB 8 9 REC'D

1028

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Feb 1st to Feb 15th, 1946)

The chief event during the last fortnight was the resignation of the Action Party Ministers in the Government, a move which at this date has not been solved between the Party and the Government.

The Action Party met in Congress at Rome February 4 and closed February 10. It immediately became clear that various trends of opinion within the Party were going to make a showdown. Lussu in a five hour speech outlined a program which can be characterized as extreme left wing saying that the Action Party must be Socialist. He was opposed in general by Parri and La Malfa who headed what might be called a center and moderate right wing. Salvatorelli was the exponent of an extreme right wing attitude. At the meeting of February 7 Lussu declared that in view of the confusion of ideas and tendencies shown by the Congress he did not intend to remain in the Government as an exponent of such confusion and therefore he was going to place his Government and Party posts at the "disposal" of the Executive Committee of the Party. At the same time, however, he urged the Party to remain in the Government for it would be "committing a great folly" to leave it. Thereupon both La Malfa, Minister of Foreign Trade, and Lombardi, Minister of Transportation, followed suit, also declaring that they were placing their Cabinet posts at the disposal of the Party. Although during the previous meetings the delegates had given clear indication that they favored the Party's withdrawal from the Government, at the last moment a number of authoritative speakers urged the Party to remain in the Government. At the beginning La Malfa's and Lombardi's

2251

Declassified E.O. 12356 Section 3.3/NND No. 7 850045

(Period of two last weeks ending Feb 15th, 1946)

The chief event during the last fortnight was the resignation of the Action Party Ministers in the Government, a move which at this date has not been solved between the Party and the Government.

The Action Party met in Congress at Rome February 4 and closed February 10. It immediately became clear that various trends of opinion within the Party were going to seek a showdown. Lussu in a five hour speech outlined a program which can be characterized as extreme left wing saying that the Action Party must be Socialist. He was opposed in general by Parri and La Malfa who headed what might be called a center and moderate right wing. Salvatorelli was the exponent of an extreme right wing attitude. At the meeting of February 7 Lussu declared that in view of the confusion of ideas and tendencies shown by the Congress he did not intend to remain in the Government as an exponent of such confusion and therefore he was going to place his Government and Party posts at the "disposal" of the Executive Committee of the Party. At the same time, however, he urged the Party to remain in the Government for it would be "committing a great folly" to leave it. Thereupon both La Malfa, Minister of Foreign Trade, and Lombardi, Minister of Transportation, followed suit, also declaring that they were placing their Cabinet posts at the disposal of the Party. Although during the previous meetings the delegates had given clear indication that they favored the Party's withdrawal from the Government, at the last moment a number of authoritative speakers urged the Party to remain in the Government. At the beginning La Malfa's and Lombardi's resignations were interpreted as purely formal acts.

On February 8 the various motions that had been proposed came up for vote. At the last moment Parri withdrew his motion which reflected authoritatively the center and right wing views and which it was generally believed would have won out. The reason Parri gave for the withdrawal of his motion was that he did not

(41)

10291
2251
Declassified E.O. 12356 Section 3.3/NND No. 785015

wish to "coerce" the Party. This move, however, left the group headed by La Malfa completely unprepared and unrepresented since this group intended to support Parri's motion. As a result the Codignola motion reflecting a moderate leftist tendency won by a plurality of votes, receiving 120,000 votes against 70,000 for the Lombardi motion supported by the Center. The extreme Right Wing motion of Salvatorelli brought only 3,000 votes. However, about 72,000 votes abstained.

The Codignola motion contains the following points:

1) The CLN's will dissolve with the Costituente.

2) The Costituente must be called before the peace treaty.

3) The Costituente must be sovereign.

4) An efficient social policy must be adopted.

5) A clear trade union policy must be followed.

6) Immediate and far-reaching changes must be made in high ranks of armed forces, internal administration and diplomatic corps.

7) Problem of Italian South must have first place.

8) International solidarity.

With the passage of the Codignola motion Parri, La Malfa, Salvatorelli, De Ruggero, and other Center and Right Wing leaders resigned from the Action Party. The problem of replacing Lussu and La Malfa has been under discussion ever since. Lombardi was reaffirmed in his post by the Party and Cianca was finally designated to replace Lussu. However, Pecchei who has been put forward by the Action Party to replace La Malfa does not appear to be acceptable to the other Parties in the Government, owing to his close connections with Fiat, one of Italy's largest industries. De Gasperi is reported as having suggested Sforza, Salvatorelli, who was Finance Minister in the first Bonomi Cabinet but he is reluctant to accept.

2450

On February 10 the Italian Republican Party held its 18th National Con-

1030

Declassified E.O. 12356 Section 3.3/NND No. 785045

The Codignola motion contains the following points:

1) The CLN's will dissolve with the Costituente.

2) The Costituente must be called before the peace treaty.

3) The Costituente must be sovereign.

4) An efficient social policy must be adopted.

5) A closer trade union policy must be followed.

6) Immediate and far-reaching changes must be made in high ranks of armed forces, internal administration and diplomatic corps.

7) Problem of Italian South must have first place.

8) International solidarity.

With the passage of the Codignola motion Parri, La Malfa, Salvatorelli, De Ruggero, and other Center and Right Wing leaders resigned from the Action Party. The problem of replacing Lussu and La Malfa has been under discussion ever since. Lombardi was reaffirmed in his post by the Party and Cianca was finally designated to replace Lussu. However, Pacciardi who has been put forward by the Action Party to replace La Malfa does not appear to be acceptable to the other Parties in the Government, owing to his close connections with Fiat, one of Italy's largest industries. De Gasperi is reported as having suggested Valenti, who was Finance Minister in the first Bonomi Cabinet but he is reluctant to accept.

On February 10 the Italian Republican Party held its 18th National Congress in Rome and confirmed Pacciardi as head of Party. Speculation is rife whether Parri will merge his dissident Action Party bloc with the Republican Party. Most of press consider Parri's presence at the Republican Party Congress as significant although Parri himself denied that it had any connection with such a move. In an interview with Giornale del Mattino Parri has declared that he

(41)

2250

Declassified E.O. 12356 Section 3.3/NND No. 759015

1031

does not with to form a new Party but to organize a movement which would have a position between the Socialists-Communists on one side and the Christian Democrats on the other but which would eschew all confessional ties and Marxist or class preoccupations.

During the same period the Labor Democrat party has met in Congress and Bonomi gave the chief talk. It is his aim he declared to form a Democratic Concentration which would embrace all middle class currents. This concentration would seek to group present parties for purposes of achieving election aims but would leave full autonomy to each Party.

Parri, queried whether his movement had any connection with Bonomi's plans, replied that he could not go along with any Party that had not declared itself on the institutional question. He emphatically made it clear that a "Republican bias" is an indispensable premise for Italian reconstruction.

On February 11, the Consulta re-opened to discuss the election law for the Constituent Assembly. De Gasperi read a brief statement regarding the powers of the Constituent Assembly and asked the delegates to concentrate their discussion principally on the political elections law since "for reasons of external and internal policy it is necessary that the political elections be held as soon as the technical and moral preparations of the country permit." Regarding the powers of the Constituent Assembly, the President of the Council referred to earlier Government pronouncements and to the decree law 151 of July, 1944 and said that it was realized that amendments and amplifications of this earlier legislation were necessary. He also remarked that "when the electoral co- 2249
sions (comizi elettorali) are convoked the methods of solving the political problems connected with the Costituente will be defined." He urged the Consulta to express its views on the electoral law as promptly as possible.

1032

Declassified E.O. 12356 Section 3.3/NND No. 785015

During the same period the Labor Democrat party has met in Congress and Bonomi gave the chief talk. It is his aim he declared to form a Democratic Concentration which would embrace all middle class currents. This concentration would seek to group present parties for purposes of achieving election aims but would leave full autonomy to each Party.

Parri, queried whether his movement had any connection with Bonomi's plans, replied that he could not go along with any Party that had not declared itself on the institutional question. He emphatically made it clear that a "Republican bias" is an indispensable premise for Italian reconstruction.

On February 11, the Consulta re-opened to discuss the election law for the Constituent Assembly. De Gasperi read a brief statement regarding the powers of the Constituent Assembly and asked the delegates to concentrate their discussion principally on the political elections law since "for reasons of external and internal policy it is necessary that the political elections be held as soon as the technical and moral preparations of the country permit." Regarding the powers of the Constituent Assembly, the President of the Council referred to earlier Government pronouncements and to the decree law 151 of July, 1944 and said that it was realized that amendments and amplifications of this earlier legislation were necessary. He also remarked that "when the electoral comizi (comizi elettorali) are convoked the methods of solving the political problems connected with the Costituente will be defined." He urged the Consulta to express its views on the electoral law as promptly as possible.

As was to be foreseen, the discussions of the Consulta touched principally on the problem of compulsory vote, proportional representation and on the necessity for a referendum on the institutional question. The question of a compulsory vote was warmly defended by the Liberals and Christian Democrats and as strongly attacked by the Communists and Action Party consultori. An exceptionally stormy session took place on February 12 when Professor Marchesi

(41)

2549

1033

Declassified E.O. 12356 Section 3.3/NND No. 785015

(Communist) accused the Liberals and Christian Democrats of being "neo-anti-Fascists" and invective between the Christian Democrats and Liberals on the one hand and Communists and Action Party on the other lasted for some fifteen minutes before the President could curb it. A speech by Merlin (Christian Democrat) favoring proportional representation was also stopped temporarily when Left Wing took exception to his warm praise of the role played by Catholic clergy during the underground period. Merlin had declared that clergy had protected underground fighters of all political colors, including Communists. Communists took occasion to rebut with statement that clergy also protects Fascists.

According to the press, also the Cabinet Council has sharply divided on the election law but a rumor is about that a compromise may be reached if the Liberals, Christian Democrats and Labor Democrats will not insist on a compulsory vote and the Communists, Socialists and Action Party will agree to limiting the powers of the Constituent Assembly, that is, renounce the position that the Costituonte must be sovereign.

In the earlier part of the period which I am reporting the Council of Ministers met and discussed the provisions for "reduci" (war veterans and returned deportees). Two billion lire was approved for construction of housing for "reduci," to be built by cooperatives. Regarding the problem of the employment of "reduci" in the Government, provision is now under study. The Council of Ministers also discussed the proposal submitted by the Minister of Interior regarding the re-assignment of Prefects. A number of Prefects were nominated "many for posts in Sicily and some for the North." The functions of the High Commissioner for Sanctions Against Fascism was transferred to the Office of the Presidency of Council. The High Commissioner's Office will be suppressed by March 31. Minister Togliatti made the declaration that preparation is near

2248

Declassified E.O. 12356 Section 3.3/NND No. 778501/5

took exception to his warm praise of the role played by Catholic clergy during the underground period. Merlin had declared that clergy had protected underground fighters of all political colors, including Communists. Communists took occasion to rebut with statement that clergy also protects Fascists.

According to the press, also the Cabinet Council has sharply divided on the election law but a rumor is about that a compromise may be reached if the Liberals, Christian Democrats and Labor Democrats will not insist on a compulsory vote and the Communists, Socialists and Action Party will agree to limiting the powers of the Constituent Assembly, that is, renounce the position that the Constituente must be sovereign.

In the earlier part of the period which I am reporting the Council of Ministers met and discussed the provisions for "reduci" (war veterans and returned deportees). Two billion lire was approved for construction of housing for "reduci," to be built by cooperatives. Regarding the problem of the employment of "reduci" in the Government, provision is now under study. The Council of Ministers also discussed the proposal submitted by the Minister of Interior regarding the re-assignment of Prefects. A number of Prefects were nominated "many for posts in Sicily and some for the North." The functions of the High Commissioner for Sanctions Against Fascism was transferred to the Office of the Presidency of Council. The High Commissioner's Office will be suppressed by March 31. Minister Togliatti made the declaration that preparation is near completion of law for reconstitution of the Court of Assizes which will replace the present Special Sections of the Court.

In order to facilitate the dissemination of information on practical problems, as the voting procedure and the significance and importance of the Constituent Assembly, the Council of Ministers approved a draft decree which will make compulsory the showing of documentary films in all cinemas.

(41)

2248

1035

Declassified E.O. 12356 Section 3.3/NND No. 785045

The proposed law on freedom of the press was also under discussion and all the ministers were in agreement that pornography should include drawings and other representations which depicted political ideas and politicians in a lewd manner. However, no agreement could be reached as to the limits and applications of this law and the provision was remanded for further study and a more complete definition of "political pornography."

At the meeting of February 6, De Gasperi obtained approval of a decree regarding the cessation of state of war and the passage from war-time legislation to state of peace by April 15, 1946. The Council also approved the expenditure of 4 1/2 billion lire for reconstruction in Naples area and 200 million lire for immediate reconstruction at Torre Annunziata. Owing to the resignations of the Action Party ministers the Council of Ministers has been unable to meet further to discuss and approve the election law.

The question of freedom of the press came up again at the beginning of this period when an issue of Uomo Qualunque was sequestered on grounds of instigation to commission of crimes and specifically for following phrase "If you can, without compromising yourself, hit over the head the person who accuses you falsely of Fascism, do it." The daily organ of the Uomo Qualunque movement, BUONSENSO accused the Council of Ministers and especially Minister of Justice, Togliatti, for having sought any flimsy pretext for months to sequester issues of this paper and for having already attempted unsuccessfully on seven previous occasions to seize an issue. The editorial continues bitterly to attack UNITA and L.V.C.R. for campaigns against Giannini, as well as the three Left Wing parties in the Government for their allegedly unlimited and unfair campaign to smear the name of "only voice which states things as they are and must therefore be suppressed at any price."

2247

Disorders continued to be reported from Sicily and are still attributed to Separatist movement.

Declassified E.O. 12356 Section 3.3/NND No. 785045

to state of peace by April 15, 1946. The Council also approved the expenditure of 4 1/2 billion lire for reconstruction in Naples area and 200 million lire for immediate reconstruction at Torre Annunziata. Owing to the resignations of the Action Party ministers the Council of Ministers has been unable to meet further to discuss and approve the election law.

The question of freedom of the press came up again at the beginning of this period when an issue of Uomo Qualunque was sequestered on grounds of instigation to commission of crimes and specifically for following phrase "If you can, without compromising yourself, hit over the head the person who accuses you falsely of Fascism, do it." The daily organ of the Uomo Qualunque movement, BUONSENSO accused the Council of Ministers and especially Minister of Justice, Togliatti, for having sought any flimsy pretext for months to sequester issues of this paper and for having already attempted unsuccessfully on seven previous occasions to seize an issue. The editorial continues bitterly to attack UNITA and LAVORO for campaigns against Giannini, as well as the three Left Wing parties in the Government for their allegedly unlimited and unfair campaign to smear the name of "only voice which states things as they are and must therefore be suppressed at any price."

2247

Disorders continued to be reported from Sicily and are still attributed to Separatist movement.

Lucca Tasca, former mayor of Palermo during [illegible] period was reported formally named head of Sicilian Separatists. According to the press, the Separatists have denounced EVIS (so-called Separatist army) which is blamed for terrorist activities attributed to Separatists. Tasca in a statement, declared

(4)

1031

Declassified E.O. 12356 Section 3.3/NND No. 785045

he had no intention of supporting EVIS which had never been connected with the "movement for the independence of Sicily". He also asked that former Separatist leader, Finocchiaro-Aprile now interned on Island of Ponza be released along with other Separatist heads who were arrested at the same time. Press attributes Finocchiaro's removal as leader of the Separatists to the fact that he is no longer in a position to assist actively their activities.

MSM, neo-Fascist organization, was reported active in Venice area.

During this period the Council of Ministers took in consideration changes in Italian diplomatic assignments. Ambassadors to Belgium and China are expected to be nominated soon. Marchese Diana, present Chief of Cabinet at Ministry of Foreign Affairs, was appointed Italian Ambassador to the Holy See. Reports from Tokyo informed that staff of the former Italian Embassy and Consulates in Japan will sail on February 16 from Yokohama on first lap of voyage of repatriation.

The Alto Adige question came under discussion again with the publication of a letter which Prince Archbishop of Bressanone addressed to the daily newspapers of the Upper Adige and which stated that in order to arrive at a just peace it is necessary for the area to rejoin Austria. Local press comments that the Prince Archbishop opted in 1939 for German nationality under the Hitler-Mussolini agreement. His views in this respect are well known, the despatches add, and it is generally believed that he is in fact the principal inspiration of the Sud Tyroller Volkspartei which favors annexation of Upper Adige to Austria. The press blames Austrian propaganda for reopening this question which was finally regularized with the passage of this territory from AMG to Italian administration.

It is reported that the position of Italians in Albania has seriously deteriorated because of the nationalist Albanian policy; many Italians are reported to have been robbed and expelled, or both, and the condition of Italians in Durazzo awaiting repatriation is alleged to be especially bad for they are without food supplies.

2246

1038

Declassified E.O. 12356 Section 3.3/NNB No. 785015

many neo-Fascist organization, was reported active in Venice area.

During this period the Council of Ministers took in consideration changes in Italian diplomatic assignments. Ambassadors to Belgium and China are expected to be nominated soon. Marchese Diana, present Chief of Cabinet at Ministry of Foreign Affairs, was appointed Italian Ambassador to the Holy See. Reports from Tokyo informed that staff of the former Italian Embassy and Consulates in Japan will sail on February 16 from Yokohama on first lap of voyage of repatriation.

The Alto Adige question came under discussion again with the publication of a letter which Prince Archbishop of Bressanone addressed to the daily newspapers of the Upper Adige and which stated that in order to arrive at a just peace it is necessary for the area to rejoin Austria. Local press comments that the Prince Archbishop opted in 1939 for German nationality under the Hitler-Mussolini agreement. His views in this respect are well known, the despatches add, and it is generally believed that he is in fact the principal inspiration of the Sud Tyroller Volkspartei which favors annexation of Upper Adige to Austria. The press blames Austrian propaganda for reopening this question which was finally regularised with the passage of this territory from AMG to Italian administration.

It is reported that the position of Italians in Albania has seriously deteriorated because of the nationalist Albanian policy; many Italians are reported to have been robbed and expelled, or both, and the condition of Italians in Durazzo awaiting repatriation is alleged to be especially bad for they are without food supplies.

As was to be expected, Italian press has followed the drafting of the Italian peace treaty in London with close interest. There is considerable pessimism due to the slow progress of the Committee and the fear has been expressed that the draft peace treaty will not be ready by May one, for the Paris peace conference. Secretary Byrnes' press statement outlining a plan for UNO administration of Italian colonies has been received with mixed feeling.

41

2246

1039

Declassified E.O. 12356 Section 3.3/NND No. 785045

The press has repeatedly expressed the opinion that a definite Italian peace treaty will be postponed for the time being and that a revision of the armistice terms will regulate Italy's international position. This impression was re-enforced by the fact that Moscow has replied favorably to the United States and British note proposing a modus vivendi for Italy.

De Gasperi in a New York Times interview declared that Italy would never recognize Yugoslavia's claim to Trieste or Austrian pretensions on the Upper Adige. De Gasperi said that the Italian Government was opposed to resolution of frontier problems by plebiscite and favored the adoption of the Wilson line as a basis for the settlement of Venezia Giulia question. On February 12 Giornale del Mattino carried an interpretative story of this interview which De Gasperi gave to the New York Times and explained that it did not mean that Italy voluntarily gave up her claims to Fiume and Zara but that it laid down the principle that the loss of Fiume and Zara represented the maximum sacrifice acceptable to the Italian Government. According to this paper, the President of the Council in no way retreated from his earlier position, which deems it necessary that guarantees be established for the Italians living in these areas. As proof of De Gasperi's solicitude for the inhabitants of the cities in question, Giornale del Mattino quoted from an earlier letter of the President of the Council to Secretary Byrnes stating that while Italy was disposed to accept the adoption of the Wilson line as basis for discussion in the settlement of the Venezia Giulia question, this step would signify "the sorrowful loss" for Italy of these two Italian cities.

On February 12 Unita published a despatch from Moscow to the effect 2445 Radio Moscow announced that the Italian Embassy in Moscow had been informed by the Soviet Government that Italian Government should not have any preoccupation with regard to the Moscow communique since the decisions announced therein are

1040

Declassified E.O. 12356 Section 3.3/NND No. 759015

De Gasperi in a New York Times interview declared that Italy would never recognize Yugoslavia's claim to Trieste or Austrian pretensions on the Upper Adige. De Gasperi said that the Italian Government was opposed to resolution of frontier problems by plebiscite and favored the adoption of the Wilson line as a basis for the settlement of Venezia Giulia question. On February 12 Giornale del Mattino carried an interpretative story of this interview which De Gasperi gave to the New York Times and explained that it did not mean that Italy voluntarily gave up her claims to Fiume and Zara but that it laid down the principle that the loss of Fiume and Zara represented the maximum sacrifice acceptable to the Italian Government. According to this paper, the President of the Council in no way retreated from his earlier position, which deems it necessary that guarantees be established for the Italians living in these areas. As proof of De Gasperi's solicitude for the inhabitants of the cities in question, Giornale del Mattino quoted from an earlier letter of the President of the Council to Secretary Byrnes stating that while Italy was disposed to accept the adoption of the Wilson line as basis for discussion in the settlement of the Venezia Giulia question, this step would signify "the sorrowful loss" for Italy of these two Italian cities.

On February 12 Unita published a despatch from Moscow to the effect 2245 Radio Moscow announced that the Italian Embassy in Moscow had been informed by the Soviet Government that Italian Government should not have any preoccupation with regard to the Moscow communique since the decisions announced therein are merely extension of earlier decision taken at Potsdam. Unita took this opportunity to attack editorially conservative papers which had interpreted the Moscow communique as indicating a deterioration of the Italian position from earlier assurances, asserting that the Soviet Union has always supported Italian thesis and that USSR has again indicated its determination to obtain the best possible peace terms for Italy.

(41)

1041

Declassified E.O. 12356 Section 3.3/NND No. 785015

This despatch brought forth from the Foreign Ministry a communique explaining why Russia's reply had not been made public. It stated that representations were made to British, American and Soviet Governments in this connection asking especially for guarantee that Italian precedence in peace treaty discussions had not been abandoned. According to communique, De Gasperi when he referred to this subject in his address to the Consulta had not then received Soviet reply although he, at that time affirmed explicitly that he was sure that Soviet Government, which had been first to recognize democratic Italian Government and which had always demonstrated "the greatest interest in our economic and social development", would agree with the British and American position which had assured Italy that Moscow decisions in no way altered those taken at Potsdam.

Foreign Ministry further stated that since Soviet reply had been received after the termination of discussions on foreign affairs at the Consulta it was not thought necessary to bring the subject up again. Satisfaction was expressed that the Soviet reply was in fact favorable to the Italian viewpoint, as had been foreseen, and the Italian Government expressed its thanks to the Soviet Government. The communique finally states that the sinister reasons which have been rumored for non-publication of the Soviet reply are completely unfounded and that in fact the Italian Government "is carrying out with regard to the Soviet Union a policy of sincere and close friendship and cordial collaboration."

On February 10, the press published the communication from Governor Lehmann to Sig. De Gasperi declaring that while former will do his best to continue to maintain UNRRA Italian program he feels it his duty to warn the Italian Government that within the next few months there will be a large reduction in the program compared to what it had been hoped might be sent to Italy this winter; that the Italian Government must take all possible measures to control such foodstuffs as will be available for the country and reduce to a minimum

2214

1042

Declassified E.O. 12356 Section 3.3/NNB No. 785045

Soviet reply although he, at that time affirmed explicitly that he was sure that Soviet Government, which had been first to recognize democratic Italian Government and which had always demonstrated "the greatest interest in our economic and social development", would agree with the British and American position which had assured Italy that Moscow decisions in no way altered those taken at Potsdam.

Foreign Ministry further stated that since Soviet reply had been received after the termination of discussions on foreign affairs at the Consulta it was not thought necessary to bring the subject up again. Satisfaction was expressed that the Soviet reply was in fact favorable to the Italian viewpoint, as had been foreseen, and the Italian Government expressed its thanks to the Soviet Government. The communique finally states that the sinister reasons which have been rumored for non-publication of the Soviet reply are completely unfounded and that in fact the Italian Government "is carrying out with regard to the Soviet Union a policy of sincere and close friendship and cordial collaboration."

On February 10, the press published the communication from Governor Lehmann to Sig. De Gasperi declaring that while former will do his best to continue to maintain UNRRA Italian program he feels it his duty to warn the 2244 Italian Government that within the next few months there will be a large reduction in the program compared to what it had been hoped might be sent to Italy this winter; that the Italian Government must take all possible measures to control such foodstuffs as will be available for the country and reduce to a minimum national consumption in order to assure that the population of Italy can be kept alive until the next harvest.

De Gasperi is quoted as replying that the Italian Government, in view of this situation intends to establish a rigid food rationing system. He pointed out, however, that the latest reductions have brought the daily rations to an

(41)

1043

Declassified E.O. 12356 Section 3.3/NND No. 785045

extremely low level which did not even amount to 700 calories a day. The Prime Minister continued that the scarcity of non-rationed edibles during the winter season on the open market made it impossible for the urban populations to buy sufficient quantities to complement their rations in order to reach the 1500 calorie mark, which he described as the absolute minimum to avoid grave consequences, particularly in view of the heavy increase in tuberculosis discovered among the returning prisoners of war and deportees returning to Italy.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
OO Files

2243

1044

Declassified E.O. 12356 Section 3.3/NND No. 785045

the returning prisoners of war and deportees returning to Italy.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
US Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)
CC Files

2243

(41)

1045

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Jan 18th to 31 Jan 1946)

During the past two weeks there have been few major developments in either the domestic or foreign field. Perhaps the most important domestic topic at present is the matter of administrative and national elections, both of which have been discussed at great length in the Council of Ministers and by the Committee of the Consulta charged with reporting to the Plenary Session on electoral legislation. On the Constituente not much progress has been reported, although the Consulta Committee recommended on January 25 that the Constituent Assembly should consist of one deputy for every 75,000 inhabitants, or a total of 577. More definite progress was reported in the field of local elections and it has been announced definitely that voting for communal councils will take place so far as possible on Sundays March 10, 17, 24 and 31. In this connection, on January 26 a list of 319 communes where elections will be held on March 10 was released, while on January 30 a list of approximately 80 more communes where elections will be held on March 10 was released, in conjunction with a list of about 500 communes where councils will be selected on March 17. Although these two lists in the aggregate comprise only slightly over 10 percent of the total communes in Italy, it is thought that during the next few weeks electoral roles, complete in only 24.2 percent of the communes at the last report, will increase considerably in view of the fact that the Council of Ministers has now approved action eliminating the requirement that penal records be centrally checked for all voters, a somewhat tedious

1046
Declassified E.O. 12356 Section 3.3/NND No. 785915
803
2242

(Period of Jan 18th to 31 Jan 1946)

During the past two weeks there have been few major developments in either the domestic or foreign field. Perhaps the most important domestic topic at present is the matter of administrative and national elections, both of which have been discussed at great length in the Council of Ministers and by the Committee of the Consulta charged with reporting to the Plenary Session on electoral legislation. On the Constituente not much progress has been reported, although the Consulta Committee recommended on January 25 that the Constituent Assembly should consist of one deputy for every 75,000 inhabitants, or a total of 577. More definite progress was reported in the field of local elections and it has been announced definitely that voting for communal councils will take place so far as possible on Sundays March 10, 17, 24 and 31. In this connection, on January 26 a list of 319 communes where elections will be held on March 10 was released, while on January 30 a list of approximately 30 more communes where elections will be held on March 10 was released, in conjunction with a list of about 400 communes where councils will be selected on March 17. Although these two lists in the aggregate comprise only slightly over 10 percent of the total communes in Italy, it is thought that during the next few weeks electoral roles, complete in only 24.2 percent of the communes at the last report, will increase considerably in view of the fact that the Council of Ministers has now approved action eliminating the requirement that penal records be centrally checked for all voters, a somewhat tedious process.

In connection with the administrative elections, Minister of the Interior Romita despatched a telegram on January 19 to all Prefects stating that the Italian Government has the firm intention of holding communal elections in March and that every step should be taken to ensure the holding of these elections without incident and with all possible guarantees to ensure

740

Declassified E.O. 12356 Section 3.3/NND No. 778507

freedom of voting. This telegram instructs the Prefects to summon the representatives of all political parties participating in the elections and to ask each of them personally to give a guarantee not to interfere with free and orderly electoral procedure. In his telegram, the Minister of the Interior stated that he was personally responsible to the heads of all political parties for any violation of these instructions and he therefore asks the Prefects for their fullest cooperation.

The electoral law, details of which were finally released on January 18, provide, as had previously been reported, that the majority system shall be used in all communes exclusive of provincial capitals with less than 30,000 population, while the proportional representation system shall be used in all other communes.

Incidentally one type of election has already begun in Italy, and L'Unita, on January 22, reports results of elections held in the Province of Modena among various labor unions there belonging to the local Camera di Lavoro. These figures indicate that Communist representatives obtained clear majorities in five of seven unions voting. The Milan edition of L'Unita later carried preliminary figures on voting in labor unions there, which also indicated clear Communist majority.

Among other matters of internal interest, the subject of epuration has continued to occupy the attention of the Council of Ministers, which now, under decree law 716 of November 9, 1945 (the Nenni law), has the responsibility for examining the cases of state employees in the upper file of administrative categories, and on January 19 it was announced that of some 100 cases examined, 60 persons had been retired from their posts in Ministries of Presidency, Interior, Justice, Finance and Treasury. On January 22

1048

Declassified E.O. 12356 Section 3.3/NND No. 765045

2241

the Prefects for their fullest cooperation.

The electoral law, details of which were finally released on January 18, provide, as had previously been reported, that the majority system shall be used in all communes exclusive of provincial capitals with less than 30,000 population, while the proportional representation system shall be used in all other communes.

Incidentally one type of election has already begun in Italy, and L'Unita, on January 22, reports results of elections held in the Province of Modena among various labor unions there belonging to the local Camera di Lavoro. These figures indicate that Communist representatives obtained clear majorities in five of seven unions voting. The Milan edition of L'Unita later carried preliminary figures on voting in labor unions there, which also indicated clear Communist majority.

Among other matters of internal interest, the subject of epuration has continued to occupy the attention of the Council of Ministers, which now, under decree law 716 of November 9, 1945 (the Nenni law), has the responsibility for examining the cases of state employees in the upper file of administrative categories, and on January 19 it was announced that of some 100 cases examined, 60 persons had been retired from their posts in Ministries of Presidency, Interior, Justice, Finance and Treasury. On January 22 it was announced that an additional 177 persons had been removed by the Council of Ministers from the roles of the Ministries of Public Instruction, Transport, Agriculture, Industry and Commerce, War, Marine and Air, with 65 of these epurated coming from three service Ministries.

During the earlier part of the period on which I am reporting, the Consulta was in session. Among the principal speeches given, in addition to De Gasperi's summary at the close of the meeting on January 21, Nitti, Parri,

(40)

Declassified E.O. 12356 Section 3.3/NND No. 785045

1049

2241

Ruini, and others spoke. Nitti's address was pathetically devoted to Foreign Affairs and especially to the thesis that Italy must remain outside of either of the two blocks now existing in Europe, while maintaining cordial relations with both groups. He also emphasized need for close friendship with France, based on complementary needs. Parri, also speaking on foreign affairs, likewise took the line that Italy should not join any European grouping of nations but should assist, if possible, in promoting better understanding among the large powers, being careful to avoid any anti-Soviet bias while at the same time assuming the leadership of the minor powers in promoting European reconstruction.

De Gasperi on January 21 gave a major address concluding the Consult-'s debate on foreign affairs and making the following important points:

Italy's position vis-a-vis the Soviet Union. In this connection the President of the Council expressed his regrets that Italians had not yet had an opportunity to demonstrate to the Soviet Union the effectiveness of their new democracy and that "Russians unfortunately have known Italians only as enemies". In discussing the Soviet position on Italo-Yugoslav relations in Venezia Giulia, De Gasperi stated "I believe Russia considers she has an international mission: that of protecting states which have special ties of blood and special geographical relationships with her; and I believe that this is the reason for her attitude towards us. I still hope that much can be obtained through the conspicuous strength of Italy's workers and through the consolidation of our national unity."

2240

Italo-Spanish relations. De Gasperi expressed satisfaction that Italy had been repaid 5 billion lire owed by Spain. "However", he continued, referring to demand of Communist Secretary of CGIL that Italy sever

1050

Declassified E.O. 12356 Section 3.3/NND No. 785015

but should assist, if possible, in promoting better understanding among the large powers, being careful to avoid any anti-Soviet bias while at the same time assuming the leadership of the minor powers in promoting European reconstruction.

De Gasperi on January 21 gave a major address concluding the Consulta's debate on foreign affairs and making the following important points:

Italy's position vis-a-vis the Soviet Union. In this connection the President of the Council expressed his regrets that Italians had not yet had an opportunity to demonstrate to the Soviet Union the effectiveness of their new democracy and that "Russians unfortunately have known Italians only as enemies". In discussing the Soviet position on Italo-Yugoslav relations in Venezia Giulia, De Gasperi stated "I believe Russia considers she has an international mission: that of protecting states which have special ties of blood and special geographical relationships with her; and I believe that this is the reason for her attitude towards us. I still hope that much can be obtained through the conspicuous strength of Italy's workers and through the consolidation of our national unity."

2240

Italo-Spanish relations. De Gasperi expressed satisfaction that Italy had been repaid 5 billion lire owed by Spain. "However", he continued, referring to demand of Communist Secretary of CGIL that Italy sever relations with Franco Spain, "the general policy of the Government has no connection with the commercial agreement", and Italian policy towards Spain is tied in with that of the United States, Great Britain, and France. He concluded on this subject as follows: "Many have asked me to carry out a more aggressive policy insofar as Spain is concerned; but we should not forget that an aggressive policy is not permitted by the armistice

40

Declassified E.O. 12356 Section 3.3/NND No. 750015

situation in which we find ourselves."

At this point De Gasperi read a letter he had sent to the Secretary of State, dated August 22, 1945, shortly before proceeding to London during the Council of Foreign Ministers. He stressed following points made then and still considered valid:

1. Yugoslavia had a right to the frontiers freely agreed upon at Rapallo in 1920 and it is believed the Wilson Line of 1919 can be taken as a basis for a discussion of this boundary.

2. The Wilson Line represents a loss of 80,000 Italians but it would also represent an accession of 100,000 Slavs to Yugoslavia. Special autonomy should be granted to the cities of Fiume and Zara.

3. Italy will cooperate in assuring free access by neighboring states to the port of Trieste, which has special importance for these nations.

4. Italy wishes to cooperate with Yugoslavia in the Adriatic and accordingly will agree to the demilitarization of the naval base of Pola provided the same action is taken at Cattaro and full Albanian independence is guaranteed.

De Gasperi, terminating the letter, assured Consulta that while the above letter indicated the "painful renunciation" of Fiume, this is no way prejudiced the "ancient right" of that city to self-government as most fully expressed in the Treaty of Rapallo.

2239

Passing to the Alto Adige question, he pointed out that while fascism had imposed itself on the inhabitants and German schools had been abolished, Italy had constructed great electrical plants there which were necessary for the industrial development of the Po Valley. He stated that the Government was prepared "to give local autonomy to that

1052

Declassified E.O. 12356 Section 3.3/NND No. 763015

taken as a basis for a discussion of this boundary.

2. The Wilson Line represents a loss of 30,000 Italians but it would also represent an accession of 100,000 Slavs to Yugoslavia. Special autonomy should be granted to the cities of Fiume and Zara.

3. Italy will cooperate in assuring free access by neighboring states to the port of Trieste, which has special importance for these nations.

4. Italy wishes to cooperate with Yugoslavia in the Adriatic and accordingly will agree to the demilitarization of the naval base of Pola provided the same action is taken at Cattaro and full Albanian independence is guaranteed.

De Gasperi, terminating the letter, assured Consulta that while the above letter indicated the "painful renunciation" of Fiume, this is no way prejudiced the "ancient right" of that city to self-government as most fully expressed in the Treaty of Rapallo.

2239

Passing to the Alto Adige question, he pointed out that while fascism had imposed itself on the inhabitants and German schools had been abolished, Italy had constructed great electrical plants there which were necessary for the industrial development of the Po Valley. He stated that the Government was prepared "to give local autonomy to that region as to Val d'Aosta. The Italian Government has issued laws for the inhabitants of the Brenner regarding language, schools and citizenship..... Renner says the Brenner is necessary for Austria for security reasons; but when has Italy ever utilized the Brenner to attack? The Brenner was crossed only to invade Italy."

On relations with France, De Gasperi asserted:

(40)

1053

Declassified E.O. 12356 Section 3.3/NND No. 740015

"To avoid suspicions by that power, we concluded last February, at great sacrifice to us, an accord by which we renounced all aspirations over Tunisia, to whose well-being our citizens had contributed. Then the French Government assured us it would have no further request to advance. Today, on the other hand, they ask for a rectification of our western frontier! Nevertheless we do not intend to assume an intransigent position and will do everything possible to assure ever closer relations with France."

On other subjects, the speaker said Italy recognized Greek rights to the Dodecannese but asked guarantees for Italian residents of Rhodes; and Italy hoped she would receive administrative responsibility for her colonies which might remain "zone of work for Italians". On reparations, De Gasperi again said it was unthinkable that Italian industrial equipment should be removed for reparations since this would be expropriation.

Turning to Italy's prospects for a satisfactory peace treaty, the Foreign Minister said: "To tell you the truth about the state of mind on the eve of the new treaty, I should say that my trepidation is great. The British Empire cannot forget that the Italians threatened at one time to cut the road to India and its peril was great. We have against us a propaganda conducted with great ability; photographs of exceptional seriousness regarding our activity in Yugoslavia have been circulated. What can we do? I, however, refuse to despair. It is necessary also to have faith in a better world. I believe in the international life insofar as Italy is concerned; I believe in our civilization."

Comment on this speech was generally favorable although the press generally commented on the rather pessimistic attitude which the President of the Council assumed but most papers characterized

Declassified E.O. 12356 Section 3.3/NND No. 740076

2258

closer relations with France."

On other subjects, the speaker said Italy recognized Greek rights to the Dodecanneso but asked guarantees for Italian residents of Rhodes; and Italy hoped she would receive administrative responsibility for her colonies which might remain "zone of work for Italians". On reparations, De Gasperi again said it was unthinkable that Italian industrial equipment should be removed for reparations since this would be expropriation.

Turning to Italy's prospects for a satisfactory peace treaty, the Foreign Minister said: "To tell you the truth about the state of mind on the eve of the new treaty, I should say that my trepidation is great. The British Empire cannot forget that the Italians threatened at one time to cut the road to India and its peril was great. We have against us a propaganda conducted with great ability; photographs of exceptional seriousness regarding our activity in Yugoslavia have been circulated. What can we do? I, however, refuse to despair. It is necessary also to have faith in a better world. I believe in the international life insofar as Italy is concerned; I believe in our civilization."

2238

Comment on this speech was generally favorable although the press generally commented on the rather pessimistic attitude which the President of the Council assumed, but most papers characterized his speech as an objective presentation of Italy's position.

On the same general subject, considerable interest was aroused by De Gasperi's message to the meeting of the United Nations Organization in London on January 16, inquiring as to the possibility, in view of Italy's 20 months of co-belligerence and her return to democratic institutions, of her admission to the United Nations Organization. There was considerable discussion

40

1055

Declassified E.O. 12356 Section 3.3/NND No. 785045

as to whether this constituted a formal request for admission to UNO and much interest was aroused by the action which was taken at London with reference to this request which was in accord with the suggestion of the Soviet Delegate that cognizance should be taken of this message through the official journals of UNO but that it should not be submitted to the Security Council since it did not constitute a formal request for admission.

There has been great speculation regarding the Italian peace treaty, which of course remains of prime interest to all shades of public opinion in Italy. However, since almost no progress has been reported during this period, I will only summarize briefly the many reports, speculations and rumors which have taken place.

1) There have been frequent reports as to the date when the peace treaty might be concluded, with April 1 and April 30 being principally circulated in the press, although there has been no confirmation of any of these dates.

2) The press has reported frequently that principle of precedence of Italian peace treaty over treaties of former satellite nations has been established, but no confirmation has been given to these stories.

3) Discussing the status of Italian armed forces under the peace treaty, it is reported that a limit of 200,000 may be placed on the Italian army.

4) With specific reference to the Venezia Giulia question, the principal matter of interest has been the visit of the Commission of Inquiry from London which is being despatched by the Council of Foreign Ministers to study the ethnic question in that area in accordance with the London declaration of last autumn. Although various rumors were reported to the effect that the Commission would arrive on February 1, as yet there is no word that any of the members of the Commission have arrived on the scene in Venezia Giulia.

Declassified E.O. 12356 Section 3.3/NND No. 785045

which of course remains of prime importance and should be a point of discussion in Italy. However, since almost no progress has been reported during this period, I will only summarize briefly the many reports, speculations and rumors which have taken place.

1) There have been frequent reports as to the date when the peace treaty might be concluded, with April 1 and April 30 being principally circulated in the press, although there has been no confirmation of any of these dates.

2) The press has reported frequently that principle of precedence of Italian peace treaty over treaties of former satellite nations has been established, but no confirmation has been given to these stories.

3) Discussing the status of Italian armed forces under the peace treaty, it is reported that a limit of 200,000 may be placed on the Italian army.

4) With specific reference to the Venezia Giulia question, the principal matter of interest has been the visit of the Commission of Inquiry from London which is being despatched by the Council of Foreign Ministers to study the ethnic question in that area in accordance with the London declaration of last autumn. Although various rumors were reported to the effect that the Commission would arrive on February 1, as yet there is no word that any of the members of the Commission have arrived on the scene in Venezia Giulia.

5) On the subject of the Alto Adige, public interest seems rather to have increased and reports emanating from Vienna that the Austrian Government will now propose internationalization of the South Tyrol have been strongly attacked here.

(10)

Declassified E.O. 12356 Section 3.3/NND No. 785015

On the purely domestic political level, it has been announced that the Action Party will hold its national congress in Rome February 4 to 8, that the Republican Party will do likewise between February 8 and 10, and finally that the Fronte dell'Uomo Qualunque will hold its first national meeting in Rome on February 14. The Liberal Party closed its national committee meeting in Rome on January 19, reaffirming the necessity of the obligatory voting, asserting the desirability of deciding the institutional question by referendum and by allowing the people to determine the powers and duration of the Constituente Assembly.

The trip to London of Nenni and Silone received considerable comment locally and Nenni's talks in London and Paris were eagerly followed, and Nenni's interview in Milan on his return has been widely commented upon. At this time the Socialist Secretary General remarked that it was clearly understood in Great Britain that in Italy there existed no danger of armed uprisings from the left but that considerable concern existed over neo-fascist activities and the possibility of violence from the right.

Among other speeches during this period, the President of the Council spoke in Naples on January 28, stressing again that Italy has expiated for her sins and should now be permitted to undertake national reconstruction without the bonds of the armistice. Commenting on Italy's present situation, De Gasperi stated "when it is a matter of negotiating, which requires that we give on our part in order to receive from others, we have no cards in our hands. We have, however, moral right which derives from our co-belligerence."

Minister of Interior Romita gave a press statement on January 30, in which he discussed local government situation and asserted that political Prefects and Chiefs of Police would have to be gradually substituted and in which he stressed the importance which government places on problem of public

2236

1058

Declassified E.O. 12356 Section 3.3/NND No. 735045

obligatory voting, asserting the desirability of deciding the institutional question by referendum and by allowing the people to determine the powers and duration of the Constituente Assembly.

The trip to London of Nenni and Silone received considerable comment locally and Nenni's talks in London and Paris were eagerly followed, and Nenni's interview in Milan on his return has been widely commented upon. At this time the Socialist Secretary General remarked that it was clearly understood in Great Britain that in Italy there existed no danger of armed uprisings from the left but that considerable concern existed over neo-fascist activities and the possibility of violence from the right.

Among other speeches during this period, the President of the Council spoke in Naples on January 28, stressing again that Italy has expiated for her sins and should now be permitted to undertake national reconstruction without the bonds of the armistice. Commenting on Italy's present situation, De Gasperi stated "When it is a matter of negotiating, which requires that we give on our part in order to receive from others, we 2236 no cards in our hands. We have, however, moral right which derives from our co-belligerence."

Minister of Interior Romita gave a press statement on January 30, in which he discussed local government situation and asserted that political Prefects and Chiefs of Police would have to be gradually substituted and in which he stressed the importance which government places on problem of public safety.

In this connection, the principal threat to internal security recently has continued to come from Sicily and the press has reported fully on all depredations there against the forces of public safety, especially carabinieri. As an offshoot of this situation, there developed a left wing campaign for the removal of High Commissioner Aldisio (Christian Democrat) and in fact various

40

Declassified E.O. 12356 Section 3.3/NND No. 97 8500 /5

papers reported on January 19 and 20 that he had resigned. However, subsequently a letter from the President of the Council confirming Aldisio in his post, was released.

The Torre Annunziata explosion has given rise to considerable bitterness and has provided an occasion for certain sections of the press to publish anti-Allied articles and various groups of public opinion have blamed the Allies for permitting explosives to be unloaded in such a congested area and states that the AFHQ communique in this respect is generally considered unsatisfactory. However, subsequent announcements, despite rumors that additional trainloads of ammunition have been brought to Torre Annunziata, have assured the population that both the Allies and the Italian Government, which has more than once asked that this practice be discontinued, are studying the question carefully and it is hoped action can be taken to prevent the possibility of a recurrence of such a disaster.

Finally all press carried on January 20 the report that on the previous day agreement between UNRRA and the Italian Government covering the Italian supply program until March 31, 1947, had been signed. The President of the Council is quoted as saying: "We say to you that gratitude is a rare commodity in the world, but in Italy you will find this quality."

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

2235

1060

Declassified E.O. 12356 section 3.3/NND No. 763815

satisfactory. However, subsequent announcements, despite rumors that additional trainloads of ammunition have been brought to Torre Annunziata, have assured the population that both the Allies and the Italian Government, which has more than once asked that this practice be discontinued, are studying the question carefully and it is hoped action can be taken to prevent the possibility of a recurrence of such a disaster.

Finally all press carried on January 20 the report that on the previous day agreement between UNRRA and the Italian Government covering the Italian supply program until March 31, 1947, had been signed. The President of the Council is quoted as saying: "We say to you that gratitude is a rare commodity in the world, but in Italy you will find this quality."

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

2235

(40)

Declassified E.O. 12356 Section 3.3/NND No. 785815

1062

Declassified E.O. 12356 Section 3.3/NND No. 785015

A G E N D A

OF THE

JANUARY 18, 1946 MEETING

OF THE

ADVISORY COUNCIL FOR ITALY

- - - - - - - -

1.) POLITICAL REVIEW - by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission. (1)

2.) "STATEMENT OF THE SOVIET UNION REPRESENTATIVE REGARDING DISCONTINUANCE OF PROVISION OF FUNDS BY THE ALLIED GROUPS OF STATE TO THE SOVIET DELEGATION AND ESTABLISHMENT FOR PAST ADVANCES." (No material circulated)

3.) MISCELLANEOUS.

4.) NEXT OCCASION.

- - - - - - - -

(Text of Items 1 thru 4 ...)

Advance of Item 1 to Advisory Council for Italy 3 Nov 45

Advance of Item 2 to Soviet Representative, Allied Commission 5 Jan 46

Statement of the Navy representative in Commission with the Statement of the USSR Representative

Regarding the Discontinuance of Adv Fund Advances to AOI

2234

39

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
48th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 18 JAN 1946

Gentlemen:

The Council of Minister has been chiefly occupied during the past fortnight with attempts at a solution of the difficult situation arising out of the unwillingness of the State employees to accept the Christmas bonus which had been agreed at the meeting on December 29th last. As I mentioned in the report which was circulated to you last week, this measure received a bad press and the employees themselves began to talk of going on strike in protest against it. The Council met on January 9th and decided to set up a committee consisting of the Ministers Gronchi, Barbareschi, Nole and Corbino which was to get into touch with representatives of the Italian Confederation General of Labour and representatives of the State employees. In the afternoon of the same day, Signori de Gasperi, Nenni, Corbino and Nole met Signori di Vittorio Lizzadri and Giannitelli, the CGIL Representatives in the Consultative Assembly, for an exchange of ideas. It seemed that the Government were prepared, in order to meet the vital needs of State employees, to grant a distribution of goods and foodstuffs which would involve an advance payment of 2½ milliards of lire, representing expenditure which would not be unduly heavy since it would be made during 1946. On the following day, the Council of Ministers met again and confirmed the impossibility of burdening the State Budget with fresh charges but agreed to supplement the provision already made for State employees thus putting an end - at least so it is hoped - to the state of unrest among them. According to the communique issued after the meeting, the Government have decided to allocate 500,000,000 lire as a contribution by the State, 2

2233

1063
Declassified E.O. 12356 Section 3.3/NND No. 785015

night with attempts at a solution of the difficult situation arising out of the unwillingness of the State employees to accept the Christmas bonus which had been agreed at the meeting on December 29th last. As I mentioned in the report which was circulated to you last week, this measure received a bad press and the employees themselves began to talk of going on strike in protest against it. The Council met on January 9th and decided to set up a committee consisting of the Ministers Gronchi, Barbareschi, Mole and Corbino which was to get into touch with representatives of the Italian Confederation General of Labour and representatives of the State employees. In the afternoon of the same day, Signori de Gasperi, Nenni, Corbino and Mole met Signori di Vittorio Lizzadri and Giannitelli, the CGIL Representatives in the Consultative Assembly, for an exchange of ideas. It seemed that the Government were prepared, in order to meet the vital needs of State employees, to grant a distribution of goods and foodstuffs which would involve an advance payment of 2½ milliards of lire, representing expenditure which would not be unduly heavy since it would be made during 1946. On the following day, the Council of Ministers met again and confirmed the impossibility of burdening the State Budget with fresh charges but agreed to supplement the provision already made for State employees thus putting an end - at least so it is hoped - to the state of unrest among them. According to the communique issued after the meeting, the Government have decided to allocate 500,000,000 lire as a contribution by the State, 2 milliards of lire to be advanced for the purpose of loans to be repaid by instalments and 2½ milliards as a guarantee fund for the creation of an organisation for the purchase and distribution of clothes, footwear and so far as possible, foodstuffs to State employees. The Government also reaffirmed in this communique their intention to embark on a severe fiscal policy which would

2233

38

1064

Declassified E.O. 12356 Section 3.3/NND No. 765015

hit the larger incomes and the big estates, thus making sure of the revenue indispensable to the State.

The Government have also been examining the problem of the exchange of currency notes but have been able to make little progress so far. The Minister of the Treasury seems to be of the opinion that such an exchange would be inopportune at this present time, since the experience of other countries has shown that it is almost useless for checking the growth of inflation.

At the same meeting the Council appointed Lawyer Ettore Troilo as Prefect of Milan and Doctor Silvio Innocenti as Prefect of Bolzano. Signor Storoni was appointed Under-Secretary of State in the new Ministry of Foreign Trade and Signor Vassallo Under-Secretary in the Ministry of Industry and Trade.

The Council also studied the draft legislative decree, which will be submitted to the Consultative Assembly for its views, regarding the functions and internal organization of the new Ministry of Foreign Trade.

Meeting on January 11th, the Council of Ministers listened to the report of the Minister of the Interior on the incidents which have recently disturbed public order in Sicily and at Florence and Naples. As regards Sicily, the Minister stated that, acting on a report that a group of about 150 men consisting of Separatists and common criminals had formed a camp at San Mauro in the neighbourhood of Caltagirone, the police proceeded against them with the result that some were captured and the rest took to flight. The subsequent incidents in Sicily, namely, attacks on carabinieri barracks, were carried out by the same type of individual. The Minister reported that he had ordered the immediate despatch of adequate reinforcements of police who, in collaboration with the military forces of the island, would carry out decisive operations for the annihilation of this new form of banditry in order to restore the necessary tranquillity to the Island's industrious and peaceful inhabitants. Turning to

2232

1965

Declassified E.O. 12356 Section 3.3/NND No. 785015

shown that it is almost useless for checking the growth of inflation.

At the same meeting the Council appointed Lawyer Ettore Troilo as Prefect of Milan and Doctor Silvio Innocenti as Prefect of Bolzano. Signor Storoni was appointed Under-Secretary of State in the new Ministry of Foreign Trade and Signor Vassallo Under-Secretary in the Ministry of Industry and Trade.

The Council also studied the draft legislative decree, which will be submitted to the Consultative Assembly for its views, regarding the functions and internal organisation of the new Ministry of Foreign Trade.

Meeting on January 11th, the Council of Ministers listened to the report of the Minister of the Interior on the incidents which have recently disturbed public order in Sicily and at Florence and Naples. As regards Sicily, the Minister stated that, acting on a report that a group of about 150 men consisting of Separatists and common criminals had formed a camp at San Mauro in the neighbourhood of Caltagirone, the police proceeded against them with the result that some were captured and the rest took to flight. The subsequent incidents in Sicily, namely, attacks on carabinieri barracks, were carried out by the same type of individual. The Minister reported that he had ordered the immediate despatch of adequate reinforcements of police who, in collaboration with the military forces of the island, would carry out decisive operations for the annihilation of this new form of banditry in order to restore the necessary tranquillity to the Island's industrious and peaceful inhabitants. Turning to the incidents at Florence and Naples, the Minister decried the exaggerated reports in certain newspapers. The facts were that the deaths caused were limited to two Carabinieri and one civilian. A few men were slightly injured among the Carabinieri and the rank and file of the troops. No shots had been exchanged at Naples and the object of the Prefect's Order prohibiting public

2232

(32)

1066

Declassified E.O. 12356 Section 3.3/NND No. 785045

gatherings was of a purely preventative nature. The Council of Ministers fully approved the measures taken by the Minister.

The Council also agreed at the same meeting to postpone the exchange of currency notes since the gravest difficulties had been met during the study of the problem. The Government reaffirmed their policy of resolutely defending the lire and of carrying out a severe taxation policy against large incomes and big estates.

The other main activity of the Government during the period under review was the convocation on January 9th of the plenary session of the Consultative Assembly. The Assembly elected the Socialist, Signor Pietro Mancini, as Vice-President. Count Sforza, in the chair, announced that a special committee had been named to study the plans for the political elections law.

One of the members predicted that the law would be the apple of discord and added "if we are still alive and safe when this law is approved, then it will be possible to say that Italy is again a democratic country." The administrative elections law is also to be reviewed and will bring up the difficult question of the compulsory vote. As regards this latter problem, it is known that the left-wing parties are against compulsory voting while the right-wing parties are in favour of it. The Assembly will also have to handle the delicate question of defining the powers of the Constituent Assembly. The right of the Assembly to convoke itself was also proposed and debated at the first meeting but discussion was temporarily shelved since Signor de Gasperi was not present to express the Government's view. At subsequent meetings however the proposal was voted and by 214 votes to 89. The Action party leaders who had offered the proposal had counted on the support of both the Communists and the Socialists but their hopes were dashed when Signor Fortini of the Socialist party stated that, in view of the imminent convocation of the Constituent Assembly, it would seem unwise to [illegible] too much power to the Consultative Assembly. The President of the Council

2231

1067

Declassified E.O. 12356 Section 3.3/NND No. 785045

estates.

The other main activity of the Government during the period under review was the convocation on January 9th of the plenary session of the Consultative Assembly. The Assembly elected the Socialist, Signor Pietro Mancini, as Vice-President. Count Sforza, in the chair, announced that a special committee had been named to study the plans for the political elections law.

One of the members predicted that the law would be the apple of discord and added "if we are still alive and safe when this law is approved, then it will be possible to say that Italy is again a democratic country." The administrative elections law is also to be reviewed and will bring up the difficult question of the compulsory vote. As regards this latter problem, it is known that the left-wing parties are against compulsory voting while the right-wing parties are in favour of it. The Assembly will also have to handle the delicate question of defining the powers of the Constituent Assembly. The right of the Assembly to convoke itself was also proposed and debated at the first meeting but discussion was temporarily shelved since Signor de Gasperi was not present to express the Government's view. At subsequent meetings however the proposal was voted 2231 by 214 votes to 89. The Action party leaders who had offered the proposal had counted on the support of both the Communists and the Socialists but their hopes were dashed when Signor Pertini of the Socialist party stated that, in view of the imminent convocation of the Constituent Assembly, it would seem unwise to give too much power to the Consultative Assembly. The President of the Council finally declared that the Consultative Assembly should meet once a month as a regular thing and that the Government would be called upon to explain the reason for any postponement of such regular meetings.

Since this incident, the Assembly's time has been taken up by discussions on foreign affairs. On January 12th, Signor de Gasperi gave an account of the present political situation. He began by reporting that, as soon as the Moscow

32

1068

Declassified E.O. 12356 Section 3.3/NND No. 785015

communique had become known on 27th December, he had sought interviews with the three Ambassadors of the victorious powers, to whom he had pointed out that Italy, owing to her unique state of cobelligerency, had a right to come before other nations in the drafting of peace treaties. He added that this did not mean that the Balkan countries should not be treated fairly - on the contrary a fair treatment of these States would mean much in the maintenance of peace in Europe. In his speech to the Assembly, he went on to claim that Italy should be allowed to express beforehand her point of view and to discuss the suggestions of other Powers before being faced by a fait accompli. He reported that at the beginning of January the United States Ambassador had been authorised by his Government to inform the Italian Government that the Moscow agreement did not change Italy's situation as it had been defined at the Potsdam Conference and that Italy would not be placed in the position of having to accept a fait accompli. The President of the Council then read a telegram he had just received from President Truman in which the latter expressed his hope that Italy might be granted a peace which would satisfy "our common needs and desires"; the telegram went on to say that Signor de Gasperi could count on the goodwill and on the friendly collaboration of the United States. Signor de Gasperi next said that the British Government had also expressed the hope that Italy's point of view might be heard before a definite peace treaty was drafted and that it was not true that Italy's position was worse now than it had been after Potsdam. Signor de Gasperi next recited the figures showing the Italian contribution to the war of liberation. He then went on to read documents proving Italy's contribution to the liberation of Yugoslavia and expressed regret that the Yugoslavs would not recognise that democratic Italy had helped them to achieve that liberation. The President of the Council affirmed that Italy was in favour of the new organisation of nations now assembled in London and of European collaboration. He emphasised

2230

Declassified E.O. 12356 Section 3.3/NND No. 785045

Italy should be allowed to express beforehand her point of view and to discuss the suggestions of other Powers before being faced by a fait accompli. He reported that at the beginning of January the United States Ambassador had been authorised by his Government to inform the Italian Government that the Moscow agreement did not change Italy's situation as it had been defined at the Potsdam Conference and that Italy would not be placed in the position of having to accept a fait accompli. The President of the Council then read a telegram he had just received from President Truman in which the latter expressed his hope that Italy might be granted a peace which would satisfy "our common needs and desires"; the telegram went on to say that Signor de Gasperi could count on the goodwill and on the friendly collaboration of the United States. Signor de Gasperi next said that the British Government had also expressed the hope that Italy's point of view might be heard before a definite peace treaty was drafted and that it was not true that Italy's position was worse now than it had been after Potsdam. Signor de Gasperi next recited the figures showing the Italian contribution to the war of liberation. He then went on to read documents proving Italy's contribution to the liberation of Yugoslavia and expressed regret that the Yugoslavs would not recognise that democratic Italy had helped them to achieve that liberation. The President of the Council affirmed that Italy was in favour of the new organisation of nations now assembled in London and of European collaboration. He emphasised that collaboration should be based upon a constructive policy. He recalled that in 1914 it was the popular feeling of Italians and not the frontier line which helped to save France. It was in this spirit that Italians were preparing themselves for the new tasks of peace. Those at home who ignored the reality of the "first" war lost by dictatorship" and were not prepared to re-

37

2230

Declassified E.O. 12356 Section 3.3/NND No. 785045

cognise the wrong done to Russia cowardly and weakly attacked would commit a serious mistake. Signor de Gasperi said that he was thinking particularly of France and the Balkan States and especially of Greece which had always been one of Italy's friends and who it was hoped would be one again. But a very serious error would be committed by those abroad who forgot that the Italian people had atoned for the crimes of their rulers and had waged a "second war" to rehabilitate themselves. Today, Italy offered a sure guarantee for maturity for a democratic regime founded on the four freedoms and international cooperation.

The ex-President of the Council, Signor Bonomi, also spoke on foreign affairs on January 14th. After calling on the Allied powers to fulfil their promises towards Italy, Signor Bonomi demanded that the Government should oppose any attempt at the payment of reparations from the property of Italian subjects abroad. As regards frontier problems, he asserted that no serious difference should divide France and Italy. As regards the northern frontier, Signor Bonomi emphasised that it was clearly marked by the chain of mountains and that this coincided with the political frontier. In drawing up the peace treaty with Italy, the Allied nations would have to bear in mind that in the mixture of races prevailing in that area the Italians were best qualified to govern the area since they were scrupulously considerate of the rights of both nationalities and proposed to establish a system of local government on that basis. Turning to the eastern frontier, Signor Bonomi observed that it would have been logical on the part of the Allies to have occupied the whole of Venezia Giulia which was politi- 2229 by Italian without being forestalled by the Yugoslav forces. The Italian Government had insisted in vain on the gravity of the situation created by the Yugoslav occupation. He referred to the anguish felt by Italians at this "offence against national rights". According to reports brought by re-

Declassified E.O. 12356 Section 3.3/NND No. 778547

guarantee for security for a democratic Europe founded on the four freedoms and international cooperation.

The ex-President of the Council, Signor Nenni, also spoke on foreign affairs on January 11th. After calling on the Allied Powers to fulfil their promises towards Italy, Signor Nenni demanded that the Government should oppose any attempt at the payment of reparations from the property of Italian subjects abroad. As regards frontier problems, he asserted that no serious difference should divide France and Italy. As regards the northern frontier, Signor Nenni emphasised that it was clearly marked by the crest of mountains and that this coincided with the political frontier. In drawing up the peace treaty with Italy, the Allied nations would have to bear in mind that in the matters of peace prevailing in that area the Italians were best qualified to govern the area since they were scrupulously considerate of the rights of both nationalities and proposed to establish a system of local government on that basis. Turning to the eastern frontier, Signor Nenni observed that it would have been logical on the part of the Allies to have occupied the whole of Venezia Giulia which was politically Italian without being forestalled by the Yugoslav Forces. The Italian Government had insisted in vain on the gravity of the situation created by the Yugoslav occupation. He referred to the anguish felt by Italians at this "offence against national rights". According to reports brought by refugees, attempts were being made to change the character of the disputed areas. It was the duty of the Government to enlighten public opinion of the true state of affairs.

The veteran statesman Signor Nitti delivered an address on January 15th which was well received. He claimed that the foreign policy of Italy must be based on realities. Every day Italians were confronted with new unpleasant

28

2229

Declassified E.O. 12356 Section 3.3/NND No. 785045

1073

Declassified E.O. 12356 Section 3.3/NND No. 785019

2228

guarantees such as France's claim for reparations amounting to 21 milliards of lire. Fascism had succeeded in making enemies everywhere and Italians today were being called upon to face the consequences. Signor Nitti declared that today in Europe there were two great blocs opposing each other. Italy could not afford to be opposed either to the one or to the other - she must work with both. Italy should strive to reach agreement with France in the interest of both countries. The Laval-Mussolini agreement which preceded the Ethiopian War showed that the responsibility was not all on the side of Italy. Moreover, if Italy had need of France it was not less true that France had need of Italy. He hoped that France with her shortage of manpower would agree to accept a few millions of Italian workers in the same way as immigration was permitted in the American countries. Signor Nitti wound up his address by making some remarks on the needs of Italian production. He asserted that the State could no longer obtain credit from other countries and would have to rely on its private economy. There were still resources to be tapped. Foreign interests must be induced to place capital in the country.

In the field of foreign affairs it has been announced that on January 10th the President of the Council and the Spanish Ambassador in Rome signed the protocols of the commercial agreement between Italy and Spain which had been initialled in March. Under this agreement which is valid until December 31st 1946, Spain will supply goods to the value of 200,000,000 pesetas and Italy will export to Spain goods to the value of 50,000,000 pesetas, the difference being made up by instalment repayments of the Italian loan to Spain. The left-wing papers have made some play with this agreement with France-Spain and claim that the Spanish Ambassador tried to convey the impression that General Franco was making extraordinary concessions to Italy.

It has also been announced that Monsieur Parodi has been appointed as the new French Ambassador to Italy and the French Representative on this Council.

The Communist Party National Congress concluded its labours on January

Italy. Moreover, if Italy had need of France it was not less true that France had need of Italy. He hoped that France with her shortage of manpower would agree to accept a few millions of Italian workers in the same way as immigration was permitted in the American countries. Signor Nitti wound up his address by making some remarks on the needs of Italian production. He asserted that the State could no longer obtain credit from other countries and would have to rely on its private economy. There were still resources to be tapped. Foreign interests must be induced to place capital in the country.

In the field of foreign affairs it has been announced that on January 16th the President of the Council and the Spanish Ambassador in Rome signed the protocols of the commercial agreement between Italy and Spain which had been initialled in Madrid. Under this agreement which is valid until December 31st 1946, Spain will supply goods to the value of 200,000,000 pesetas and Italy will export to Spain goods to the value of 40,000,000 pesetas, the difference being made up by instalment repayments of the Italian loan to Spain. The left-wing papers have made some play with this agreement with France-Spain and claim that the Spanish Ambassador tried to convey the impression that General Franco was making extraordinary concessions to Italy.

It has also been announced that Comte de Paroi has been appointed as the new French Ambassador to Italy and the French Representative on this Council.

The Communist Party National Congress concluded its labours on January 6th. Signor Longo's proposals for the party's fusion with the Socialists which I mentioned briefly in the last fortnightly report were approved on January 5th by the Assembly with only one dissentient voice. This vote was, however, preceded by a lively debate in which some representatives expressed the view that fusion would undermine the ideological solidarity and political

38

2228

1074

Declassified E.O. 12356 Section 3.3/NND No. 785065

discipline of the Communist party and that it might make many Communists leave the party, while precipitating a crisis in the Socialist party. The final resolution approved by the Congress broadly reproduced the points made by Signor Togliatti in his inaugural speech to which I referred in my last report. The reaction of the Socialist party to the Communist party discussions on the question of fusion have been summed up in a statement made by Signor Nenni to the central committee of the Socialist party on January 7th. Signor Nenni agreed that fusion was "a hope and a prospect" but felt that it would not come about by "premature decisions of a congresses or unification committees" but rather "from below when all mistrust between members of the two parties had disappeared". To Signor Nenni the problem of united action was of more immediate importance that fusion. Signor Nenni also took the opportunity to reaffirm other aspects of the Socialist platform, namely opposition to compulsory voting, the sovereignty of the Constituent Assembly and the two fundamental needs of bread and employment, for which, he said "We are literally dependent on the Allies." Somewhat later in his speech Signor Nenni made the following statement on Allied policy: "We owe them gratitude for the little daily bread and the little coal we have, for petrol and for raw materials. But to them too we owe our uncertainty as to our fate and the lack of independent national status". The Communist Party Congress revealed that 1,669 delegates were present representing a total membership of 1,669,000.

That, Gentlemen, concludes my report.

2227

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Australian Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC.

Declassified E.O. 12356 Section 3.3/NND No. 778545

Signor Nenni agreed that fusion was ... and a prospect but ... would not come about by "temporary decisions of commissions or unification committees" but rather "from below when all mistrust between members of the two parties had disappeared". To Signor Nenni the problem of united action was of more immediate importance than fusion. Signor Nenni also took the opportunity to reaffirm other aspects of the Socialist platform, namely opposition to dynastic voting, the sovereignty of the Constituent Assembly and the two fundamental needs of bread and employment, for which, he said "we are literally dependent on the Allies." Somewhat later in his speech Signor Nenni made the following statement on Allied policy: "we owe them gratitude for the little daily bread and the little coal we have, for petrol and for war materials. But to them too we owe our uncertainty as to our fate and the lack of independent national status". The Communist Party Congress revealed that 1,669 delegates were present representing a total membership of 1,669,000.

That, Gentlemen, concludes my report.

2227

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI.
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC.
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

(38)

1076
Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 370

FOUR MONTHLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Dec 21st 1945 to 4th Jan 46)

The period under review has been largely taken up by the Christmas and New Year holidays and has consequently been comparatively quiet. There are, however, one or two developments worthy of note.

The Council of Ministers met on December 21st and listened to a report by Signor de Gasperi. The President of the Council informed his colleagues that he had, on the previous day, signed the document regulating the transfer of practically the whole of the national territory then under AMG to the Italian Government as of midnight December 31st. He also told them that he had given the customary guarantees regarding the Armistice Terms as modified by the Macmillan Memorandum. Signor de Gasperi stated that this event gave cause for great satisfaction as the transfer would result in the unification of practically the whole of the national territory. Commenting briefly on the burden of paying for the presence of an army of occupation, the President of the Council went on to express the hope that a modus vivendi would soon be reached, so that the consequences of Italy's present juridical situation might be effectively mitigated and so that Italians might be given the help which was absolutely indispensable in order that they might have a minimum of bread and work. Signor de Gasperi then made an important declaration regarding the Alto Adige, with which the imminent transfer of territory would now put the Italian Government in direct contact. He declared explicitly that the Government could not admit that the question of the frontier of a State of 45 million Italians could be decided by a small

2226

Declassified E.O. 12356 Section 3.3/NND No. 759015

The period under review has been largely taken up by the Christmas and New Year holidays and has consequently been comparatively quiet. There are, however, one or two developments worthy of note.

The Council of Ministers met on December 31st and listened to a report by Signor de Gasperi. The President of the Council informed his colleagues that he had, on the previous day, signed the decree regulating the transfer of practically the whole of the national territory then under AMG to the Italian Government as of midnight December 31st. He also told them that he had given the customary guarantees regarding the Armistice Terms as modified by the Macmillan Memorandum. Signor de Gasperi stated that this event gave cause for great satisfaction as the transfer would result in the unification of practically the whole of the national territory. Commenting briefly on the reason of giving for the presence of an army of occupation, the President of the Council went on to express the hope that a modus vivendi would soon be reached, so that the consequences of Italy's present juridical situation might be effectively mitigated and so that Italians might be given the help which was absolutely indispensable in order that they might have a minimum of bread and work. Signor de Gasperi then made an important declaration regarding the Alto Adige, with which the imminent transfer of territory would now put the Italian Government in direct contact. He declared explicitly that the Government could not admit that the question of the frontier of a State of 45 million Italians could be decided by a small fraction inhabiting the Province bordering on that frontier, still less if a good proportion of this small minority had distinguished itself before and during the war for its cordial acceptance of national-socialism and for its participation in the war on the side of Hitler until the last moment. The Italian Government were ready to make all the concessions to local autonomies

2226

37

10781

Declassified E.O. 12356 Section 3.3/NND No. 785045

22/8/05

that a democratic State based on principles of unity, liberty and decentralisation could make, but they expected the hand which they held out in all loyalty to be taken with equal loyalty. The Italian Government would be glad to resume diplomatic contacts with the new Austria which was starting on the road to a democratic life, but in order that Italo-Austrian relations might be fruitful, it was essential not to lay down unacceptable preliminary conditions of a territorial nature.

The Council of Ministers next approved a number of measures involving some reorganisation of the Government. It was decided to suppress the Ministry of Reconstruction, to create a Ministry of Foreign Trade, originally proposed by me in 1944, and to reorganise the Inter-ministerial Reconstruction Committee under the Presidency of the Premier. Signor Le Nolfo (Action Party) was appointed to be the new Minister of Foreign Trade. The Food Ministry, retaining the whole of its present organisation, was transformed into a High Commission under the orders of the Presidency of the Council. The Christian Democrat member of the National Consultative Assembly, Signor Piero Bentivegni, was appointed High Commissioner and Signor Renato Sansone (Socialist), the present Under-Secretary to the Food Ministry, was appointed Assistant High Commissioner. At the same meeting it was agreed to suppress the Ministry of the Consultative Assembly and to create in its place an office for relations with that Assembly, which, it is proposed, shall come under the supervision of Signor Bussu, the Minister without Portfolio. Lawyer Antonio Giffoni (Liberal) was also appointed under-Secretary to the Ministry of Post War Assistance. The Council further started discussions on the gradual demobilisation of the High Commission for Sanctions against Fascism. Nothing concrete was decided, but the resignations were accepted of the two Commissioners for Expiration and Fascist Crimes and the Secretary-General of the High Commission on the condition that these officials remained temporarily at their posts until the future of the High Commission

2225

Declassified E.O. 12356 Section 3.3/NND No. 778065

10801

Declassified E.O. 12356 Section 3.3/NND No. 759045

2225

[illegible] number of measures involving some reorganisation of the Government. It was decided to suppress the Ministry of Reconstruction, to create a Ministry of Foreign Trade, originally proposed by me in 1944, and to reorganise the Inter-ministerial Reconstruction Committee under the Presidency of the Premier. Signor De Nolfo (Action Party) was appointed to be the new Minister of Foreign Trade. The Food Ministry, retaining the whole of its present organisation, was transformed into a High Commission under the orders of the Presidency of the Council. The Christian Democrat member of the National Consultative Assembly, Signor Piero Montorsi, was appointed High Commissioner and Signor Runato Simone (Socialist), the present Under-Secretary to the Food Ministry, was appointed Assistant High Commissioner. At the same meeting it was agreed to suppress the Ministry of the Consultative Assembly and to create in its place an office for relations with that Assembly, which, it is proposed, shall come under the supervision of Signor Lussu, the Minister without Portfolio. Lawyer Antonio Cifaldi (Liberal) was also appointed under-Secretary to the Ministry of Post War Assistance. The Council further started discussions on the gradual demobilisation of the High Commission for Sanctions against Fascism. Nothing concrete was decided, but the resignations were accepted of the two Commissioners for Epuration and Fascist Crimes and the Secretary-General of the High Commission on the condition that these officials remained temporarily at their posts until the future of the High Commission had been finally decided. It was further agreed that the next plenary meeting of the National Consultative Assembly should be convoked for January 9th next.

On December 29th, the Council of Ministers met again and discussed such urgent and pressing financial and economic problems as the defence of the purchasing power of the lire, the taxation programme, unemployment and the

(37)

1081

Declassified E.O. 12356 Section 3.3/NND No. 759015

change in currency notes. The Council also decided to grant State employees a Christmas bonus of 3,000 lire for those who live in towns with more than 50,000 inhabitants and 2,500 lire for those in other towns, while pensioners will receive 1,000 lire. The date of payment was fixed as January 12th. All the Ministers agreed that that the above limits could not be exceeded in view of the statement of the Minister of the Treasury that State employees cost 160 milliards of lire a year, whereas ordinary revenues only amounted to 130 milliards. This measure has not been well received by the press.

The most important item of news in the field of foreign affairs was the publication of the communique of the three Foreign Ministers after their meeting in Moscow from 16th to 26th December. The reaction in Italy to this communique has been extremely bitter. The first comments in the Italian press reflected a sense of frustration and disappointment. The Giornale del Mattino of December 27th carried an editorial under the signature of Signor Jacchia, entitled "things are too much for us" and criticising the slowness and multiplicity in the stages of the peace procedure which the writer declared were six. Signor Gonella, in a bitter article in Il Popolo (Christian Democrat) stated, however, that these stages were eight in number and lamented the fact that a "modus vivendi which would alter our existing conditions of a country conquered and burdened by an absurd armistice, is implicitly excluded." He went on to say that Italy's 20 months of war at the side of the Allies continued to be ignored. The fighting men of the Corps of Liberation and the heroes of 2224 Partisan war must now learn that Italy had helped less than Ethiopia in the elimination of national socialism and was therefore put on the same plane as Bulgaria and Hungary, that is to say, of countries which did not experience the struggle against the Nazis. The bitter tone continued to pervade

that State employees cost 140 milliards of lire a year, whereas ordinary revenues only amounted to 130 milliards. This measure has not been well received by the press.

The most important item of news in the field of foreign affairs was the publication of the communique of the three Foreign Ministers after their meeting in Moscow from 16th to 26th December. The reaction in Italy to this communique has been extremely bitter. The first comments in the Italian press reflected a sense of frustration and disappointment. The Giornale del Mattino of December 27th carried an editorial under the signature of Signor Jacchia, entitled "things are too much for us" and criticising the slowness and multiplicity in the stages of the peace procedure which the writer declared were six. Signor Gonella, in a bitter article in Il Popolo (Christian Democrat) stated, however, that these stages were eight in number and lamented the fact that a "modus vivendi which would alter our existing conditions of a country conquered and burdened by an absurd armistice, is implicitly excluded." He went on to say that Italy's 20 months of war at the side of the Allies continued to be ignored. The fighting men of the Corps of Liberation and the heroes of 2224 Partisan war must now learn that Italy had helped Ross than Ethiopia in the elimination of national socialism and was therefore put on the same plane as Bulgaria and Hungary, that is to say, of countries which did not experience the struggle against the Nazis. The bitter tone continued to pervade the press on December 28th. Italia Nuova (Independent Monarchist) described the decision as a tragic step backwards for Italy from co-belligerent to conquered State. Risorgimento Liberale (Liberal) pointed out that the priority of the Italian peace had been annulled by the Moscow Conference. Unita (Communist), after its first reaction, in a headline announcing that "the spirit of Teheran, Yalta and Potsdam has prevailed at Moscow", proceeded

(37)

1082

Declassified E.O. 12356 Section 3.3/NND No. 785015

to argue in an editorial signed by Vatio Bruno on December [illegible], that, while the fact that Italian hopes of a distinction in favour of Italy had been dashed was unpleasant for Italians, the probable cause of the Allies' attitude might be that Italy did not deserve a privileged position in that the internal struggle against Fascism had not come up to expectations. A way existed to guarantee the democratic rebirth of Italy, namely, the destruction of Fascism. Avanti (Socialist) emphasised the importance of the time factor. Everything was uncertain and risked remaining so for many months to come. The eastern frontier was uncertain as was the fate of Trieste. The Alto Adige, which during the course of the last 20 years had become one of the vital centres of Italian hydro-electrical industry was contested. Moreover, France seemed to insist on a frontier rectification which might alienate many Italian hearts. But like Unita, Avanti concluded that Italy, rather than being discouraged, must apply all her energy to the solution of the internal and social problems which depended on Italians and in large measure would determine Italy's future in the world. The Government Giornale del Mattino published a communique from the press office of the Presidency of the Council on December 26th as follows:

"The President of the Council and Minister of Foreign Affairs yesterday saw at the Palazzo Chigi the editors of the principal Rome political daily papers with whom he exchanged certain ideas about the international moment through which the country is passing. All were in agreement as to the necessity for the press to interpret the unanimous feeling of the nation". On December 27th, Signor de Gasperi interviewed in turn the British, American and Soviet Ambassadors and, while admitting that he had not yet had time to study the Moscow communique in detail, held to them language which reflected much of the foregoing press comment. The reaction to the Moscow communique was in fact developed into a regular campaign of "justice for Italy". At the end of their labours on December 26th, the

Declassified E.O. 12356 Section 3.3/NND No. 788045

1083

the time factor. Everything was uncertain and risked remaining so for many months to come. The eastern frontier was uncertain as was the fate of Trieste. The Alto Adige, which during the course of the last 25 years had become one of the vital centres of Italian hydro-electrical industry was contested. Moreover, France seemed to insist on a frontier rectification which might alienate many Italian hearts. But like Unità, Avanti concluded that Italy, rather than being discouraged, must apply all her energy to the solution of the internal and social problems which depended on Italians and in large measure would determine Italy's future in the world. The Government Giornale del Mattino published a communique from the press office of the Presidency of the Council on December 25th as follows:

"The President of the Council and Minister of Foreign Affairs yesterday saw at the Palazzo Chigi the editors of the principal Rome political daily papers with whom he examined certain ideas about the international moment through which the country is passing. All were in agreement as to the necessity for the press to interpret the unanimous feeling of the nation". On December 27th, Signor de Gasperi interviewed in turn the British, American and Soviet Ambassadors and, while admitting that he had not yet had time to study the Moscow communique in detail, held to them language which reflected much of the foregoing press comment. The reaction to the Moscow communique has in fact developed into a regular campaign of "justice for Italy". At the end of their labours on December 26th, the Council of Ministers issued the following communique: "The Council of Ministers, after listening to a communique by the President of the Council and Minister of Foreign Affairs on the international situation, appeals to the solemn declaration of Potsdam and expresses the firm expectation that

2223

37

1084

Declassified E.O. 12356 Section 3.3/NND No. 785015

Italy's position as a co-belligerent will be adequately considered and rightly appraised in the forthcoming peace negotiations." Taking their cue from this communique, the Italian papers on December 29th and subsequent days have repeatedly expressed Italy's expectation that the Allies will fulfill the promise made at Potsdam.

There have been some developments in party politics which merit attention. On December 22nd, the Italian press reported the resignation of Signor Pertini, Secretary of the Socialist Party, which, it was stated, was due to serious political divergences between him and some of the party leaders. On December 25th it was reported that Signor Nenni, President of the CLNAI, had been chosen Secretary of the Party in succession to Signor Pertini and that Signor Pesce Lombardi had been made Deputy Secretary. Most organs of the press insisted that a serious crisis had arisen within the ranks of the Socialist Party and suggested that it was due to the disagreement over the question of the proposed fusion of the Party with the Communist Party. On December 27th, Signor Nenni stated that there was no party crisis, still less a crisis in the party's line of policy. The difficulties facing the Secretariat were well-known. Without an efficient system of organization a party could not exist or live, still less progress and develop. The Socialists were confronted by the need to reconfirm the internal unity of the party. The Socialist union with the Communists was neither a marriage nor an engagement. Both parties recognized that only by means of a policy of equilibrium established between these two great 2222 parties, could the Italian political system resist the pressure of forces which aimed at the political and social disintegration of the Italian nation. Nevertheless it seems that numerous members of the Italian Socialist Party have made no secret of their adherence to Signor Pertini who represents the right-wing or anti-Communist element in the Socialist Party.

On December 28th, the Italian Communist Party opened its 5th National

1085

Declassified E.O. 12356 Section 3.3/NND No. 775050/5

attention. On December 22nd, the Italian press reported the resignation of Signor Pertini, Secretary of the Socialist Party, which, it was stated, was due to serious political divergences between him and some of the party leaders. On December 25th it was reported that Signor Morandi, President of the CLN/I, had been chosen Secretary of the Party in succession to Signor Pertini and that Signor Fosco Lombardi had been made Deputy Secretary. Most organs of the press insisted that a serious crisis had arisen within the ranks of the Socialist Party and suggested that it was due to the disagreement over the question of the proposed fusion of the Party with the Communist Party. On December 27th, Signor Morandi stated that there was no party crisis, still less a crisis in the party's line of policy. The difficulties facing the Socialist were well-known. Without an efficient system of organization a party could not exist or live, still less progress and develop. The Socialists were confronted by the need to reconfirm the internal unity of the party. The Socialist union with the Communists was neither a marriage nor an engagement. Both parties recognised that only by means of a policy of equilibrium established between these two great parties, could the Italian political system resist the pressure of forces which aimed at the political and social disintegration of the Italian nation. Nevertheless it seems that numerous members of the Italian Socialist Party have made no secret of their adherence to Signor Pertini who represents the right-wing or anti-fusionist element in the Socialist Party.

On December 29th, the Italian Communist Party opened its 5th National Congress in Rome. Two delegates of the French Communist Party were present. After the inaugural speech of Signor Roveda and the dispatch of a telegram of greetings to Marshal Stalin, Signor Togliatti, the Minister of Justice and the Secretary General of the Party, addressed the Congress. Signor To-

37

1086

Declassified E.O. 12356 Section 3.3/NND No. 785045

2222

gliatti spoke for four hours and 24 minutes in what the Liberal Party paper describes as the longest speech in Italian history. The Communist leader covered the whole of the programme of the party. The chief points of his address are as follows: (1) The Italian Government which approves compulsory voting must take into consideration the fact that it would have to resign the next day because it could no longer count on Communist support. (2) The undertaking given by the Government in connection with the law creating the Constituent Assembly must be respected, since violation of that pledge would imperil the whole of Italian life. The Constituent Assembly must be sovereign and must draw up the Constitution, but, at the same time, it must initiate the legislative activity which will make it possible seriously to solve the grave economic and social problems of the day. (3) As regards foreign policy, Italy needed peace for several generations and needed peace in Europe and the world; she must, therefore, direct her foreign policy along the lines of unity with the great democratic powers. In order to take her place amongst the other United Nations she must be assured of her economic independence at an early date. (4) On the question of Italy's frontiers, Signor Togliatti said that when the Communist fought against Fascism and the Germans they were also fighting for Italy's frontiers. Austria's claim of Alto Adige was incomprehensible. As regards the Eastern frontiers, the Communist position had been misrepresented. The Communists affirmed that Trieste was Italian but they also declared that the question of the Eastern Frontiers must be solved with the Yugoslavs in dealing with whom serious mistakes had been made. The Communist party understood but condemned the attitude of the Trieste Communists who had declared themselves in favour of annexation to the Yugoslav Federative State. (5) Turning again to internal affairs, Signor Togliatti said that Italy must remain a homogeneous State and that the Communists were opposed to federalism. Particular autonomies for

2221

1087

Declassified E.O. 12356 Section 3.3/NND No. 785045

1088

Declassified E.O. 12356 Section 3.3/NND No. 785615

2221

undertaking given by the Government in connection with the law creating the Constituent Assembly must be respected, since violation of that pledge would imperil the whole of Italian life. The Constituent Assembly must be sovereign and must draw up the Constitution, but, at the same time, it must initiate the legislative activity which will make it possible seriously to solve the grave economic and social problems of the day. (3) As regards foreign policy, Italy needed peace for several generations and needed peace in Europe and the world; she must, therefore, direct her foreign policy along the lines of unity with the great democratic powers. In order to take her place amongst the other United Nations she must be assured of her economic independence at an early date. (4) On the question of Italy's frontiers, Signor Togliatti said that how the Communist fought against Fascism and the Germans they were also fighting for Italy's frontiers. Austria's claim of Alto Adige was incomprehensible. As regards the Eastern frontiers, the Communist position had been misrepresented. The Communists affirmed that Trieste was Italian but they also declared that the question of the Eastern Frontiers must be solved with the Yugoslavs in dealing with whom serious mistakes had been made. The Communist party understood but condemned the attitude of the Trieste Communists who had declared themselves in favour of annexation to the Yugoslav Federative State. (5) Turning again to internal affairs, Signor Togliatti said that Italy must remain a homogeneous State and that the Communists were opposed to federalism. Particular autonomies for Sicily and Sardinia were understandable. (6) The creation of a constitutional court was premature for Italy. Instead control over the constitution could be better assured by greater contact between the people and the administration. (7) The Communists favoured the independence of the magistracy but would ask that some of the magistrates should be appointed by election and that it should be possible to revoke the mandate of deputies who did not carry out

37

their task properly. (8) If Italy wished to free herself from Fascism she must free herself from the Monarchy. The dilemma was no longer: a Republic or a Monarchy, but a Republic or Fascism. (9) Talking of the church, the Communist leader said "we want freedom of conscience, of religious belief, of public worship, of propaganda and of religious organisation to be ratified and defended by the Constitution". The Communist denounced the interference of the ecclesiastical authorities which tended to poison the conditions of the political struggle. (10) In his peroration, Signor Togliatti claimed that there was no longer any contradiction between democracy and Socialism. Communism asked for a democratic regime of workers organised on the basis of a system of parliamentary representation. An essential condition for the victory of democracy was the application of industrial and land reform. Subsequent addresses by Communist leaders dealt with land reform, financial and economic questions, the trade unions, education and international problems but do not call for any special comment.

During the session of January 3rd, Signor Longo, the North Italian Communist leader, spoke at length on the desirability of erecting one single party of the working classes by the fusion of the Communist and Socialist Parties -"we look upon fusion", he stated, "as a goal and not a starting point, but it is necessary to be determined to make that goal".

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CO Files

2220

Declassified E.O. 12356 Section 3.3/NNN No. 780015

there was no longer any contradiction between democracy and Socialism. Communism asked for a democratic regime of workers organized on the basis of a system of parliamentary representation. An essential condition for the victory of democracy was the application of industrial and land reform. Subsequent addresses by Communist leaders dealt with land reform, financial and economic questions, the trade unions, education and international problems but do not call for any special comment.

During the session of January 3rd, Signor Longo, the North Italian Communist leader, spoke at length on the desirability of creating one single party of the working classes by the fusion of the Communist and Socialist Parties -"We look upon fusion", he stated, "as a goal and not a starting point, but it is necessary to be determined to make that goal".

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Advisor (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

2220

(37)

1090

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
47th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 21 DEC 1945

Gentlemen:

In the fortnightly political report, which was circulated to you last week, I indicated that, at the time of writing, namely December 7th, there seemed every hope that the political crisis would be resolved by the formation of a new Government on a six party basis. This hope was happily fulfilled and during the evening of 10th December Signor De Gasperi was able to announce the list of the new Cabinet, although two or three portfolios had to be filled subsequently. The final list is as follows:

President	Alcide De Gasperi	Christian Democrat
Vice-Pres. & Costituente	Pietro Nenni	Socialist
Agriculture	Fausto Gullo	Communist
Air	Mario Cevoletto	Labor Democrat
Education	Enrico Mole	Labor Democrat
Finance	Mauro Scoccimarro	Communist
Foreign Affairs	Alcide De Gasperi	Christian Democrat
Industry & Commerce	Giovanni Gronchi	Christian Democrat
Interior	Giuseppe Romita	Socialist
Justice	Palmiro Togliatti	Communist
Labour & Welfare	Gaetano Barbareschi	Socialist
Navy	Raffaele de Courten	Independent

2219

1091
Declassified E.O. 12356 Section 3.3/NND No. 785045

In the fortnightly political report, which was circulated to you last week, I indicated that, at the time of writing, namely December 7th, there seemed every hope that the political crisis would be resolved by the formation of a new Government on a six party basis. This hope was happily fulfilled and during the evening of 10th December Signor De Gasperi was able to announce the list of the new Cabinet, although two or three portfolios had to be filled subsequently. The final list is as follows:

President	Alcide De Gasperi	Christian Democrat
Vice-Pres. & Costituente	Pietro Nenni	Socialist
Agriculture	Fausto Gullo	Communist
Air	Mario Cevolotto	Labor Democrat
Education	Enrico Mole	Labor Democrat
Finance	Mauro Scoccimarro	Communist
Foreign Affairs	Alcide De Gasperi	Christian Democrat
Industry & Commerce	Giovanni Gronchi	Christian Democrat
Interior	Giuseppe Romita	Socialist
Justice	Palmiro Togliatti	Communist
Labour & Welfare	Gaetano Barbareschi	Socialist
Navy	Raffaele de Courten	Independent
Post & Telegraphs	Mario Scelba	Christian Democrat
Postwar Relief	Luigi Gasparotto	Labor Democrat
Public Works	Lucio Cattani	Liberal
Reconstruction	Ugo La Malfa	Action

2219

36

1092

Declassified E.O. 12356 Section 3.3/NND No. 730015

Transport	Riccardo Lombardi	Action
Treasury	Epicarmo Corbino	Liberal
War	Manlio Brosio	Liberal
Without portfolio (Consular)	Emilio Lussu	Action

Examination of the above list will show very little change from the former Government. Including Signor De Gasperi, fifteen of the nineteen ministers served in Signor Parri's Government. There are three newcomers, namely the two Liberals Signori Corbino and Cattani and the Action Party Minister Signor Lombardi, until now Prefect of Milan. Signor Corbino served before as one of the members of Marshal Badoglio's "Government of Experts" at Brindisi in December 1943. Signor Cattani is the Secretary of the Italian Liberal Party and played an important role in the crisis. Signor Casparotto, the Minister for Post-War Relief was Air Minister in the first Bonomi Cabinet.

Looking at the crisis objectively it is difficult to say which of the Parties came off victorious and, indeed, what is the significance of the solution. It is noteworthy that, for the first time since 1920, the Italian Government is headed by a member of the Catholic Party. Perhaps I may be permitted to say that the Christian Democrat leader's tact, skill and firmness at the crucial moment of the crisis have considerably enhanced his personal prestige. He is therefore definitely the winner by the crisis and his party may be said to share some of the reflected glory. The Socialists also seem to have gained, although the crisis was marked with the avowed intention of weakening the left-wing parties. The socialists now have not only Signor Nenni, who remains as the sole Vice-President and still in charge of the Ministry for the Constituent Assembly, but they have also obtained the Ministry of the Interior, a post for which, you may recall, they struggled unsuccessfully at the time of the formation of the Parri Government. Signor

2218

1093

Declassified E.O. 12356 Section 3.3/NND No. 785045

former Governments. Including Signor De Gasperi, fifteen of the nineteen ministers served in Signor Parri's Government. There are three newcomers, namely the two Liberals Signori Corbino and Cattani and the Action Party Minister Signor Lombardi, until now Prefect of Milan. Signor Corbino served before as one of the members of Marshal Badoglio's "Government of Experts" at Brindisi in December 1943. Signor Cattani is the Secretary of the Italian Liberal Party and played an important role in the crisis. Signor Gasperotto, the Minister for Post-War Relief was Air Minister in the first Bonomi Cabinet.

Looking at the crisis objectively it is difficult to say which of the Parties came off victorious and, indeed, what is the significance of the solution. It is noteworthy that, for the first time since 1920, the Italian Government is headed by a member of the Catholic Party. Perhaps I may be permitted to say that the Christian Democrat Leader's tact, skill and firmness at the crucial moment of the crisis have considerably enhanced his personal prestige. He is therefore definitely the gainer by the crisis and his party may be said to share some of the reflected glory. The Socialists also seem to have gained, although the crisis was marked with the avowed intention of weakening the left-wing parties. The Socialists now have not only Signor Nenni, the remains as sole Vice-President and still in charge of the Ministry for the Constituent Assembly, but they have also obtained the Ministry of the Interior, a post for which, you may recall, they struggled unsuccessfully at the time of the formation of the Parri Government. Signor Nenni, speaking last week-end at Pavia, did not fail to point out that this was also the first time since 1940 that a Socialist was Minister of the Interior. Otherwise, there is little change. The Communists remain exactly as before. The Action Party have lost the Presidency of the Council but have taken over the important Ministry of Reconstruction. The Liberals do

(36)

2218

1941

Declassified E.O. 12356 Section 3.3/NND No. 785015

not seem to have won any of the points for which they precipitated the crisis, for the Government has not broadened its base, it does not appear to have freed itself from the control of the Committee of National Liberation and Signor De Gasperi has not specifically accepted the recommendations of the Liberal Party. Nevertheless, the Liberals maintain that they have triumphed since they are still in the Government and the President of the Council belongs to a party of the Right and is therefore presumably more acceptable to them. Above all they are satisfied with the departure of Signor Parri.

On the whole the crisis has had a bad press and according to Libero Stampa (Independent) "everyone is dissatisfied". Even the Risorgimento Liberale (Liberal) declared that the Government could not be regarded as "new" but it thought that the "few changes made might increase its efficiency".

On the 11th December, the Ministers took office and on the same day at a meeting of the six parties it was tentatively decided that the parties would keep the same Under-Secretaries as they had had in the preceding Cabinet, except where the Minister happened to belong to the same political party. The list of Under-Secretaries was published in the press of December 15th and I will not take up your time by reciting the names now.

The first Council meeting of the new Government was held on December 13th, and, after appointing the Under-Secretaries, it agreed to the nomination as President of the Council of State of Signor Ruini, who had seemed to be a fixture at the Ministry of Reconstruction and was perhaps the most surprising casualty of the whole crisis. The ex-Ministers Parri, Ruini, Ricci, Jacini, Arangio-Ruiz and the ex-Secretaries Rossi, Bacchiani and Ferrara were appointed members of the Consultative Assembly. The Council then approved a

2217

1095

Declassified E.O. 12356 Section 3.3/NND No. 785045

acceptable to them. Above all they are satisfied with the departure of Signor Parri.

On the whole the crisis has had a bad press and according to Libera Stampa (Independent) "everyone is dissatisfied". Even the Risorgimento Liberale (Liberal) declared that the Government could not be regarded as "new" but it thought that the "few changes made might increase its efficiency".

On the 12th December, the Ministers took office and on the same day at a meeting of the six parties it was tentatively decided that the parties would keep the same Under-Secretaries as they had had in the preceding Cabinet, except where the Minister happened to belong to the same political party. The list of Under-Secretaries was published in the press of December 15th and I will not take up your time by reciting the names now.

The first Council meeting of the new Government was held on December 13th, and, after appointing the Under-Secretaries, it agreed to the nomination as President of the Council of State of Signor Ruini, who had seemed to be a fixture at the Ministry of Reconstruction and was perhaps the most surprising casualty of the whole crisis. The ex-Ministers Parri, Ruini, Ricci, Jacini, Arangio-Ruiz and the ex-Secretaries Rossi, Reggianti and Ferrara were appointed members of the Consultative Assembly. The Council then approved a draft decree for the use of the German language in administrative and judicial offices in Bolzano Province. It was thereafter decided to convoke immediately the political and administrative committees of the Consultative Assembly who are to examine questions relating to the electoral laws with special emphasis on those touching on the administrative elections. It was also agreed to convoke a plenary meeting of the Consultative Assembly on January 7th next.

(30)

227

1096

Declassified E.O. 12356 Section 3.3/NND No. 785015

In the evening of the same day, Signor De Gasperi made an important speech on the radio setting out the programme of his Government. He began by stating that the transfer of the Northern territories to Italian administration, of which I shall speak again later, was a good omen for the new Government. It was not by chance that this Government was headed by the Minister of Foreign Affairs. It meant that Italians today felt that they must unite in a supreme effort, in order to re-conquer their territory, their independence and their unity and to re-affirm, among the free nations of the world, Italy's individuality which was opposed to all nationalistic tendencies and open to cultural, labor and economic exchanges. Although the goal of regaining her position amongst the United Nations was still far off and though peace too might still be distant, the hand-over of the Northern territories was a step forward and all Italians hoped that the next step would be the abolition of the Armistice clauses and the beginning of a new era of free collaboration with the United Nations which would give a new dignity to Italy. This was not merely a matter of importance from the moral point of view but also from the economic angle, since it was necessary that Italy should be able to export her agricultural and industrial products not needed in the country. Now that the three major Allies were about to meet again in Moscow, the new democratic Italian Government hoped that the meeting would end in an agreement between all nations which would lead to peace. Italy asked that her rights be recognised, though she would not pretend to discuss the rights of others. Signor De Gasperi emphasized that Italians were anxious that other nations should have no doubt about Italy's determination to eradicate Fascism completely and to defend the liberty which had been won with the aid of the Allies. Now that the whole country was under one jurisdiction, the Italian Government would re-establish the normal administrative machinery - provisional and extraordinary organs would be abolished as soon as possible. By this he meant the abolition of the High Commission for

2216

Declassified E.O. 12356 Section 3.3/NND No. 785045

1097

cing and open to cultural, labor and economic exchanges. Although the road of re-winning her position amongst the United Nations was still far off and though peace too might still be distant, the hand-over of the Northern territories was a step forward and all Italians hoped that the next step would be the abolition of the Armistice clauses and the beginning of a new era of free collaboration with the United Nations which would give a new dignity to Italy. This was not merely a matter of importance from the moral point of view but also from the economic angle, since it was necessary that Italy should be able to export her agricultural and industrial products not needed in the country. Now that the three major Allies were about to meet again in Moscow, the new Democratic Italian Government hoped that the meeting would end in an agreement between all nations which would lead to peace. Italy asked that her rights be recognised, though she would not pretend to discuss the rights of others. Signor De Gasperi emphasized that Italians were anxious that other nations should have no doubt about Italy's determination to eradicate Fascism completely and to defend the liberty which had been won with the aid of the Allies. Now that the whole country was under one jurisdiction, the Italian Government would re-establish the normal administrative machinery - provisional and extraordinary organs would be abolished as soon as possible. By this he meant the abolition of the High Commission for Sanctions against Fascism and the conclusion of epuration proceedings before the elections for the Constituent Assembly and, in any case, before March 31st 1946. He may also have referred to the post non-advisory functions of local CLN's. As regards the return to the traditional procedure of the penal courts, the present Minister of Justice had already stated that a suitable measure was

2216

Declassified E.O. 12356 Section 3.3/NND No. 778045

1098

under study and would soon be submitted to the Council of Ministers for their approval. Administrative elections would be held as soon as possible. Signor De Gasperi then referred briefly to a revision of the Public Safety Law and the various measures envisaged for the pacification of areas where languages other than Italian were spoken. Turning to the economic field, the President of the Council declared that the big economic and social problems confronting the country were closely connected with its foreign policy. The problems of food and agrarian reform had to be solved with both internal and foreign aid. The revival of industry called both for the cooperation of workers and employers and the supply of foreign credits. Signor Parri had done valuable work in preparing the ground for the solution of those problems and Signor De Gasperi wished to take this opportunity of recording his gratitude to the late President of the Council. As regards financial policy, he mentioned the need of taking measures to defend the lira in such a way as to return to a normalization of the price system and to a consequent stabilization which would allow Italy to adhere to international monetary agreements. A rigorous curbing of State expenses and those of other public bodies and the re-invigoration of the normal intake would lay the basis for a policy of gradual return to a balanced budget, while in order to cope with the burden of reconstruction and the deficits in the ordinary budget the Government would have recourse to special taxes, i.e. on all Fascist and war profits - and the various revenues and public loans. Signor De Gasperi concluded his speech by appealing to all the Ministers for the development of a sense of solidarity and to all Italians for the establishment of real union.

2215

At noon on December 12th, on instructions from the Combined Chiefs of Staff transmitted to me through the Supreme Allied Commander, I informed the Italian President of the Council that the remaining territory now under Allied Military Government, including the islands of Lampedusa, Linosa and

1091

Declassified E.O. 12356 section 3.3/NND No. 785045

problems of food and agrarian reform had to be solved with both internal and foreign aid. The revival of industry called both for the cooperation of workers and employers and the supply of foreign credit. Signor Parri had done valuable work in preparing the ground for the solution of these problems and Signor De Gasperi wished to take this opportunity of recording his gratitude to the late President of the Council. As regards financial policy, he mentioned the need of taking measures to defend the lira in such a way as to return to a normalization of the price system and to a consequent stabilization which would allow Italy to adhere to international monetary arrangements. A rigorous curbing of State expenses and those of other public bodies and the re-invigoration of the normal intake would lay the basis for a policy of gradual return to a balanced budget, while in order to cope with the burden of reconstruction and the deficits in the ordinary budget the Government would have recourse to special taxes, i.e. on all Fascist and war profits - and the various revenues and public loans. Signor De Gasperi concluded his speech by appealing to all the Ministers for the development of a sense of solidarity and to all Italians for the establishment of real union.

2215

At noon on December 12th, on instructions from the Combined Chiefs of Staff transmitted to me through the Supreme Allied Commander, I informed the Italian President of the Council that the remaining territory now under Allied Military Government, including the islands of Lampedusa, Linosa and Pantelleria but excluding Venezia Giulia and the Province of Udine, were to be returned to Italian administration about December 31st next. The Province of Udine was being retained under AMG solely for military reasons and not in any sense because it was considered a disputed area. AMG officers would be

36

Declassified E.O. 12356 Section 3.3/NND No. 780065

withdrawn from the areas to be transferred but a small number of Allied Commission Liaison Officers would remain to facilitate the transition from Allied to Italian administration. For your information, the number of Liaison Officers and their locations will probably be as follows:

Sicily	2 LOs	Bari	1 LO
Naples	2 LOs 2 PSOs	Emilia	2 LOs 2 PSOs
Liguria	2 LOs 3 PSOs	Piemonte	3 LOs 4 PSOs
Lombardy	2 LOs 3 PSOs	Venezia	3 LOs 2 PSOs
Bolzano	4 LOs 2 PSOs	Florence	1 LO
Livorno	1 LO		

Further, the transfer of these territories and any withdrawl of Allied troops which the Supreme Allied Commander may determine are without prejudice to any frontier rectification which may be decided in the Peace Treaty.

That, Gentlemen, concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Advisor (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

2214

Declassified E.O. 12356 Section 3.3/NND No. 6/350/75

Liguria	2 LOs 3 PSOs	Piemonte	3 LOs 4 PSOs
Lombardy	2 LOs 3 PSOs	Venezia	3 LOs 2 PSOs
Bolzano	4 LOs 2 PSOs	Florence	1 LO
Livorno	1 LO		

Further, the transfer of these territories and any withdrawal of Allied troops which the Supreme Allied Commander may determine are without prejudice to any frontier rectification which may be decided in the Peace Treaty.

That, Gentlemen, concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

2214

(36)

1102

Declassified E.O. 12356 Section 3.3/NND No. 735015

1103

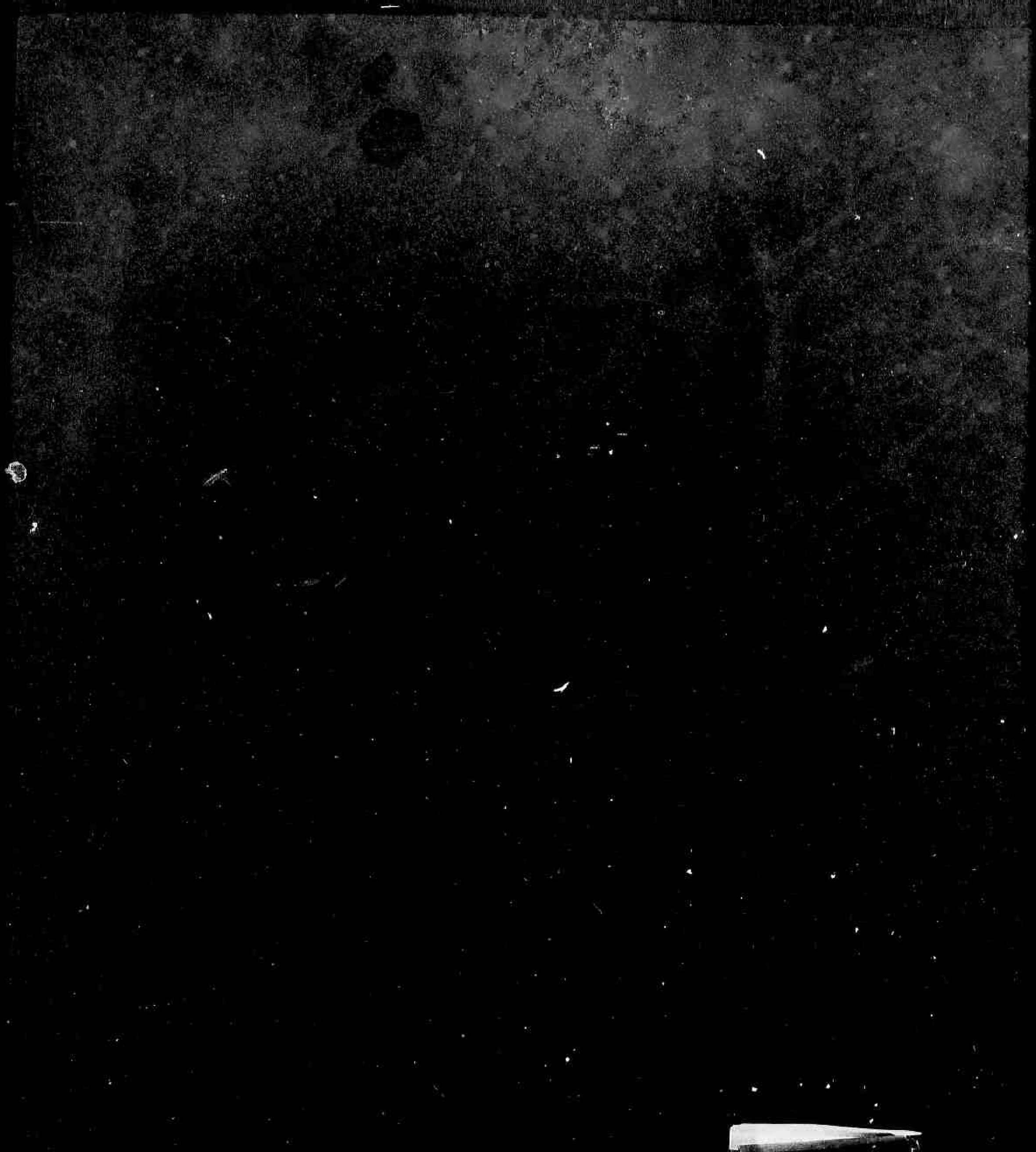
Declassified E.O. 12356 Section 3.3/NND No. 785015

LIST OF PAPERS

File under No.

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS

2213



1105

Declassified E.O. 12356 Section 3.3/NND No. 785015

ACC

10000/136/232(X)
(2 of 2)

ADVISORY COUNCIL, ADD
ALLIED COMMISSION
JULY 1944 - DEC. 1945

1196

Declassified E.O. 12356 Section 3.3/NND No. 785015

10000/136/232(2) (2 of 2)
ADVISORY COUNCIL, ADDRESSES BY CHIEF COMMISSIONER, ALLIED COMMISSION
JULY 1944 - DEC. 1945

1107

Declassified E.O. 12356 Section 3.3/NND No. 785015

SOS/OC
Office of the
Chief Secretariat
ALLIED COMMISSION

LIST OF PAPERS

File under No. 802 ADVISORY COUNCIL, ADDRESSES BY CHIEF COMMISSIONER, ALLIED COMMISSION.

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Stone	2 Jul 44		
2	Stone	19 Jul 44		
3	Stone	28 Jul 44		
4	Stone	11 Aug 44		
5	Stone	25 Aug 44		
6	Stone	8 Sep 44		
7	Stone	22 Sep 44		
8	Stone	5 Oct 44		
9	Stone	20 Oct 44		
10	Stone	3 Nov 44		
11	Stone	17 Nov 44		
12	Stone	1 Dec 44		
13	Stone	15 Dec 44		
14	Stone	5 Jan 45		
15	Stone	19 Jan 45		
16	Stone	2 Feb 45		
17	Stone	2 Mar 45		
18	Stone	16 Mar 45		
19	Stone	6 Apr 45		
20	Stone	20 Apr 45		
21	Stone	4 May 45		
22	Stone	1 Jun 45		
23	Stone	15 Jun 45		

2212

SECRET

1108

Declassified E.O. 12356 Section 3.3/NND No. 785015

203/30

LIST OF PAPERS

Office of the Chief Commissioner

ALLIED COMMISSION

File under No. 803 ADVISORY COUNCIL, ADDRESSES BY CHIEF COMMISSIONER, ALLIED COMMISSION.

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
24	Stone	6 Jul 45		
25	Stone	20 Jul 45		
26	Ltr Stearns	4 Aug 45	AFHQ	Copies of Reviews for 31st to 40th Meetings - for info.
27	Stone	17 Aug 45		
28	Stone	28 Sep 45		
29	Stone	12 Oct 45		
30	Stone	26 Oct 45		
31	Stone	9 Nov 45		
32	Stone	23 Nov 45		
33	Stone	7 Dec 45		
34	Stone	21 Dec 45		
35	Stone	Nov23-Dec7 1945		Fortnightly Political Report

2211

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Nov 23rd-Dec 7th 1945)

The political crisis was formally opened on November 22nd by the resignation from the Government of the Liberal members, Signori Brosio and Arangio Ruiz. Senator Ricci, the Minister of the Treasury, although not a member of the Liberal party, also handed in his resignation since his appointment had been sponsored by the Party on the death of Minister Soleri. The first reaction of the other five parties represented in the Government was that the defection of the Liberals need not necessarily cause a crisis and it was hoped that Signor Parri would be able to reform his cabinet on a five-party basis. However, during the course of November 22nd and November 23rd, it became apparent that the Christian Democrats were moving away from the position taken up by the Committee of National Liberation and were in favour of a complete Government reshuffle. Various party meetings were held during November 23rd and, in the evening of that day, the Christian Democrat members of the Consultative Assembly recommended to the party Executive that the Christian Democrat members of the Government should resign, since the defection of the Liberals had destroyed the basis of the six-party Government and an open crisis was now unavoidable. The motion concluded by an appeal to the Party to do all in its power to help the Government to find a solution of the crisis based on a new coalition of the six anti-Fascist parties.

This development forced Signor Parri to tender the resignation of his cabinet as a whole. Before, however, formally placing his resignation in the hands of the Lieutenant of the Realm, Signor Parri summoned a meeting of the

2210

Declassified E.O. 12356 Section 3.3/NNN No. 780045

1109

tion from the Government of the liberal members, Signori Brosio and Arangio Ruiz. Senator Bicci, the Minister of the Treasury, although not a member of the Liberal party, also handed in his resignation since his appointment had been sponsored by the party on the death of Minister Soleri. The first reaction of the other five parties represented in the Government was that the defection of the Liberals need not necessarily cause a crisis and it was hoped that Signor Parri would be able to reform his cabinet on a five-party basis. However, during the course of November 22nd and November 23rd, it became apparent that the Christian Democrats were moving away from the position taken up by the Committee of National Liberation and were in favour of a complete Government reshuffle. Various party meetings were held during November 23rd and, in the evening of that day, the Christian Democrat members of the Consultative Assembly recommended to the party Executive that the Christian Democrat members of the Government should resign, since the defection of the Liberals had destroyed the basis of the six-party Government and an open crisis was now unavoidable. The action concluded by an appeal to the Party to do all in its power to help the Government to find a solution of the crisis based on a new coalition of the six anti-Fascist parties.

2210

This development forced Signor Parri to tender the resignation of his cabinet as a whole. Before, however, formally placing his resignation in the hands of the Lieutenant of the Realm, Signor Parri summoned a meeting of the Central Committee of National Liberation and of representatives of the Committee of National Liberation of Northern Italy, to whom he felt bound to make a report since he had received his original mandate to form a Government from them. The press was admitted to part of this meeting. Signor Parri declared that the centre of gravity of his Government had been moderate left and asserted that

Declassified E.O. 12356 Section 3.3/NND No. 785075

either a left-wing Government or a right-wing Government would equally lead to civil war. He denied the allegations that the Allies had lost confidence in the Italian Government and referred to recent evidence of their support, namely the undertaking to return the Northern Provinces, including Bolzano, to Italian administration in the near future. What, on the contrary made a very bad impression abroad, he continued, was the instability of the Italian Government and the pace and speed with which one crisis followed another. He claimed that the present crisis had already made the internal situation of the country more difficult and had weakened Italy's international position. He therefore considered those responsible for the crisis as guilty of having provoked a very grave situation. At the conclusion of the meeting, the Committee of National Liberation issued a resolution thanking the Italian Government for the work it had done and regretting that the crisis could not be avoided. It advanced the opinion that the new Government must be the expression of the Committee of National Liberation and of the democratic life of the country and based on a programme which would respect the undertaking to call the Constituent Assembly not later than April next. The Committee of National Liberation was in favour of a national and democratic policy aimed at thwarting any attempt to return to Fascism and at assuring for Italy independence and a position of equality among the other United Nations. Signor Parri then proceeded to the Quirinal Palace where he handed in his resignation to the Lieutenant of the Realm 2209. as is customary, received his position and invited the existing Government to carry on with matters of ordinary administration until a new Government had been formed.

On the following day, November 25th, the Lieutenant of the Realm received the Presidents of the Senate and of the Chamber, and various personalities, including Count Sforza, Nenni, de Gasperi, Lussu, Nenni, Togliatti, Saltani, Orlando, Bergamini and Selvaggi. On the 26th Nov., he received Signori Nitti and Bonomi, Marshal Badoglio and Count Theon de Revel. At this stage of the

Declassified E.O. 12356 Section 3.3/NND No. 748045

the present crisis had already made the internal situation of the country more difficult and had weakened Italy's international position. We therefore considered those responsible for the crisis as guilty of having provoked a very grave situation. At the conclusion of the meeting, the Committee of National Liberation issued a resolution thanking the Italian Government for the work it had done and regretting that the crisis could not be avoided. It advanced the opinion that the new Government must be the expression of the Committee of National Liberation and of the democratic life of the country and based on a programme which would respect the undertaking to call the Constituent Assembly not later than April next. The Committee of National Liberation was in favour of a national and democratic policy aimed at thwarting any attempt to return to Fascism and at assuring for Italy independence and a position of equality among the other United Nations. Signor Bonomi then proceeded to the Quirinal Palace where he handed in his resignation to the Lieutenant of the Realm, 2209. as is customary, reserved his decision and invited the existing Government to carry on with matters of ordinary administration until a new Government had been formed.

On the following day, November 25th, the Lieutenant of the Realm received the Presidents of the Senate and of the Chamber, and various personalities, including Count Sforza, Ruini, de Gasperi, Lussu, Nenni, Togliatti, Saltoni, Orlando, Bergamini and Selvaggi. On the 26th Nov., he received Signori Nitti and Bonomi, Marshal Badoglio and Count Theon de Revel. At this stage of the crisis it was rumoured that Signor Orlando would be charged with the formation of a new Government. It seems, however, that after his talks with the Lieutenant of the Realm and with the party leaders, Signor Orlando declined to undertake the task "at least for the present". Signor Nitti had no better luck. In the meantime, the left-wing parties were suggesting that Count Sforza or

Declassified E.O. 12356 Section 3.3/NND No. 785075

Signor Parri himself might be chosen for the task, while the right-wing parties were exploring the possibility of a Nenni candidacy. These rumours gradually gave way during the course of the week to a new one which suggested that Signor de Gasperi, the Secretary-General of the Christian Democrat party, was the only man capable of forming a new Government.

On November 28th, Signor de Gasperi, who was suffering at the time from a heavy cold, received members of his party in the morning and in the afternoon had a long conference with Signori Nenni and Togliatti. This second meeting gave birth to the rumour that Signor Nenni himself had suggested a de Gasperi candidacy, but the Socialists denied this and claimed that Signor Nenni had only suggested that, on the failure of the Liberals to secure the nomination of Signor Orlando, Signor Nitti or Signor Bonomi, the politicians had returned to the idea of asking one of the leaders of one of the six parties to undertake the task of forming the Government and that he had merely asked Signor de Gasperi on what terms he, de Gasperi, would try to solve the crisis. It soon became known, however, that the Socialists and Communists were prepared to support Signor de Gasperi, subject to certain conditions, among which was a pledge to fix the date and the powers of the Constituent Assembly. The Labour Democrats and the Action party preferred not to com it themselves until they had learned Signor de Gasperi's intentions. The Liberals remained opposed to a Government under the presidency of a party man. On the following day, there were numerous meetings at which it was learned that Signor de Gasperi had shown some inclination to attempt to form the Government. He was reported to have spoken energetically in favour of the convocation of the Constituent Assembly on a fixed date and to have declared that the question of combining the Ministry of the Interior with the Presidency of the Council was of a vital matter, although he was in favour of such a solution. It now remained to overcome the opposition of the Liberal party to Signor de Gasperi's nomination. The executive of the Liberal party met on December 3rd and after a five hours'

Declassified E.O. 12356 Section 3.3/NND No. 785045

had a long conference with Signori Nenni and Togliatti. This second meeting gave birth to the rumour that Signor Nenni himself had suggested a de Gasperi candidacy, but the Socialists denied this and claimed that Signor Nenni had only suggested that, on the failure of the Liberals to secure the nomination of Signor Orlando, Signor Nitti or Signor Bonomi, the politicians had returned to the idea of asking one of the leaders of one of the six parties to undertake the task of forming the Government and that he had merely asked Signor de Gasperi on what terms he, de Gasperi, would try to solve the crisis. It soon became known, however, that the Socialists and Communists were prepared to support Signor de Gasperi, subject to certain conditions, among which was a pledge to fix the date and the powers of the Constituent Assembly. The Labour Democrats and the Action party preferred not to commit themselves until they had learned Signor de Gasperi's intentions. The Liberals remained opposed to a Government under the presidency of a party man. On the following day, there were numerous meetings at which it was learned that Signor de Gasperi had shown some inclination to attempt to form the Government. He was reported to have spoken energetically in favour of the convocation of the Constituent Assembly on a fixed date and to have declared that the question of combining the Ministry of the Interior with the Presidency of the Council was of a vital matter, although he was in favour of such a solution. It now remained to overcome the opposition of the Liberal party to Signor de Gasperi's nomination. The executive of the Liberal party met on December 3rd and after a five hours' debate agreed to give their support to the Christian Democrat leader. Accordingly, at 9 a.m. on December 4th, Signor de Gasperi issued a communiqué to the press stating that he would undertake the task of forming the Government and he then proceeded to the Quirinal, where he was formally charged to do so by the Lieutenant of the Realm. It was rumoured that Signor de Gasperi would

2208

(37)

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 759045

keep for himself the portfolio of Foreign Affairs and that the Liberals had agreed to let the Socialists have the Ministry of the Interior. In exchange for abandoning the Ministry of the Interior, the Liberals were asking either for the Ministry of the Treasury or for two economic ministries chosen amongst those of Agriculture, Industry, Public Works and Transport. They further asked for a broadening of the basis of the Government by the inclusion of Ministers from outside the parties.

The willingness of the Liberals to accept Signor De Gasperi proved, however, to be more apparent than real. For, during the debates of December 4th, the Liberals put forward certain conditions which were later crystallized in the following programme for the new Government:

(1) to establish and maintain unity among the Ministers for the defence of national interests vis-à-vis foreign powers and also within the framework of international solidarity;

(2) to re-establish without delay respect for law and public order by the re-organization of public authorities and the elimination of outside influences, whether from individuals, the political parties or the committees of national liberation;

(3) to hasten the country's return to normalcy;

(4) to replace political prefects and questori by career men;

(5) to complete epuration proceedings before the end of next February;

(6) to establish the special Sections of the Appeal Courts;

(7) to guarantee freedom of work;

(8) to respect the independence of the magistracy;

(9) to guarantee the freedom of the press and the impartiality of the broadcasting services and

(10) to begin the administrative elections at once and to prepare for the

2207

from outside the parties.

The willingness of the Liberals to accept Giancarlo de Carvalho proved, however, to be more apparent than real, for, during the January 4th, the Liberals put forward certain conditions which were later crystallized in the following programme for the new Government:

(1) to establish and maintain unity among the ministers for the defence of national interests vis-à-vis foreign powers and also within the framework of international solidarity;

(2) to re-establish without delay respect for law and public order by the re-organization of public authorities and the elimination of outside influences whether from individuals, the political parties or the Committees of National Liberation;

(3) to hasten the country's return to normalcy;

(4) to replace political prefects and questori by career men;

(5) to complete epuration proceedings before the end of next February;

(6) to abolish the Special Sections of the Assize Courts;

(7) to guarantee freedom of work;

(8) to respect the independence of the magistracy;

(9) to guarantee the freedom of the press and the impartiality of the broadcasting services and

(10) to begin the administrative elections at once and to prepare for the elections for the Constituent Assembly.

The publication of the Liberals' programme provoked further attacks from the left-wing; the Communists particularly fastened on the attempts to nullify the activities of the Committees of National Liberation and to stop epuration proceedings. The Communist press branded the Liberal activities as preparing the way for an immediate return to Fascism. During December 5th the Liberals let it be known that they would not participate in a new Government which

2207

(3)

Declassified E.O. 12356 Section 3.3/NND No. 785015

could not accept the "A" programme and which did not include Signori Orlando and Nenni. Faced with the possibility of having to form a Government on a five-party basis, Signor de Gasperi made a final attempt to bring the liberals into the Government. While the liberal party executive was still debating the matter and Signor de Gasperi was awaiting their answer, it is reported that a delegation of direct and Republican deputies had met on the Christian Democrat leader on the previous night and handed him an order of the day exploring the attitude of the party executive. In the evening of December 6th, Signor de Gasperi reported to the five party executive that he had failed to persuade the liberals and urged Nenni to join the Government. This was confirmed to the press in a declaration by Signor Cattani to the liberal party.

During the morning of December 7th, Signor de Gasperi had consultations with Signori Nenni, Togliatti, Sereni and Pacciardi and told them that the Lieutenant of the Realm, on whom he had entrusted the mandate during the night, had expressed his surprise on learning that Signor de Gasperi had decided to form a five-party Government, when he had been charged to form a six-party Government. Prince Tomasi had then asked Signor de Gasperi to make further attempts to save the six-party coalition and the Christian Democrat leader had promised to do this. He had accordingly decided to hold a plenary meeting of the Committee of National Liberation during the afternoon and the liberals, after some discussion, agreed to take part in the meeting and added that they might even join the new Government should the conditions they had already laid down be fulfilled. At the meeting at which were present those delegates of each party and the members of the Committee of National Liberation for Northern Italy, Signor de Gasperi explained that, having ascertained that it was impossible to form a Government outside the six-party framework, he had intended to form a six-party Government but had been obliged to revise himself to a five-party one, owing to the absence of the liberals from any duties

2206

Declassified E.O. 12356 Section 3.3/NND No. 759015

[illegible] of the previous night and immediately on arrival of the car deprived the attitude of the party in power. In the course of December 5th, Signor de Gasperi's opinion as also of the party executive that he had failed to persuade the liberals and Signor Saragat to join the Cabinet was confirmed to the point of a decision that he should tender the resignation of the Cabinet.

During the morning of December 7th, Signor de Gasperi had consultations with Signora Nenni, Togliatti, Sforza and Pacciardi and told them that the Lieutenant of the Realm, on whom he had waited at the quirinal during the night, had approved his request. He explained that Signor de Gasperi had resolved to form a five-party Government, such as had been planned by their previous attempts to form a Government. Prince Umberto had then asked Signor de Gasperi to make further attempts to see if agreement could be reached with the Christian Democrat leader had promised to do this. In the meantime, decided to hold a meeting of the Committee of National Liberation during the afternoon and the liberals, after some discussion, agreed to take part in the meeting and indeed that they might even join the new Government should the conditions they had already laid down be fulfilled. At the meeting there were present three delegates of each party and two members of the Committee of National Liberation for Northern Italy. Signor de Gasperi explained that, having realised that it was impossible to form a Government within the six-party framework, he had intended to form a six-party Government but had been obliged to revise himself to a five-party one, owing to the absence of the liberals from six of the 18 Ministries. He then read a letter which he had sent to the liberal party saying that his Government would resign without delay the adjective, however, considerations, the Government must assume the functions which had been dropped by the Ministries of Northern Liberation. The latter would have purely advisory functions. Special courts and special measures would be abolished as soon as possible. The Government would respect the independence of the magistracy.

2206

Declassified E.O. 12356 Section 3.3/NNN No. 878575

Declassified E.O. 12356 Section 3.3/NND No. 785045

119

Minister Pacciardi, speaking for the Liberals, observed that Honorable De Gasperi's program was not in conflict with the Liberals' 20 points and hoped that all that had happened might be considered as a bad dream and forgotten. To this the Left-wing Socialists replied that they were not afraid of the Left as in 1948 but rather of reinforcements for the Center parties, especially the Christian Democrats. Nenni stated that all attempts at rebuilding the bridges of the Government must be considered as betrayal and that no further attempts are will be made in that direction. It was necessary to reestablish the anti-Fascist character of Signor De Gasperi's program and the first principle of the new Government must be to be absolutely in order to be able to rule democratically and in the atmosphere of calm and public order. The debate was quite a real issue but at the end of the session Signor De Gasperi was able to state that there was no change in the responsibility of parties. A two-party Government was thus to be formed by the Committee of Liberation to submit a program of concrete proposals.

It was time of course, therefore, obviously that the new Government will be formed on the basis of the 20 points of the Committee of National Liberation and not on the basis of certain personal combinations. The party to watch most is Count Sforza, Signor Nenni and the Christian Democrats, that Signor De Gasperi will hold the portfolio of Foreign Affairs as well as the presidency of the Council, that a much more friendly if not pro-Soviet line is to be taken in Foreign Affairs and that the Liberals will have the Treasury and Industry and Commerce portfolios.

2205

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
U.K. Representative, ACI

2205

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACC
French Representative, ACI
Yugoslav Representative, ACC
U.K. Representative, ACC
Political Adviser (2), G
Political Adviser (2), AC (6)
Executive Commissioner, AC
OC Files
British Resident Minister, ACHC
American Political Adviser, ACHC
C-5, ACHC (2)

- 6 -

Declassified E.O. 12356 Section 3.3/NND No. 785075

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

FORTNIGHTLY POLITICAL REPORT BY REAR ADMIRAL ELLERY W. STONE
for circulation to the
ADVISORY COUNCIL FOR ITALY
(Period of Nov 22nd-Dec 7th 1945)

The political crisis was formally opened on November 22nd by the resignation from the Government of the Liberal members, Signori Brosio and Arangio Ruiz. Senator Micci, the Minister of the Treasury, although not a member of the Liberal party, also handed in his resignation since his appointment had been sponsored by the party on the death of Minister Soleri. The first reaction of the other five parties represented in the Government was that the defection of the Liberals need not necessarily cause a crisis and it was hoped that Signor Parri would be able to reform his cabinet on a five-party basis. However, during the course of November 22nd and November 23rd, it became apparent that the Christian Democrats were moving away from the position taken up by the Committee of National Liberation and more in favour of a complete Government reshuffle. Various party meetings were held during November 23rd and, in the evening of that day, the Christian Democrat members of the Consultative Assembly recommended to the Party Executive that the Christian Democrat members of the Government should resign, since the defection of the Liberals had destroyed the basis of the six-party Government and an open crisis was now unavoidable. The motion concluded by an appeal to the party to do all in its power to help the Government to find a solution of the crisis based on a new coalition of the six anti-Fascist parties.

This development forced Signor Parri to tender the resignation of his cabinet as a whole. Before, however, formally placing his resignation in the hands of the Lieutenant of the Realm, Signor Parri summoned a meeting of the

2204

Declassified E.O. 12356 Section 3.3/NND No. 930015

The political crisis was formally opened on November 22nd by the resignation from the Government of the Liberal members, Signori Brosio and Arangio Ruiz. Senator Micci, the Minister of the Treasury, although not a member of the Liberal party, also handed in his resignation since his appointment had been sponsored by the party on the death of Minister Soleri. The first reaction of the other five parties represented in the Government was that the defection of the Liberals need not necessarily cause a crisis and it was hoped that Signor Parri would be able to reform his cabinet on a five-party basis. However, during the course of November 22nd and November 23rd, it became apparent that the Christian Democrats were moving away from the position taken up by the Committee of National Liberation and were in favour of a complete Government reshuffle. Various party meetings were held during November 23rd and, in the evening of that day, the Christian Democrat members of the Consultative Assembly recommended to the party Executive that the Christian Democrat members of the Government should resign, since the defection of the Liberals had destroyed the basis of the six-party Government and an open crisis was now unavoidable. The motion concluded by an appeal to the party to do all in its power to help the Government to find a solution of the crisis based on a new coalition of the six anti-Fascist parties.

This development forced Signor Parri to tender the resignation of his cabinet as a whole. Before, however, formally placing his resignation in the hands of the Lieutenant of the Realm, Signor Parri summoned a meeting of the Central Committee of National Liberation and of representatives of the Committees of National Liberation of Northern Italy, to whom he felt bound to make a report since he had received his original mandate to form a Government from them. The press was admitted to part of this meeting. Signor Parri declared that the centre of gravity of his Government had been moderate left and asserted that

2204

Declassified E.O. 12356 Section 3.3/NND No. 838049

either a left-wing Government or a right-wing Government would equally lead to civil war. He denied the allegations that the Allies had lost confidence in the Italian Government and referred to recent evidence of their support, namely the undertaking to return the Northern Provinces, including Bolzano, to Italian administration in the near future. What, on the contrary made a very bad impression abroad, he continued, was the instability of the Italian Government and the ease and speed with which one crisis followed another. He claimed that the present crisis had already made the internal situation of the country more difficult and had weakened Italy's international position. He therefore considered those responsible for the crisis as guilty of having provoked a very grave situation. At the conclusion of the meeting, the Committee of National Liberation issued a resolution thanking the Italian Government for the work it had done and regretting that the crisis could not be avoided. It advanced the opinion that the new Government must be the expression of the Committee of National Liberation and of the democratic life of the country and based on a programme which would respect the undertaking to call the Constituent Assembly not later than April 1st. The Committee of National Liberation was in favour of a national and democratic policy aimed at thwarting any attempt to return to Fascism and at assuring for Italy independence and a position of equality among the other United Nations. Signor Bonomi then proceeded to the Quirinal Palace where he handed in his resignation to the Lieutenant of the Realm, 2203 as is customary, reserved his position and invited the existing Government to carry on with matters of ordinary administration until a new Government had been formed.

On the following day, November 25th, the Lieutenant of the Realm received the Presidents of the Senate and of the Chamber, and various personalities, including Count Sforza, Nenni, de Gasperi, Casati, Pertini, Togliatti, Saltani, Orlando, Bergamini and Salvaggi. On the 26th Nov., he received Signori Mitti and Bonomi (Members) Badoglio and Count Theon de Dorel. At this stage of the

Declassified E.O. 12356 Section 3.3/NND No. 77 X 5075

The present crisis had already made the internal situation of the country more difficult and had worsened Italy's international position. We therefore considered those responsible for the crisis as guilty of having provoked a very grave situation. At the conclusion of the meeting, the Committee of National Liberation issued a resolution thanking the Italian Government for the work it had done and regretting that the crisis could not be avoided. It advanced the opinion that the new Government must be the expression of the Committee of National Liberation and of the democratic life of the country and based on a programme which would respect the undertaking to call the Constituent Assembly not later than April next. The Committee of National Liberation was in favour of a national and democratic policy aimed at thwarting any attempt to return to Fascism and at assuring for Italy independence and a position of equality among the other United Nations. Signor Parri then proceeded to the Quirinal Palace where he handed in his resignation to the Lieutenant of the Realm, 2203. as is customary, reserved his position and invited the existing Government to carry on with matters of ordinary administration until a new Government had been formed.

On the following day, November 25th, the Lieutenant of the Realm received the Presidents of the Senate and of the Chamber, and various personalities, including Count Sforza, Bonomi, de Gasperi, Lussu, Nenni, Togliatti, Saltani, Orlando, Bergamini and Selvaggi. On the 26th Nov., he received Signori Nitti and Bonomi, Marshal Badoglio and Count Thaon de Revel. At this stage of the crisis it was rumoured that Signor Orlando would be charged with the formation of a new Government. It seems, however, that after his talks with the Lieutenant of the Realm and with the party leaders, Signor Orlando declined to undertake the task "at least for the present". Signor Nitti had no better luck. In the meantime, the left-wing parties were suggesting that Count Sforza or

Declassified E.O. 12356 Section 3.3/NNO No. 785615

Signor Parri himself might be chosen for the task, while the right-wing parties were exploring the possibility of a General candidacy. These rumours gradually gave way during the course of the week to a new one which suggested that Signor de Gasperi, the Secretary-General of the Christian Democrat party, was the only man capable of forming a new Government.

On November 29th, Signor de Gasperi, who was suffering at the time from a heavy cold, received members of his party in the morning and in the afternoon had a long conference with Signori Nenni and Togliatti. This second meeting gave birth to the rumour that Signor Nenni himself had suggested a de Gasperi candidacy, but the Socialists denied this and claimed that Signor Nenni had only suggested that, on the failure of the Liberals to secure the nomination of Signor Orlando, Signor Nitti or Signor Bonomi, the politicians had returned to the idea of asking one of the leaders of one of the six parties to undertake the task of forming the Government and that he had merely asked Signor de Gasperi on what terms he, de Gasperi, would try to solve the crisis. It soon became known, however, that the Socialists and Communists were prepared to support Signor de Gasperi, subject to certain conditions, among which was a pledge to fix the date and the powers of the Constituent Assembly. The Labour Democrats and the Action party preferred not to go it themselves until they had learned Signor de Gasperi's intentions. The Liberals remained opposed to a Government under the presidency of a party man. On the following day, there were numerous meetings at which it was learned that Signor de Gasperi 2202 showed some inclination to attempt to form the Government. He was reported to have spoken energetically in favour of the convocation of the Constituent Assembly on a fixed date and to have declared that the question of combining the Ministry of the Interior with the Presidency of the Council was of a vital matter, although he was in favour of such a solution. It now remained to overcome the opposition of the Liberal party to Signor de Gasperi's nomination. The executive of the Liberal party met on December 2nd and after a five hours'

Declassified E.O. 12356 Section 3.3/NND No. 785048

had a long conference with Signori Nenni and Togliatti. This second meeting gave birth to the rumour that Signor Nenni himself had suggested a de Gasperi candidacy, but the Socialists denied this and claimed that Signor Nenni had only suggested that, on the failure of the Liberals to secure the nomination of Signor Orlando, Signor Nitti or Signor Bonomi, the politicians had returned to the idea of asking one of the leaders of one of the six parties to undertake the task of forming the Government and that he had merely asked Signor de Gasperi on what terms he, de Gasperi, would try to solve the crisis. It soon became known, however, that the Socialists and Communists were prepared to support Signor de Gasperi, subject to cert in conditions, among which was a pledge to fix the date and the powers of the Constituent Assembly. The Labour Democrats and the Action party preferred not to com it themselves until they had learned Signor de Gasperi's intentions. The Liberals remained opposed to a Government under the presidency of a party man. On the following day, there were numerous meetings at which it was learned that Signor de Gasperi had shown some inclination to attempt to form the Government. He was reported to have spoken energetically in favour of the convocation of the Constituent Assembly on a fixed date and to have declared that the question of combining the Ministry of the Interior with the Presidency of the Council was of a vital matter, although he was in favour of such a solution. It now remained to overcome the opposition of the Liberal party to Signor de Gasperi's nomination. The executive of the Liberal party met on December 3rd and after a five hours' debate agreed to give their support to the Christian Democrat leader. Accordingly, at 9 a.m. on December 4th, Signor de Gasperi issued a communiqué to the press stating that he would undertake the task of forming the Government and he then proceeded to the Quirinel, where he was formally charged to do so by the Lieutenant of the Realm. It was rumoured that Signor de Gasperi would

2202

Declassified E.O. 12356 Section 3.3/NND No. 785045

1127

Declassified E.O. 12356 Section 3.3/NND No. 759015

keep for himself the portfolio of Foreign Affairs and that the Liberals had agreed to let the Socialists have the Ministry of the Interior. In exchange for abandoning the Ministry of the Interior, the Liberals were asking either for the Ministry of the Treasury or for two economic ministries chosen amongst those of Agriculture, Industry, Public Works and Transport. They further asked for a broadening of the basis of the Government by the inclusion of Ministers from outside the parties.

The willingness of the Liberals to accept Signor de Gasperi proved, however, to be more apparent than real, for, during the debates of December 4th, the Liberals put forward certain conditions which were later crystallised in the following programme for the new Government:

(1) to establish and maintain unity among the Ministers for the defence of national interests vis-à-vis foreign powers and also within the framework of international solidarity;

(2) to re-establish without delay respect for law and public order by the reorganisation of public authorities and the elimination of outside influences whether from individuals, the political parties or the Committees of National Liberation;

(3) to hasten the country's return to normalcy;

(4) to explode political prejudice and quarrel by certain means;

(5) to complete epuration proceedings before the end of next February;

(6) to abolish the special sections of the Assize Courts;

(7) to guarantee freedom of work;

(8) to respect the independence of the magistracy;

(9) to guarantee the freedom of the press and the impartiality of the broadcasting services and

(10) to begin the administrative elections at once and to prepare for the election for the Constituent Assembly.

2201

The willingness of the Liberals to accept Signor de Gasperi proved, however, to be more apparent than real. Yet, during the debate of December 4th, the Liberals put forward certain conditions which were later crystallised in the following programme for the new government:

(1) to establish and maintain unity among the Administration for the defence of national interests vis-à-vis foreign powers and also within the framework of international solidarity;

(2) to re-establish without delay respect for law and public order by the re-organisation of public authorities and the elimination of outside influences, whether from individuals, the political parties or the Committees of National Liberation;

(3) to hasten the country's return to normalcy;

(4) to replace political pre-sets and quotas by current acts;

(5) to complete epuration proceedings before the end of next February;

(6) to abolish the Special Sections of the Assize Courts;

(7) to guarantee freedom of vote;

(8) to improve the image-value of the magistracy;

(9) to guarantee the irremovability of the present and the impartiality of the law-enforcing services and

(10) to begin the administrative elections at once and to prepare for the elections for the Constituent Assembly.

The publication of the Liberals' programme provoked bitter attacks from the Left-wing; the Communists particularly fastened on the attempts to nullify the activities of the Committees of National Liberation and to stop epuration proceedings. The Communist press brand d the Liberal attitude as preparing the way for an immediate return to fascism. During December 5-6 the Liberals let it be known that they would not participate in a new government which

2201

- 4 -

Declassified E.O. 12356 Section 3.3/NND No. 785005

would not accept their programme and which did not include Signori Orlando and Bonomi. Faced with the possibility of moving to form a Government on a five-party basis, Signor de Gasperi made a final attempt to bring the liberals into the Government. Under the DC and four Executive were still debating the matter and Signor de Gasperi was awaiting their answer, it is reported that a delegation of conservative Republican MPs led by Ottaviano the Christian Democrat leader at the palazzo Chigi and handed him an order of the day embodying the attitude of the party Executive. In the evening of December 5th, Signor de Gasperi informed the five party secretaries that he had failed to persuade the liberals and might have to form the Government. It is now confirmed that the phone call to Bonomi by Signor Saragat of the S.D.U.P.

During the morning of December 7th, Signor de Gasperi had consultations with Signori Nenni, Togliatti, Lussu and Parri and told them that the lieutenant of the Realm, as they had noted at the Quirinal during the night, had expressed his surprise on learning that Signor de Gasperi had decided to form a five-party Government, when he had been charged to form a six-party Government. Private talks had then taken place in order to make further attempts to save the six-party coalition and the Christian Democrat leader had promised to do this. It was accordingly decided to hold a plenary meeting of the Committee of National Liberation during the afternoon and the Liberals, after some discussion, agreed to take part in the meeting and added that they might even join the new Government should the conditions they had already laid down be satisfied. At the meeting itself at which were present three delegates of each party and two members of the Committee of National Liberation for Northern Italy, Signor de Gasperi explained that, having perceived that it was impossible to form a Government outside the six-party framework, he had intended to form a six-party Government but had been obliged to reduce himself to a five-party one, owing to the absence of the Liberals from the last two meetings. He then read a letter which he had sent to the Liberal party

2200

Declassified E.O. 12356 Section 3.3/NND No. 785045

[illegible] of the Party executive. [illegible] evening of December 6th, Signor de Gasperi reported to the five parties of the center [illegible] to propose to the Liberals the Cabinet Council to join the Government. This was confirmed on the [illegible] by Signor Cattani on the [illegible].

During the morning of December 7th, Signor de Gasperi had consultations with Signors Nenni, Saragat, Romita and Pacciardi, after the latter had left them [illegible] Lieutenant of the Realm on whom he had waited at the Quirinal during the night. [illegible] expressed his surprise on learning that Signor de Gasperi had decided to form a five-party Government, when he had been charged to form a six-party Government. Signor Saragat had then asked if nor it occurred to him further to try to save the six-party coalition and the Christian Democrat leader had promised to do this. It was accordingly decided at a [illegible] meeting of the Committee of National Liberation during the afternoon and the Liberals, after some discussion, decided to take part in the meeting and [illegible] they might even join the new Government should the conditions they had already laid down be fulfilled. At the meeting at which they present three delegates of each party and two members of the Committee of National Liberation for Northern Italy, Signor de Gasperi explained that, having recognized that it was impossible to form a Government without the six-party formula, he had intended to form a six-party Government but had been obliged to enlarge himself to a five-party one, owing to the rejection of the Liberals from the first two Cabinets. He then read a letter which he had sent by the Liberal party saying that his Government could continue without only the existing temporary administration: the state must retain the functions which had been exercised by the Committees of National Liberation. The latter would have purely advisory functions. Special courts and special measures would be abolished as soon as possible. The Government would respect the independence of the Anglo-Army.

2200

- 2 -

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785045

2199

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI

Declassified E.O. 12356 Section 3.3/NND No. 785017/15

2199

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Canadian Representative, ACI
Greek Representative, ACI
Political Adviser (A), C
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
Am'ican Political Adviser, AFHQ
G-5, AFHQ (2)

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
46th MEETING OF THE ADVISORY COUNCIL FOR ITALY ON 23rd NOVEMBER 1945

Gentlemen:

The most important feature of the week following the last meeting of this Council was the Prime Minister's tour in the North of Italy. On November 10th, Signor Parri was in Udine where he conferred with General Harding of the XIII Corps on military, political and economic matters in the Veneto Region. He also made a speech on the Venezia Giulia problem in which he conveyed greetings on behalf of the Government to the Italians on the other side of the line. The Government, he said, had given proofs of much moderation which had regrettably often been misunderstood. The Government were aware of their great duties. They could not close their ears to the appeals which reached them from the Italian brethren in Zone B. The Italian Government could not permit such deportations en masse or such attempts to efface the Italian character of the territory in question. This had nothing to do with Fascism; what had induced him to make his protest was the obvious, deliberate indications of the will to eliminate anything that might constitute a centre of Italian resistance. It was a deliberate plan systematically pursued which the Italian Government must denounce. The Italian Government must defend these Italians and they believed that they had the means and ability to defend them. Later, at Treviso the President of the Council made another speech, this time on the food problem. He stated that the supply of bread to the Italians was closely in the hands of the Allies who had always considered Italian needs with generosity and understanding. But there must be a quid pro quo from the Italians and this could

2198

Declassified E.O. 12356 Section 3.3/NND No. 785055

Gentlemen:

The most important feature of the week following the last meeting of this Council was the Prime Minister's tour in the North of Italy. On November 10th, Signor Parri was in Udine where he conferred with General Harding of the XIII Corps on military, political and economic matters in the Veneto Region. He also made a speech on the Venezia Giulia problem in which he conveyed greetings on behalf of the Government to the Italians on the other side of the line. The Government, he said, had given proofs of much moderation which had regrettably often been misunderstood. The Government were aware of their great duties. They could not close their ears to the appeals which reached them from the Italian brethren in Zone B. The Italian Government could not permit such demonstrations or meetings or such attempts to efface the Italian character of the territory in question. This had nothing to do with Fascism; what had induced him to make his protest was the obvious, deliberate indications of the will to eliminate anything that might constitute a centre of Italian resistance. It was a deliberate plan systematically pursued which the Italian Government must denounce. The Italian Government must defend these Italians and they believed that they had the means and ability to defend them. Later, at Treviso the President of the Council made another speech, this time on the food problem. He stated that the supply of bread to the Italians was clearly in the hands of the Allies who had always considered Italian needs with generosity and understanding. But there must be a quid pro quo from the Italians and this could only consist of the seriousness of their work and their determination to achieve material, political and eventually moral reconstruction. Signor Parri also visited Venice and Padua. In the latter town, on November 13th, he addressed the Prefects of Northern Italy, again on the subject of food. During the course

(32)

2198

Declassified E.O. 12356 Section 3.3/NND No. 759045

of his address, he said that he still could not state definitely when the restoration of the Northern Provinces to the Rome Government would take place because the Allied authorities were still without instructions from their Governments. Turning to the elections he said that the proposals of some of the parties for compulsory voting were not acceptable but at the same time it was to be hoped that there would not be widespread abstentions. He asked the Prefects to adopt a neutral attitude during the elections. The strength of the Carabinieri would be augmented. The administrative elections would be held between Mid-December and Mid-January. The President of the Council returned to Rome and gave his regular press conference on November 14th. He took the opportunity to express his thanks to President Truman for his recommendation on UNRRA funds and said that the Italians were expecting from the Allies not only a new juridical status but also "economic security" to enable them to get through this crucial winter. He again referred to the deportation of Italians from Venezia Giulia and claimed that the numbers involved were between 7 and 8 thousand. He declared that the condition for reaching an understanding with the Yugoslav Government and for initiating the direct negotiations which the Italians had always desired and urged was that the campaign of persecution directed, not against the Fascists, but against all Italians, should cease and that Italians living in the region should be guaranteed justice. Signor Parri also mentioned the colonial problem and averred that the Italian Government maintained that it was unjust to expel Italy from Eritrea, Somaliland, Tripolitania and Cyrenaica and not to reserve for her the part in their administration to which she felt that she was entitled. Signor Parri concluded by stating that he knew of no present negotiations directed towards the conclusion of a provisional peace with Italy.

The Council of Ministers met on November 13th and examined a communication from the Apostolic Nuncio conveying the wish of His Holiness the Pope that capital sentences inflicted for political motives should not be carried out, since they had been pronounced at moments of particular public exasperation. The

2197

Declassified E.O. 12356 Section 3.3/NND No. 785815

augmented. The administrative elections would be held between Mid-December and Mid-January. The President of the Council returned to Rome and gave his regular press conference on November 14th. He took the opportunity to express his thanks to President Truman for his recommendation on UNRRA funds and said that the Italians were expecting from the Allies not only a new juridical status but also "economic security" to enable them to get through this crucial winter. He again referred to the deportation of Italians from Venezia Giulia and claimed that the numbers involved were between 7 and 8 thousand. He declared that the condition for reaching an understanding with the Yugoslav Government and for initiating the direct negotiations which the Italians had always desired and urged was that the campaign of persecution directed, not against the Fascists, but against all Italians, should cease and that Italians living in the region should be guaranteed justice. Signor Parri also mentioned the colonial problem and averred that the Italian Government maintained that it was unjust to expel Italy from Eritrea, Somaliland, Tripolitania and Cyrenaica and not to reserve for her the privilege of their administration to which she felt that she was entitled. Signor Parri concluded by stating that he knew of no present negotiations directed towards the conclusion of a provisional peace with Italy.

2197

The Council of Ministers met on November 15th and examined a communication from the Apostolic Nuncio conveying the wish of His Holiness the Pope that capital sentences inflicted for political motives should not be carried out, since they had been pronounced at moments of particular public exasperation. The Council of Ministers declared that it was not deaf to the appeal of His Holiness and was prepared to act accordingly, subject to the dispelling reasons of justice. At the same meeting, Signor Nenni reported on the activities of the OVRA. He had now checked the completion of informers and secret agents and, makes the

Declassified E.O. 12356 Section 3.3/NND No. 785045

Council's permission to publish it. No decision on this request was reached at the meeting. The Council then approved a decree abrogating the regulations of the Fascist decree of 1927 granting powers to dismiss public officials for behaviour contrary to the political directive of the Government. Signor Brosio submitted a draft of the standing rules of the Consultative Assembly regulating the distribution of work between the general assembly and the committees, as well as the procedure governing the Assembly's labours. The Council further discussed the proposal of Signor Nenni for the formation of a Committee for the collation and study of material connected with the constitutional reorganization of the State. A project for the re-assessment of land taxes and of the income from agricultural land was discussed and the question of the recovery of works of art stolen by the Germans was also examined.

There have been rumours for some time now of an impending political crisis. The initiative on this occasion is being taken by the Liberal Party who apparently consider that, in view of the move towards the right made by the country as a whole, they should secure a wider and more efficacious representation in the Government. It is reported that the Liberals would like to obtain the portfolio of the Ministry of the Interior at present held by Signor Parri himself. As you know, the Ministry of the Interior will be largely responsible for the holding of the forthcoming elections both administrative and political. The Liberal Party put their demands in concrete form on November 17th by the circulation of a letter to the other parties of the Committee of National Liberation. After drawing attention to the general feeling of uneasiness pervading the country as the result of the Allies' delay in granting Italy a real international status and of the lack of unity in the Parri Government, the letter went on to state that the most urgent needs of the country were mental pacification and material reconstruction, the abandonment of party politics, the restoration to Italians of a feeling of security and order and the formation

2196

Declassified E.O. 12356 Section 3.3/NND No. 759015

discussed the proposal of Signor Nenni for the formation of a Committee for the collection and study of material connected with the constitutional reorganization of the State. A project for the re-assessment of land taxes and of the income from agricultural land was discussed and the question of the recovery of works of art stolen by the Germans was also examined.

There have been rumours for some time now of an impending political crisis. The initiative on this occasion is being taken by the Liberal Party who apparently consider that, in view of the move towards the right made by the country as a whole, they should secure a wider and more efficacious representation in the Government. It is reported that the Liberals would like to obtain the portfolio of the Ministry of the Interior as present held by Signor Parri himself. As you know, the Ministry of the Interior will be largely responsible for the holding of the forthcoming elections both administrative and political. The Liberal Party put their demands in concrete form on November 17th by the circulation of a letter to the other parties of the Committee of National Liberation. After drawing attention to the general feeling of uneasiness pervading the country as the result of the Allies' delay in granting Italy a real international status and of the lack of unity in the Parri Government, the letter went on to state that the most urgent needs of the country were mental pacification and material reconstruction, the abandonment of party politics, the restoration to Italians of a feeling of security and order and the formation of a Government not only of men belonging to the six parties but of men who by their experience and prestige would contribute to the greater efficiency of the Government and increase its authority both at home and abroad. The Government should also be freed from the necessity of distributing port-folios strictly according to party representation. The Liberal Party therefore

2196

Declassified E.O. 12356 Section 3.3/NND No. 760045

asked for a reduction in the number of ministries, the formation of a Govern-
ment of men who would put themselves at the service of the State and not of the
parties, the most strict impartiality in policy, the promulgation of a minimum
number of laws together with their most rigorous application and finally the
constant and vigorous practice of the principles of true liberty. This decla-
ration has met with a cold reception from the parties of the Left. Even before
publication, the Socialist Party, in an order of the day, had stated that the
present was no time for a Government crisis and that anyone seeking to provoke
a crisis now would be guilty of working against the interests of the country.
The Action Party in replying to the Liberal Party's letter have stated that in
their view there is no crisis facing the country at this present time and that
therefore the conversations which the Liberal Party wish to hold for its
solution are unnecessary. If problems of Government are in question then the
Liberal Party should address themselves to the President of the Council. Signor
Parri, on his return from the Abruzzi on November 19th, stated to the press
that the country had no need for a new crisis and wished the Government to be
allowed to get on with their work. He said that he had already talked with the
Liberal Party leaders and believed that some of their more reasonable requests
could be satisfied without changing the present Government set-up. He was
convinced that nothing in the general situation demanded a substantial change in
the Government. The Communist Party have published a long order of the day
affirming the solidarity of the country behind the Government and criticising
those elements who "seem inclined to abandon the policy of national unity which
for many years to come must be the basis of the reconstruction of Italy." The
Communists did not fail to point out that this sort of "pseudo-parliamentary"
intrigue once before produced the chaos which made Fascism possible. Signor
Nenni has publicly expressed the hope that the situation will not develop into
a crisis. Signor Togliatti has asserted that the majority of the represente-

2195

Declassified E.O. 12356 Section 3.3/NND No. 778500

1139

publication, the Socialist Party, in an order of the day, had stated that the present was no time for a Government crisis and that anyone seeking to provoke a crisis now would be guilty of working against the interests of the country. The Action Party in replying to the Liberal Party's letter have stated that in their view there is no crisis facing the country at this present time and that therefore the conversations which the Liberal Party wish to hold for its solution are unnecessary. If problems of Government are in question then the Liberal Party should address themselves to the President of the Council. Signor Parri, on his return from the Abruzzi in November 19th, stated to the press that the country had no need for a new crisis and wished the Government to be allowed to get on with their work. He said that he had already talked with the Liberal Party leaders and believed that some of their more reasonable requests could be satisfied without changing the present Government set-up. He was convinced that nothing in the general situation demanded a substantial change in the Government. The Communist Party have published a long order of the day affirming the solidarity of the country behind the Government and criticising those elements who "seem inclined to abandon the policy of national unity which for many years to come must be the basis of the reconstruction of Italy." The Communists did not fail to point out that this sort of "pseudo-parliamentary" intrigue once before produced the chaos which made Fascism possible. Signor Nenni has publicly expressed the hope that the situation will not develop into a crisis. Signor Togliatti has asserted that the majority of the representatives of the most important parties do not desire a crisis. The Christian Democratic Party have not made any pronouncement at the present time of writing but it is reported that they are opposed to the suggestion that the Liberal Party should be given the port-folio of the Interior. The one solid development arising out of these moves is that the plenary session of the Consultative Assembly which should have opened on November 22nd has been postponed

2195

32

Declassified E.O. 12356 Section 3.3/NND No. 788046

for a week.

The only other item of interest which I think I need bring to your notice is the restoration, as at midnight November 14th, of control of the Italian army to the Italian Government -- an event which was celebrated by a dinner given by the Minister of War on November 16th to Major-General Browning, the Director of the Land Forces Subcommission of the Allied Commission. You will no doubt have seen the press reports on this subject.

That, gentlemen, concludes my report.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Advisor, AFHQ
G-5, AFHQ (2)

Declassified E.O. 12356 Section 3.3/NND No. 785045

will no doubt have seen the press reports on this subject.

That, gentlemen, concludes my report.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

2194

(52)

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 763015

I-43

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 374

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
45th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 9 JUNE 1945

Gentlemen:

1. During the past two weeks the dominant topic of interest in Italian political circles has, of course, been the question of the publication of the Italian armistice terms. A long period of speculation on this subject was terminated at 7 p.m. (Rome time) on November 8 when the text of the armistice was released simultaneously in Rome, London and Washington, accompanied by various accompanying and modifying documents as well as by a commentary showing how some of the terms have been modified, either in practice or by specific directives of the Combined Chiefs of Staff. In addition it was noted in this commentary that certain of the clauses of the armistice had either never been vigorously applied or had been employed practically not at all.

Editorial comment on the publication of the terms has been constructive and has centered to a considerable extent on the so-called "Ivanoe Document" which, according to the press, consists of a message from President Roosevelt and Prime Minister Churchill to Bonomi and Ivanoe Bonomi stating that Italy's status would be improved in direct proportion to her contribution to the Allied war effort. Regret has been expressed that this document was not published in conjunction with the armistice. Although the fact of the publication of the armistice terms itself appears generally to have raised little objection, the Italian Government having expressed its views in favor of publication on several occasions, many circles have stated that it would have been much more desirable could the publication of the armistice have been accompanied by some

8 03/22

2193

During the past two weeks the dominant topic of interest in Italian political circles has, of course, been the question of the publication of the Italian armistice terms. A long period of speculation on this subject was terminated at 7 p.m. (Rome time) on November 8 when the text of the armistice was released simultaneously in Rome, London and Washington, accompanied by various accompanying and explaining documents as well as by a commentary showing how some of the terms have been modified, either in principle or by specific directives of the Combined Chiefs of Staff. In addition it was noted in this commentary that certain of the clauses of the armistice had either never been rigorously applied or had been employed practically not at all.

Editorial comment on the publication of the terms has been exhaustive and has centered to a considerable extent on the so-called "Quebec Document" which, according to the press, consists of a message from President Roosevelt and Prime Minister Churchill to Marshal Badoglio explaining why Italy's status would be improved in direct proportion to her contribution to the Allied war effort. Regret has been expressed that this document was not published in conjunction with the armistice. Although the fact of the publication of the armistice terms itself appears generally to have caused little objection, the Italian Government certainly expressed its wishes in favor of publication on several occasions. Many circles have stated that it would have been much more desirable should the publication of the armistice have been accompanied by some announcement providing for a definite alteration in Italy's status. The general opinion is that the armistice terms and their continuation in force has, moreover, been unfavorable. Some of the points made in the local press are that an announcement of the modifications rather than the non-application of certain of the armistice clauses would have been more appropriate measures to accompany the armistice text; that the Italian Government should have had more time to

(31)

2193

8/03/cc

Declassified E.O. 12356 Section 3.3/NND No. 785065

consider the commentary accompanying the publication of the armistice; that Badoglio's letter of November 20, 1943 to President Roosevelt and Prime Minister Churchill, as well as the "peace documents", should have been included among the related documents released for publication; that the Italian armistice terms compare unfavorably with those imposed by Germany on France or with those imposed by the Allies on Finland and the ex-satellite states in the Balkans; and that Italy is completely helpless and dependent on the Allies as a result of the armistice conditions. In that portion of the local press which takes a brighter view of Italy's relations with the United Nations under the armistice regime it is pointed out that the armistice was drawn up for a former and enemy regime; that Italy now has the promise of United Nations status; that the armistice is obsolete; that contrary to past speculation it does not dispose of territory or prejudice Italy's ultimate treatment at the Peace Table; and that mutual relations with the Allies, as opposed to the juridical status, have progressed considerably.

Prior to the publication a vast number of speculative stories had been written on the contents of the armistice, so that its publication did not produce any spectacular sensation. An International News Service despatch which was published on November 3 gave a fairly thorough survey of the armistice texts and this despatch also was widely commented upon, one section being summed up in WOP Memorandum (opposition - republican party) as follows: "The Allies can do in Italy what they want".

2192

November 4 was the anniversary of the Italian armistice of 1918 and the press featured demonstrations which were held throughout Italy on that day with special reference to a meeting in Trieste which apparently took place without incident. However, during another demonstration at Trieste on November 5, on the occasion of the 27th anniversary of the first Italian landing at Trieste, certain incidents took place and according to press reports two persons were

Declassified E.O. 12356 Section 3.3/NND No. 785015

of the armistice conditions. In that portion of the local press which takes a brighter view of Italy's relations with the United Nations under the armistice regime it is pointed out that the armistice was drawn up for a former and enemy country; that Italy now has the promise of United Nations status; that the armistice is obsolescent and contrary to post-war opinion; it does not dispose of territory or jeopardize Italy's ultimate treatment at the Peace Table; and that current relations with the Allies, as opposed to the juridical status, have progressed considerably.

Prior to the publication a vast number of speculative stories had been written on the contents of the armistice, so that its publication did not produce any spectacular surprise. An International News Service dispatch which was published on November 2 gave a full, thorough survey of the armistice text; and this dispatch was widely commented upon, one reaction being summed up by Mondo Nuovo (Socialist - Republican) organ) as follows: "The Allies can do in Italy what they want."

2192

5. November 4 was the anniversary of the Italian Armistice of 1918 and the press featured demonstrations which were held throughout Italy on that day with special reference to a meeting in Trieste which apparently took place without incident. However, during another demonstration in Trieste on November 3, on the occasion of the 27th anniversary of the first Italian landing at Trieste, certain incidents took place and according to press reports two persons were killed and others injured when groups carrying Italian flags were attacked.

Other political meetings on November 4 were held at Milan, Bari and Rieti where Foreign Minister Sforza, Vice President Bonomi and Vice President Brosio, respectively, spoke. The Foreign Minister in his speech re-affirmed Italian rights to the Italian-inhabited sections of Venezia Giulia and predicted that the present government would never sign a peace treaty which affected adversely

(31)

Declassified E.O. 12356 Section 3.3/NND No. 778045

Italy's Baltic rights. Signor Nenni, in addition to speaking on the progress which had been made in calling the Constituent Assembly, also referred to Trieste, to whom he referred as "my comrade during the Spanish war", for reestablishment of bonds of friendship between Italy and Yugoslavia. He further confirmed that while Italy freely admitted that the 1919 settlement had been unfair and Italy was willing to reach a new arrangement on the basis of the "Wilson line" which "left 5m. alive in Italy and a fair number of Italians in Yugoslavia", nevertheless the Italian Government must insist upon the right of Italian culture in Italian portions of Venezia Giulia. Signor Nenni in his speech gave again the Liberal point of view on the forthcoming elections and reiterated the feeling of his Party that a referendum, which is opposed by left-wing parties, would represent freest expression of popular will. In this connection there have also been rumors of the possibility of the Liberal Party's withdrawing from the Government. According to some sources a Liberal withdrawal would be the result of that party's disapproval of the recent electoral legislation upon which Liberal objections were reportedly not taken into account.

3. The Council of Ministers meeting on October 30 took a decision regarding elections which was of considerable importance. This decision is reported in the Government's communique provided for the following steps: (1) the holding of elections for the Constituent Assembly not later than April 1, 1946; (2) the commencing of administrative elections before the end of this year; 2191 currently with the convocation of the electoral committees for the Constituent Assembly an announcement to be made regarding "the methods of solution of the political problems connected with the Constituent Assembly". Comments on this communique have stressed the fact that while the dates for the elections have been announced no definite and final decision has been taken on the powers of the Constituente. This question has been the cause, according to the press, of considerable differences of opinion between the parties forming the coalition

Declassified E.O. 12356 Section 3.3/NND No. 785005

[illegible] nevertheless the Italian government must insist upon [illegible] Italian culture in Italian portions of Venezia Giulia. Signor Nenni in his speech gave again the Liberal point of view on the forthcoming elections and reiterated the feeling of the Party that a referendum, which is opposed by left-wing parties, would represent a true expression of popular will. In this connection there have been reports of the possibility of the Liberal Party's withdrawing from the Government. According to some sources a Liberal withdrawal would be the result of that party's disapproval of the present election legislation upon which Liberal objections were reportedly not taken into account.

3. The Council of Ministers meeting on October 30 took a decision regarding elections which was of considerable importance. This decision as reported in the Government's communique provided for the following steps: (1) the holding of elections for the Constituent Assembly not later than April 1, 1946; (2) the announcing of administrative elections before the end of this year; (3) concurrently with the convocation of the electoral committees for the Constituent Assembly an announcement to be made regarding "the methods of solution of the political problems connected with the Constituent Assembly". Comments on this communique have stressed the fact that while the dates for the elections have been announced no definite and final decision has been taken on the powers of the Constituents. This question has been the cause, according to the press, of considerable differences of opinion between the parties forming the coalition government, with the Liberals taking the line that subsequent legislation or a referendum should determine the powers of the Assembly, while the Communist, Left Unity and Action Parties feel that the sovereignty of the Constituents is unquestioned.

4. In this connection, at the same time, Signor Nenni presented a report on the progress in preparing electoral lists. According to this report, of 5782 communes in Italy, preliminary lists of 4,418 voters have been released in 1869

(31)

2191

Declassified E.O. 12356 Section 3.3/NND No. 785045

communes and of female voters in 3570. However, he continued stating that male lists have been finally approved in only 498 communes and female lists in 869. From these statistics Signor Nenni drew the conclusion, according to an interview, that it is now impossible to hold both all elections this year. His previous position that the national elections should take precedence over the administrative elections was no longer valid and he now therefore favors immediate holding of the local elections.

5. On November 2 the Press Office of the President of the Council of Ministers issued a communique to the effect that the Italian Government, "deeply affected by the alarming reports received from Carpedistria and in general from Zone B the other side of the Morgan Line", had made energetic representations to the Allied Governments and to the Allied Commission calling their attention to the gravity of the situation and asking for greater Allied control in this area to ensure peace and to prevent the economic disintegration of the area.

6. Among other items of political interest during the week was a report on November 2 that Marshal Badoglio had sent to the High Court of Justice a letter in connection with the Court's consideration of his removal from the Senate. Previously it had been announced that the High Court, which had received this case from the High Commissariat for the Punishment of Fascist Crimes, had postponed action thereon. In his letter, according to the press, Marshal Badoglio, having first renounced defending himself against accusations concerning his political past, reminded the Court that he had presided over the Government which had declared war on Germany and he therefore appealed for the application in his case of the provisions of Article 7 of the Decree-Law of July 27, 1944 for the Punishment of Fascist Crimes which provided for attenuation thereof for persons who had fought against the Germans after September 8, 1943.

2190

That, Gentlemen, concludes my report.

Declassified E.O. 12356 Section 3.3/NND No. 735015

b. On November 2 the Press Office of the President of the Council of Ministers issued a communique to the effect that the Italian Government, "deeply affected by the alarming reports received from Capodistria and in general from Zone B and the other side of the Morgan Line", had made energetic representations to the Allied Governments and to the Allied Commission calling their attention "to the gravity of the situation" and asking for greater Allied control in this area to ensure peace and to prevent the economic disintegration of the area.

c. Among other items of political interest during the week was a report on November 2 that Marshal Badoglio had sent to the High Court of Justice a letter in connection with the Court's consideration of his removal from the Senate. Previously it had been announced that the High Court, which had received this case from the High Commissariat for the Punishment of Fascist Crimes, had postponed action thereon. In his letter, according to the press, Marshal Badoglio, having first denounced defending himself against accusations concerning his political past, reminded the Court that he had presided over the Government which had declared war on Germany and he therefore appealed for the application in his case of the provisions of Article 7 of the Decree-Law of July 27, 1944 for the Punishment of Fascist Crimes which provided for absolution thereof for persons who had fought against the Germans after September 8, 1943.

That concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACC
Soviet Union Representative, ACC
French Representative, ACC
Jugoslav Representative, ACC
Greek Representative, ACC
Political Adviser (A), AC
Political Adviser (B), AC (2)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

(31)

2190

Declassified E.O. 12356 Section 3.3/NND No. 785075

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
AFO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
44th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 26 OCTOBER 1945

Gentlemen:

1. The past fortnight has been relatively quiet in the political field. The only development of note was the holding in all the large cities of Italy, during the weekend of the 13th and 14th October, of demonstrations in favor of the early convocation of the Constituent Assembly. These demonstrations were organized principally by the Communist and Socialist parties but the Action Party and the Party of the Christian Left - a splinter party of the Communists - associated themselves to some extent with the demonstrations. In Rome the mass meeting was held on the Palatine Hill and it is claimed that 100,000 participated. The meeting was entirely orderly and the usual red flags, banners and placards demanding elections, the republic, bread and work were much in evidence.

2. The most important demonstrations took place, however, in Turin and Milan, where Signori Nenni and Togliatti addressed mass meetings on the 13th and 14th. In Turin on the 13th, Signor Nenni, addressing a crowd stated to number 80,000 workers, regretted that the demonstrations were not representative of all the parties of the Committee of National Liberation. He criticized the Liberal party in particular for refusing to cooperate. Referring to the difficult situation in which Italy found herself at the present time, he declared that the words "Fascist Monarchy" and not "proletariat of Italy" were written on the ruins and debris around them. Italy was on the eve of a winter which would probably be the most difficult of all for the Italian people. Italy depended literally on the generosity and sense of solidarity of the Allied na-

2189

Declassified E.O. 12356 Section 3.3/NND No. 785015

1. The past fortnight has been relatively quiet in the political field. The only development of note was the holding in all the large cities of Italy, during the weekend of the 13th and 14th October, of demonstrations in favor of the early convocation of the Constituent Assembly. These demonstrations were organized principally by the Communist and Socialist parties but the Action Party and the Party of the Christian Left - a splinter party of the Communists - associated themselves to some extent with the demonstrations. In Rome the mass meeting was held on the Palatine Hill and it is claimed that 100,000 participated. The meeting was entirely orderly and the usual red flags, banners and placards demanding elections, the republic, bread and work were much in evidence.

2. The most important demonstrations took place, however, in Turin and Milan, where Signori Nenni and Togliatti addressed mass meetings on the 13th and 14th. In Turin on the 13th, Signor Nenni, addressing a crowd stated to number 80,000 workers, regretted that the demonstrations were not representative of all the parties of the Committee of National Liberation. He criticized the Liberal party in particular for refusing to cooperate. Referring to the difficult situation in which Italy found herself at the present time, he declared that the words "Fascist Monarchy" and not "proletariat of Italy" were written on the ruins and debris around them. Italy was on the eve of a winter which would probably be the most difficult of all for the Italian people. Italy depended literally on the generosity and sense of solidarity of the Allied nations, and of America above all. Signor Nenni concluded by saying that he could assure his audience, as a Minister of the Government of the Committee of National Liberation, that before the end of October the Government would have fixed the date for the convocation of the Constituent Assembly. Signor

2189

Declassified E.O. 12356 Section 3.3/NND No. 785015

Declassified E.O. 12356 Section 3.3/NND No. 785065

115

problems followed and, after meeting two other parties of the Committee of National Liberation, warned the danger of the demagogic drift was trying to destroy the Italian system of democracy. In order to be able later to overthrow the system by violence the Communist party would be the first to call upon the workers to become law-abiding again and to forget the period of mass demonstrations during which every act of sabotage was possible and lawful. He declared that Italy must have a democratic government which would control the police in order that it be impartial. The members of Parliament, who for centuries had sought to obtain a democratic constitution in Italy, must not be overcome. Senior Togliatti concluded by saying that the Italian people must discuss the foundations of the new Italy through the medium of the free elections for the Constituent Assembly.

3. On the following day it fell to some 200,000 people gathered to have witnessed the rally which was addressed by representatives of the Action, Republican, and Christian Democratic parties. Pietro Nenni again spoke and stated that the Italian people, having been called upon to take part in the rising against the Germans, and the right to express their will at the present time when the future of the country was being decided. He voiced the hope that all the great nations would be united to preserve an enduring peace and he condemned the activity of those who sought to throw the working masses of confusion of assembly into a fratricidal conflict between the democratic West and the democratic socialist East was inevitable. The Italians owed [illegible] to the Allies for their freedom but they also claimed from them complete independence in order to solve present day problems. Nenni demanded that a "big convocation of the United Nations Assembly and above all that its date should be fixed in order that all might prepare themselves and know what objectives must be achieved. They demanded democracy and a republic and the convocation by the Constituent Assembly of the Fascist monarchy. Signor

2188

Declassified E.O. 12356 Section 3.3/NND No. 759045

2188

speech of the premier, that is to make its voice heard. The workers of Brescia and Naples, who had supported and sought to sustain a meeting, would have to face an integral part of Italy's Government. Nenni concluded by saying that a free election would alone give the foundations of the new Italy through the medium of the free Chamber and Constituent Assembly.

3. On the following day at Milan some 250,000 people are reported to have attended the rally which was addressed by representatives of the Action, Republican and Socialist Left Parties. Ferruccio Parri again spoke and stated that the Italian people, having been called upon to take part in the fight against the Germans, have the right to express their will at the present time when the fate of the country was being decided. He voiced the hope that all the great nations would be united to safeguard world peace and he condemned the betrayal of those who sought to sabotage the working masses' unity by asserting that a fratricidal conflict between the Democratic Party and the Democratic Socialist Party was inevitable. The Italians were grateful to the Allies for their freedom but they also claimed from them complete independence in order to solve present day problems. Nenni demanded the early convocation of the Constituent Assembly and urged all that its date should be fixed in order that all might prepare themselves and know what objectives must be achieved. They demanded democracy and a republic and the condemnation by the Constituent Assembly of the Fascist monarchy. Signor Nenni also spoke and returned to the theme that in the sixty provinces of Italy in which it had been possible to organize demonstrations in favor of the Constituent Assembly, hundreds of thousands of workers were demanding that during the next few weeks the Government should fix the date on which the Assembly

would be convoked. He claimed that the world now knew that Italy was ripe for democracy and liberty. He made the comment that such an imposing assembly of workers should warn the forces of reaction that if they did succeed on one occasion in surprising the Italian people they would not be able to do so a second time. He also appealed to the moderate parties to take note of the fact of these demonstrations so that they might realize that the Italian people saw no reason why the convocation of the Constituent Assembly should be further delayed.

4. On the same day, Signor Soccimarro spoke at a similar demonstration in Genoa and Signor Facciardi, the Secretary of the Italian Republican Party, also spoke at Ancona. Both speakers developed the same arguments as those which I have reported above. Public meetings and processions took place also at Naples, Bari, Florence, Udine, Reggio Calabria, Cagliari, Verona, Vicenza, Bolzano, Venice, Palermo and other minor centres.

5. The Italian press has of course reported on these demonstrations according to the political line of the parties which the papers represent. The Republican "Voce Repubblicana" observed that the truce between the parties of the Committee of National Liberation had been broken and also, and more important, that the institutional truce had been violated since all the parties which had declared themselves in favor of the immediate convocation of the Constituent Assembly had shown republican feelings. The President of the Council, Signor Parri, as reported by the "Tribuna del Popolo", stated that the calm and order characterising the demonstrations throughout the country showed "the seriousness and political maturity of the Italian people". The Socialist "Avanti" claimed that Italians, by their self-discipline, had now acquired the right to democratic consultations. The Action Party paper "Italia Libera" claimed that the demonstrations were the best answer to Signor Nitti's speech which I reported at the last meeting of this Council. From the right Wing the democratic monarchist "Italia Nuova" enquired what was the point in holding

2187

Declassified E.O. 12356 Section 3.3/NND No. 785015

further delayed.

4. On the same day, Signor Saccomanno spoke at a similar demonstration in Genoa and Signor Facciardi, the Secretary of the Italian Republican Party, also spoke at Ancona. Both speakers developed the same arguments as those which I have reported above. Public meetings and processions took place also at Naples, Bari, Florence, Udine, Reggio Calabria, Cagliari, Verona, Vicenza, Bolzano, Venice, Palermo and other minor centres.

5. The Italian press has of course reported on these demonstrations according to the political line of the parties which the papers represent. The Republican "Voce Repubblicana" observed that the truce between the parties of the Committee of National Liberation had been broke, and also, and more important, that the institutional truce had been violated since all the parties which had declared themselves in favor of the immediate convocation of the Constituent Assembly had shown republican feelings. The President of the Council, Signor Parri, as reported by the "Tribuna del Popolo", stated that the calm and order characterizing the demonstrations throughout the country showed "the seriousness and political maturity of the Italian people". The Socialist "Avanti" claimed that Italians, by their self-discipline, had now acquired the right to democratic consultations. The Action Party paper "Italia Libera" claimed that the demonstrations were the best answer to Signor Nitti's speech which I reported at the last meeting of this Council. From the Right Wing the democratic monarchist "Italia Nuova" enquired what was the point in holding demonstrations when Signor Nenni had stated only a few days previously that the date for the elections for the Constituent Assembly would be fixed very shortly.

2187

Declassified E.O. 12356 Section 3.3/NND No. 785075

6. On the 16th October, the President of the Council gave a press conference to foreign journalists at which he noted with satisfaction the British Foreign Secretary's statement confirming the remarks previously made by the American Secretary of State regarding Trieste. Commenting on Mr. Byrnes' words that the new Italian constitution should be subject to a certain extent to international guarantees in order to maintain world peace, Signor Parri said that in his personal opinion such guarantees would not merely be acceptable but desirable, provided they limited the sovereignty of all other European countries as well as Italian sovereignty. If the contrary were the case, such international guarantees would not be justified. The same argument applies to disarmament. Signor Parri then expressed Italy's gratitude towards the Allies for the amount of help and relief they had been able to distribute but he pointed out how important it was for Italy's liberty that this relief should be continued and that the food and raw materials which were so necessary should be supplied. To obtain this relief more easily and because it was now evident that the Italian peace treaty would not be signed until next spring or even summer, Italy must have a provisional juridical peace. Signor Parri concluded by emphasising the necessity of at least modifying the armistice clauses so as to allow Italy a greater freedom in dealing with important internal matters such as public order, armament, demobilization and epuration.

7. On October 17th the Government papers "Giornale del Mattino" reported that the "League for the Defence of Democratic Liberties" had declared itself in favor of a single-member constituency electoral system, in the form of a manifesto to Italians urging a return to the system in force before 1919. The manifesto is signed, amongst others, by Zaniboni, Bergamini, Bonomi, Einaudi, Labriola, Bencivenga, Croce, Orlando and Nitti. The manifesto reads as follows: "Italians, it is reported to have been decided that the country will be con-

2186

Declassified E.O. 12356 Section 3.3/NND No. 785015

that at his personal opinion [illegible]

desirable, provided they limited the sovereignty of all other European countries as well as Italian sovereignty. If the contrary were the case, such international guarantees would not be justified. The same argument applied to disarmament. Signor Parri then expressed Italy's gratitude towards the Allies for the amount of help and relief they had been able to distribute but he pointed out how important it was for Italy's future that this relief should be continued and that the food and raw materials which were so necessary should be supplied. To obtain this relief more easily and because it was now evident that the Italian peace treaty would not be signed until next spring or even summer, Italy must have a provisional juridical peace. Signor Parri concluded by emphasising the necessity of at least modifying the armistice clauses so as to allow Italy a greater freedom in dealing with important internal matters such as public order, armament, demobilization and epuration.

7. On October 17th the Government papers "Giornale del Mattino" reported that the "League for the Defence of Democratic Liberties" had declared [illegible] in favor of a single-member constituency electoral system, in the form of a manifesto to Italians urging a return of the system in force before 1919. The manifesto is signed, amongst others, by Zanfboni, Bergamini, Bonomi, Einaudi, Labriola, Benedivenga, Croce, Orlando and Nitti. The manifesto reads as follows: "Italians, it is reported to have been decided that the country will be consulted, in the forthcoming political elections, by the system of scrutin de liste with proportional representation, so that the elector, instead of choosing his own representatives direct, must accept the lists of candidates arranged in advance and enforced by the directorates of the various parties. This system, as experience has shown, obstructs the proper working of the parliamentary

2186

Declassified E.O. 12356 Section 3.3/NND No. 785015

institutions and lends itself to the consolidation of privileged positions of men and parties, to say nothing of the decline in the quality of the elected candidates, which is particularly to be deprecated in the elections for a Constituent Assembly. This is obviously in conflict with the principle of a free expression of the popular will, which is the foundation of every true democracy, recognized and guaranteed by the Atlantic Charter. The only system which, in the conditions at present prevailing in our country, can make sure of representatives effectively nominated by the electorate - and re-educate Italians in the exercise of freedom - is that of the single-member constituency, which was already in force before 1919, with the modifications and adjustments that may be considered advisable. In any case, no decision whatever on the subject of the electoral law can be taken by a Government which does not enjoy a popular mandate, but must be submitted to the opinion of the country by means of a referendum". The Left-Wing papers have attacked this manifesto with some violence and have denounced it as a reactionary manoeuver. Signor Orlando stated to the "Giornale del Mattino" that he knew nothing about the existence of such a league and that it was therefore impossible that he should have signed the manifesto. Count Sforza also made a statement to the press saying he had never heard of the league.

8. The Council of Ministers met on the 12th October to discuss the question of increasing the salaries of State employees. Although the Council recognized the difficult conditions which employees had to face, it also recognized the difficult situation of the State budget. The Council decided to allot provisionally 2,000 lire to be paid at the end of October to each State employee and that this sum should be considered as a first instalment on the definite increase which will probably be fixed next week. Ways of giving help to this class of employees by special distributions of food-stuffs

2185

Declassified E.O. 12356 Section 3.3/NND No. 838075

in the conditions at present prevailing in our country, can make sure of representatives effectively nominated by the electorate - and re-educate Italians in the exercise of freedom - is that of the single-member constituency, which was already in force before 1919, with the modifications and adjustments that may be considered advisable. In any case, no decision whatever on the subject of the electoral law can be taken by a Government which does not enjoy a popular mandate, but must be submitted to the opinion of the country by means of a referendum". The Left-Wing papers have attacked this manifesto with some violence and have denounced it as a reactionary manoeuver. Signor Orlando stated to the "Giornale del Mattino" that he knew nothing about the existence of such a league and that it was therefore impossible that he should have signed the manifesto. Count Sforza also made a statement to the press saying he had never heard of the League.

8. The Council of Ministers met on the 14th October to discuss the question of increasing the salaries of State employees. Although the Council recognized the difficult conditions which employees had to face, it also recognised the difficult situation of the State budget. The Council decided to allot provisionally 2,000 lire to be paid at the end of October to each State employee and that this sum should be considered as a first instalment on the definite increase which will probably be fixed next week. Ways of giving help to this class of employees by special distributions of food-stuffs were also examined and the Council decided that the Ministry of Food should allot six billion lire for this purpose. At the same meeting of the Council decrees guaranteeing the free use of the German language in schools, Government offices, and Law courts in Bolzano Province were approved. Signor de Gasperi, the Foreign Minister, also made a report on Italy's foreign policy.

2185

Declassified E.O. 12356 Section 3.3/NND No. 778548

the main burden of which was the need for an early modification of Italy's international status. He said that there were three possible solutions:

(1) a final peace, of which for the time being there was little hope.

(2) A provisional peace allowing Italy a certain degree of freedom of action and restoring to her an international status even if limited, and

(3) a modification in the armistice conditions which would give Italy juridical parity as regards at least direct relations.

Signor de Gasperi favored the third solution. Signor de Gasperi also referred to the questions of reparations and the colonies. He developed at some length the theme which appeared in his address before the Consultative Assembly on September 29th, namely that Italy was not a great military or political power but was a great power as regards labor. Other measures approved at this same meeting of the Council of Ministers dealt with the concentration of the organs regulating foreign trade, the creation of an inspectorate-general of public security in Sicily with the object of combatting crime, and regulations covering land-ownership relations between the Val d'Aosta and Turin Province. Meeting again on October 19th, the Council discussed the holding of elections. Various of the Ministers made statements to the press at the conclusion of the meeting. It seems that Signor Nenni, supported by Signor Togliatti, proposed that the Constituent Assembly be summoned by law within 70 days from the entry into force of the law governing the political elections. The President of the Council made the counter-proposal that in any case the date of the convocation of the Constituent Assembly should not be delayed beyond March 31st, 1946, and that the administrative elections should begin next December. It seems that this proposal was discussed at length but no decision was reached owing to an objection raised by Signor Brosio, the Liberal Vice-President, on the ground that the date of the Constituent Assembly could not be fixed until its limitations and

2184

Declassified E.O. 12356 Section 3.3/NND No. 785045

(3) a modification in the armistice conditions which would give Italy juridical parity as regards at least direct relations.

Signor de Gasperi favored the third solution. Signor de Gasperi also referred to the questions of reparations and the colonies. He developed at some length the theme which appeared in his address before the Consultative Assembly on September 29th, namely that Italy was not a great military or political power but was a great power as regards labor. Other measures approved at this same meeting of the Council of Ministers dealt with the concentration of the organs regulating foreign trade, the creation of an inspectorate-general of public security in Sicily with the object of combatting crime, and regulations covering land-ownership relations between the Val d'Aosta and Turin Province. Meeting again on October 19th, the Council discussed the holding of elections. Various of the Ministers made statements to the press at the conclusion of the meeting. It seems that Signor Nenni, supported by Signor Togliatti, proposed that the Constituent Assembly be summoned by law within 70 days from the entry into force of the law governing the political elections. The President of the Council made the counter-proposal that in any case the date of the convocation of the Constituent Assembly should not be delayed beyond March 31st, 1946, and that the administrative elections should begin next December. It seems that this proposal was discussed at length but no decision was reached owing to an objection raised by Signor Brosio, the Liberal Vice-President, on the ground that the date of the Constituent Assembly could not be fixed until its limitations and powers had been defined.

2184

7. There is little of interest to report in the economic field. The amassing of wheat is not going too well and on October 15th only 859,900 tons, or 66% of the target figure, had been collected. Italian Government territory

30

Declassified E.O. 12356 Section 3.3/NND No. 785045

1621

shows collections up to 70% of the 1942 figure of 385,000 tons, while Allied Military Government areas reported 490,000 tons. Plans are under active consideration for the opening over of larger areas of the port to Italian control. The furnaces are to be made over to the Italian authorities and will be used for the smelting of Italian scrolls. The great bulk of Italian pre-war workers formerly employed by the Ansaldino Base Section will now be available to the new port authorities.

Repeated, Gentlemen, herewith by regret.

DISTRIBUTION:
Chief of Destruction Division, Council (2)
U.S. Representative, ACI
British Major Representative, ACI
French Representative, ACI
Russian Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CCG, Bari
British Resident Minister, AFHQ
American Political Adviser, AFHQ
File, Drift (2)

2183

Declassified E.O. 12356 Section 3.3/NND No. 759075

1164

Declassified E.O. 12356 Section 3.3/NND No. 780015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
43rd MEETING OF THE ADVISORY COUNCIL FOR ITALY, 12 OCTOBER 1945

Gentlemen:

1. The past fortnight has been notable for a number of political developments of the highest importance for Italy. In the international field, the termination of the first session of the Council of Foreign Ministers in London has had a direct influence on Italian political thought. In internal affairs, we have seen the first experiment in a partial resumption of parliamentary procedure, we have heard an important political review by one of Italy's most famous veteran statesmen and finally the Italian Government have at last taken decisive action in Sicilian affairs.

2. The Italian press of October 4th announced in banner headlines the apparent failure of the London Conference. The optimism which had been aroused by the announcement a few days previously of a practical basis for the solution of the Venezia Giulia problem rapidly gave way to a sense of profound pessimism which is perhaps typified by the comment of the Christian Democrat paper "Il Popolo" that Italy was a victim of the disagreement among the Big Powers and by the observation of the independent paper "Epoca" that Italy was merely "an unimportant pawn in the big chess game which was being played in the world." According to the Socialist paper "Avanti", the failure of the Conference showed clearly that international cooperation could not be the same in peace as in war. It was no use, according to the Socialist organ, to try to decide which of the 5 Foreign Ministers was to blame. The Conference failed because the delegates tried to solve some of the problems set before them

2182

Declassified E.O. 12356 Section 3.3/NNO No. 785015

1. The past fortnight has been notable for a number of political developments of the highest importance for Italy. In the international field, the termination of the first session of the Council of Foreign Ministers in London has had a direct influence on Italian political thought. In internal affairs, we have seen the first experiment in a partial restoration of parliamentary procedure, we have heard an important political review by one of Italy's most famous veteran statesmen and finally the Italian Government have at last taken decisive action in Sicilian affairs.

2. The Italian press of October 4th announced in banner headlines the apparent failure of the London Conference. The optimism which had been aroused by the announcement a few days previously of a practical basis for the solution of the Venezia Giulia problem rapidly gave way to a sense of profound pessimism which is perhaps typified by the comment of the Christian Democrat paper "Il Popolo" that Italy was a victim of the disagreement among the Big Powers and by the observation of the Independent paper "Epoca" that Italy was merely "an unimportant pawn in the big chess game which was being played in the world." According to the Socialist paper "Avanti", the failure of the Conference showed clearly that international cooperation could not be the same in peace as in war. It was no use, according to the Socialist organ, to try to decide which of the 5 Foreign Ministers was to blame. The Conference failed because the delegates tried to solve some of the problems set before them without realising that all problems were tied up with one another. The economic journal "Il Globo" remarked that, even if the political questions of frontiers could not be solved at once, at least countries which found themselves in a situation as tragic as Italy's should be put in a position to restore their economic activities. In Government circles, feeling is characterised by a deep sense of depression at the prospect of the further continuance of Italy's uncertain international status.

2182

Declassified E.O. 12356 Section 3.3/NND No. 785045

3. As I announced briefly at the last meeting of this Council, the National Consultative Assembly opened its sessions on September 25th. At its first session, Count Sforza was elected President with 244 votes. There were 95 abstentions. Signor Mario Cingolani, a Christian Democrat, and Signor Arnaldo Lucci, a Socialist, were also appointed Vice-Presidents. Signor Parri, the President of the Council, then addressed the Assembly and stated that the Consulta found itself in the same position as the Government, that is, of not having been elected by the people. But it was its duty to collaborate with the Government in preparing the Constituent Assembly which, being elected by the people, would legally define the future of the country. The temporary President, Signor Agnini, a 90-year old Socialist, who, I regret to have to report, has since died, violently accused the Italian Monarchy of having helped and supported Fascism. His words were greeted with shouts of "Long live the Italian Republic"! On the second day the Assembly met again and Signor Parri made a long speech on the political, economic and reconstruction plans of the Government. During his statement, the President of the Council questioned whether Italian pre-Fascist regimes were in fact democratic and this utterance aroused mixed shouts of approval and disapproval from the Assembly and later created a considerable stir in the press. Signor Parri announced that Italy had decided definitely to abandon all militaristic and imperialistic aims and went on to speak of a new tax policy by which reconstruction expenses would be born mainly by those who were responsible for the disastrous Axis policy. On successive days the President of the Council's speech was the subject of comment by the various parties through their representatives in the Assembly. All of them found the occasion notably suitable for making party propaganda. On September 28th, General Bonomi made a speech which was particularly noteworthy because he expressed the strongest

2181

Declassified E.O. 12356 Section 3.3/NND No. 785065

stated that the Consulta found itself in the same position as the Government, that is, of not having been elected by the people. But it was its duty to collaborate with the Government in preparing the Constituent Assembly which, being elected by the people, would legally define the future of the country. The temporary President, Signor Saglini, a 90-year old Socialist, who, I regret to have to report, has since died, violently accused the Italian Monarchy of having helped and supported Fascism. His words were greeted with shouts of "Long live the Italian Republic"! On the second day the Assembly met again and Signor Parri made a long speech on the political, economic and reconstruction plans of the Government. During his statement, the President of the Council questioned whether Italian pre-Fascist regimes were in fact democratic and this utterance aroused mixed shouts of approval and disapproval from the Assembly and later created a considerable stir in the press. Signor Parri announced that Italy had decided definitely to abandon all militaristic and imperialistic aims and went on to speak of a new tax policy by which reconstruction expenses would be born mainly by those who were responsible for the disastrous Axis policy. On successive days the President of the Council's speech was the subject of comment by the various parties through their representatives in the Assembly. All of them found the occasion notably suitable for making party propaganda. On September 28th, General Bonomi made a speech which was particularly noteworthy because he expressed the strongest criticism of the Government up to that point. The General is the promoter of a movement of the middle classes with Monarchist tendencies. His speech was often interrupted by shouts of disapproval until at a certain moment, in his capacity of President, Count Sforza had to ask him to sum up what he still had to say. Naturally the Monarchist Democratic paper "Italia Nuova" commented fully on this incident and observed that only after 3 days of meeting the Left Wing parties were already doing all they could to prevent the opposition.

2181

Declassified E.O. 12356 Section 3.3/NND No. 780015

from speaking. The paper claimed that the Assembly ought to have listened to all that General Bencivenga had to say since his criticism of the Government and of the Committee of National Liberation was absolutely correct and that no other orators before him had been reminded that their speeches were too long. On the following day, Signor de Gasperi, Foreign Minister, just returned from London, gave a detailed account of his mission ending with an appeal to the Allies to remember President Roosevelt's ideals, namely that the war had been fought in order to safeguard the rights of man. He added that Italy believed that a just and constructive peace could be based only on such principles. On October 2nd Signor Parri spoke again and answered very briefly all the various speeches which had been made during the week. He declared himself satisfied with the first session of the Consultative Assembly which, rather than expressing its own opinion, had emphasized the various problems of the moment. He promised that the date for the elections for the Constituent Assembly would be fixed very shortly and asked all Italians not to forget that Italy was still under an armistice regime and therefore in an unsettled situation. There was hope, however, that justice would be respected and that peace would be based on constructive principles. He ended by inviting the people to unite and to work. Thereafter the Assembly terminated its sessions for the time-being and broke up into various committees for the study of special problems. A new session will be called probably in November. On the whole, the Italian press has declared itself satisfied with this first experiment of the Consultative Assembly although, as almost all newspapers indicate, there was no reason further to delay the convocation of the Constituent Assembly.

2180

4. On October 3rd, Signor Francesco Nitti, a veteran Italian statesman and a Prime Minister of the Pre-Fascist era, made an hour-and-a-half speech at the San Carlo Theatre of Naples. He surveyed the Italian domestic situation, affirming that the State was being weakened by the multiplicity and con-

Declassified E.O. 12356 Section 3.3/NND No. 760015

1169

the Allies to remember President Roosevelt's ideals, namely that the war had been fought in order to safeguard the rights of men. He added that Italy believed that a just and constructive peace could be based only on such principles. On October 2nd Signor Parri spoke again and answered very briefly all the various speeches which had been made during the week. He declared himself satisfied with the first session of the Consultative Assembly which, rather than expressing its own opinion, had emphasized the various problems of the moment. He promised that the date for the elections for the Constituent Assembly would be fixed very shortly and asked all Italians not to forget that Italy was still under an Armistice regime and therefore in an unsettled situation. There was hope, however, that justice would be respected and that peace would be based on constructive principles. He ended by inviting the people to unite and to work. Thereafter the Assembly terminated its sessions for the time-being and broke up into various committees for the study of special problems. A new session will be called probably in November. On the whole, the Italian press has declared itself satisfied with this first experiment of the Consultative Assembly although, as always all newspapers indicate, there was no reason further to delay the convocation of the Constituent Assembly.

4. On October 3rd, Signor Francesco Nitti, a veteran Italian statesman and a Prime Minister of the Pre-Fascist era, made an hour-and-a-half speech at the San Carlo Theatre at Naples. He surveyed the Italian domestic situation, affirming that the State was being weakened by the multiplicity and confusion of the Parties. He drew attention to the chief dangers which threatened the nation: 1) Italy, in consequence of Fascist policy, lost the war and capitulated unconditionally into the hands of the victors. Not only had she no Allies, but she was up against interests and bias of various kinds. 2) Italy had lost a great part of her wealth; there were entire regions damaged and millions of people were homeless; public works and means of communication

2180

Declassified E.O. 12356 Section 3.3/NND No. 785075

had been largely destroyed. 3) Lacking essential raw materials, not having the means of purchasing them on a large scale, and being in need for some time of a considerable supplement of food supplies, Italy could only receive them for the most part from the USA and Great Britain. In 1946 the provision of supplies from the Allies, which Italy could not dispense with, did not constitute a real commitment and would evidently be effected only in proportion to the extent that Italy deserved the confidence of the victors and succeeded in earning their respect. 4) In order to secure their confidence and gain their respect, Italy must convey an impression of stability, security and order. 5) It was to the interest of the Great Western Powers that Italy should be saved and recover herself. They realised this and favoured collaboration provided they saw the general usefulness of such collaboration and also, if possible, their interest therein. The first condition of recovery was to prevent the disorganisation and disintegration of the State. The country had a vast capacity for work, which, once order had been restored would earn for it the respect of the whole world.

6. As regards the CLN's, Signor Nitti declared that these Committees, which were created to fight the Germans and played a useful part as well as rendering great services at the beginning, ought to have come to an end some time after the Germans had been driven out of Italy and at the same time as the terrible inevitable violence broke out against the Fascists who were chiefly responsible. Dealing with the principles governing the purge, he asserted the necessity for them to be simple and clear, for procedure to be rapid, and for the penalties to be severe and serious for the really responsible Fascists. The purge ought to have been completed in a short time, but, instead, it was a continuing threat hanging over the heads of a large number of Italians. People who were not experts did not realize the significance of the opening of epuration proceedings - which often lasted for an indef-

2179

Declassified E.O. 12356 Section 3.3/NND No. 785045

in proportion to the extent that Italy deserved the confidence of the victors and succeeded in earning their respect. 4) In order to secure their confidence and gain their respect, Italy must convey an impression of stability, security and order. 5) It was to the interest of the Great Western Powers that Italy should be saved and recover herself. They realized this and favoured collaboration provided they saw the real usefulness of such collaboration and also, if possible, their interest therein. The first condition of economy was to prevent the disorganization and disintegration of the State. The country had a vast capacity for work, which, once order had been restored would earn for it the respect of the whole world.

5. As regards the CLN's, Signor Nitti declared that these Committees, which were created to fight the Germans and played a useful part as well as rendering great services at the beginning, ought to have come to an end some time after the Germans had been driven out of Italy and at the same time as the terrible inevitable violence broke out against the Fascists who were chiefly responsible. Dealing with the principles governing the purge, 2179 asserted the necessity for them to be simple and clear, for procedure to be rapid, and for the penalties to be severe and serious for the really responsible Fascists. The purge ought to have been completed in a short time, but, instead, it was a continuing threat hanging over the heads of a large number of Italians. People who were not experts did not realize the significance of the opening of epuration proceedings - which often lasted for an indefinite time. The mere fact - which was illegal and anti-juridical, but which seemed to be innocuous and a precautionary measure - of placing the property of the people who were to be epurated under sequestration pending sentence, and of handing over their management to others, often meant the ruin of a firm. The persons to whom this management was entrusted, in general incompetent and greedy for gain, in addition to appointing hosts of collabor-

21

Declassified E.O. 12356 Section 3.3/NND No. 785065

ators in the administration, acted without competence or any industrial principle. The mere fact of confiscation besides depriving the firm of all credit, prevented every activity on its part.

6. Passing to the financial situation, Signor Nitti remarked that the State budget showed a deficit of more than 200 billion lire, the public debt, including the deferred payments, was round about 1,000 billion lire, the aggregate amount of currency in circulation totalled 370 milliard lire, and the movement of Treasury bonds indicated a new monthly investment of about one milliard lire. These figures, given to the public by the President of the Council, although announced in such a way as not to make an impression, must be considered as very disquieting. The situation of uncertainty and impermanency was becoming worse in Italy and was giving rise to a special state of mind. Behind all the membership cards of the Parties the most conflicting tendencies were at work and, often, solely for the sake of agitation. In Italy's unrest there was great confusion between Communism and Bolshevism, and those who talked of Communism in reality gave this word an entirely arbitrary interpretation. On the other hand, many Conservatives feared Bolshevism without realising what it meant; they feared a Communist society and did not consider that the existence of all social forces was possible in Italy. Italy could have all the political forms, even the most unforeseeable ones, but she could never be Communist or Bolshevik, not only for historical reasons and because of her social structure, but above all because of her geographical formation. Similarly a fusion of western Socialism with Bolshevism was impossible because the principles, the mental formation, and the methods of the struggle were different.

2178

7. Signor Nitti then asked what was the attitude of America and Great Britain. It depended on Italian policy, if Italians were able to give the impression of a country deserving of trust. Therefore all the signs of

Declassified E.O. 12356 Section 3.3/NND No. 785045

aggregate amount of currency in circulation totalled 370 milliard lire; the movement of Treasury bonds indicated a new monthly investment of about one milliard lire. These figures, given to the public by the President of the Council, although announced in such a way as not to make an impression, must be considered as very disquieting. The situation of uncertainty and impermanency was becoming worse in Italy and was giving rise to a special state of mind. Behind all the membership cards of the Parties the most conflicting tendencies were at work and, often, solely for the sake of agitation. In Italy's unrest, there was great confusion between Communism and Bolshevism, and those who talked of Communism in reality gave this word an entirely arbitrary interpretation. On the other hand, many Conservatives feared Bolshevism without realising what it meant; they feared a Communist society and did not consider that the existence of all social forces was possible in Italy. Italy could have all the political forms, even the most unforeseeable ones, but she could never be Communist or Bolshevik, not only for historical reasons and because of her social structure, but above all because of her geographical formation. Similarly a fusion of western Socialism with Bolshevism was impossible because the principles, the mental formation, and the methods of the struggle were different.

2178

7. Signor Nitti then asked what was the attitude of America and Great Britain. It depended on Italian policy, if Italians were able to give the impression of a country deserving of trust. Therefore all the signs of sudden transformations and all the mad designs for social constitutions entirely at variance with each other, were extremely dangerous. Italian domestic policy would determine foreign economic policy and not vice versa. Social policy was clearly conditioned by Italy's situation. Italians could not go beyond what Great Britain would do; Great Britain had no Communism and was Labourite and democratic; the country where all, in the wide sense of the

29

Declassified E.O. 12356 Section 3.3/NND No. 759045

word, more Liberals. To go beyond that would mean losing all credit, in fact all seriousness, and would be criminal folly.

3. Dealing with the disorders that characterised the internal situation, Signor Nitti said that relieving people of their weapons was not enough; spiritual disarmament was also needed. After so much violence Italians wanted to be able to live in safety which was not yet assured everywhere, and wanted security for the property which, however small it might be, remained to them after so many losses. As regards social policy, he said that everything that could be useful to the workers must be done, but the Government should not deceive them. Everything that could be done for them without ruining production ought to be done. It was not, however, logical to make vain attempts at doing absurd and certainly harmful things. As regards the elections, he said that they were necessary and must be held as soon as possible, first the administrative elections for the provinces and communes, and then the political elections for the Constituent Assembly which must decide, in absolute liberty, the great political and social problems of Italy. In his peroration, Signor Nitti insisted on the necessity throughout Italy of an atmosphere of peace. If it was necessary to react against what was Fascist administrative centralization, it was necessary that the national structure should in no way be shaken. The Sicilian movement was the only one that had taken root, and must be combated with care and prudence, but with firmness; some simple measures to disarm the minds of the Sicilians and remove the chief causes of discontent would be enough. It was necessary to resume civilized life, and Italians had need of great examples of virtue and great souls like Pope Pius XII who - in the name of Christianity - had defended the cause of humanity in the most agonizing period of history. Signor Nitti concluded by saying "Many of my friends would like me to form a new Party. If I were to do so, I

2177

Declassified E.O. 12356 Section 3.3/NND No. 785615

to be able to live in safety which was not yet assured everywhere, and wanted security for the property which, however small it might be, remained to them after so many losses. As regards social policy, he said that everything that could be useful to the workers must be done, but the Government should not deceive them. Everything that could be done for them without ruining production ought or be done. It was not, however, logical to make vain attempts at doing absurd and certainly harmful things. As regards the elections, he said that they were necessary and must be held as soon as possible, first the administrative elections for the provinces and communes, and then the political elections for the Constituent Assembly which must decide, in absolute liberty, the great political and social problems of Italy. In his peroration, Signor Nitti insisted on the necessity throughout Italy of an atmosphere of peace. If it was necessary to react against what was Fascist administrative centralization, it was necessary that the national structure should in no way be shaken. The Sicilian movement was the only one that had taken root, and must be combated with care and prudence, but with firmness; some simple measures to disarm the minds of the Sicilians and remove the chief causes of discontent would be enough. It was necessary to resume civilised life, and Italians had need of great examples of virtue and great souls like Pope Pius XII who - in the name of Christianity - had defended the cause of humanity in the most agonising period of history. Signor Nitti concluded by saying "Many of my friends would like me to form a new Party. If I were to do so, I would only create a national union for reconstruction."

9. Signor Nitti's declaration has been the subject of much comment in the Italian press - more often than not of a very hostile nature. Italian pride seems to have been offended by Signor Nitti's unvarnished accusations against the conduct of Italian politicians today and his implied deprecation of Italy's contribution to the defeat of Germany. The Communist paper "Unita" commented

(29)

2177

Declassified E.O. 12356 Section 3.3/NND No. 760015

that the reactionary forces which had been unable to find in the Consultative Assembly the man around whom to rally might be said to have found him in the person of Signor Nitti who saw no salvation for Italy other than in the prefects, police chiefs and agents of Fascist origin. The paper bitterly criticised his line of policy which it stated was to "imitate, follow and obey Great Britain" thereby making Italy merely a pawn in the western bloc to be constituted against the Soviet Union. Some of the more moderate papers however hailed Signor Nitti's speech as one of "wisdom and recovery" and the Monarchist Democratic paper "Italia Nuova" delightedly reported the orderly monarchist demonstrations which took place in Naples as a result of the veteran politician's address.

10. The Council of Ministers has dealt with a large volume of business during the past fortnight despite the claims on the Ministers' time resulting from the meetings of the Consultative Assembly. It was decided that the agreement drawn up between the Italian General Confederation of Labour and the industrialists would become legal on 15th October. According to this agreement all workers who once belonged to the CGIL, or who had been epurated owing to their Fascist activities, as well as those who had other sources of income apart from their work, would be discharged and paid a daily indemnity of 30 lire during a maximum period of 2 months; working hours would be reduced to 40 a week; as many veterans as possible would be offered work. At its meeting on October 3rd the Council approved a draft legislative measure modifying the sanctions against Fascism. This measure is aimed at unifying all over Italy the organs and procedure for the application of the laws governing Fascist crimes, the application of the penal provisions for Fascist crimes and the crimes dealt with by the decree of April 26th 1945 concerning Fascist activities. The Council also approved the expenditure of 37 milliard lire for carrying out extraordinary and urgent public works with immediate

2176

Declassified E.O. 12356 Section 3.3(NND) No. 785045

to be constituted against the Soviet Union. Some of the more moderate papers however hailed Signor Bitti's speech as one of "wisdom and recovery" and the Monarchist Democratic paper "Italia Nuova" delightedly reported the orderly monarchist demonstrations which took place in Naples as a result of the veteran politician's address.

10. The Council of Ministers has dealt with a large volume of business during the past fortnight despite the claims on the Ministers' time resulting from the meetings of the Consultative Assembly. It was decided that the agreement drawn up between the Italian General Confederation of Labour and the Industrialists would become legal on 15th October. According to this agreement all workers who once belonged to the CVRA, or who had been uprooted owing to their Fascist activities, as well as those who had other sources of income apart from their work, would be discharged and paid a daily indemnity of 50 lire during a maximum period of 2 months; working hours would be reduced to 40 a week; as many veterans as possible would be offered work. At its meeting on October 3rd the Council approved a draft legislative measure modifying the sanctions against Fascism. This measure is aimed at unifying all over Italy the organs and procedure for the application of the laws governing Fascist crimes, the application of the penal provisions for Fascist crimes and the crimes dealt with by the decree of April 26th 1945 concerning Fascist activities. The Council also approved the expenditure of 37 milliard lire for carrying out extraordinary and urgent public works with immediate payment for reconstruction and the relief of unemployment.

11. On October 4th the Ministry of the Interior officially announced the arrest, or rather the "dermo", of Signor Finocchiaro Aprile, the leader of the Sicilian Separatist Movement. Signor Spataro, the Under-Secretary for the Interior stated that Finocchiaro Aprile and his associates might be tried since they were allegedly responsible for concrete crimes covered by the law

2176

Declassified E.O. 12356 Section 3.3/NND No. 759015

but that it would perhaps be inadvisable to hold a trial which might give too great political importance to the matter. Signor Aldisio, the High Commissioner for Sicily, gave an interview to press correspondents on the following day, at which he stated that the delay in arresting the Separatist leaders was due to the hope of the Italian Government that the movement would gradually be transformed into an autonomous movement or at least a movement towards federation. The attempt to create a militia armed against the State, although it was for the most part a propagandist stunt rather than a reality, constituted an open violation of the penal code and a permanent danger of disorder. The closing down of outlying Separatist Headquarters was proceeding without incidents. Signor Aldisio stated that there was certainly a central Headquarters and a general staff of the Separatist militia but it was a general staff whose army was more on paper than in the field. He put the figure of Sicilian Separatists between 6 and 7 thousand. He added that the great bulk of these had allowed themselves to be deluded by the continuous statements made by Finocchiaro Aprile of Allied help for the cause. He finally asserted that in his view this action of the Government would clear the horizon and permit Sicilians to settle down to the work of moral and material reconstruction in the framework of national unity. On the whole, the Italian press has commented favourably on the Government's action. The sole discontent voice seems to have been that of Signor Pacciardi of the Republican Party, who, while claiming that the Republicans had always disapproved of the Sicilian Separatist movement, hinted that the arrest had been carried out because the movement was evolving and becoming something of a republican movement.

That, Gentlemen, concludes my report.

2175

DISTRIBUTION:

Declassified E.O. 12356 Section 3.3/NND No. 785015

ation. The attempt to create a militia armed against the State, although it was for the most part a propagandist stunt rather than a reality, constituted an open violation of the penal code and a permanent danger of disorder. The closing down of outlying Separatist Headquarters was proceeding without incidents. Signor Aldisio stated that there was certainly a central Headquarters and a general staff of the Separatist militia but it was a general staff whose army was more on paper than in the field. He put the figure of Sicilian Separatists between 6 and 7 thousand but added that the great bulk of these had allowed themselves to be deluded by the continuous statements made by Finocchiaro Aprile of Allied help for the cause. He finally observed that in his view this action of the Government would clear the horizon and permit Sicilians to settle down to the work of moral and material reconstruction in the framework of national unity. On the whole, the Italian press has commented favourably on the Government's action. The sole dissentient voice seems to have been that of Signor Pacciardi of the Republican Party, who, while claiming that the Republicans had always disapproved of the Sicilian Separatist movement, hinted that the arrest had been carried out because the movement was evolving and becoming something of a republican movement.

Dear, Gentlemen, conclude my report.

2175

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.K. Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (6)
Executive Commissioner, AC
CC Files
British ~~Resident~~ Minister, AFHQ
~~American~~ Political Adviser, AFHQ
G-5, AFHQ (2)

29

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REPORT BY REAR AD MIRAL EMERY N. STOVE
for presentation at the
42nd MEETING OF THE ADVISORY COUNCIL FOR ITALY, 28TH SEPTEMBER, 1945

Gentlemen:

1. The greater part of the months of August and September - the period during which this Council has not met - has been comparatively uneventful. However I think we may say that the period in question has been characterized by a feeling of expectancy. The Italians have been waiting to see what will come out of the Council of Foreign Ministers in London, what will happen about local and national elections in this country, what will be decided about the redeployment of Allied troops and the turn-over of more territory to Italian administration and so on. While various political leaders have stated their policies in general terms, the public as a whole seems to prefer to "wait and see". This mood of expectancy reached fever-pitch over the week-end of September 15th/16th, when it became known that the Council of Foreign Ministers in London had invited the Italian Government to send a team of experts to London for consultation on Venezian questions. You will all be familiar with press accounts of the progress of the London Conference and I need not repeat the details here. I will only remark that the Italians seem satisfied with the solution reported for the Venezia Giulia problem, though they naturally do not welcome the prospective loss of Fiume and of control of the economic resources of the Istrian hinterland.

2. The Council of Ministers has met at intervals during the period under review, and a certain amount of administrative routine work has been done. At the meeting of the Council on August 9th and 10th, the Ministers approved a proposal for the grant of a wider measure of administrative autonomy to the Val d'Aosta. In framing this scheme great care was taken not to undermine the political unity of the State or detract from the fundamentally Italian

2174

Declassified E.O. 12356 Section 3.3/NND No. 759015

However I think we may say that the period in question has been characterised by a feeling of expectancy. The Italians have been waiting to see what will come out of the Council of Foreign Ministers in London, what will happen about local and national elections in this country, what will be decided about the development of Italian troops and the hand-over of more territory to Italian administration and so on. While various political leaders have stated their policies in general terms, the public as a whole is apt to prefer to "wait and see". This wave of expectancy reached fever-pitch over the week-end of September 13th/14th. when it became known that the Council of Foreign Ministers in London had invited the Italian Government to submit a team of experts to London for consultation on their views. You will all be familiar with press accounts of the progress of the London Conference and I need not repeat the details here. It will only remark that the Italians seem satisfied with the solution reported for the Venezia Giulia problem, though they naturally do not welcome the prospective loss of Fiume and of control of the economic resources of the Istrian hinterland.

2. The Council of Ministers has met at intervals during the period under review, and a certain amount of administrative routine work has been done. At the meeting of the Council on August 9th and 10th, the Ministers approved a proposal for the grant of a wider measure of regional autonomy to the Val d'Aosta. In framing this scheme great care was taken not to undermine the political unity of the State or detract from the fundamentally Italian character of the region. A Council of the Val d'Aosta is to be formed to which will be granted not only the usual provincial powers but also certain powers normally exercised by the State. The Council will be elected and the administration will consist of the Council, a Junta and a President, the latter exercising the powers normally proper to a prefect. The scheme also regulates

28

2174

Declassified E.O. 12356 Section 3.3/NND No. 785015

the relations between the State and the Council, fixes certain financial provisions, guarantees the free use of the French language and lays the bases for elementary and secondary education.

3. At the same Council meeting, the Ministers approved the grant of special indemnities to State employees and various measures connected with social welfare and reconstruction. For instance, the sum of one billion lire was granted for the construction of emergency "shelter houses". The Council further approved Italy's adherence to the Central European Railway Organisation which has been set up. Meeting on the 17th August, the Council approved a number of supplementary measures regarding the Val d'Aosta, in particular the control of the public waters and the mines in the valley. The Minister of the National Consultative Assembly submitted a draft legislative decree laying down the regulations for the constitution and the operation of the Assembly. It was agreed that the Assembly should begin its labours on September 15th. The Council also listened to a report by the High Commissioner for Sicily, Signor Aldisio, who refutes the charges recently made by the Separatist leader, Signor Finocchiaro Aprile. On the 29th August, the Council approved the first list of members of the Consultative Assembly. At the same time it passed a draft ministerial decree setting up a commission for the study of the electoral law which will govern the voting for the Constituent Assembly. This Commission consists of two representatives of each of the six parties in the Government and five technical experts. The Council next listened to further reports on Sicily and Sardinia. Promises were given of the grant of wider administrative autonomy to both islands. Sicily in particular was promised larger supplies of coal as soon as these become available. On the 5th September, the Council approved certain provisions affecting journalists who have been struck off the register. At this meeting it was decided that the Consultative Assembly should begin its work on the 25th Sept. Further lists of Consultori were also passed. Apart from studying the possibility of speeding up administrative elections, the

2173

Declassified E.O. 12356 Section 3.3/NND No. 775045

which has been set up. Meeting on the 26th August, the Council approved a number of supplementary measures regarding the Val d'Aosta, in particular the control of the public waters and the mines in the valley. The Minister of the National Consultative Assembly submitted a draft legislative decree laying down the regulations for the constitution and the operation of the Assembly. It was agreed that the Assembly should begin its labours on September 15th. The Council also listened to a report by the High Commissioner for Sicily, Signor Aldisio, who replied to the charges recently made by the Separatist leader, Signor Finocchiaro Aprile. On the 29th August, the Council approved the first list of members of the Consultative Assembly. At the same time it passed a draft ministerial decree setting up a commission for the study of the electoral law which will govern the voting for the Constituent Assembly. This Commission consists of two representatives of each of the six parties in the Government and five technical experts. The Council next listened to further reports on Sicily and Sardinia. Promises were given of the grant of wider administrative autonomy to both islands. Sicily in particular was promised larger supplies of coal as soon as these became available. On the 5th September, the Council approved certain provisions affecting journalists who have been struck off the register. At this meeting it was decided that the Consultative Assembly should begin its work on the 25th Sept. Further lists of Consultori were also passed. Apart from studying the possibility of speeding up administrative elections, the Council only approved measures of minor importance at its meeting on September 12th. On September 19th, it was definitely decided that the Consultative Assembly should meet on the 25th and various routine measures were also dealt with. The Council met again on September 24th and approved the long-expected decree on the increase of rentals. This decree has been under examination since last November. The essence of it is that increases in rentals ranging from

28

2173

Declassified E.O. 12356 Section 3.3/NND No. 785015

I 84

15 to 60% are now legal in respect of dwelling houses and from 40 to 140% in respect of premises used for other purposes. No increase is permissible in respect of premises leased since Sept. 8th 1943. There are, of course, many supplementary regulations with which I need not burden you here.

3. There has been during recent weeks a good deal of press polemics on the question of whether the elections for the Constituent Assembly should or should not precede local elections. The Christian Democrats, the Liberals and the Labour Democrats have declared their intention of promoting the holding of local elections first, on the thesis that the country is not yet ready for the important decisions which the Constituent Assembly will have to take. The Communist, Socialist and Action Parties have equally clearly asserted their determination to have the elections for the Constituent Assembly held first and Signor Morandi, one of the Socialist leaders, speaking at Genoa, declared specifically that the Socialists would come to the elections for the Constituent Assembly with a complete program for the solution of all major problems. In the meantime, Signor Parri in a press conference on August 27th, described the conditions in which national elections could take place. He maintained that no progress could be made until the status of Italy had been finally clarified. Numerous technical difficulties also had to be overcome and this would inevitably require much time. Signor Parri's third condition related to the necessity of establishing public order. Finally he insisted that the political parties must all pledge themselves to a free, legal and honest electioneering campaign. On September 2nd., the special commission for the study of the electoral law began its work and Signor Nenni, in his capacity as Minister for the Constituent Assembly, emphasised the urgency "for internal and international reasons" of having the law ready by the end of the month. He suggested that the system of proportional representation might be suitable for the particular occasion. Speaking at Frascati on the following day, he told his Socialist audience that the Constituent Assembly must be "sovereign". Anyone who did not concede its sovereignty "should be cast out like a common criminal". Signor Parri also alluded to the Constituent Assembly in his speech before the Committee of Liberation for Northern Italy in Mi[illegible]

2172

Declassified E.O. 12356 Section 3.3/NND No. 785075

portant decisions which the Constituent Assembly will have to take. The Communist, Socialist and Action Parties have equally clearly asserted their determination to have the elections for the Constituent Assembly held first and Signor Morandi, one of the Socialist leaders, speaking at Genoa, declared specifically that the Socialists would come to the elections for the Constituent Assembly with a complete program for the solution of all major problems. In the meantime, Signor Parri in a press conference on August 27th, described the conditions in which national elections could take place. He maintained that no progress could be made until the status of Italy had been finally clarified. Numerous technical difficulties also had to be overcome and this would inevitably require much time. Signor Parri's third condition related to the necessity of establishing public order. Finally he insisted that the political parties must all pledge themselves to a free, legal and honest electioneering campaign. On September 2nd., the special commission for the study of the electoral law began its work and Signor Nenni, in his capacity as Minister for the Constituent Assembly, emphasised the urgency "for internal and international reasons" of having the law ready by the end of the month. He suggested that the system of proportional representation might be suitable 2172 the particular occasion. Speaking at Frascati on the following day, he told his Socialist audience that the Constituent Assembly must be "sovereign". Anyone who did not concede its sovereignty "should be cast out like a common criminal". Signor Parri also alluded to the Constituent Assembly in his speech before the Committee of Liberation for Northern Italy in Milan on 1st September. He declared that the elections must be orderly and free and added that he would be the first to declare them null and void if they were based on violence. This remark has caused a good deal of excited comment in the press and the critics of the President of the Council have not been slow to suggest that he is adopting a dictatorial attitude very inconsistent with the democratic

Declassified E.O. 12356 Section 3.3/NND No. 736015

principles which he professes. The more moderate critics have asked how he proposes to decide whether the elections are to be declared null and void and what machinery or body he proposes to set up for this purpose.

5. Perhaps the most startling news in August was the decision taken on the 26th by Signor Nenni as Minister-in-charge of Epuration, turning over to the High Court of Justice for epuration proceedings all Italian senators excepting those already approved as members of the Consultative Assembly and Senator Ricci, the new Minister of the Treasury. This decision, of course, affects such personalities as Marshal Badoglio and Admiral Thaon di Revel.

6. The Communist Party held a conference during the last week of August which was devoted to economic matters. Signor Togliatti averred that the Communists were in favour of a policy of production and not of. austerities. Wide scope must be left to private initiative both in the fields of production and of distribution. A rigid plan under present circumstances would be absurd. Governmental controls must be similar to those in force in the United States and Great Britain. He wound up by declaring that the battle must not be waged against capitalism in general but rather against speculation and "corruption in certain capitalist groups". On the whole this programme met with approval by all the parties including the Liberals. The Liberal newspaper stated that nothing would be more satisfying than to see Signor Togliatti's theory put into practice but it lamented that the policy of the left - and hence of the Government - did everything to discourage initiative.

7. I have already mentioned that the Committee of National Liberation of Northern Italy met in conference on September 1st. Apart from the question of the Constituent Assembly, Signor Parri dealt at length with the role of the Committees of National Liberation in present circumstances. He claimed that they must respect decisions made by the State and at the same time must be the interpreters of the needs of the parties not represented in the Committees.

2171

Declassified E.O. 12356 Section 3.3/NND No. 778575

those already approved as members of the Consultative Assembly and Senator Ricci, the new Minister of the Treasury. This decision, of course, affects such personalities as Bonomi, Saragat and Nenni. There is no doubt.

6. The Communist Party held a conference during the last week of August which was devoted to economic matters. Signor Togliatti averred that the Communists were in favour of a policy of production and not of subsidies. Wide scope must be left to private initiative both in the fields of production and of distribution. A rigid plan under present circumstances would be absurd. Governmental controls must be similar to those in force in the United States and Great Britain. He wound up by declaring that the battle must not be waged against capitalism in general but rather against speculation and "corruption in certain capitalist groups". On the whole this programme met with approval by all the parties including the Liberals. The Liberal newspaper stated that nothing would be more satisfying than to see Signor Togliatti's theory put into practice but it insisted that the policy of the Left - and hence of the Government - did everything to discourage initiative.

7. I have already mentioned that the Committee of National Liberation of Northern Italy met in conference on September 1st. Apart from the question of the Constituent Assembly, Signor Parri dealt at length with the role of the Committees of National Liberation in present circumstances. He claimed that they must respect decisions made by the State and at the same time must be the interpreters of the needs of the parties not represented in the Committees. Until local elections could be held the Committees must continue to advise prefects and local government representatives and simultaneously explain to the people the significance of the measures taken by the Government. Apart from Signor Parri's address, the conference was not notable for any outstanding contribution to the solution of present problems. Signor Parri's statement drew heavy fire from the Democratic Party whose newspaper stated that the party did

2171

28

Declassified E.O. 12356 Section 3.3/NND No. 785045

not require anyone to represent its needs. It asserted that the Committees of National Liberation had served their purpose and should now cease. It claimed that the powers of the Committees were still undefined and that the Government were allowing them to acquire gradually all the powers proper to the State. Apart from criticising Signor Parri for his alliance with the Committees of National Liberation, the Democratic Party have attacked the President of the Council for refusing to permit publication of a Democratic Party paper in the North and for his request that the "Italia Nuova" should send to his periodical press conferences someone capable of reporting his words "less tendentiously" than the present agent. Signor Parri's speech at Milan and his other remarks about the Democratic Party did in fact provide the main themes for discussion at the Democratic Party Convention which was held during the first week of September. Like all the "opposition" parties, the Democrats claim that they represent the great majority of Italians and they point out that the Committees of National Liberation is a non-elected group, implying - and frequently stating - that the six parties represent only a self-appointed, monopolistic minority. The democratic programme as enunciated at the convention is no different from that previously published. It urges support of the Monarchy, a laissez-faire economy and the end of the six-party "tyranny". The party spokesmen affirmed that the Constituent Assembly was indeed necessary but neither the Committees of National Liberation nor the Government were suitable to the task of organising the election. The party reiterated its demand for a plebiscite on the Institutional question. One speaker even suggested that the party should take on the defence of King Victor Emmanuel, but the Party Secretary reminded him that the party was concerned with institutions and not individuals.

8. The National Committee of the Italian Liberal Party held a congress in Rome from September 20th to September 24th. The session opened with an address delivered by Senator Croce who, while welcoming the imminent convocation of

2170

Declassified E.O. 12356 Section 3.3/NND No. 785015

North and for his request that the "Italia Nuova" should send to his principal press conference someone capable of reporting his words "less tendentiously" than the present agent. Signor Ferri's speech at Milan and his other remarks about the Democratic Party did in fact provide the main themes for discussion at the Democratic Party Convention which was held during the first week of September. Like all the "opposition" parties, the Democrats claim that they represent the great majority of Italians and they point out that the Committee of National Liberation is a non-elected group, implying - and frequently stating - that the six parties represent only a self-appointed, monopolistic minority. The democratic programme as enunciated at the convention is no different from that previously published. It urges support of the Monarchy, a laissez-faire economy and the end of the six-party "tyranny". The party spokesmen affirmed that the Constituent Assembly was indeed necessary but neither the Committee of National Liberation nor the Government were suitable to the task of organising the election. The party reiterated its demand for a plebiscite on the Institutional question. One speaker even suggested that the party should take on the defence of King Victor Emmanuel, but the Party Secretary reminded him that the party was concerned with institutions and not individuals.

2170

8. The National Committee of the Italian Liberal Party held a congress in Rome from September 20th to September 27th. The session opened with an address delivered by Minister Croce who, while welcoming the imminent convocation of the Consultative Assembly, urged the early holding of elections for the Constituent Assembly. It should be the duty of the latter to revise the Italian constitution, while matters such as administrative, economic, and social reforms should be left to the legislative body appointed by the Constituent Assembly itself. The Chairman, Signor Cattani, next reported on the Party's political programme and declared that the Liberals were willing to collaborate in the

Declassified E.O. 12356 Section 3.3/NND No. 785015

formation of a strong and lasting Italian republic, if certain guarantees were given. The second day of the congress was taken up by debates on reconstruction problems. Signor Nenni addressed the congress on the third day. He emphasized the need for restoring the authority of the State. The Committees of National Liberation had discharged their functions and until administrative elections were held, they must collaborate with the State and not hamper its activity. Senator Croce also spoke on epuration along lines already familiar to us all. A resolution was passed on the fourth day favouring general support of the Government and the Committees of National Liberation, though asking for the early dissolution of the Committees in factories and outlying districts. The labours of the Committee were concluded on September 24th with the passing of a resolution expressing the hope that the victorious Great Powers would not inflict a punitive peace on Italy and re-affirming Italy's right to continue her work of colonization in Lybia, Eritrea and Somalia.

9. I should like to finish this report with a few items of economic interest Subscription to the 5% Treasury loan was closed in North Italy at the end of August and contributions, according to present figures, have amounted to over 70 billions of lire. This sum may be larger when subscriptions not yet registered have been received. The Government are very satisfied with the response to the loan which together with the previous subscriptions in the Central and Southern sections of the country aggregated over 100 billion lire. The amassing of wheat, according to report dated September 24th now stands at: 60 801,500 tons or 61% of the estimated available quantity for non-producers. Collections in Allied Military Government areas which were previously not so good as in Italian Government territory have increased during recent weeks. Trucks of all kinds having a total lift of 25,000 tons are shortly being turned over to the Italian Government from Allied military sources. The uniform

2169

Declassified E.O. 12356 Section 3.3/NND No. 785045

to us all. A resolution was passed on the fourth day favouring general support of the Government and the Committee of National Liberation, though asking for the early dissolution of the Committees in factories and outlying districts. The labours of the Committee were concluded on September 29th with the passing of a resolution expressing the hope that the victorious Great Powers would not inflict a punitive peace on Italy and re-affirming Italy's right to continue her work of colonization in Lybia, Eritrea and Somalia.

3. I should like to finish this report with a few items of economic interest. Subscription to the 5% Treasury loan was closed in North Italy at the end of August and contributions, according to present figures, have amounted to over 70 billions of lire. This sum may be larger when subscriptions not yet registered have been received. The Government are very satisfied with the response to the loan which together with the previous subscriptions in the Central and Southern sections of the country aggregated over 100 billion lire. The amassing of wheat, according to report dated September 24th now stands at: 80,500 tons or 61% of the estimated available quantity for non-producers. Collections in Allied Military Government areas which were previously not so good as in Italian Government territory have improved during recent weeks. Trucks of all kinds having a total lift of 20,000 tons are shortly being turned over to the Italian Government from allied military sources. The uniform bread ration scale for all Italy will go into effect on October 1st. The most important news of the last few days is that of the unrest in Naples. The cause of these popular demonstrations is purely economic, although the left-wing political parties have sought to exploit the trouble for their own ends. The Naples dock-workers have been protesting against their discharge by the American port authorities and claiming that they are being replaced by German prisoners of war. It is true that, with the decrease in work, many workers have been

2169

28

Declassified E.O. 12356 Section 3.3/NND No. 750045

discharged. It is also true that German prisoners of war are being used - they work better and steal less. Negotiations are at present in progress between the workers' representatives, Allied Military Government and the Italian authorities and the Allied Military Commons. Remedial steps have already been taken which should greatly alleviate the situation.

That, Gentlemen, concludes my report.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
~~British Representative, ACI~~
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (F), AC (~~2~~) (4)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

2168

Declassified E.O. 12356 Section 3.3/NND No. 785045

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
~~British Representative, ACI~~
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (5) (6)
Executive Commissioner, AC
CC Files
British Political Minister, AFHQ
American Political [illegible] AFHQ
G-5, AFHQ (2)

2168

(28)

1 1 9 4

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 60/

POLITICAL REVIEW BY THE ACTING DEPUTY CHIEF COMMISSIONER
for presentation at the
61st MEETING OF THE ALLIED COUNCIL FOR ITALY, 17th AUGUST 1945

Gentlemen:

1. During the four weeks since this Council last met, three major events have occurred which have dominated world thought, almost to the exclusion of all else. I refer to the Labour victory in the general elections in Great Britain, the conclusion of the Potsdam meeting and the cessation of hostilities with Japan following the spectacular revelations of the use of the atomic bomb by the United States Air Force and the dramatic news of Russia's declaration of war on Japan. All these historical developments have aroused the greatest interest, I might almost say excitement, in this country. The outcome of the British general election was generally interpreted, rightly or wrongly, as a development of the greatest importance to Italy and the left-wing parties in particular hailed the British Government's move to the left as an augury of better treatment for Italy and greater comprehension of her difficulties. Some papers even went so far as to claim that the British Labour victory was in fact an Italian victory. Signor Nenni called it a 'peaceful revolution' and acclaimed it as the "greatest political event in Europe after the victory against Germany". My recent words of Mr. Bevin to the effect that "Italy should not be treated as if Mussolini were still in power" have also been recalled widely in the Italian press.

2. The communiqué issued at the conclusion of the Potsdam meeting, with its specific reference to the part played by Italy in the war against Germany and its promise of the early negotiation of a peace treaty with Italy after which her application for a seat amongst the United Nations would be supported by the "Big Three", has given wide-spread satisfaction. The President of the

2167

Declassified E.O. 12356 Section 3.3/NND No. 759015

have occurred which have dominated world thought, almost to the exclusion of all else. I refer to the Labour victory in the General Elections in Great Britain, the conclusion of the Potsdam meeting and the cessation of hostilities with Japan following the spectacular revelations of the use of the atomic bomb by the United States Air Force and the dramatic news of Russia's declaration of war on Japan. All these historical developments have aroused the greatest interest, I might almost say excitement, in this country. The outcome of the British General Election was generally interpreted, rightly or wrongly, as a development of the greatest importance to Italy and the left-wing parties in particular hailed the British Government's move to the left as an augury of better treatment for Italy and greater comprehension of her difficulties. Some papers even went so far as to claim that the British Labour victory was in fact an Italian victory. Signor Nenni called it a "peaceful revolution" and acclaimed it as the "greatest political event in Europe after the victory against Germany". The recent words of Mr. Bevin to the effect that "Italy should not be treated as if Fascists were still in power" have also been recalled widely in the Italian press.

2167

2. The communique issued at the conclusion of the Potsdam meeting, with its specific reference to the part played by Italy in the war against Germany and its promise of the early negotiation of a peace treaty with Italy after which her application for a seat amongst the United Nations would be supported by the "Big Three", has given wide-spread satisfaction. The President of the Council made a statement expressing his pleasure at the recognition accorded to Italy for her efforts to acquire true democracy and his gratitude to the Allies for recognising Italy's needs. He sounded a note of warning, however, when he went on to say that he hoped that the nation's "just aspirations

Declassified E.O. 12356 Section 3.3/NND No. 785045

would be satisfied in the peace treaty".

3. As regards the end of hostilities in the Far East, the Italian press has given voice to feelings of gratification at the return of peace to the world mingled with a large measure of apprehension at the possible use to which the newly discovered atomic bomb may be put in the future world organization. The President of the Council, with his eye naturally on Italian needs, said in a statement that he hoped that the end of the war with Japan would mean the release of more tonnage for the transport of food supplies, coal and raw materials to Italy.

4. Although, as I have said, the main centres of interest have been outside Italy, the Italian Government have not been idle during the past month. Nor have the political parties. During the second half of July the Council of Ministers approved a number of decrees of an organizational nature for the setting up of the new ministries, the creation of which was decided during the June cabinet crisis. Thus the Council has approved the draft decree for the setting up of the Ministry of the Constituent Assembly and has outlined its functions. The new Ministry is charged with the preparation for the convocation of the Constituent Assembly and with drawing up a programme for the new political order of the state and the lines of its economic and social future. A commission for the study of the election laws will also be formed within this Ministry. It was a long-drawn out and delicate business for the Council to reach agreement on this basic instrument, because both the Liberals and the Christian Democrats made every effort to limit the apparent tendency of the Socialists and Communists to give too much executive power to the new Ministry. On the 18th July the Council of Ministers approved the decrees setting up the Ministry for the Consultative Assembly and the Ministry of post-War Relief. On the 24th July the decrees laying down the functions of the new Ministry of

2166

Declassified E.O. 12356 Section 3.3/NND No. 750015

a strong hope that he hoped that the end of the war with Japan would mean the release of more ton mage for the transport of food supplies, coal and raw materials to Italy.

4. Although, as I have said, the main centres of interest have been outside Italy, the Italian Government have not been idle during the past month. Nor have the political parties. During the second half of July the Council of Ministers approved a number of decrees of an organizational nature for the setting up of the new Ministries, the creation of which was decided during the June cabinet crisis. Thus the Council has approved the draft decree for the setting up of the Ministry of the Constituent Assembly and has outlined its functions. The new Ministry is charged with the preparation for the convocation of the Constituent Assembly and with drawing up a programme for the new political order of the state and the lines of its economic and social future. A commission for the study of the election laws will also be formed within this ministry. It was a long-drawn out and delicate business for the Council to reach agreement on this basic instrument, because both the Liberals and the Christian Democrats made every effort to limit the apparent tendency of the Socialists and Communists to give too much executive power to the new Ministry. On the 18th July the Council of Ministers approved the decrees setting up the Ministry for the Consultative Assembly and the Ministry of Post-War Relief. On the 27th July the decrees laying down the functions of the new Ministry of Food and the Ministry of Labour and Welfare were also approved. In addition to these measures, the Council of Ministers debated on July 28th and agreed to address a formal request to the Allied Governments for the early return to Italy of Prisoners of War and for their treatment in the meantime as free workers. Measures for the assistance of partisans and Repatriates were approved at the Council Meeting of August 7th as were also the budgets of the various

2166

Declassified E.O. 12356 Section 3.3/NND No. 759045

198

1969

Declassified E.O. 12356 Section 3.3/NND No. 785045

Catania. Earlier in the week progress was reported on the preparation of the Consultative Assembly and it was given out that the parties had submitted their lists of representatives and that the new body might be expected to meet early in September.

5. The Minister of the Treasury, Signor Soleri, died suddenly in Turin on July 23rd while on a tour of the North for the purpose of popularising the sale of Government bonds. His loss has been much regretted both in Italian and Allied circles. Senator Federico Pizzoni also of the Liberal party has been appointed to succeed the late Signor Soleri. He is well known for his opposition to Fascist financial policy and is reported to be a good administrator. During last week it was announced that Signor Eugenio Reale, Under Secretary for Foreign Affairs, has been appointed Italian Ambassador to Warsaw. His place in the Ministry of Foreign Affairs will be taken by Signor Celeste Negarville who is also a member of the Communist Party.

6. During the month, Signor Parri has made several visits to various parts of Italy. Perhaps the most important was his trip to Sicily on July 22nd. At Palermo he was met by the High Commissioner, Signor Aldisio, and at once met the assembled economic and political representatives of the island. He told them that his administration made no promises which it could not keep but that it would do all in its power to solve Sicilian problems, which, he pointed out, were more or less the same as in all the other regions of Italy but 2165 served priority because of the bad treatment received by the island in the past. The setting up of a Sicilian Consultutive Assembly represented the first step towards regional autonomy; the rest would follow in due course. He added that he would keep in mind the necessities of the island when distributing public works.

7. Signor Parri made an important statement on Venezia Giulia on August 2nd

July 23rd while on a tour of the North for the purpose of popularising the sale of Government bonds. His loss has been much regretted both in Italian and Allied circles. Senator Federico Flora also of the Liberal Party has been appointed to succeed the late Signor Soleri. He is well known for his opposition to Fascist financial policy and is reported to be a good administrator. During last week it was announced that Signor Eugenio Reale, Under Secretary for Foreign Affairs, had been appointed Italian Ambassador to Warsaw. His place in the Ministry of Foreign Affairs will be taken by Signor Celeste Negarville who is also a member of the Communist Party.

6. During the month, Signor Parri has made several visits to various parts of Italy. Perhaps the most important was his trip to Sicily on July 22nd. At Palermo he was met by the High Commissioner, Signor Alessio, and at once met the assembled economic and political representatives of the island. He told them that his administration made no promises which it could not keep but that it would do all in its power to solve Sicilian problems, which, he pointed out, were more or less the same as in all the other regions of Italy but deserved priority because of the bad treatment received by the island in the past. The setting up of a Sicilian Consultative Assembly represented the first step towards regional autonomy; the rest would follow in due course. He added that he would keep in mind the necessities of the island when distributing public works.

7. Signor Parri made an important statement on Venezia Giulia on August 2nd when he received a delegation from that area. He told the delegation that he intended to ask the Allies to consider reviewing the existing conditions under which the Italian Government are powerless to do anything for the inhabitants of the region. He hinted that he would ask that at least an Italian observer might be allowed to go to Trieste. In commenting on this interview, Signor

2165

1200

Declassified E.O. 12356 Section 3.3/NND No. 785075

Nenni, in the Giorno del Partito supported Signor Parri's attitude and emphasized that while the situation had undoubtedly improved since Alexander [illegible] been set up in Rome, it should be borne in mind that the regime, until it was formally decided otherwise, was still a part of Fascism.

3. While Signor Parri was in Palermo, Signor Nenni paid a visit to Milan, primarily in order to make preparations for the meeting of parties and for supporting the sale of Government Treasury bonds. However, he also spoke at great length on the Constituent Assembly and on July 22nd he clearly stated that the Socialist Party would demand that the Constituent Assembly should decide in favour of a Republic since only a Republic could be a true and sincere form of democracy. Since this statement was in fact a threat of Signor Nenni to settle the institutional question until the right of the country could freely express its views, I pointed out verbally to Signor Parri, on instructions from the Supreme Allied Commander, that such statements of their kind by Ministers was not likely to induce confidence in the Italian Government on the part of the Allied Governments. Signor Parri agreed that the speech was ill-advised and undertook to restrain Signor Nenni accordingly.

4. On the political field, the most important events were being the meetings of the National Council of the Socialist Party and the National Congress of the Christian Democrat Party. The former took place in Rome from July 25th to August 1st. Ostensibly convened in order to listen to the political report of the Party Executive and to elect new members to the Executive for the ensuing year, the Congress in effect devoted the greater part of its time to the discussion of the need for the creation of a single working class party. Signor Togliatti and members of the Communist Party Executive attended all the meetings of the Congress and Signor Togliatti in a speech of greeting and the first day of the Congress struck the note which was to

2164

Declassified E.O. 12356 Section 3.3/NND No. 778017

for supporting measures of Government or secure heavy. However, he also took at great length on the Constituent Assembly and on July 22nd he flatly stated that the Socialist Party would demand that the Constituent Assembly should decide in favour of a Republic which only a "Republic which is a true Republic of democracy. Such this statement was in fact a breach of Signor Nenni's pact as a Minister not to raise the institutional question until the people of the country should freely express its views. It resulted not verbally to Signor Parri, an instruct on from the Supreme Allied Commander, that such declaration of their policy by Ministers was not likely to help confidence in the English Government on the part of the Allied governments. Signor Parri agreed that the question was to be left to undertook to approve Signor Nenni accordingly.

7. In the political field, the most important events have been the Congresses of the National Council of the Socialist Party and the National Council of the Christian Democrat Party. The former took place in Rome from July 25th to August 1st. Ostensibly convened in order to listen to the political report of the Party Executive and to elect new members to the Executive for the ensuing year, the Congress in effect devoted the greater part of its time to the discussion of the need for the creation of a single working class party. Signor Togliatti and members of the Communist Party Executive attended all the meetings of the Congress and Signor Togliatti in a speech of greeting and congratulation on the first day of the Congress struck the note which was to dominate the rest of the discussions. His appeal for the fusion of the Socialist and Communist Parties was developed at great length by Signor Nenni and others. There was practically no discussion of crucial Italian domestic or international issues nor of reconstruction nor of relations with other parties. The Congress was characterised by continuous reference to the Marxist tradition,

2164

1202

Declassified E.O. 12356 Section 3.3/NND No. 735845

to proletarian unity and to the function of the middle class. It was quite clear that many of the party delegates present were unhappy at the prospect of fusion with the Communist Party. However, when the Congress was asked to choose between two motions signed respectively by Signor Pertini, former Secretary of the Socialist Party of Northern Italy, and by Signori Silone and Saragat, the former won 75% of the votes. The Pertini motion asked for all the working masses of the country to form a single bloc as soon as possible and urged that all the organisms of collaboration between the two parties be strengthened and new offices of liaison created. The Silone motion emphasised the need for the closest collaboration with the Communist Party on the basis of the pact of unity of action but at the same time expressed the need for safeguarding the political independence and autonomous administration of each party. Immediately after the conclusion of the Congress, the Executives of the two parties met in joint session and set up a "board of management" for the smooth functioning of the pact of unity of action. Although there is reason to believe that many Socialists are still opposed to this policy, despite the fact that they voted for the Pertini motion at the time, I think we must expect an ever-increasing drive towards fusion in the near future.

10. The National Council of the Christian Democrats met from July 31st to August 3rd. Apart from routine business the discussions were devoted to foreign policy and to the institutional question. Signor de Gasperi, Secretary General of the Party, spoke on two occasions on foreign affairs. He asserted that the Christian Democratic Party was as desirous as any other party for close collaboration with Soviet Russia and that the charges of hostility brought by the left-wing parties were completely without foundation. In the wider field of international affairs he warned the Congress that there were signs that the peace might have a "punitive" character for Italy. The

2163

1203

Declassified E.O. 12356 Section 3.3/NSD No. 750045

the working masses of the country to form a single bloc as soon as possible and urged that all the organisms of collaboration between the two parties be strengthened and new offices of liaison created. The Silone motion emphasised the need for the bloc at collaboration with the Communist Party on the basis of the pact of unity of action but at the same time expressed the need for safeguarding the political independence and autonomous administration of each party. Immediately after the conclusion of the Congress, the Executives of the two parties met in joint session and set up a "board of management" for the smooth functioning of the pact of unity of action. Although there is reason to believe that many Socialists are still opposed to this policy, despite the fact that they voted for the Partini motion at the time, I think we must expect an ever-increasing drive towards fusion in the near future.

10. The National Council of the Christian Democrats met from July 31st to August 3rd. Apart from routine business the discussions were devoted to foreign policy and to the institutional question. Signor de Gasperi, Secretary General of the Party, spoke on two occasions on foreign affairs. He asserted that the Christian Democratic Party was as desirous as any other party for close collaboration with Soviet Russia and that the charges of hostility brought by the left-wing parties were completely without foundation. In the wider field of international affairs he warned the Congress that there were signs that the peace might have a "punitive" character for Italy. The indications were that future international arrangements would be based not on collaboration between the nations but on the supremacy of the great nations over the small ones and in particular over those who for a time had been their enemies. Signor de Gasperi also spoke on the problems of Venezia Giulia and Venezia Tridentina and emphasised the essentially Italian character of these regions. On the question of the future political structure of the state,

2163

1204

Declassified E.O. 12356 Section 3.3/NND no. 785015

Signor de Gasperi took the line that the party had never hindered the expression of individual monarchical or Republican sentiments, but that it was not within the competence of the National Council to commit the party as a whole to either solution. This statement was challenged by many of the delegates, many of whom asserted that the majority of the members of the party were in favor of the Republic. At the conclusion of the Congress' labours, resolutions were passed on a number of subjects including one which took note of the views of those delegates who were in favour of the Republic and pledged the National Council to institute an enquiry in order that the question might be clarified in time for the forthcoming National Congress of the Party.

11. In the economic field the most important news of the past month is the restoration of virtually complete freedom of foreign trade to the Italian Government as from August 1st. All activities of the Allied Commission with respect to exports from Italy, with the exception of Venezia Giulia, ceased as from July 31st. The Commission will no longer serve as a channel of communication for export orders. Hereafter, all countries are free to deal directly with the appropriate Italian Government export authorities or with private Italian dealers subject only to such regulations as the Italian Government themselves may impose. The United Kingdom will use both the British Embassy and private British dealers in its trade relations with Italy. British Government purchases will be made through the British Embassy while private British buyers will contact the appropriate Italian authority. For the time being, the United States Government will act as the agent for private American buyers through the intermediary of the United States Commercial Company of the Foreign Economic Administration. This channel has already been accepted by the Italian Government and will facilitate the resumption of private American trade

1205

Declassified E.O. 12356 Section 3.3/NND No. 785045

labours, resolutions were passed on a number of subjects including one which took note of the views of those delegates who were in favour of the Republic and pledged the National Council to institute an enquiry in order that the question might be clarified in time for the forthcoming National Congress of the Party.

11. In the economic field the most important news of the past month is the restoration of virtually complete freedom of Foreign Trade to the Italian Government as from August 1st. All activities of the Allied Commission with respect to exports from Italy, with the exception of Venezia Giulia, ceased as from July 31st. The Commission will no longer serve as a channel of communication for export orders. Hereafter, all countries are free to deal directly with the appropriate Italian Government export authorities or with private Italian dealers subject only to such regulations as the Italian Government themselves may impose. The United Kingdom will use both the British Embassy and private British dealers in its trade relations with Italy. British Government purchases will be made through the British Embassy while private British buyers will contact the appropriate Italian authority. For the time being, the United States Government will act as the agent for private American buyers through the intermediary of the United States Commercial Company of the Foreign Economic Administration. This channel has already been accepted by the Italian Government and will function only until details of the full resumption of private American trade with Italy have been worked out. The USCC will thus be the agent of the Istituto Comercio Estero in the United States as from August 1st. The sole conditions laid upon the new trade policy refer to Allied operational necessities, as follows: 1) in order not to upset the Allied civilian supply

2162

1206

Declassified E.O. 12356 Section 3.3/NND No. 760045

programme already formulated for Italy by conflicting export activities, all Italian declarations of exportable surpluses will be examined by the Allied Commission. 2) In the interests of the United Nations' world-wide war economy, any goods falling under the Reserved Commodities List of the Combined Chiefs of Staff in Washington, will be exported only to specific countries. The list in question is one of articles in short supply throughout the world and to which Allied military necessities have prior claim. 3) Exports from AMG areas will be handled by the general agency established by the Italian Government as part of one economic unit but such AMG-area exports will be subject to AMG approval under the powers of military government so long as AMG authority prevails in the territory. 4) No dealings will be had with firms on Allied "black lists".

The Allied Commission will cease making reports on exports but will keep itself informed as to the amounts and destinations of exports and of the value of foreign exchange placed to Italy's credit by different countries.

The abolition of restrictions on Italian foreign trade has come about as a gradual evolution under the guidance of the Allied Commission, the first step having been to authorise government-to-government trade dealings with practically all Allied and neutral countries under arrangements somewhat similar to those used by the United States and the United Kingdom themselves.

That, Gentlemen, concludes my report.

2161

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI

1207

Declassified E.O. 12356 Section 3.3/NND No. 785015

The list in question is one of articles in short supply throughout the world and to which Allied military necessities have prior claim. 3) Exports from AMG areas will be handled by the general agency established by the Italian Government as part of one economic unit but such AMG-area exports will be subject to AMG approval under the powers of military government so long as AMG authority prevails in the territory. 4) No dealings will be had with firms on Allied "black lists".

The Allied Commission will cease making reports on exports but will keep itself informed as to the amounts and destinations of exports and of the value of foreign exchange placed to Italy's credit by different countries.

The abolition of restrictions on Italian foreign trade has come about as a gradual evolution under the guidance of the Allied Commission, the first step having been to authorize government-to-government trade dealings with practically all Allied and neutral countries under arrangements somewhat similar to those used by the United States and the United Kingdom themselves.

That, Gentlemen, concludes my report.

2161

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (F), AC (7)
Executive Commissioner, AC
CC Files
British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2)

1208

Declassified E.O. 12356 Section 3.3/NND No. 785045

1209

Declassified E.O. 12356 Section 3.3/NND No. 780025

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

LMC/ejj
6 August 1945

SUBJECT: Political Reviews Presented by Admiral Stone to the Advisory Council for Italy

TO : U. S. Political Adviser, AFHQ
British Resident Minister, AFHQ
G-5, AFHQ (for Brigadier Dean)
G-5 Section, AFHQ

1. As agreed with the Deputy Assistant Chief of Staff, G-5, AFHQ, and the Chief Commissioner, Allied Commission, the Political Reviews presented by Admiral Stone to the Advisory Council for Italy at the 31st to the 40th meetings, exclusive of the 36th meeting, at which no review was given, are forwarded herewith for information and record.

2. The Reviews presented prior to 2 March 1945 were not stencilled and distribution was extremely limited. Hence copies are not available at this time. Copies of any of the missing Reviews may be obtained on special request.

3. Reviews will be forwarded in the future to the above addressees.

For the Chief Commissioner:

L. K. STRAITE
Major, AGD
Staff Officer to CC

9 Incls
As above

2160

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 800.

POLITICAL REVIEW FOR YEAR ARRIVAL COLONEL W. STONE
for presentation at the
40th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 28th JULY 1943

Gentlemen:

1. Since the last meeting of this Council, the Government, although continuing to manifest its concern over domestic problems, has drawn perhaps even a greater interest in Italy's so-called "international status". The convening of the Big Three meeting has been the occasion for a number of steps by the Government, taken not merely with the hope of certain practical political results in their vis-a-vis the United Nations, as you are no doubt aware during the United Nations Conference at San Francisco, various leaders of the Italian Government and most of the press made every effort for the inclusion of Italy in these deliberations. However, when the Conference terminated, with no action having been taken concerning Italy, hope was immediately pinned on the "Big Three" meeting as being the next occasion on which Italian claims might be brought forward.

In this connection publicity was been given to alleged statements from the capitals of the United Nations, particularly Washington and London, concerning the possibility of a revision of Italy's status. Special attention was devoted to reports of the approval by the Foreign Affairs Committee of the House of Representatives on July 19 of a resolution introduced by Representative Sasscer of New York providing for the admission of Italy to the United Nations and asking the President of the United States to exert his influence to attain this end. The Italian Government and the press have naturally maintained a close watch on any information that might tend to support their hopes that discussion of the status of Italy will indeed appear on the agenda of the Potsdam Conference, and more especially that these discussions will result in the termination of the American regime.

2159

Declassified E.O. 12356 Section 3.3/NND No. 785045

of the Old Three meeting was from the necessity for [illegible] by the Communists, taken overseas in the hope of establishing a new political position for Italy vis-a-vis the Allied Nations. A visit was also made during the United Nations Conference at San Francisco, when members of the Italian Government got word of the great work prepared under the auspices of Italy in these deliberations. However, when the Conference ended, with no action having been taken concerning Italy, hope was revived that the "Big Three" meeting at Potsdam would be the occasion on which Italian claims might be brought forward.

In this connection publicity was given to efforts emanating from the capitals of the United States, particularly Washington and London, concerning the possibility of a revision of Italy's status. Special attention was given to reports of the approval by the Foreign Affairs Committee of the House of Representatives on June 18 of a resolution introduced by Representative Pfeiffer of New York, providing for the admission of Italy to the United Nations and asking the President of the United States to exercise influence to attain this end. The Italian Government and the press have naturally maintained a close watch on any information that might tend to support their hopes that discussion of the status of Italy will indeed appear on the agenda of the Potsdam Conference, and more especially that these discussions will result in the termination of the Armistice regime.

Italy, during the period under review, also took two steps internationally which elicited considerable public reaction - the declaration of war against Japan on July 15 and the recognition of the Polish Government, reported on July 6. Reaction to the declaration of war against Japan, which had been

2159

20 July

Declassified E.O. 12356 Section 3.3/NND No. 785045

1212

Declassified E.O. 12356 Section 3.3/NND No. 785015

1213

Declassified E.O. 12356 Section 3.3/NND No. 785015

1214

Declassified E.O. 12356 Section 3.3/NND No. 785015

1215

Declassified E.O. 12356 Section 3.3/NND No. 785015

21157

Council of Ministers announced that it intended to discuss the plan on July 25.

The President of the Council himself has also continued to play an exceedingly active role, and visited Naples on July 8 and 9 where he addressed the Chamber of Commerce and workers of the Alfa-Romeo plant. Following his return to Rome he asked the Council of Ministers to make arrangements whereby the members of the Government might maintain closer touch with the different problems affecting all of the regions of Italy, and in this connection announced his own intention of visiting Sicily toward the end of this month and Sardinia in August.

On July 10 the Italian Government also made a statement following a meeting of the Council of Ministers to the effect that the preparation of electoral lists would begin on July 15 in northern Italy. This is being effected through the AMG organizations. At the same time it was stated that preparation of the lists was almost complete in southern and central Italy and that in Tuscany and Umbria where work on the lists had started fairly recently, they would be completed by September. Various editorials have appeared recently in the press emphasizing the importance to Italy, in her national reorientation toward democracy, of holding elections at as early a date as possible. All of the political parties appear to be agreed that this is the most important single political question to be faced at the present time.

Disorders in various parts of the country have been a problem both for the Italian Government and for Allied Military Government. The disorders in Apulia which I mentioned during my last review have quieted down and no recurrence of trouble has occurred there recently. However, some dissatisfaction still exists with the situation in that area and not only the opposition but the Liberal and Christian Democrat newspapers as well have stressed the failure of the officials complete to collect arms from civilians who have an illegal possession of them. Officially the final word on this situation came on the report given on July 7 by the Minister of Finance Scoccimarro in which

2156

Declassified E.O. 12356 Section 3.3/NND No. 785015

[illegible] the end of this month and September in August.

On July 2, the Italian government also made a statement following a meeting of the Council of Ministers to the effect that the preparation of electoral lists would [illegible] on July 15 is nearing ready. This is being effected through the ATC organization. It is also stated that preparation of the lists was almost complete in northern and central Italy and that in Tuscany and Umbria where much of the lists had been destroyed recently, they would be completed by September. Various [illegible] have appeared recently in the press emphasizing the importance to it [illegible] in her national reorientation toward democracy, of holding elections at as early a date as possible. All of the political parties appear to be agreed that this is the most important single political question to be faced at the present time.

Disorders in various parts of the country have been a problem both for the Italian Government and for Allied Military Government. The disorders in Apulia, which I mentioned during my last review have quieted down and no recurrence of trouble has occurred there recently. However, some dissatisfaction still exists with the situation in that area and not only the opposition but the Liberal and Christian Democrat newspapers as well have stressed the failure of the official campaign to collect arms from civilians who [illegible] illegal possession of them. Official the final word on this situation came in the report given on July 7 by the Minister of Finance Scoccimarro in which he stressed the [illegible] of large landholdings in Apulia as the basic cause of the economic plight of the area, which in turn resulted in civil disturbances. On July 9 another serious incident of violence was reported from Ochio in the Province of Nicosia, where fifteen illegal [illegible] were stated to have

2156

Declassified E.O. 12356 Section 3.3/NND No. 750015

broken into the jail yard and to have killed forty-seven political prisoners and wounded an additional twenty-six. The Regional Commissioner for Venetia proceeded to the scene of the disturbance and gave a statement condemning in strong terms the actions of the assassins, following which the opposition press in Rome attacked the Government for its failure to make a similar statement condemning such barbarous lawlessness. The press has also reported extensively another incident in Milan during which a crowd was stated to have broken into an Allied Military Government courtroom where five other alleged partisans were being tried for failure to turn in arms in violation of AMG orders and for other offenses. No AMG, it is said, was present and the trial has continued without incident.

That, Gentlemen, concludes my report.

DISTRIBUTION:
- ✓ Chief of Secretariat, Advisory Council (2)
- ✓ U.S. Representative, ACI
- ✓ British Representative, ACI
- ✓ Soviet Union Representative, ACI
- ✓ French Representative, ACI
- ✓ Yugoslav Representative, ACI
- ✓ Greek Representative, ACI
- ✓ Political Adviser (A), AC
- ✓ Political Adviser (B), AC (7)
- ✓ Executive Commissioner, AC
- CC Files

1534 hours 19 Jul 45 E.

21 Jul 1945

Add on future distribution:

British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2) — 1 to be marked for Brig. Hemm.

2155

Declassified E.O. 12356 Section 3.3/NND No. 785015

account incident in Seoul during which a crowd was stated to have broken into an Allied military Government courtroom where five other alleged Partisans are being tried for failure to obey in some manner directions of Jap orders and for other offenses. [illegible], in this case order was quickly restored and the trial has continued without incident.

That, Gentlemen, concludes my report.

Distribution:
Chief of Secretariat, Advisory Council (3)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
Chinese Representative, ACI
New Zealand Representative, ACI
French Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (7)
Executive Commissioner, AC
AC Files

15 Jul 45

20 Jul 1945

Add on future distribution:

British Resident Minister, AFHQ
American Political Adviser, AFHQ
G-5, AFHQ (2) — / to be marked for
Brig. Hearn.

2155

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
39th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 6th JULY 1945

Gentlemen,

1. At the last meeting of this Council, you will recall that I broke off my narrative of the Government crisis at the point when Signor Bonomi placed his resignation in the hands of the Lieutenant of the Realm on June 12th. As you are aware, since that date a new Government has been formed under the presidency of Signor Ferruccio Parri and has begun its labours. You may perhaps be interested to hear a brief account of the final phase of the crisis before I deal with the composition of the new Government and its programme.

2. With Signor Bonomi's resignation the Government crisis was officially opened and the Lieutenant of the Realm summoned the President of the Senate and the President of the Chamber and leading politicians to the Quirinale for the formal consultations which are laid down by the constitution in such circumstances. It seemed that the Princes supporters and the Right wing parties were at this stage in favour of a Government headed by the aged Senator Benedetto Croce supported by technical experts drawn from the parties and elsewhere. In the meantime, during the morning of the 13th June the Delegation of the C.M.A.C., which you will recall are in Rome at the time, passed a resolution calling for action on a three-point programme; namely, the designation of Signor Parri as President of the Council, the representation in the new Government of all the political forces in the Committee of National Liberation, including such leaders as Signori Nenni, Togliatti and De Gasperi and finally the appointment of five ministers without portfolio to be designated by northern political parties. By the evening of the same day the Delegation had prevailed on the Central Committee of National Liberation to accept the first point of their programme and an invitation was immediately despatched to Signor Parri to

2154

Declassified E.O. 12356 Section 3.3/NND No. 785015

resignation in the hands of the Lieutenant of the Realm on June 14th. As you are aware, since that date a new Government has been formed under the presidency of Signor Ferruccio Parri and has begun its labours. You may perhaps be interested to have a brief account of the final phase of the crisis before I deal with the composition of the new Government and its programme.

2. With Signor Bonomi's resignation the Government crisis was officially opened and the Lieutenant of the Realm summoned the Presidents of the Senate and the Presidents of the Chamber and leading politicians to the Quirinale for the formal consultations which are laid down by the constitution in such circumstances. It seemed that the Princes supporters and the right wing parties were at this stage in favour of a Government headed by the aged Senator Benedetto Croce supported by technical experts drawn from the parties and elsewhere. In the meantime, during the morning of the 19th June the Delegation of the C.L.N.A.I., which you will recall was in Rome at the time, passed a resolution calling for action on a three-point programme; namely, the designation of Signor Parri as President of the Council, the representation in the new Government of all the political forces in the Committee of National Liberation, including such leaders as Signori Nenni, Togliatti and De Gasperi and finally the appointment of five ministers without portfolio to be designated by Northern political parties. By the evening of the next day the Delegation had prevailed on the Central Committee of National Liberation to accept the first point of their programme and an invitation was immediately despatched to Signor Parri to come to Rome and accept the task of forming a Government. Nevertheless the prospects for Signor Parri's success in this did not at first look too good. For example, Signor Nenni, though professing great admiration for the new leader, stated flatly in the columns of the Socialist paper "Avanti" that he would not serve in Signor Parri's

215½

(24) 6 July 45 - 1 -

Declassified E.O. 12356 Section 3.3/NND No. 785045

Government and it seems that Signori Togliatti and de Gasperi subsequently took the same line. In any event, when Signor Parri arrived in Rome on June 14th he refused to commit himself or respond accepting the invitation addressed to him and stated that he must first study the situation. On the following 3 days, Signor Parri held long conferences with the various political leaders and is informed that he did not hesitate to deal firmly with the attempt of certain of the political leaders to indulge in petty partisan quibbles and so to weaken the cabinet, presumably to their own advantage.

3. By the evening of June 18th, Signor Parri had decided to accept the designation of the 5 parties and on June 19th he was received by the Lieutenant of the Realm and officially charged with the formation of the new Government. However, although the principal party leaders had now agreed to serve under Signor Parri, there was still considerable difficulty about the allocation of the important portfolio of the Ministry of the Interior. As you know, the problem was eventually solved by Signor Parri's taking the Ministry himself while the hurt feelings of the Right and Left Wing parties were soothed by the creation of two Vice-Presidencies with special functions. The list of the new Cabinet was made known on June 20th and the new Ministers took the oath on the following day.

4. It is not necessary to repeat today the names of the new Ministers and the details of the composition of the new Government. You will doubtless have obtained this information already from other sources. But I may be permitted to make a few observations on the new Government. You will observe that there are three new ministries giving the relatively large total of 27 portfolios. However, it is fair to point out that the Ministry of Post-War Relief will absorb the work of various High Commissions and other agencies set up to deal with returning refugees, prisoners of war and veterans. The previous Government had a High Commission for Food and this has now been raised to the rank of a

2153

Declassified E.O. 12356 Section 3.3/NND No. 785045

3. By the evening of June 16th, Signor Bonomi had succeeded in securing the acceptance of the 5 parties and on June 17th he was received by the Lieutenant of the Realm and officially charged with the formation of the new Government. However, although the principal party leaders had now agreed to serve under Signor Bonomi, there was still considerable difficulty about the allocation of the important portfolios of the Ministry of the Interior. As you know, this problem was eventually solved by Signor Bonomi taking this on himself while the last feelings of the Right and Left Wing parties were mollified by the creation of two Vice-Presidencies with special functions. The list of the new Cabinet was made known on June 21th and the new Ministers took the oath on the following day.

4. It is not necessary to report today the names of the new Ministers and the details of the composition of the new Government. You will doubtless have obtained this information already from other sources. But I must be permitted to make a few observations on the new Government. You will observe that there are three new Ministries giving the relatively large total of 20 portfolios. However, it is fair to point out that the Ministry of Post-War Relief will absorb the work of various High Commissions and other agencies set up to deal with displaced refugees, prisoners of war and veterans. The previous Government had a High Commission for Food and this has now been raised to the rank of a Ministry which in the circumstances is logical enough. The Ministry of Reconstruction will presumably take over the work of another agency, the Inter-ministerial Committee for Reconstruction. The short-lived Ministry for Occupied Italy has been eliminated. A separate Ministry for Labour has long been urged and its combination with Welfare will absorb a number of minor agencies.

2153

24

Declassified E.O. 12356 Section 3.3/NND No. 785015

The proportion of new blood is substantially higher than in the last Government. Counting Signor Parri himself, there are nine newcomers and some of them in important posts. As had to be expected, the North has a preponderance of representation - 11 of the Ministers were born North of Rome. However, it is the most representative Cabinet on geographical lines that the war-torn Italy has yet had. There are three members from Southern Italy, two from Sicily and one from Sardinia. Politically of course, the new Government is further to the Left than Signor Bonomi's last administration. For one thing, Signor Parri is a man of avowed republican sympathies and a member of the party which, although it is not Marxist and, indeed, is not even ideologically coherent, has none-the-less worked in harmony with the Socialists in the past and certainly belongs to the Left Wing of the political front. Then too, the fact that the Cabinet now contains Socialist and Action Representatives is enough in itself to warrant the statement that a move to the Left has been made. Lastly the powers given to Signor Nenni to take charge of the work of preparing for the convocation of the Constituent Assembly and of the office of Sanctions against Fascism are of considerable political significance at this time. On the other hand, the Right has also had its triumphs. It has succeeded in blocking the drive for a Socialist President which a month ago seemed sure of success. Signor Parri although of Republican convictions does not share Socialist views on "social questions" - or so at least Signor Nenni himself has asserted. Further the Convocation of the Consultative Assembly and the Municipal Elections will precede the Constituent Assembly and will in all probability mould the pattern for that body, and a Liberal is in charge of the convocation of the Consultative Assembly. It is also noteworthy that generally speaking, the ministries that come in contact with the outside world have gone to the moderates - I refer to Foreign Affairs, the Treasury and Reconstruction as well as all the Service Ministries. The "Internal

2152

Declassified E.O. 12356 Section 3.3/NND No. 7X250/5

further to the left than Signor Nenni's part administration. For one thing, Signor Parri is a man of extreme republican sympathies and a member of the party which, although it is not Marxist and, indeed, is not even ideologically coherent, has none-the-less worked in harmony with the Socialists in the past and certainly belongs to the Left Wing of the political front. Then too, the fact that the Cabinet now contains Socialist and Action Representatives is enough in itself to warrant the statement that a move to the Left has been made. Lastly the powers given to Signor Nenni to take charge of the work of the party for the convocation of the Constituent Assembly and of the office of Sanctions against Fascism are of considerable political significance at this time. On the other hand, the Right has also had its triumphs. It has succeeded in blocking the drive for a Socialist President which a month ago seemed sure of success. Signor Parri although of Republican convictions does not share Socialist views on "social questions" - so he at least Signor Nenni himself has asserted. Further the Convocation of the Consultative Assembly and the Municipal Elections will precede the Constituent Assembly and will in all probability create the pattern for that body, and a Liberal is in charge of the convocation of the Consultative Assembly. It is also noteworthy that generally speaking, the ministries that come in contact with the outside world have gone to the moderates - I refer to Foreign Affairs, the Treasury and Reconstruction as well as all the Service Ministries. The 'Internal Ministries' such as Justice, Labour and Post-War Relief, as well as the Interior itself have gone to the Left Wing Parties.

2152

5. The list of the under-secretaries of state was approved by the Council of Ministers at its first meeting on June 26th. Again, I will not go into the details but will merely observe that each party has four under secretaries and that the usual system of 'doubling' the parties in the various ministries has been followed as in previous governments.

1225

Declassified E.O. 12356 Section 3.3/NND No. 736015

6. On June 23rd Signor Parri made a broadcast appeal to the nation, after expressing gratitude to the Allies for the liberation of the country and the generous material support which they had given for its reconstruction, he reminded the Italian people that the country was still in a state of war only one that unity & united effort could see finally through. The convocation of the Constituent Assembly would not of itself provide bread for people to eat and the Allied powers would be unwilling to give that material aid which was so essential for the reconstruction of the country unless they were satisfied that the Italians themselves were making a serious effort for their own redemption. The reaction to this sensible speech has been uniformly good.

7. On June 25th, the Cabinet Council held its first meeting under Signor Parri's chairmanship and prepared a nine-point draft programme for approval by the Council of Ministers at its first session on the following day. The nine points incorporated in the subsequent statement of the Council are as follows:

(1) preparation of the Constituent Assembly.

(2) appeal to the Allies to replace the armistice clauses by a peace treaty.

(3) direct negotiations with Yugoslavia on the Venezia Giulia question.

(4) reconstruction of the High Commission for Sanctions against Fascism.

(5) recognition of the advisory function of the Committees of National Liberation.

(6) administrative elections as early as possible.

(7) inclusion of representatives from the North in the Consultative Assembly.

(8) collaboration with the General Confederation of Italian Labour and other workers' groups on problems of labour and supplies.

and finally,

(9) reconstruction.

As I have said, the draft was accepted by the Council at its first meeting on June 26th. At the same meeting the list of under-secretaries was ap-

2151

1226

Declassified E.O. 12356 Section 3.3/NND No. 785045

which was so essential for the reconstruction of the country unless they were satisfied that the Italians themselves were making a serious effort for their own resumption. The reaction to this sensible speech has been uniformly good.

7. On June 25th, the Cabinet Council held its first meeting under Signor Parri's chairmanship and prepared a nine-point draft programme for approval by the Council of Ministers at its first session on the following day. The nine points to be incorporated in the subsequent statement of the Council are as follows:

(1) preparation of the Constituent Assembly,

(2) appeal to the Allies to replace the armistice clauses by a peace treaty,

(3) direct negotiations with Yugoslavia on the Venezia Giulia question,

(4) reconstruction of the High Commission for Sanction against Fascism,

(5) recognition of the advisory function of the Committees of National Liberation,

(6) administrative elections as early as possible,

(7) inclusion of representatives from the North in the Consultative Assembly,

(8) collaboration with the General Confederation of Italian Labour and other workers' groups on problems of labour and supplies,

and finally,

(9) reconstruction.

2151

As I have said, the draft was accepted by the Council at its first meeting on June 26th. At the same meeting the list of under-secretaries was approved and I think it worth mentioning that there had been some talk of giving one of the under-secretaryships to a woman. The plan fell through, however, because no party was prepared to yield to the others and the alternative, namely six women in the new Government would have been, as several newspapers did not fail to point out, a little too progressive even in those progressive

Declassified E.O. 12356 Section 3.3/NND No. 785075

times. The Council also approved a draft decree presented by Signor Nenni for the abolition of the title of "Eccellenza". The scope of this new decree is not yet known. The Council further heard a report from Signor Scelba and approved a budget for the next two months. A few days later it was announced that the recruitment for the new loan will now be extended to the North. Minister Scelba expects by this means to increase the present subscriptions from Lit. 70,000,000 lire to 100,000,000,000. A special Inter-ministerial Committee was set up for economic coordination of the North and the South. This Committee consists of Signori Nenni, De Gasperi, Scoccimarro and Togliatti and its specific task is to study the questions of prices, wages and salaries. The Council also decided to postpone publication of the decree on rents which the Italian Government had approved but had not yet published in the official gazette.

6. Reaction to the announcement of the Venezia Giulia question has not been very favourable throughout the country. The Council of Ministers in the programme which it has already published refers to the agreement as an "unsatisfactory arrangement". The newspapers have carried articles in the same sense during the past week. The "Tribuna del Popolo" asked the Allies if there was any special significance to be attached to the division of administrative spheres since "Italians did not quite understand what the line meant in the minds of those who drew it." The "Globo" pointed out that Italy had "lost" by the terms of the agreement "about half the national production of coal, almost all her bauxite and a good part of her mercury". In Venezia Giulia itself, however, the week has passed off without serious incident. A one-day general strike took place in Trieste on June 26th but there were no complications and Marshal Tito's latest speech on the possibility of Yugoslavia and Italy living in friendly relations "in an atmosphere of progressive co-operation" should serve to clear the air.

2150.

9. There have been recently [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785915

1281

[illegible] 1,000,000,000 lire to 100,000,000,000. A special inter-ministerial Committee was set up for economic coordination of the North and the South. Intervention consists of Cassa per il Mezzogiorno, Iri-Sviluppo, Mediocredito and Turbogas and the Committee's task is to study the question of prices, wages and tariffs. The Council also decided to postpone publication of the decree of rights which the Council of Ministers had approved but had not yet published in the official gazette.

8. Reaction to the settlement of the Trieste dispute question has not been very favourable throughout the country. The Council of Ministers in the programme which it drew up [illegible] referred to the agreement as an "unsatisfactory arrangement". The newspapers have carried articles in the same sense during the past week. The "Tribuna del Popolo" asked the Allies if there was any special significance to be attached to the division of administrative spheres since "Italians did not quite understand what the line meant in the minds of those who drew it." The "Globo" pointed out that Italy had "lost" by the terms of the agreement "about half the national production of coal, almost all her bauxite and a good part of her mercury". In Trieste (Italia itself, however, the week has passed off without serious incident. A one-day general strike took place in Trieste on June 26th but there were no complications and Parenzo Tito's latest speech on the possibility of Yugoslavia and Italy living in friendly relations in an atmosphere of progressive democracy should help to clear the air.

2150.

9. There have been reports of [illegible] incidents in Southern Italy which assume a greater importance in view of Signor Parri's declaration that illegal activities must cease. The origins of the agitation are obscure but reports were received on the 27th and 28th June that the Carabinieri in the little town of Minervino Murge in the province of Bari had

(24)

1229

Declassified E.O. 12356 Section 3.3/NNO No. 786015

been set upon and subsequently besieged in their barracks by armed peasants. The infection spread to the nearby village of Andria where the gaol was stormed and some 400 prisoners released. Reinforcements of 500 carabinieri which were sent to the area to restore calm were virtually defeated in a pitched battle. By June 28th the situation was reported to be critical. The new Minister of Labour, Signor Barbaroschi, was sent to investigate and settle the differences and on the following day reported that calm had been restored. This may well be premature, but the latest reports indicate that arms are at least being handed in by the peasants even if all the released criminals have not yet been rounded up.

10. Before concluding this report, I should perhaps make mention of economic developments. The main problems facing Italy and the Allied Commission are food and work. The wheat crop this year is expected to be 2,000,000 tons less than last year's, largely due to the prolonged drought which in turn has accentuated the fertiliser deficiency. The loss of the expected acreage reduces the food supply and raises other economic problems. The income of 47% of Italy's population, dependent on farming, will probably be cut by 200,000,000 dollars. Farming will not be able, moreover, to absorb the surplus labour from industries which have been obliged to close down for lack of coal and raw materials. Food shortages further raise the problem of public safety and even public health since the farms have not been producing enough for the needs of their owners let alone a surplus for export to deficient areas. The estimate of the wheat crop cannot be definite until the crop is threshed, but the dangers are clear enough to warrant calling attention to them in all fields of governmental activity, Italian as well as Allied, since the all important question of increased imports is sure to be raised again. For the purposes of record, you may be interested to know that the crop last year in all Italy was 6,390,661 tons compared with an expected 4,427,000 tons

1230

Declassified E.O. 12356 Section 3.3/NND No. 778015

been restored. This may well be premature, but the latest reports indicate that even more arms are being handed in by the peasants even if all the real-leader criminals have not yet been rounded up.

10. Before concluding this report, I should perhaps make mention of economic developments. The main problems facing Sicily and the Allied Commission are food and work. The wheat crop this year is expected to be 2,000,000 tons less than last year's, but this is due to the persistent drought which in turn has accentuated the fertiliser deficiency. The loss of the expected acreage reduces the food supply and raises other economic problems. The income of 40% of Sicily's population, dependent on farming, will probably be cut by 220,000,000 dollars. Farming will not be able, moreover, to absorb the surplus labour from industries which have been obliged to close down for lack of coal and raw materials. Food shortages further raise the problems of public safety and even public health since the farmers have not been producing enough for the needs of their owners let alone a surplus for export to deficient areas. The estimate of the wheat crop cannot be definite until the crop is threshed, but the dangers are clear enough to warrant calling attention to them in all fields of governmental activity. Italians as well as Allied, since the all important question of increased imports is sure to be raised again. For the purposes of record, you may be interested to know that the crop last year in all Italy was 6,390,681 tons compared with an expected 4,427,000 tons this season. Acreage planted showed an 8% decrease due largely to the non-cultivation of marginal strips in mountain areas. This year's acreage is estimated at 10,765,789 while last year's was 11,769,786. The drought has continued since March and is said to be the worst since 1922. The many small farms are harder hit than the large surplus-producing ones but the great bulk

(24)

Declassified E.O. 12356 Section 3.3/NND No. 785065

of farms in Italy are precisely those small farms. A low yield is anticipated for other reasons also, such as late sowing, frosts, hot winds, floods and war damage. The Provisional Figure reports for the season from July 1st 1944 to June 30th 1945 show that 11,123,176 quintals of grain or 93% of the target figure were secured south of the Gino-Rimini line i.e. in Italia, recently liberated, during the period January to over half million quintals have been collected making a grand total of [illegible] quintals.

That, Gentlemen, concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Yugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC (7 copies) Includes Ambassador's copy
Executive Commissioner, AC
CC File

2149

Declassified E.O. 12356 Section 3.3/NND No. 785045

1233

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 809

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
For presentation at the
38th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 15 JUNE 1945

Gentlemen,

1. At this time of writing the Government crisis is still unresolved. Since the return to Rome of those members of the Government and the political leaders who visited the North in the latter part of May, discussions have continued from day to day but, while clearing up a good deal of confusion, have as yet produced no tangible result. I propose to give to you very briefly the main lines of argument during the past fortnight.

2. The first important development after the return of the politicians from the North was the sending of a letter by the Secretary General of the Liberal Party, Signor Cattani, to the Secretaries of the other political parties on May 29th. In this letter, Signor Cattani pointed out that no agreement would ever be reached on the formation of a new government unless that agreement were based on a clarification of the functions and the composition of the committees of national liberation. He drew attention to the troubled state of the country at the present time and maintained that only a government which could wield the maximum authority would be in a position to to deal with the acts of lawlessness which were occurring, particularly in the North. Signor Cattani explained that the committees of national liberation had been set up as coordinating and consultative organs amongst the anti-Fascist parties in order to effect the transformation from a dictatorship to a regime of liberty. They further controlled and directed the resistance movement against the Germans. But these special circumstances no longer obtained and the committees were exercising powers which belonged

2148

Declassified E.O. 12356 Section 3.3/NND No. 785076

803/1/CC

...government crisis is still unresolved. Since the return to Rome of three members of the Government and the political leaders who visited the North in the latter part of May, discussions have continued from day to day but, while clearing up a good deal of confusion, have as yet produced no tangible result. I propose to give to you very briefly the main lines of argument during the past fortnight.

2. The first important development after the return of the politicians from the North was the sending of a letter by the Secretary General of the Liberal party, Signor Cattani, to the Secretaries of the other political parties on May 29th. In this letter, Signor Cattani pointed out that no agreement would ever be reached on the formation of a new government unless that agreement were based on a clarification of the functions and the composition of the committees of national liberation. He drew attention to the troubled state of the country at the present time and maintained that only a government which could wield the maximum authority would be in a position to deal with the acts of lawlessness which were occurring, particularly in the North. Signor Cattani explained that the committees of national liberation had been set up as coordinating and consultative organs amongst the anti-fascist parties in order to effect the transformation from a dictatorship to a regime of liberty. They further controlled and directed the resistance movement against the Germans. But these special circumstances no longer obtained and the committees were exercising powers which belonged properly to the central government and they were consequently undermining the latter's prestige. Therefore, in the view of the Liberal party, the position of the committees of national liberation must be clarified before any useful work could be done on the formation of the Government itself.

2148

(23) 15 June 45

Declassified E.O. 12356 Section 3.3/NND No. 759015

This hardening of attitude on the part of the Liberal Party inevitably resulted in further delay. The Christian Democratic Party also intimated that they shared the apprehensions of the Liberal Party as regards the future position of the Committees of National Liberation.

3. A whole week was spent in party discussions on this point. On June 1st, Colonel Poletti, the Deputy Senior Civil Affairs Officer at Milan, published an order to the effect that the decrees and orders issued by the CLNAI were to be considered henceforth as having no legal validity. They would be replaced by decrees and orders of AMG. This statement no doubt had its effect on the discussions in Rome. On June 2nd, the six parties met together and as a result of their deliberations were able to issue a declaration of complete agreement on this subject. Briefly it was agreed that (1) the provincial and communal Committees of National Liberation should continue to carry out consultative functions alongside the prefects until such time as the normal organs of local administration should be reestablished after democratic elections;

(2) that the other committees of national liberation not covered by the preceding paragraph should return to their exclusively political character and

(3) the committees in factories and industries should be transformed into technical and trades union organizations according to the production needs or social requirements of the factory or plant in question.

4. Having reached this measure of agreement, the political parties turned again to the problem of the composition of the government. On June 4th agreement was reached on the new government's programme. This agreement is fundamentally a fusion of the agreement reached in Milan, of which I made mention at the last meeting of this Council, and the agreement on the func-

2147

1236

Declassified E.O. 12356 Section 3.3/NND No. 785015

June 1st, Colonel Poletti, the Deputy Senior Civil Affairs Officer at Milan, published an order to the effect that the decrees and orders issued by the CLNAI were to be considered henceforth as having no legal validity. They would be replaced by decrees and orders of AMG. This statement no doubt had its effect on the discussions in Rome. On June 2nd, the six parties met together and as a result of their deliberations were able to issue a declaration of complete agreement on this subject. Briefly it was agreed that (1) the provincial and communal Committees of National Liberation should continue to carry out consultative functions alongside the prefects until such time as the normal organs of local administration should be re-established after democratic elections;

(2) that the other committees of national liberation not covered by the preceding paragraph should return to their exclusively political character and

(3) the committees in factories and industries should be transformed into technical and trades union organizations according to the production needs or social requirements of the factory or plant in question.

4. Having reached this measure of agreement, the political parties turned again to the problem of the composition of the government. On June 4th agreement was reached on the new government's programme. This agreement is fundamentally a fusion of the agreement reached in Milan, of which I made mention at the last meeting of this Council, and the agreement on the functions of the Committees of National Liberation, of which I have just spoken. The six-point programme is as follows: (1) the Government must consist of the six parties of the CLN. (2) collaboration with the Allies is a condition "sine qua non" of Italian policy and the new government will therefore ask

2147

Declassified E.O. 12356 Section 3.3/NND No. 785015

for the replacement of the armistice by a pact of friendship and collaboration and the transfer of all Italian territory to full Italian jurisdiction. (3) The Constituent Assembly must be convoked as soon as possible and the Councils will function in the meantime. (4) The Committees of National Liberation shall exercise solely consultative powers - as I have just explained. (5) The purge shall be vigorously carried on and the sound forces of the resistance movement shall be incorporated in the regular armed forces. At the same time, all private citizens will be required to surrender weapons in their possession. (6) Agricultural and industrial production must be organized in such a way as to exclude the influence of monopolies and capitalist enterprises.

5. The six parties, having cleared the ground to their satisfaction in this matter, now come face to face with the fundamental difficulty of the whole problem, namely the choice of the future President of the Council. The most likely candidates at this stage would be Signor Nenni, Secretary General of the Socialist Party, and Signor de Gasperi, Secretary General of the Christian Democratic Party. The Socialists claim that Signor Nenni's candidacy is justified by the mass character of the party which makes it generally acceptable to the Northern population. The center-left position of the party, it is claimed, also makes it the only one capable of reconciling the views of all parties. Moreover, it is suggested that a Socialist Government in Italy would be able to count on British sympathy when, as is almost sure to happen in the Socialist view, a Labour Government comes into power. It is also averred that the Socialist Party Directorate, by reason of its immense prestige with the masses, is the only one which can restore a state of peace and order in Italy and control the revolutionary excesses of the North. Finally, since class warfare is no part of the Socialist creed,

Declassified E.O. 12356 Section 3.3/NND No. 785045

of the resistance movement should be incorporated in the regular armed forces. At the same time, all private citizens will be required to surrender any guns in their possession. (6) Agricultural and industrial production must be organized in such a way as to exclude the influence of monopolies and capitalist enterprise.

5. The six parties, having cleared the ground to their satisfaction in this matter, next came face to face with the fundamental difficulty of the whole problem, namely the choice of the future President of the Council. The most likely candidates at this stage seemed to be Signor Nenni, Secretary General of the Socialist Party, and Signor de Gasperi, Secretary General of the Christian Democratic Party. The Socialists claim that Signor Nenni's candidacy is justified by the mass character of the party which makes it generally acceptable to the Northern populations. The center-left position of the party, it is claimed, also makes it the only one capable of reconciling the views of all parties. Moreover, it is suggested that a Socialist Government in Italy would be able to count on British sympathy when, as is almost sure to happen in the Socialist view, a Labour Government came into power. It is also asserted that the Socialist Party Directorate, by reason of its immense prestige with the masses, is the only one which can ensure a state of peace and order in Italy and control the revolutionary excesses of the North. Finally, since class warfare is no part of the Socialist creed, the Socialist ideology can be the only meeting ground for the political forces both of the right and of the left. The Christian Democrat candidacy is based on the flat assertion that the elections will show that the party has the greatest following both in the North and in the South. The Christian

2146

Declassified E.O. 12356 Section 3.3/NND No. 750015

Democrats also maintain that they alone can count on the confidence of the Allied Powers. At the same time, they point out that the political agreement between the Communist and the Socialist parties has falsified the position of the Socialist Party and is bound to drag it more and more towards the extreme left. The question of the distribution of "key" ministries has also caused considerable difficulties. It seems likely that if Signor Nenni becomes President of the Council, the Liberals will get the Interior; the Christian Democrats, Foreign Affairs; and the Communists, Action Party and Labour Democrats would agree on the distribution amongst themselves of the portfolios of Justice, War and the Treasury.

6. During the weekend of June 2nd/3rd, Signor Nenni visited Naples and made a speech in the San Carlo Theater in which he reviewed the problems facing the country at the present time, asserted that Trieste was an Italian town and expressed surprise that there should be any question at all about the Northwestern frontier of Italy. Signor Nenni took the opportunity of his visit to Naples to confer with Senator Benedetto Croce and it is rumored that as a result of an hour-long discussion, the Liberal Party is now prepared to back Signor Nenni's claim to the Presidency.

7. At this stage Signor Bonomi, on June 4th, addressed a letter to the political parties in which he reminded the party leaders that he had kept his promise to give them time to come to an agreement and suggesting that, as agreement had been reached on the future government's programme, it was now time to proceed to an "understanding". He added that the solution of major governmental problems was being held up by the continuance of the crisis. This notion, as might be expected, has been interpreted in some quarters as a reminder that the nation could do worse than go on with Signor Bonomi. The independent newspapers openly took this line and "Il Tempo" went so far as to

2145

1240

Declassified E.O. 12356 Section 3.3/NND No. 938015

124

Declassified E.O. 12356 Section 3.3/NNO No. 788015

[illegible] Bonomi likely [illegible] Signor Nenni

because President of the Council, the Liberals will get the Interior; the Christian Democrats, Foreign Affairs; and the Communists, Action Party and Labour Democrats would agree on the distribution amongst themselves of the portfolios of Justice, War and the Treasury.

6. During the weekend of June 2nd/3rd, Signor Nenni visited Naples and made a speech in the San Carlo Theatre in which he reviewed the problems facing the country at the present time, asserted that Trieste was an Italian town and expressed surprise that there should be any question of all North-eastern Frontier of Italy. Signor Nenni took the opportunity of his visit to Naples to confer with Senator Benedetto Croce and it is understood that as a result of a four-hour discussion, the Liberal Party is now prepared to back Signor Nenni's claim to the Presidency.

7. At this stage Signor Bonomi, on June 4th, addressed a letter to the political parties in which he reminded the Party Leaders that he had kept his promise to give them time to come to an agreement and suggesting that, agreement had been reached on the future government's programme, it was now time to proceed to an "understanding". He added that the solution of major governmental problems was being held up by the continuance of the crisis. This action, as might be expected, has been interpreted in some quarters as a reminder that the nation could do worse than go on with Signor Bonomi. The Independent newspapers openly took this line and "Il Tempo" went so far as to say that the failure of the Bonomi Government - if it has been a failure - is not the responsibility of Signor Bonomi any more than of any other of the Ministers.

2145

8. The next few days were taken up with further inconclusive deliberations. On June 7th it seemed that agreement had been reached but then

suddenly there developed a far-reaching divergence of views between the Socialists and the Christian Democrats. Signor de Gasperi addressed a letter to the Socialist Party claiming the Presidency of the Council for the Christian Democrats and offering the Vice-Presidency to the Socialists. This proposal, apparently to the surprise of all, was turned down flat by Signor Nenni, who denied the Christian Democrats' claim to represent the bulk of the people. He asserted that the proposal for a Socialist Presidency of the Council was not motivated by Party ambition but corresponded to the needs of the situation as a result of the successful popular insurrection in the North.

9. At this stage of the discussions, therefore, it seemed that two courses were open to the political parties. The first was to go back on the Milan agreement and to break up the coalition in order to make way for a government either of the right or of the left. The alternative was to promote the candidacy of some third personality who would be above the interests of all parties. The suggested candidates for the presidency, if this second course is adopted, have been numerous. Perhaps the most likely are Signor Orlando, Signor Parri (of the Action Party), Signor Ruini (of the Labour Democratic Party) and Signor Omaggi (also of the Action Party). Signori Bonomi and Gasperi are also mentioned.

10. At the meeting of the Council of Ministers of June 8th, the political situation was reviewed and Signor Nenni offered to hand in his resignation. However, the Communist, Socialist, Labour Democrat and Christian Democrat Ministers in the Government requested Signor Nenni to hold his hand for a few days more until agreement had been reached.

11. In the meantime the political leaders in the North had been getting very impatient at the delay involving the crisis. A conference of the regional

2144

1242

Declassified E.O. 12356 Section 3.3/NND No. 785015

the people. He asserted that the proposal for a Socialist Presidency of the Council was not motivated by party ambition but corresponded to the needs of the situation as a result of the successful popular insurrection in the North.

9. At this stage of the discussions, therefore, it seemed that two courses were open to the political parties. The first was to go back to the Milan agreement and to break up the coalition in order to make way for a government either of the right or of the left. The alternative was to promote the candidacy of some third personality who would be above the interests of all parties. The suggested candidates for the presidency, if this second course is adopted, have been numerous. Perhaps the most likely are Signor Orlando, Signor Parri (of the Action Party), Signor Ruini (of the Labour Democratic Party) and Signor Lussu (also of the Action Party). Signori Benedetto and Soleri are also mentioned.

10. At the meeting of the Council of Ministers of Jun. 5th, the political situation was reviewed and Signor Bonomi offered to hand in his resignation. However, the Communist, Socialist, Labour Democrat and Christian Democrat Ministers in the Government requested Signor Bonomi to hold his hand for a few days more until agreement had been reached.

2144

11. In the meantime the political leaders in the North had been getting very impatient at the delay in solving the crisis. A conference of the regional committees of national liberation of Northern Italy was held in Milan during the week and strong criticism was expressed by speakers of the various parties of the delay in the formation of the new Government. There was a tendency to blame the politicians of the South and the Republican party speaker went so far as to say that if Rome could not make up its mind, the committees of national

(33)

Declassified E.O. 12356 Section 3.3/NND No. 785015

1244

Declassified E.O. 12356 Section 3.3/NND No. 785045

liberation in the North should consider the possibility of setting up a provisional government of Northern Italy. At the conclusion of the Conference on June 7th, a formal motion was passed calling attention to the grave danger arising out of the delay and announcing the conference's intention of sending a delegation of representatives of the regional committees, headed by the Presidents of the CLNAI, to demand from the central committee of liberation the immediate formation of a new government representing the committee of national liberation and on the basis of the Naples agreements of July 1944. On June 9th a delegation accordingly arrived in Rome to add its weight to the discussions. This delegation consists of representatives of the Regional committees of Piedmont, Venetia, Liguria, Lombardy, Emilia and Piedmont. Signor Arpinati, President of the CLNAI, heads the delegation.

4. The result of discussions over the weekend between this delegation and the political leaders in Rome seems to be that on June 11th it was agreed by all that the crisis must be resolved on the following day. Signor Bonomi was to place his resignation in the hands of the Lieutenant of the Realm and suggest his own successor. It was not divulged who this successor would be. Signor Croce has been talking with Signori Nenni, De Gasperi, Morandi, Pacciardi, Saragat, Casati and Romita. During June 11th many rumours were current in the capital that Senator Croce had persuaded the political parties to accept Signor Orlando as President of the Council. This crop of rumours very rapidly gave place to another to the effect that Senator Croce himself would be the new President. In the evening of June 11th Signor Bonomi placed his resignation in the hands of the Lieutenant of the Realm, who was to begin consultations with the Party Leaders on the following day.

2143

5. During all this political activity it cannot be said that much Government business has been transacted. Everything waits on the results of the

President Bonomi of a new government representing the committee of liberation and on the basis of the Allied agreement of May 29th. On June 5th a delegation accordingly arrived in Rome to put the weight to the discussions. This delegation consists of representatives of the Rome committee of liberation i.e. Nenni, Bauro, Lombardy, Omodeo and Piccardi. Signor Bonomi, President of the Cabinet, heads the delegation.

2. The result of discussions over the week end are this delegation and the political leaders in Rome seems to be that on June 11th it was agreed by all that the crisis must be resolved on the following day. Signor Bonomi was to place his resignation in the hands of the Lieutenant of the Realm and suggest his own successor. It was not divulged who this successor would be. Another source has been talking with Signori Nenni, de Gasperi, Morandi, Nicola, Orlando, Pacciardi and Bonomi. During June 10th many rumours were current in the capital that Benedetto Croce had persuaded the political parties to accept Signor Orlando as President of the Council. This crop of rumours may partly have arisen in connection with the effort that Benedetto Croce himself would be the new President. In the evening of June 10th Signor Bonomi placed his resignation in the hands of the Lieutenant of the Realm, who was to begin consultations with the Party leaders on the following day.

3. During all this political activity it cannot be said that much Government business has been transacted. Everything waits on the results of the discussions. The only measure of any importance taken by the Government in recent weeks was to issue an appeal, published in the press of June 4th, to the United Nations for increased help in the reconstruction and development of Italian economy. In this appeal the Italian Government have pointed out that the means at the disposal of the Italian people are entirely inadequate, [illegible] of affairs recognised by the Allied Powers when the latter promised to furnish

1245

Declassified E.O. 12356 Section 3.3/NND No. 759015

2143

the country with a minimum of indispensable products for the reconstruction of its industries. The plan for economic first-aid forwarded by the Allied Commission to Washington in January was being held up owing to difficulties in finding the products required. In the meantime, a new situation had arisen as the result of the liberation of the North and the Government felt it to be its duty to focus attention on the urgent need for coal and raw materials with which to restart production in the Northern factories.

In. Conclusion, this morning I would like to refer briefly to the settlement of the problems of the temporary administration of the frontier districts in Venezia Giulia and Istria.

As you will be aware from the press, a military agreement was signed in Belgrade during the weekend on behalf of Field Marshal Alexander and General Wilson. Under this agreement Yugoslav forces would withdraw behind a line which runs roughly from the Frontier North of Gorizia, East of this town and thence East of Trieste to the coast to the North of Capo d'Istria. Yugoslav troops will also be withdrawn from Pola and the surrounding area. This was formally set up on Trieste on June 12th and in Gorizia on June 14th. The Italian reaction to this arrangement has been unfavourable. The independent paper "Il Tempo" pointed out on June 16th that Italy had not been consulted during the negotiations and the agreement was therefore not binding on her. Count Carlo Sforza stated on 14 Interviews that the agreement represented a "mis-en-application" of the Anti Comintern. The Minister for Foreign Affairs, Signor de Gasperi, declared on June 13th that the agreement made rough-shod over the principle announced by the United Nations to the effect that they would settle frontier disputes at the peace-table. The agreement was notable more than a complete act of fact and the Italian Government could not but view the situation with apprehension. Signor de Gasperi pointed out that the Government have not been informed officially of the agreement, that they have received no

2142

1246

Declassified E.O. 12356 Section 3.3/NND No. 745045

[illegible]

I. Before closing this review I would like to refer briefly to the situation on the problem of the temporary administration of the frontier districts, to the UK and US.

II. As you will be aware from the press, a military agreement was signed in Belgrade during the weekend on behalf of Field Marshal Alexander and Tito. Pursuant [illegible] by this agreement has undertaken to withdraw its troops to the East of a line which runs roughly from the Frontier North of Gorizia, East of Udine town and thence East of Cividale to the coast to the North of Duino d'Aisonzo. Yugoslav troops will also be withdrawn from Pola and the Austrian Littoral. Agreement formally came up on Trieste on June 10th and on Gorizia on June 12th. The Italian reaction to this arrangement has been unfavourable. The Independent paper "Il Tempo" pointed out on June 10th that Italy had not been consulted during the negotiations and the agreement was therefore not binding on her. Count Carlo Sforza stated in an interview that the agreement represented a "fait-accompli" on the part of Yugoslavia. The Minister for Foreign Affairs, Signor de Gasperi, declared on June 11th that the agreement was rough-shod over the principle announced by the United Nations to the effect that they would settle frontier disputes at the peace-table. The agreement was nothing more than a compromise of fact and the Italian Government could not but view the situation with apprehension. Signor de Gasperi pointed out that the Government have not been informed officially of the agreement, that they have received no official text and have not yet seen the map which is attached to the agreement. However they understand that a number of small cities of ancient Italian character are left to Yugoslav jurisdiction.

2142

III. As regards the North-west, I am glad to report that arrangements have been made whereby certain difficulties affecting the setting up of AMG in certain provinces have been resolved.

That, Gentlemen, concludes my report.

- 7 -

See Minutes of previous meeting for distribution.

Declassified E.O. 12356 Section 3.3/NND No. 785015

1247

1248

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 374

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
37th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 1 JUNE 1945

Gentlemen,

1. Political developments during the past month have been dominated by the discussions between members of the Government, the Central Committee of National Liberation and the Committee of National Liberation of Northern Italy. While there is still nothing concrete to report regarding a change of Government, it may be useful if I trace for you the general trends of the discussions which have taken place. With our assistance a delegation of the CLNAI was brought to Rome by air from Milan on May 9th. The ten delegates - two from each party, the Labour Democratic Party not being represented in the CLNAI - had a busy programme. They called on the Allied Embassies and on myself and made frequent contact with the Central CLN, the Secretaries of the six parties in dome and individually with their own opposite numbers. Signor Bonomi received the delegation and heard Signor Lussu, a Socialist and President of the CLNAI, express the desire of Northern Italy for "a complete democratic revival in the life of the nation". The delegation presented to Signor Bonomi a 5-point programme as follows:

Epuration not only in the political but also in the administrative and economic fields;

Clarification of the relations between Prefects and Regional and Provincial Committees of Liberation;

Economic reconstruction to be financed particularly by those who profited from years of autarchy or by collaboration with the Fascists and the Germans;

Agrarian reform;

2141

Declassified E.O. 12356 Section 3.3/NND No. 785065

the discussions between members of the Government, the Central Committee of National Liberation and the Committee of National Liberation of Northern Italy. While there is still nothing concrete to report regarding a change of Government, it may be useful if I trace for you the general trends of the discussions which have taken place. With our assistance a delegation of the CLNAI was brought to Rome by air from Milan on May 5th. The ten delegates — two from each party, the Labour Democratic Party not being represented in the CLNAI - had a busy programme. They called on the Allied Embassies and on myself and made frequent contact with the Central CLN, the Secretaries of the six parties in Rome and individually with their own opposite numbers. Signor Bonomi received the delegation and heard Signor Morandi, a Socialist and President of the CLNAI, express the desire of Northern Italy for "a complete democratic revival in the life of the nation". The delegation presented to Signor Bonomi a 5-point programme as follows:

Epuration not only in the political but also in the administrative and economic fields;

Clarification of the relations between Prefects and Regional and Provincial Committees of Liberation;

Economic reconstruction to be financed particularly by those who profited from years of autarchy or by collaboration with the Fascists and the Germans;

Agrarian reform;

and lastly,

A foreign policy "free from any kind of nationalism" and aiming at democratic collaboration among nations.

2. On May 6th, the delegates from the North made a series of public addresses at a meeting in Piazza Santi Apostoli, the Headquarters of the CLN.

2141

22 1 June 45 - 1 -

Declassified E.O. 12356 Section 3.3/NND No. 785015

Signor Morandi's speech was particularly noteworthy. He made the point that the insurrection of the North should not be regarded as a regional affair; the problems and the feelings of Italians were national and not regional; it was pure circumstance that had given the North its role. These remarks were no doubt prompted by a desire to forestall criticism in Southern Italy that the North was trying to claim all the credit for Italy's long resistance to the Germans; it was certainly calculated to allay the feeling of being slighted which some Southern Italians very naturally feel at the lavish praise accorded to the Northern Patriots. Signor Morandi concluded by stating that the country must have a new Government to bring about national unity and truly to represent the people. This attitude may be regarded as logical from a Socialist, since the Socialists are the leading opposition party and they have made no secret of their desire to get rid of Signor Bonomi. Whether or not the present President of the Council resigns, the next item on the agenda of the left wing parties is the convocation of the Constituent Assembly. Actually, the other parties, notably the Labour Democrats who have recently shown somewhat more sympathy to the left, are also concerned with this matter but it is the Socialists who have taken the lead and emphasised the urgency of action. Already on May 4th, the Socialist Party paper "Avanti" disclosed that an immediate campaign for the summoning of the Constituent Assembly would begin and, on the 10th May Signor Nenni, the Secretary-General of the Party, opened the action with a speech at the Brancaccio Theatre. He began by underlining the need for calling the Assembly as soon as possible and went on to denounce what he termed the machinations of reactionary forces during the Bonomi Regime, which he stigmatised as being one of compromise with the past. These forces of reaction, he asserted, were trying to divide Italy by driving a wedge between the Northern worker and the Southern peasant. They were also responsible for bringing to the fore the question of Trieste. Signor Nenni also accused the same elements of seeking to nullify the efforts of Socci-

2140

1250

Declassified E.O. 12356 Section 3.3/NND No. 788045

which some Southern Italians very naturally feel at the lavish praise accorded to the Northern Patriots. Signor Morandi concluded by stating that the country must have a new Government to bring about national unity and truly to represent the people. This attitude may be regarded as logical from a Socialist, since the Socialists are the leading opposition party and they have made no secret of their desire to get rid of Signor Bonomi. Whether or not the present President of the Council resigns, the next item on the agenda of the left wing parties is the convocation of the Constituent Assembly. Actually, the other parties, notably the Labour Democrats who have recently shown somewhat more sympathy to the Left, are also concerned with this matter but it is the Socialists who have taken the lead and emphasised the urgency of action. Already on May 4th, the Socialist Party paper "Avanti" disclosed that an immediate campaign for the summoning of the Constituent Assembly would begin and, on the 10th May Signor Nenni, the Secretary-General of the Party, opened the action with a speech at the Brancaccio Theatre. He began by underlining the need for calling the Assembly as soon as possible and went on to denounce what he termed the machinations of reactionary forces during the Bonomi Regime, which he stigmatised as being one of compromise with the past. These forces of reaction, he asserted, were trying to divide Italy by driving a wedge between the Northern worker and the Southern peasant. They were also responsible for bringing to the fore the question of Trieste. Signor Nenni also accused the same elements of seeking to nullify the efforts of Scoccimarro, Berlinguer and others in the field of epuration. The Socialist Leader then urged the Christian Democrats to take a clear-cut stand on the institutional question, arguing that the socialisation of industry and agrarian reform are inevitably linked up with the proper - that is, in his opinion, the Republican - solution of this problem.

2140

22

Declassified E.O. 12356 Section 3.3/NND No. 765015

3. General reaction to Signor Nenni's speech was that the Socialist Leader was announcing his candidacy for head of the next Government. Signor Nenni refused to commit himself on this point and asked the readers of "Avanti" and other parties to consider the substance of the Socialist programme rather than to indulge in personalities. It is true however that during the week of discussions in Rome, agreement was almost reached by all the parties on Signor Nenni's suitability as the next Premier. At the last moment, however, the Christian Democratic Party withdrew its support and the discussions petered out. The CLNAI delegates thereafter made a trip to Naples where Signor Nenni made another speech calling for a new Government. They then returned to Milan on May 14th. I am advised that the delegation was dissatisfied not only with the course events had taken but also with its own failure to force an issue. Politicians in the North had been confident that their influence on the Rome Government would result in a speedy settlement favourable to Northern interests. For one reason or another, which the delegation could not explain to itself, this had not taken place. The political leaders who had remained in the North were also puzzled and inclined to think that the delegation had mishandled the situation and allowed all the prestige which the CLNAI had won during the days of the popular insurrection to wane.

4. On 16th May the CLN of Lombardy met and announced that the CLNAI had asked for the convocation of the Constituent Assembly within six months. It was difficult to say at this stage how soon the Government crisis would break. It seemed clear that the Socialists were impatient for it and a resolution of the Executive Committee of the Milanese Socialists reminded Signor Bonomi of his promise to resign on the complete liberation of the country - that is now. The other left wing parties seemed to share Socialist impatience though perhaps to a lesser degree. The Christian Democrats however issued a manifesto asking for time for clarification of party programmes before taking action. The

2139

Declassified E.O. 12356 Section 3.3/NND No. 785015

Christian Democratic Party withdrew its support and the discussions petered out. The CLNAI delegates thereafter made a trip to Naples where Signor Bonomi made another speech calling for a new Government. They then returned to Milan on May 14th. I am advised that the delegation was dissatisfied not only with the course events had taken but also with its own failure to force an issue. Politicians in the North had been confident that their influence on the Rome Government would result in a speedy settlement favourable to Northern interests. For one reason or another, which the delegation could not explain to itself, that had not taken place. The political leaders who had remained in the North were also puzzled and inclined to think that the delegation had mishandled the situation and allowed all the prestige which the CLNAI had won during the days of the popular insurrection to wane.

4. On 16th May the CLN of Lombardy met and announced that the CLNAI had asked for the convocation of the Constituent Assembly within six months. It was difficult to say at this stage how soon the Government crisis would break. It seemed clear that the Socialists were impatient for it and a resolution of the Executive Committee of the Milanese Socialists reminded Signor Bonomi of his promise to resign on the complete liberation of the country - that is now. The other left wing parties seemed to share Socialist impatience though perhaps to a lesser degree. The Christian Democrats however issued a manifesto asking for time for clarification of party programmes before taking action. The Liberals too seemed to be in no hurry.

5. On May 17th, Signor Bonomi, with various members of the Government and representatives of the Socialist and Action Parties, travelled to Northern Italy by various means, in order to establish contact with political groups there. Signor Bonomi confined his visit to his home town of Mantua. The

77

2139

Declassified E.O. 12356 Section 3.3/NND No. 785015

other leaders however visited most of the Northern cities. A week of discussions between the parties followed and at a meeting of the CLNAI on May 21st agreement was reached on the formation of a Government with Signor Nenni or Signor Parri as Prime Minister; Signor de Gasperi as Minister for Foreign Affairs and Signor Brosio as Minister of Interior. The Portfolios of the Ministry of War would go to Signor Parri of the Action Party and those of Justice and the Treasury would be held by a Communist and a Labour Democrat respectively. Later in the meeting however it seems that serious disagreement developed over the insistence of the three left wing parties on the right of the CLNAI to dictate the composition of the Government. The Liberals and Christian Democrats took the attitude that it must be done in consultation with leaders from the South and by constitutional means, that is, through the Lieutenant of the Realm.

5. At a meeting on the following day - 22nd May - very little progress was made towards agreement. The only names under discussion for the premiership seem to have been those of Signor Nenni and Signor de Gasperi. The Liberal and Christian Democratic Representatives were still reluctant to accept Signor Nenni. On the other hand, there seemed to be a chance that the Communists and Socialists might accept Signor de Gasperi. A final meeting was held on May 23rd between the CLNAI, the Secretaries of the Parties and the members of the Rome Government in the North and full agreement was reached on the following lines:

It was necessary to form a new Government. The head of the Government should be changed. All six parties should participate in the new Government. Finally, key positions in the new Government should be held by men who represented the progressive spirit shown by the people in their struggle for liberation. Having taken this decision, the political leaders decided to break off the talks for the time being. The members of the Government returned to Rome

2138

Declassified E.O. 12356 Section 3.3/NND No. 785015

Justice and the Treasury would be held by a Communist and a Labour Democrat respectively. Later in the meeting however it seems that serious disagreement developed over the insistence of the three left wing parties on the right of the CLNAI to dictate the composition of the Government. The Liberals and Christian Democrats took the attitude that it must be done in consultation with leaders from the South and by constitutional means, that is, through the Lieutenant of the Realm.

6. At a meeting on the following day - 22nd May - very little progress was made towards agreement. The only names under discussion for the premiership seem to have been those of Signor Nenni and Signor de Gasperi. The Liberal and Christian Democratic Representatives were still reluctant to accept Signor Nenni. On the other hand, there seemed to be a chance that the Communists and Socialists might accept Signor de Gasperi. A final meeting was held on May 23rd between the CLNAI, the Secretaries of the Parties and the members of the Rome Government in the North and full agreement was reached on the following lines:

It was necessary to form a new Government. The head of the Government should be changed. All six parties should participate in the new Government. Finally, key positions in the new Government should be held by men who represented the progressive spirit shown by the people in their struggle for liberation. Having taken this decision, the political leaders decided to break off the talks for the time being. The members of the Government returned to Rome on May 25th. Incidentally, Signor Bonomi had already returned to the capital on May 22nd. As a result of the talks it seems that Signor de Gasperi had agreed in order to ensure the inclusion of the Socialist and Action parties in the new Government that Signor Bonomi would not be the next Prime Minister. Signori Togliatti and Nenni returned to Rome on ~~April~~ May 28th and the Government crisis is now open for settlement. It is understood however that Signor Bonomi will not in any case resign until a new cabinet has been agreed.

- / -

22

2138

1255

Declassified E.O. 12356 Section 3.3/NND No. 785015

7. While all this political activity has been going on, the Government in Rome have continued to transact the ordinary business of administration. I will not burden you with details of the routine business and the special legislation which has been passed but I should perhaps mention that at the meeting of the Council of Ministers on May 14th plans were made for the integration of the police and Partisan units and for the incorporation of Partisan units into the regular army. Other items of interest are the announcement made by Signor Nenni on May 19th that up to 200,000 German Prisoners are to be made available for work on Italian reconstruction and the Italian request to the International War Crimes Commission for permission to try in Rome those responsible for the Fosse Ardeatine executions.

8. The other item of importance which has been exercising Italian minds during recent weeks is of course the question of Trieste. The problem is now the subject of discussion at Governmental level and I do not propose to discuss its merits here but only to give you the main features of Italian reactions to the situation during recent weeks. I have already mentioned that on May 10th Signor Nenni referred to Trieste in his speech at the Brancaccio Theatre. On that occasion he repeated the Socialist thesis that the Italian character of the city could be preserved by a democratic understanding between the Italian and Yugoslav peoples and a rectification of the Eastern Frontier in such a way as to do justice to both parties. In short, the final solution should take into account both the "Italian character" and the "European function" of the city. The Democratic Party issued an order of the day on May 4th which was much less conciliatory in tone and affirmed the Italian character not only of Trieste but of all Venezia Giulia and Zara as well and called on all parties to rally to the defence of the integrity of the national territory. The announcement on May 5th that Marshal Tito had appointed a commander of the town of Trieste caused general uneasiness and the Council of Ministers

2137

Declassified E.O. 12356 Section 3.3/NND No. 785015

tisan units into the regular army. Other items of interest are the announcement made by Signor Nenni on May 14th that 200,000 German prisoners are to be made available for work on Italian reconstruction and the Italian request to the International War Crimes Commission for permission to try in Rome those responsible for the Fosse Ardeatine executions.

6. The other item of importance which has been exercising Italian minds during recent weeks is of course the question of Trieste. The problem is now the subject of discussion at Governmental level and I do not propose to discuss its merits here but only to give you the main features of Italian reactions to the situation during recent weeks. I have already mentioned that on May 10th Signor Nenni referred to Trieste in his speech at the Democratic Theatre. In that peroration he repeated the Socialist thesis that the Italian character of the city could be preserved by a democratic understanding between the Italian and Yugoslav peoples and a rectification of the Eastern Frontier in such a way as to do justice to both parties. In short, the final solution should take into account both the "Italian character" and the "European function" of the city. The Democratic Party issued an order of the day on May 4th which was much less conciliatory in tone and affirmed the Italian character not only of Trieste but of all Venezia Giulia and Zara as well and called on all parties to rally to the defence of the integrity of the national territory. The announcement on May 8th that Marshal Tito had appointed a commander of the town of Trieste caused general uneasiness and the Council of Ministers on the 9th May charged Signori Bonomi and de Gasperi to take the matter up with the Allied authorities. On May 14th the Council of Ministers, having heard the report of Signori Bonomi and de Gasperi, asked formally that the occupation and administration of Italian territories be carried out by the powers with which Italy signed the Armistice. Signor de Gasperi in an interview

2137

Declassified E.O. 12356 Section 3.3/NND No. 785015

two days later told a United Press Correspondent that if Marshal Tito persisted in holding Trieste by force the result would be a nationalistic and reactionary Government in Italy with consequent danger to the future peace of Europe. On May 15th the Rome newspapers carried the news of the British and American notes to Marshal Tito asking him in substance to turn over Venezia Giulia to AMG. The Democratic Party Paper "Italia Nuova" hailed this development with satisfaction as evidence that the Allies were not going to consent to the solution of problems by force and the other party papers followed the same line with the exception of the Communist paper "Unita" which played down the story and indeed affected scepticism as to the existence of the note or notes. The Communist position which has been rather ambiguous on the subject of Trieste was clarified by an article by Signor Togliatti in the "Unita" of May 16th. He wrote in this article "We Communists affirm the Italian character of Trieste and we do not wish to see her destiny compromised by unilateral acts or statements." He added however that the Communist Party wanted to find a solution fair and acceptable to all and furthermore "looked at the situation both from a national and international point of view." All parties would probably subscribe to Signor Togliatti's words but the Italian press does not seem to appreciate that the point at issue is not the eventual disposal of the city but the question of who is going to administer the territory until some kind of peace treaty is made. While on the subject of Italy's frontiers I might add that Italian reactions to the reports of French military activities in Piedmont have on the whole been very calm. Indeed, Signor de Gasperi stated on May 14th that the question was "not important".

2136

9. Turning to the economic field, I am happy to be able to report that it is now confirmed that approximately 85% of the industrial plant in Northern Italy is undamaged. However, the lack of coal and raw materials may offset this initial advantage. The lack of

Declassified E.O. 12356 Section 3.3/NND No. 785015

1258

faction as evidence that the Allies were not going to consent to the solution of problems by force and the other party papers followed the same line with the exception of the Communist paper "Unita" which played down the story and indeed affected scepticism as to the existence of the acts or plots. The Communist position which has been rather ambiguous on the subject of Trieste was clarified by an article by Signor Togliatti in the "Unita" of May 18th. He wrote in this article "We Communists affirm the Italian character of Trieste and we do not wish to see her destiny compromised by unilateral acts or statements." He added however that the Communist Party wished to find a solution fair and acceptable to All and furthermore "looked at the situation both from a national and international point of view." All parties would presably subscribe to Signor Togliatti's words but the Italian press does not seem to appreciate that the point at issue is not the eventual disposal of the city but the question of who is going to administer the territory until some kind of peace treaty is made. While on the subject of Italy's frontiers I might add that Italian reactions to the reports of French military activities in Piedmont have on the whole been very calm. Indeed, Signor de Gasperi stated on May 14th that the question was "not important".

2135

9. Turning to the economic field, I am happy to be able to report that it is now confirmed that approximately 85% of the industrial plant in Northern Italy is undamaged. However, the lack of coal and raw materials may offset this initial advantage. The lack of coal is indeed the main problem of the North. A suggestion has been put forward to pump in electrical power to replace coal power and technical difficulties are now being studied. The vital importance of coal to the Italian economy and the industrialised North can hardly be over-emphasised. All the industries are dependent on this fuel in some way or another. Normally Italy had to import more than one million tons

1259

Declassified E.O. 12356 Section 3.3/NND No. 763045

of coal a month. Employment in the industries affected - which had in times of peace a payroll of nearly 5½ million - would be seriously endangered and a consequent unemployment of 4 to 5 million might easily result. At the present time only some 300,000 tons of coal a month are scheduled for Italy. Even this supply is not certain. The consequences for political unrest are obvious.

10. Otherwise the economic situation in the North does not look too bad. The economic barrier between the North and the South was lifted on May 28th but the Italian organisation ENAC and its opposite number in the North will continue to exercise control over transport carrying commodities from the North to the South.

11. On May 10th the Supreme Allied Commander decided to turn over to the Italian administration the Provinces of Grosseto, Siena and Arezzo in Tuscany; Terni and Perugia in Umbria; and Ascoli-Piceno, Macerata, Ancona and Pesaro in the Marche. The port and commune of Ancona remains however under AMG. This development brings approximately three fifths of Italy and 24 million Italians back under direct Italian rule. The Liguria-Lombia Region of the Allied Commission was closed down on May 9th and officers have begun to withdraw and will be used in AMG in the North. The Supreme Allied Commander contemplates the handover of further territories in the near future. These will probably be the Provinces of Pistoia, Pisa, Leghorn and Florence in Tuscany. The details of this transfer have not yet been worked out.

12. Liberty of civilian movement in Italy was restored on May 28th and Italians may now move freely throughout Italy up to the security control line which follows the course of the River Pinte and the 25-kilometre prohibited frontier zone which stretches along the whole line of the Italian frontiers with France, Switzerland and Austria.

That, Gentlemen, concludes my report.

2135

Declassified E.O. 12356 Section 3.3/NND No. 783015

The economic barrier between the North and the South was lifted on May 28th but the Italian organization Zone and its opposite number in the North will continue to exercise control over transport carrying commodities from the North to the South.

11. On May 10th, the Supreme Allied Commander decided to turn over to the Italian administration the Provinces of Grosseto, Siena and Arezzo in Tuscany; Terni and Perugia in Umbria; and Ascoli-Piceno, Macerata, Ancona and Pesaro in the Marche. The port and command of Ancona remains however under AMG. This development brings approximately three fifths of Italy and 24 million Italians back under direct Italian rule. The Umbria-Marche Region of the Allied Commission was closed down on May 5th and officers have begun to withdraw and will be used in AMG in the North. The Supreme Allied Commander contemplates the handover of further territories in the near future. These will probably be the Provinces of Pistoia, Pisa, Leghorn and Florence in Tuscany. The details of this transfer have not yet been worked out.

12. Liberty of civilian movement in Italy was restored on May 28th and Italians may now move freely throughout Italy up to the security control line which follows the course of the River Piave and the 25-kilometre prohibited frontier zone which stretches along the whole line of the Italian frontiers with France, Switzerland and Austria.

2135

That, Gentlemen, concludes my report.

DISTRIBUTION:
Chief of Secretariat, Advisory Council (2) -
U.S. Representative, ACC
British Representative, ACC
Soviet Union Representative, ACC
French Representative, ACC -
Yugoslav Representative, ACC -
Greek Representative, ACC -
Political Adviser (A), AC
Political Adviser (B), AC (SOME 7 COPIES ON FUTURE DISTRIBUTION. THIS WILL INCLUDE BRITISH AMBASSADOR'S COPY.)
Executive Commissioner, AC
CC Files

27

1261

Declassified E.O. 12356 Section 3.3/NND No. 785045

1262

Declassified E.O. 12356 Section 3.3/NND No. 785015

Note for File

Admiral Stone was unable to attend 36th Mtg on 18 May. He was also unable to submit customary political report.

21a

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
35th MEETING OF THE ADVISORY COUNCIL FOR ITALY, 4 MAY 1945

Gentlemen,

1. To say that much has happened since I last addressed you would be an understatement. Events have moved rapidly these last two weeks, and Italy has witnessed the overpowering advance of the Allied Armies, the rising of the Italian partisans to join the liberation of their cities, the capture and execution of Mussolini and other fascist leaders, and finally the unconditional surrender of the German forces in the North. Weighted as they are with a truly historical significance, these developments merit far more consideration than we can give them here this morning, and I must therefore content myself with giving you only a brief outline of occurrences during the period under review.

2. The liberation of the North was already imminent when the Council of Ministers met on 20th April to discuss the agreement with the Committee of National Liberation of Northern Italy signed by the Undersecretary of Occupied Territory on 29th March during his clandestine visit to Turin and Milan. This agreement, which was concerned mainly with local administration by the CLNAI during the period between a German collapse and the establishment of Allied Military Government, was approved by the Council, which took the occasion to reiterate its agreement with, and faith in, the policy of the Northern Committee and the work of armed partisan bands under its control.

2133

3. At this meeting too the Council considered the problem of assistance to Italian prisoners and internees in Germany, as well as the general question of the status of Italian prisoners of war, and empowered the Minister for Foreign Affairs to make further representations to the Allied Governments in this connec-

1263

Declassified E.O. 12356 Section 3.3/NND No. 985045

1. To say that much has happened since I last addressed you would be an understatement. Events have moved rapidly these last two weeks, and Italy has witnessed the overpowering advances of the Allied Armies, the rising of the Italian partisans to join the liberation of their cities, the capture and execution of Mussolini and other fascist leaders, and finally the unconditional surrender of the German forces in the North. Weighted as they are with a truly historical significance, these developments merit far more consideration than we can give them here this morning, and I must therefore content myself with giving you only a brief outline of occurrences during the period under review.

2. The liberation of the North was already imminent when the Council of Ministers met on 20th April to discuss the agreement with the Committee of National Liberation of Northern Italy signed by the Undersecretary of Occupied Territory on 29th March during his clandestine visit to Turin and Milan. This agreement, which was concerned mainly with local administration by the CLNAI during the period between a German collapse and the establishment of Allied Military Government, was approved by the Council, which took the occasion to reiterate its agreement with, and faith in, the policy of the Northern Committee and the work of armed partisan bands under its control.

3. At this meeting too the Council considered the problem of assistance to Italian prisoners and internees in Germany, as well as the general question of the status of Italian prisoners of war, and empowered the Minister for Foreign Affairs to make further representations to the Allied Governments in this connection.

4. On 21st April, Bologna was liberated by the advancing Allied Armies, and on 25th April Genoa was wrested from German control by Italian patriots. This was followed by the liberation of Milan by partisan bands on 26th April, and soon German dominance of the North was everywhere being submerged by Allied arms and the decisive action of the patriots. On 28th April General Clark was able to say

(11) 4 May 1945.-

2133

1264

Declassified E.O. 12356 Section 3.3/NND No. 785065

that "the military power of Germany in Italy has practically ceased," and on 2nd May the Supreme Allied Commander in the Mediterranean announced the unconditional surrender of all German forces in Italy in the command west of the Isonzo River. For the valiant men of the 2nd Army Group, and for the dauntless patriots of the North, victory was won and the fighting in Italy had ceased.

b. With the liberation of Milan, the radio station there was immediately put into service to broadcast General Cadorna's orders to the partisans for a general uprising. The CLNAI proclaimed a state of emergency, and subsequent broadcasts of ordinances enacted by the Committee showed that it was proceeding effectively with the establishment of its administration. On 27th April, Radio Milan reported the capture of Mussolini and a number of his henchmen by partisans while attempting to escape across the frontier. The news of his not unexpected trial and execution by the partisans of the 52nd Brigade followed on 29th April, and some two hundred or more fascist leaders met a like fate before the Prefect of Milan, at the request of the Allied Authorities, on 30th April ordered the suspension of further summary trials and executions and the delivery of all captured fascists to the legal authorities.

c. At the meeting of the Council of Ministers on 26th April, agreement was reached on the formation of a Consultative Assembly, to which I alluded in my last report, to be composed of three principal groups. Of these, the first will be nominated by the six major political parties represented in the Committee of National Liberation, with 20 places going to parties outside the Committee. The second group will include anti-Fascist deputies and Senators of the last free Parliament, while the third group will be composed of representatives of labor unions and veterans' organizations. Reaction to the Government's decision was generally favorable, and the few critical voices were soon lost in speculation on the Governmental changes which are expected to follow the liberation of the

1265
Declassified E.O. 12356 Section 3.3/NND No. 785015

[illegible] Governor's orders to the partisans for a general uprising. The CLNAI proclaimed a state of emergency, and subsequent broadcasts of ordinances enacted by the Committee showed that it was proceeding effectively with the establishment of its administration. On 27th April, Sandro Pallan reported the capture of Mussolini and a number of his henchmen by partisans while attempting to escape across the frontier. The news of his not unexpected trial and execution by the partisans of the 52nd Brigade followed on 29th April, and some two hundred or more fascist leaders met a like fate before the Prefect of Milan, at the request of the Allied Authorities, on 30th April ordered the suspension of further summary trials and executions and the delivery of all captured fascists to the legal authorities.

6. At the meeting of the Council of Ministers on 26th April, agreement was reached on the formation of a Consultative Assembly, to which I alluded in my last report, to be composed of three principal groups. Of these, the first will be nominated by the six major political parties represented in the Committee of National Liberation, with 20 places going to parties outside the Committee. The second group will include anti-fascist deputies and Senators of the last free Parliament, while the third group will be composed of representatives of labor unions and veterans' organizations. Reaction to the Government's decision was generally favorable, and the few critical voices were soon lost in speculation on the Governmental changes which are expected to follow the liberation of the North. The Communist and Socialist Parties issued a joint resolution on 27th April calling for an early conference between the Central Committee of National Liberation and the CLNAI, and the Central Committee itself subsequently voted in favor of an early meeting. Accordingly, the President of the Council has extended an invitation to members of the CLNAI to come to Rome, and the Allied Commission will arrange for their travel by air when a reply is received.

7. If these events at home have brought rejoicing to the Italian people, whose feeling that the contribution of the partisans to the Allied victory in

2132

1266

Declassified E.O. 12356 Section 3.3/NND No. 759045

Italy now warrants their inclusion among the United Nations is widely reflected in the press, as much can not be said for international developments. Unhappy unanimity on Italy's exclusion from the United Nations Conference on International Organisation now meeting at San Francisco is also reflected by the press, and the Council of Ministers at its meeting on 25th April voted to send a message to the Conference claiming the right and reaffirming the will of Italy to participate in world reconstruction.

8. Again, as reflected by the press, concern for the fate of Trieste has been intensified by the reported occupation of that city by Jugoslav forces. Following the Cabinet's expression of a desire for harmonious and good-neighbourly relations between Italy and Jugoslavia, reported in my last review, the Government issued an official communique on 30th April affirming "in the most resolute and explicit manner" its view that controversial questions between the two countries should not be prejudiced by military operations then in progress in Venezia Giulia but settled by direct agreement after final liberation of their respective territories. It should be added that the Communist Party took another step to clarify its position on this question when Signor Nenni-Rizzo declared in an interview over Radio Roma on 25rd April that his party was sure that the Italian character of Trieste would be taken into account by the great powers in revising the frontier as fixed at Rapallo, which the Communist Party regarded as unjust to the Slav population of Istria.

9. In the economic field, I have to report that the Italian Government has officially expressed its satisfaction with the response to the offering of Treasury bonds. The new tax program also shows signs of initial success, statistics having shown tax collections of two billion lire in March. I am glad to report too that the difficulties at the Sardinian coal mines appear to be in the process of solution, and it is hoped that normal production will be reached shortly.

10. The most encouraging aspect of the economic situation, however, is the

2131

Declassified E.O. 12356 Section 3.3(NND) No. 1267

8. Again, as reflected by the press, concern for the fate of Trieste has been intensified by the reported occupation of that city by Jugoslav forces. Following the Cabinet's expression of a desire for harmonious and good-neighbourly relations between Italy and Jugoslavia, reported in my last review, the Government issued an official communique on 30th April affirming "in the most resolute and explicit manner" its view that controversial questions between the two countries should not be prejudiced by military operations then in progress in Venezia Giulia but settled by direct agreement after final liberation of their respective territories. It should be added that the Communist Party took another step to clarify its position on this question when Signor Negarville declared in an interview over Radio Roma on 25rd April that his party was sure that the Italian character of Trieste would be taken into account by the great powers in revising the frontier as fixed at Rapallo, which the Communist Party regarded as unjust to the Slav population of Istria.

9. In the economic field, I have to report that the Italian Government has officially expressed its satisfaction with the response to the offering of Treasury bonds. The new tax program also shows signs of initial success, statistics having shown tax collections of two billion lire in March. I am glad to report too that the difficulties at the Sardinian coal mines appear to be in the process of solution, and it is hoped that normal production will be reached shortly.

10. The most encouraging aspect of the economic situation, however, is the possibility that the industrial plant and public utilities of Northern Italy will be found to have been less damaged than was expected. It is too early to give way to optimism, but I am reasonably hopeful that further data now being compiled by AMG officials will confirm the favorable reports which have reached the Allied Commission thus far. In the meantime, the Commission, in collaboration with the Italian Government, has established an economic boundary line between Northern and Southern Italy in an endeavor to retard the growth of inflation pending the

2131

1268

Declassified E.O. 12356 Section 3.3/NND No. 730015

availability of precise information on the basis of which definitive action can be taken.

That, Gentlemen, concludes my report.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (P), AC
Executive Commissioner, AC
CC Files, AC

2130

1269

Declassified E.O. 12356 Section 3.3/NND No. 759017

DISTRIBUTION:

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC
Executive Commissioner, AC
CC Files, AC

2130

(71)

1270

Declassified E.O. 12356 Section 3.3/NNB No. 778805

EC Files

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
AMG 394

CC 603

POLITICAL REVIEW BY MAJ. GENERAL CHARLES W. STOKES
for presentation at the
SIXTH MEETING OF THE ADVISORY COUNCIL FOR ITALY, 20 APRIL 1945

Gentlemen,

1. The Italian Government has not been marked by any revolutionary or major importance in Fascist affairs. The Council of Ministers have, however, put through a number of legislative measures and the political parties have been active in preparation for the campaign which they evidently intend to launch as soon as the North of Italy is liberated.

2. The Council of Ministers met on 6th April and amongst other things approved a draft Decree Law re-instating to their property rights Italian subjects and foreigners who had been discriminated against by Fascist racial legislation. This Decree is supplementary to the Decree Law which was passed in January 1944. The Council further approved a draft decree regarding the administrative steps to be taken for the drawing up of electoral lists and particularly for establishing the means of registering electors in communes which are not their normal places of residence. The Council also approved increases in war pensions. These increased range from a 100% increase for disabled soldiers of the first category to lower percentages according to the various categories and grades. Another important measure approved by the Council was the decision not to apply common law to patriots for acts committed during the war of liberation. This provision therefore protects patriot units recognised by the Committee of National Liberation on the same footing as military formations entitled to take part in war.

3. On 5th April subscription to the 5-year, 5% Treasury Bonds was

2129

Declassified E.O. 12356 Section 3.3/NND No. 785015

1. The Italo-Turkish War has been marked by the development of major importance in Libyan affairs. The powers of resistance have, however, put forward a number of legislative measures and the political parties have been active in preparation for the Council of Libya which they evidently intend to launch as soon as the Treaty of Ouchy is ratified.

2. The Council of Ministers met on 4th April and amongst other things approved a draft decree law re-investing in their property Ingnaz Pesdimadjoglu and Scrafgiorgis who had been disenfranchised exempt by Fascist racial legislation. This decree is supplementary to the decree law which was passed in January 1944. The Council further approved a draft decree regarding the

unification of rules to be taken for the drawing up of electoral lists and particularly for ascertaining the meaning of registered electors in communes which are not their normal places of residence. The Council also approved increases in war pensions. These increases range from a 100% increase for disabled soldiers of the first category to lower percentages according to the various categories and grades. Another important measure approved by the Council was the decision not to apply extraordition to patriots for acts committed during the war of liberation. This provision therefore gives patriot units recognised by the Committees of National Liberation on the same footing as military formations supposed not to take part in war.

3. On 5th April subscription to the 5 year, 5% Treasury Bonds was thrown open to the public. The closing date is May 15th. The President of the Council spoke over the radio during the evening of 4th April and other members of the Government have also contributed to the campaign for popularising the sale of these bonds. The loan is represented as being the first free loan in Italy for over 20 years and therefore a suitable vehicle through

(20) 20 April

2129

1272

Declassified E.O. 12356 Section 3.3/NND No. 785015

which the Italian people may express its confidence in the Government and the future of free Italy. It has been pointed out that the Italian people's reaction to the loan will be closely observed by financial circles abroad and that it is therefore the patriotic duty of all Italians to stimulate foreign confidence by subscribing generously and promptly.

4. The special ministerial committee in charge of plans for the setting up of the Consulta met on 20th April. Representatives of the Action and Socialist Parties attended. On the following day the Head of the Government Press Office gave a conference in which comments on the various suggestions put forward on many sides for the formation of the Consulta, he pointed out that its duties had already been laid down by the Council of Ministers. The very name of National Consultative Assembly indicated the limits of its powers. It could not be considered the Constituent Assembly of the Nation in the wide sense of the term. Moreover the administrative elections which would take place in the 36 provinces administered by the Italian Government during the summer, in the other liberated provinces in the autumn and in the provinces still held by the enemy very probably within a year, would mean that the Consulta would very soon lose the character which it was desired to give to it at the present time. Finally the Government spokesman pointed out that by attaching too much significance to the Consultative Assembly the Italian people might be led to think the convocation of a Constituent Assembly a matter of no urgency. On the contrary, it was very important that the Constituent Assembly should be convoked as soon as possible so that the nation should at last have true legal representation and a government which would be beyond any shadow of doubt the expression of the popular will.

5. The Council of Ministers met again on 23rd April and apart from discussing international relations - to which I shall refer later on in this

2128

Declassified E.O. 12356 Section 3.3/NND No. 785015

1274

Declassified E.O. 12356 Section 3.3/NND No. 785045

2128

letter of the Grenada Government of 20th April. Representatives of the Action and Socialist Parties dissented. On the following day the Head of the Government Press Office gave a frank account of widely conflicting views on the various constitutional proposals put forward as a basis for the formation of the Committee. He commented that the unity and low organization had already been lost sight of by the Council of Ministers. The very name of National Constitutive Assembly indicated the limits of its powers. It could not be considered the Parliament or Assembly of the nation in the wide sense of the term. Moreover the constitutive elections which would take place in the 24 constituencies established by the British Government earlier this year, in the other Windward provinces in the Autumn, and in the provinces which will join by the end of next year, would mean that the Committee would very soon lose the character which it was designed to have at the present time. Finally the Government spokesman pointed out that by attaching too much significance to the Constitutive Assembly the Italian people might be led to think the convocation of a Constituent Assembly a matter of no urgency. On the contrary, it was most important that the Constituent Assembly should be convoked as soon as possible so that the nation should at last have this legal representation and a government which would be beyond any shadow or doubt the expression of the popular will.

5. The Council of Ministers met again on 27th April and again took decisions of international relations - to which I shall refer later on in this report - concerned with revising various aspects of the legislation for sanctions against Rhodesia. The main provisions approved at the meeting were the following: It was agreed that the Presidency of first ample consultations for sanctions against Rhodesia could be entrusted henceforth not only to

1275

Declassified E.O. 12356 Section 3.3/NND No. 785015

negotiations but to university professors, lawyers and other high functionaries of the administration. Such measure was taken by the slowness of proceedings in Greek Republic due to the lack of fully qualified judges at the Supreme Court. It should therefore result in a better handling of outstanding cases. Another provision was the decision to set up extraordinary justice courts in newly liberated territory in North Italy for dealing with Fascists who particularly those Italians guilty of collaboration with the Germans. The power approval of CLNAI having been received through the allied commission, the Council shall consist of a twelve members ordinary citizens (Consul Chief of the Second State in succession to Provost Marshal Office).

6. The Communist Party held its second congress in Rome from the 29th to 30th April. Togliatti in leading the Democracy General of the Party, made a notable report on the activities of the Party during the last year. He declared that the Communist Party would keep the principle of the constitutional question out until at most of the North was liberated, the problem would call for a vast solution. Since the forces of liberty in Italy were fundamentally republican and because the vote on the issue had not always been respected. Once the North was freed, the issue would automatically lapse and the Constituent Assembly could deal the final decision of the people on the question. If, however, there should be delay in promoting a solution, there was an overwhelming urge which the Communist Party wished to suppress, namely, that the Government of the Duke should be transformed into a work of civil regency. Signor Togliatti analysed the relations between the Communist Party and the Socialists and drew attention to the fact that the Christian Democrats had been influenced by Anti-Communist propaganda to the extent of a national unity. On the other hand, relations with the Action Party and the Socialists had been excellent. As a subse-

2127

Declassified E.O. 12356 Section 3.3/NND No. 788015

1276

2127

(20)

1271

Declassified E.O. 12356 Section 3.3/NND No. 780045

Peoples Party, Nazi Party today was no longer the chauvinist Italy of Fascism but a new and entirely democratic Italy. The Congress underlined also the necessity of a friendship agreement, the Party's adherence to the policy of peaceful and mutual [illegible] which there was (1) a "growing cleavage between the government and the [illegible] of Anti-Fascist workers; (2) popular discontent was [illegible] by a [illegible] general misery and above all by the slowness [illegible] Italy's economic life [illegible]; (3) a [illegible] of the economic situation as a result of the increase of prices and [illegible] and (4) the resurgence of a Fascist movement which was growing daily more dangerous for democracy and Italy." The Communist Party therefore considered the adherence of the present government coalition, the stabilization of a democratic regime based solely on the parties of the Resistance should help achieve aims to destroy Fascism and improve the economic situation. At the same time, the Party proposed to work for the early convocation of a Congress of the Committees of National Liberation and the organization of the country in the administrative elections and to prepare for the [illegible] participation of the government on the liberation of the north.

7. The Labour Democrats and the Democratic Party also held Congresses at the same time. The Labour Democratic Congress approved various resolutions providing [illegible] reforms [illegible] administrative elections. The Democratic Party congress however produced a 5-point program emphasizing the need for preserving law and order, private initiative and the rights of individuals against any form of state totalitarianism. The Party expressed its preference for the "Constituent Solution" of the Constitutional problem, that is direct plebiscite on the type of one as soon as the country was entirely liberated and all prisoners of war returned. Another plank in the platform vigorously defended the "territorial integrity" of the country

2126

[illegible] Democratic Party [illegible] Congress [illegible] Democratic Party [illegible] Party [illegible] Party [illegible]

position of workers and the very private of the lower [illegible] obtaining there.

9. At the last session of the Council I referred to the reactivation of the export offices. The Economic Section of the Allied Commission had been studying the possibility of reopening private export trade with Italy. It had evidence, in the Italian Government negotiations, the promotion of direct private trade as soon as possible and the use of the Government machinery as an intermediary agency only until such time as direct contacts can be established. These proposals will allow Italian products necessary to the war economy of the United Nations and a certain list for purchase by the Allies at low prices. All other commodities would be in unrestricted and would be available for sale by Italian producers on any market at the best price they could get. Prior to the establishment of direct contacts the United States Government Corporation would act as the American Agent.

10. A difficult situation began to have developed in the Sardinian coal mines which are now under Italian administration. There has been a slow-down of work which at one time amounted to 800 tons a day or 20,000 tons a month as against the previous 40,000 tons a month. It is not clear why this situation developed. It may be due entirely to economic causes -- that is, the unrest of the workers due to their pay and conditions -- but it has been stated that there is a political explanation to the affair. Efforts are being made and it is to be hoped that a solution will be found, since adequate Italian coal production is a major contribution to the war effort. I should let you know if new orders have been issued about.

11. Six sugar beet processing plants will be reactivated during July. It is expected that they will produce 15,000 tons of sugar for civilian use

Declassified E.O. 12356 Section 3.3/NND No. 785015

1280

Declassified E.O. 12356 Section 3.3/NND No. 760015

without the Italian government's consent, the production of fascist private [illegible] and to use of the overtaken machinery as an independent agency only until such time as fixed current contracts can be settled. There [illegible] Italian coal reserves. Italian products necessary to the war economy of the United Nations are [illegible] A priority list for purchase by the Allied authorities. All these commodities would be in category B-1-a which would be available [illegible] by Italian merchants to any interested Allied purchasing agency. Penalty for [illegible] of current contracts [illegible] (Documents for signature would also be the American Army).

2125

12. A [illegible] report is received indicating development in the Sardinian coal mining region [illegible] Italian administration. There has been a [illegible] in work [illegible] but production is now some 4 days or 20,000 tons [illegible] against two previous days and [illegible] month. It is not clear why more [illegible] developed. It may be due entirely to economic causes -- that is, [illegible] -- but [illegible] sabotage and [illegible] -- but it has been stated that there is [illegible] to the [illegible]. Inquiries are being made but it is hoped that a solution will be found, since the [illegible] coal production is a major contribution to the war effort. I shall let you know if this [illegible] the matter works out.

13. Six superheat processing plants will be reactivated during July. It is expected that they will produce 12,000 tons of sugar for civilian use and 4,000 tons of molasses for which it obtain yeast for the Allied armed forces. The French had [illegible], as of April 11th, about 11,292,334 gallons of [illegible] and 4 gals. The Allied Commission [illegible] 36,340 gallons as of April 16th -- or only [illegible]. The tanks necessary for the [illegible] are virtually on hand.

(20)

12. The Royal family was brought into the limelight a fortnight ago when the news broke that the Duke of Aosta at a dinner party, at which the Correspondent of the Manchester Guardian was present, stated that he "would have shot" the judges of the High Court who sentenced Rosselli. The statement was first published on the Socialist paper or "Avanti" of 4th April and was confirmed in a letter written by Sig. Salvemini to the Editor of the same paper. The Procuratore del Re in Rome immediately protested and asked Signor Bonomi, Signor de Stefani and Admiral Thaon di Revel to ensure the Government may decide to order the prosecution of the dignity and prestige of the High Court". The matter was very energetically clamoured for the punishment of the Duke and active press action. The news which was published on 5th April that Signor Amendola, on the recommendation of Admiral de Courten and after consultation with leading members of the Government, had ordered the Lieutenant's arrest for the removal of the Duke from the post of Aosta on the Italian Army. Even the socialist newspaper "Stella Rossa" could find no fault with this decision.

13. As regards international affairs, it was announced from Berne on 5th April that the Swiss Government was anxious to know whether we wished for the use of Switzerland. The Italian Government would gladly send a mission to Switzerland. On 6th April the new Czechoslovak Minister, Monsieur Vaněk, presented his letters of credence to the Lieutenant of the Realm. An unfortunate incident occurred on the night of 7th April when a bomb exploded in the vicinity of the Yugoslav Military Mission in Rome. The weather in the Middle East was unsettled and violent. The Italian government, described as Fascist, were charged with responsibility in not completely. The Italian Government Press Office announced that investigation had shown that the bomb was not in fact intended

2124

Declassified E.O. 12356 Section 3.3/NND No. 785015

continued in a tender mission by Mrs. [illegible] to the Duke's

[illegible]. The President of the [illegible] personally interested and asked

Mr. Benes, Premier and Minister for Foreign Affairs, to [illegible] the

Government's duty [illegible] to the [illegible] of the dignity and prece-

dence of the High Court". The Italian papers [illegible] clamour for

the punishment of the Duke and [illegible] Press Conference from the news

which was published on 3rd April this August Council, on the recommendation

of Signor De Gasperi [illegible] with Mr. Bevin, Minister of the

Treasury, and Professor Del Vecchio", order for the arrest of the Duke

was signed by a Judge in the Lucca Assizes. Even the moderate newspaper

"Il Mondo" [illegible] the sentence with indignation.

13. As regards information received, it was reported from Rome on

the 4th April that the Soviet Government had decided to [illegible]

not wishing for the end of hostilities. The Italian Government would sud-

denly send a Minister to Belgrade. On 5th April the new Czechoslovak

Minister, Monsieur Vaněk, presented his letters of credence to the President

of the Senate. An unfortunate incident occurred on the night of 7th April

when a bomb exploded in the vicinity of the Headquarters of the Yugoslav

military Mission in Rome. The situation of the Yugoslav press was [illegible]

and violent. The Italian Government, according to Reuter, were charged

with responsibility [illegible] Party. The Italian Government Press Office

announced that investigation had shown that the [illegible] was in fact intended

for the station and [illegible] the head of the station himself was quoted as

holding the Italian Government guiltless in the matter. Nonetheless the Yugo-

slav papers [illegible] Italian interest [illegible] Trieste. All

shades of political opinion, [illegible] Communist, have found some way of

expressing their conviction that Trieste is Italian. The Minister of

2124

Declassified E.O. 12356 Section 3.3/NND No. 785065

Foreign Affairs makes a report on the incident to the Council of Ministers at its meeting on 17th April. He now finds himself able to deplore the anti-Italian campaign which has been unleashed in the Yugoslav press. He hopes that the authorities will be prepared to be as effective to both governments to put the whole question of Italo-Yugoslav relations on a higher level than that on which polemics. The Council of Ministers subsequently passed a resolution expressing the desire of the Italian Government to establish relations of mutual understanding between the two countries so that the ground might be cleared for the time when the supreme elective bodies of Italy and Yugoslavia could consider, and, with the advice of the great powers, decide on the solution of the problems which concerned them both. At the same Council meeting Signor de Gasperi reported that the Anglo-American Governments had decided to put 100,000 tons of wheat at the disposal of Italy.

That, Gentlemen, concludes my report.

DISTRIBUTION:

Chief of Secretariat, Advisory Council (4)
U.S. Representative, AOI
British Representative, AOI
Soviet Union Representative, AOI
French Representative, AOI
Yugoslav Representative, AOI
Greek Representative, AOI
Political Adviser (A), AS
Political Adviser (F), AO
Executive Officer, AO
CO Files, AO

2123

Declassified E.O. 12356 Section 3.3/NND No. 785615

1284

Declassified E.O. 12356 Section 3.3/NND No. 785015

2123

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
33rd MEETING OF THE ADVISORY COUNCIL FOR ITALY, 6 APRIL 1945

Gentlemen,

1. The Council of Ministers met on 16th March and, amongst other minor measures, approved a draft decree aimed at the fusion of Partisan units with the regular army. The Government have for some time been seeking to give the Partisans some form of recognition and at the same time to keep alive their military enthusiasm without impairing the administration of the regular army. The fusion has now been arranged on the basis of the temporary enrollment of Partisans in the regular army with the recognition of the ranks they held while in Partisan units. These ranks go up to, and include, that of Lieutenant-Colonel. This solution seems to be acceptable to all parties and has been favourably commented upon in the press. Somewhat later in the week Signor Scoccimarro, the Minister for Occupied Italy, stated in an interview that camps for feeding, clothing and re-organising the Partisans had been set up and that a special camp for Partisan women was in preparation. The Minister pointed out in the same address that it would be unwise to count on assistance from the North in the reconstruction of Italy. It would be more than likely that the liberated areas would need aid from central and southern Italy. He therefore looked to the Committees of National Liberation to mobilize the working masses immediately after liberation. In a speech on 22nd March the Minister also announced that Italy claimed the right to try German prisoners of war for war crimes committed in Italy.

2122

2. The Government were somewhat harrassed during the last week by repercussions of the disturbances which took place in Cagliari, a small town in Cal-

Declassified E.O. 12356 Section 3.3/NND No. 759045

measures, approved a draft decree aimed at the fusion of Partisan units with the regular army. The Government have for some time been seeking to give the Partisans some form of recognition and at the same time to keep alive their military enthusiasm without impairing the administration of the regular army. The fusion has now been arranged on the basis of the temporary enrollment of Partisans in the regular army with the recognition of the ranks they held while in Partisan units. These ranks go up to, and include, that of Lieutenant-Colonel. This solution seems to be acceptable to all parties and has been favourably commented upon in the press. Somewhat later in the week Signor Scoccimarro, the Minister for Occupied Italy, stated in an interview that camps for feeding, clothing and re-organising the Partisans had been set up and that a special camp for Partisan women was in preparation. The Minister pointed out in the same address that it would be unwise to count on assistance from the North in the reconstruction of Italy. It would be more than likely that the liberated areas would need aid from central and southern Italy. He therefore looked to the Committees of National Liberation to mobilize the working masses immediately after liberation. In a speech on 22nd March the Minister also announced that Italy claimed the right to try German prisoners of war for war crimes committed in Italy.

2122

2. The Government were somewhat harrassed during the last month by repercussions of the disturbances which took place in Caulonia, a small town in Calabria, at the beginning of March. Accounts of the origin and development of the episode vary, but it seems clear that, for a time at least, the local communists took over the town and ousted the proper authorities. There were 2 casualties in the disturbances - a priest and the secretary of a local Christian-Democrat group. The Right Wing papers have again raised the cry of the "red domination of the South" and have pressed the Government for action.

19

Declassified E.O. 12356 Section 3.3/NND No. 785015

1286

The press office of the Government reported on March 20th that steps had been taken to ascertain and punish the guilty parties and to maintain law and order, but, as the outcry went on, the same statement was repeated the following day with the additional comment that the main source of disorder was the number of armed refugees who were circulating in the guise of Partisans and that "economic difficulties and party differences still further complicated the situation." Nevertheless criticism continues in the press.

3. At the Council's Meeting on 21st March the High Commissioner for Food, Signor Bergamo, presented a report in which he stated that the wheat situation was in hand until the next harvest. The population would receive its 200 grams of bread and 30 grams of pasta. The High Commissioner spoke again on the need of controlling prices and protecting the citizens against speculation. At this same meeting the Council also approved a decree to keep existing agrarian contracts in force until the end of the war.

4. The principal business of the Council Meeting on 24th March -- and the most important development of the month -- was the setting up of the long awaited Consulta or Advisory Assembly. As at present planned the Consulta will have 320 members, selected as follows: 280 chosen by the most important parties; 70 by the syndical organizations and 70 from among old anti-Fascist senators and ex-deputies. The Assembly will be divided into commissions corresponding roughly to the various ministries, as follows: Foreign Affairs; Political and Administrative Affairs; Justice; Education and Fine Arts; National Defence; Treasury and Finance; Agriculture and Food; Industry and Commerce; Labor and Social Welfare; Reconstruction, Public Works and Communications. The Consulta will express opinions on the general problems and legislative measures which are submitted to it by the Government. The Government are bound to ask the Consulta's opinion on matters affecting the budget and public expenditure, taxation (except in cases of extreme urgency) and the electoral laws. The

2121

1287

Declassified E.O. 12356 Section 3.3/NND No. 778045

3. At the Council's Meeting on 21st March the U.N.R.R.A. Commissioner for Food, Signor Bonomi, presented a report in which he stated that the wheat situation was in hand until the next harvest. The population would receive its 200 grams of bread and 80 grams of pasta. The High Commissioner spoke again on the need of controlling prices and protecting the citizens against speculation. At this same meeting the Council also approved a decree to keep existing wheaten contracts in force, until the end of the year.

4. The principal business of the Council Meeting on 2 th March -- and the most important development of the month -- was the setting up of the Lower Unified Consults or Advisory Assembly. As at present planned the Consulta will have 350 members, selected as follows: 160 chosen by the most important parties; 70 by the syndical organizations and 70 from among old anti-Fascist senators and ex-deputies. The Assembly will be divided into commissions corresponding roughly to the various ministries, as follows: Foreign Affairs; Political and Administrative Affairs; Justice; Education and Fine Arts; National Defense; Treasury and Finance; Agriculture and Food; Industry and Commerce; Labor and Social Welfare; Reconstruction, Public Works and Communications. The Consulta will express opinions on the general problems and legislative drafts which are submitted to it by the Government. The Government are bound to seek the Consulta's opinion on matters affecting the budget and public expenditure, taxation (except in cases of extreme urgency) and the electoral laws. The Government can seek the views of the commissions either jointly or severally. At its first plenary session the Consulta will nominate its President, 2 Vice-Presidents and 4 Secretaries. Each commission will nominate its own President, Vice-President and Secretary. The Sessions of the plenary assembly will be held in public but those of the commissions will be held in camera. In special

2121

(19)

1288

Declassified E.O. 12356 Section 3.3/NND No. 759015

1289

cerns the Government may make other dispositions. The members of the Government will be able to be present at the sessions and take part in the discussions of the plenary assembly and of the commissions. The competence of the Consulta will be ratified as the regions now occupied by the enemy or under AMG pass in due course to Italian administration. The Council of Ministers have appointed Ministers Togliatti, de Gasperi, Ruini and Brosio to study the proposals made by various parties for the procedure to be followed regarding the nomination of the members of the Consulta and to work out concrete proposals at an early date. The announcement of the passing of this decree was hailed enthusiastically by the parties in the Government, with the exception of the Communists, whose approval was censored by the contention that all representation should be confined to the parties of the Committee of National Liberation. The Left-Wing opposition parties however had certain reservations to make. The Socialist paper "Avanti" maintained that the move came late "as usual" and the Action party paper objected to the commission principle saying that what was emerging was not an Advisory Council at all but merely a number of groups of experts which the Government might convoke or ignore as it chose. The Action party went so far as to call the new institution "corporative"- a word which has a familiar but unpleasant ring to Italian ears. The parties outside of the Committee of National Liberation are of course waiting to see how much, if any, representation they will secure.

5. In the economic field, both the Italian Government and the Allied Commission have been studying attentively the export problem. Various projects are under consideration. There are possible deals which involve the import of frozen meat from the Argentine and the repayment of 10,000 tons of wheat from Spain. There are also suggestions that Italian cement and wine might be bartered for Yugoslav prunes and salt. In the second half of March about 100 million lire worth of silk, hemp and acids were exported to the United Kingdom. 1,265 tons of sulphur were exported to Greece and 30 tons of mercury to France.

2120

Declassified E.O. 12356 Section 3.3/NND No. 785045

1290

Declassified E.O. 12356 Section 3.3/NND No. 760015

posals at an early date. The announcement of the passing of this decree was hailed enthusiastically by the parties in the Government, with the exception of the Communists, whose approval was lessened by the comment that all representation should be granted to the parties of the Committee of National Liberation. The Left-Wing opposition parties however had certain reservations to make. The Socialist paper "Avanti" maintained that the laws come into "equal" and the Action party paper objected to the commission advisible unless that what was envisaged was not an Advisory Council of all but merely a number of groups of experts which the Government might convene or ignore as it chose. The Action party went so far as to call the new institution "corporative"-a word which has a fascist but unpleasant ring to Italian ears. The parties outside of the Committee of National Liberation are of course waiting to see how much, if any, representation they will secure.

5. In the economic field, both the Italian Government and the Allied Commission have been studying attentively the export problem. Various projects are under consideration. There are possible deals which involve the import of frozen meat from the Argentine and the repayment of 10,000 tons of wheat from Spain. There are also suggestions that Italian cement and wine might be bartered for Yugoslav prunes and salt. In the second half of March about 100 million lire worth of oils, soap and acids were exported to the United Kingdom. 1,765 tons of sulphur were exported to Greece and 38 tons of mercury to France.

6. The work of de-requisitioning industrial premises is progressing. During the last 2 months, 11 plants have been released from military control and other plants including an olive oil extracting plant at Bari and a fertilizer plant at Taranto will be de-requisitioned shortly. The latest figures for the amassing of olive oil are 41,000 tons. My Economic Section are confident that

(19)

2120

46,000 tons will be reached before the amassing ceases. The amassing of wheat now stands at 11,023,503 quintals. For the period from last June to the end of February remittances to Italian relatives from Americans amounted to 10, 230,000 dollars. Similar payments for the same period from the United Kingdom amounted to 130,000 pounds.

7. As you are aware from the special meeting of the Council at which I [illegible] and to you the implications of the new directive for Italy, the staffs of regional commissioners are in process of being withdrawn from South Italy and the Islands. The Headquarters of the Southern, Sicilia, and Sardegna Regions were abolished on April 1st and the new Umbria-Marche Region came into force on the same date. The new region will have its A military Government provinces in the Marche plus Terni and Umbria from the former Lazio-Umbria Region. The Regional Commissioner will be Colonel French formerhead of the Abruzzi-Marche Region.

8. Turning now to internal affairs, I have to report that it was announced during the month that Signor Giuseppe Saragat had been appointed Italian Ambassador to France. Signor Saragat is one of the leaders of the Italian Socialist Party and is well-known in France where he spent 13 years as an exile from Fascism. It was announced later in the month that Italian diplomats had been nominated for various posts in South America and would soon be leaving to assume their duties.

9. The Quintieri-Mathiola Mission has given its report on its return from the United States. The report has been favourably commented upon by the press in general not so much for any real concessions which the two financiers have won as for the encouraging tone of American interest in Italy. The Socialist paper "Avanti" pointed out that nothing had really been settled in the delicate matter of the Allied military lire and found the optimism created by the report somewhat "exaggerated." Nevertheless press comment continues

2119

Declassified E.O. 12356 Section 3.3/NND No. 785045

of Regional considerations are in process of being withdrawn from South Italy and the Islands. The Headquarters of the Southern, Sicilian, and Sardegna Regions were established on April 1st and the new Umbria-Marche Region came into force on the same date. The new region will have its Military Government provinces in the Marche plus Terni and Umbria from the former Lazio-Umbria Region. The Regional Commissioner will be Colonel French former head of the Abruzzi-Marche Region.

8. Turning now to international affairs, I have to report that it was announced during the month that Signor Giuseppe Saragat had been appointed Italian Ambassador to France. Signor Saragat is one of the leaders of the Italian Socialist Party and is well-known in France where he spent 13 years as an exile from Fascism. It was announced later in the month that Italian diplomats had been nominated for various posts in South America and would soon be leaving to assume their duties.

9. The Quintieri-Mattioli Mission has given its report on its return from the United States. The report has been favourably commented upon by the press in general not so much for any real concessions which the two Ministers have won as for the encouraging tone of American interest in Italy. The Socialist paper "Avanti" pointed out that nothing had really been settled in the delicate matter of the Allied military line and found the optimism created by the report somewhat "exaggerated." Nevertheless press comment continues to be optimistic on this subject.

10. All the political parties have been campaigning for some kind of a seat at the forthcoming San Francisco Conference. It is pointed out somewhat bitterly that Turkey which has avoided hostilities all through the war will have a right to be present at the conference, while Italy is excluded. Which has been a cobelligerent since October 1943

That, Gentlemen, concludes my report.

(19)

2119

1292

Declassified E.O. 12356 Section 3.3/NND No. 785075

1293

Declassified E.O. 12356 Section 3.3/NND No. 785015

DISTRIBUTION OF COPIES OF "POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE" which was presented at the 33rd Meeting of the Advisory Council for Italy, 6 April 1945.

Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Adviser (A), AC
Political Adviser (B), AC
Co Filon, AC

2118

19

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 403

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
32nd MEETING OF THE ADVISORY COUNCIL FOR ITALY, 26 MARCH 1945

Gentlemen:

The outstanding event of the past fortnight in Italy was the escape of General Roatta from the custody of the Carabinieri and his subsequent disappearance. As you are aware, General Roatta was in process of being tried with Signor Suvich, Signor Jacomoni and others for crimes against the Italian state. The trial which had dragged on for some time was approaching the final stage and the verdict had been awaited by the public with some impatience. General Roatta's personal case was of especial significance inasmuch as he had been named by the authorities in Yugoslavia as a war criminal.

2. On the night of 4th March, Roatta, who had been transferred on the order of the court from the Regina Coeli Prison to the Virgilio Military Hospital, owing to alleged heart trouble, succeeded in making his escape. The whole press showed great indignation over the affair and stressed the seriousness of the event both from the international point of view and on account of the evidence of hidden Fascist influence which it had brought to light. The Communist Party issued a statement accusing Army Police and Carabinieri of complicity in organising the escape and generally charging the authorities responsible for epuration with frustrating the demands of the people for the punishment of Fascist criminals. They also demanded the immediate dismissal of the heads of the Carabinieri and the Police, the suppression of the body suspected of having organised the escape by which they presumably meant the General Staff and the establishment of a commission of three ministers to investigate the political responsibility for the incident

2117

1294

Declassified E.O. 12356 Section 3.3/NND No. 785015

General Roatta from the custody of the Carabinieri and his subsequent disappearance. As you are aware, General Roatta was in process of being tried with Signor Suvich, Signor Jacomoni and others for crimes against the Italian state. The trial which had dragged on for some time was approaching the final stage and the verdict had been awaited by the public with some impatience. General Roatta's personal case was of especial significance inasmuch as he had been named by the authorities in Yugoslavia as a war criminal.

2. On the night of 4th March, Roatta, who had been transferred on the order of the court from the Regina Coeli Prison to the Virgilio Military Hospital, owing to alleged heart trouble, succeeded in making his escape. The whole press showed great indignation over the affair and stressed the seriousness of the event both from the international point of view and on account of the evidence of hidden Fascist influence which it had brought to light. The Communist Party issued a statement accusing Army Police and Carabinieri of complicity in organising the escape and generally charging the authorities responsible for epuration with frustrating the demands of the people for the punishment of Fascist criminals. They also demanded the immediate dismissal of the Heads of the Carabinieri and the Police, the suppression of the body suspected of having organised the escape by which they presumably meant the General Staff and the establishment of a commission of three ministers to investigate the political responsibility for the incident and to propose to the Government other radical measures for epuration of bodies alleged to be protecting ex-Fascists.

3. The Government had already issued a statement emphasising the great impression made by Roatta's escape on public opinion and promising that all those responsible would be punished. They also announced a million lire reward for his capture and stated that the Head of the Carabinieri would be removed. On the afternoon of 6th March a public demonstration was held at the

(18) 16 March 45

2117

1295

Declassified E.O. 12356 Section 3.3/NND No. 785015

Colosseum in which all the Left-wing parties participated. After speeches by various leaders a part of the crowd moved on to the Quirinal where an attempt was made to enter the Palace. During this demonstration a hand-grenade was thrown killing one Italian civilian and wounding two Allied soldiers and an Italian police official. Shots were fired by the Carabinieri. The crowd then carried the body of the dead man to the President of the Council's office at the Viminale where Signor Bonomi received a deputation which demanded the Government's resignation. The delegation consisted of representatives of the Socialist, Communist and Action Parties, the Unione delle Donne Italiane, a Partisan, two wounded ex-servicemen and General Azzi, himself a storm centre not so long ago. Signor Bonomi replied that he could not desert his post and that as head of a coalition of parties he would shoulder responsibility for the Council of Ministers. Investigations subsequently showed that the grenade or grenades were "home-made" affairs, were not thrown by the police, and it was only after they were thrown that the police fired a few shots into the air.

4. The papers of the 7th March were full of speculation on the Government's possible course of action and indeed on its chances of survival. Following a lengthy meeting of the Council of Ministers, however, a communique was issued which relieved all fears of a Governmental crisis. In this communique the President of the Council deplored the irresponsibility of certain press organs which had lead to the necessity of supervising the activities of provocative and subversive groups. It stated that after a full discussion in which individual parties composing the Government made their position clear, the Council of Ministers recognised that there was no reason to dissolve the coalition. The Council expressed the hope that it might be possible to re-establish collaboration within the Government of all parties composing the

2116

Declassified E.O. 12356 Section 3.4/NND No. 785015

cil's office at the Viminale where Signor Nenni received a deputation which demanded the Government's resignation. The delegation consisted of representatives of the Socialist, Communist And action Parties, the Unione delle Donne Italiane, a Partisan, two wounded ex-servicemen and General Azzi, himself a storm centre not so long ago. Signor Nenni replied that he could not desert his post and that as head of a coalition of parties he would shoulder responsibility for the Council of Ministers. Investigations subsequently showed that the grenade or grenades were "home-made" affairs, were not thrown by the police, and it was only after they were thrown that the police fired a few shots into the air.

4. The papers of the 7th March were full of speculation on the Government's possible course of action and indeed on its chances of survival. Following a lengthy meeting of the Council of Ministers, however, a communique was issued which relieved all fears of a Governmental crisis. In this communique the President of the Council deplored the irresponsibility of certain press organs which had led to the necessity of supervising the activities of provocative and subversive groups. It stated that after a full discussion in which individual parties composing the Government made their position clear, the Council of Ministers recognised that there was no reason to dissolve the coalition. The Council expressed the hope that it might be possible to re-establish collaboration within the Government of all parties composing the Committee of National Liberation and assumed that the Council was in any case the effective expression of anti-Fascist democracy. This bait to the Socialist and Action parties that they would be welcome if they wished to return to the Government was subsequently firmly rejected by "Avanti". The Council then proceeded to nominate General Brunetti to command the Carabinieri in the place of General Orlando, to arrange for the re-invigoration of the police, to provide for the immediate internment of "socially dangerous elements of the old regime"

2116

Declassified E.O. 12356 Section 3.3/NND No. 785015

in accordance with Article 8 of the Law for sanctions against Fascism. It announced the preparation of a list of persons of anti-Fascist beliefs and political impartiality suitable for political posts in the provinces and for speeding the purification of public life. Finally it announced the transfer of the Intelligence Office, the former S.I.M., from the Italian General Staff to the General Staff of the Army, in accordance with arrangements approved by the Allied Command. A commission of four ministers was appointed to re-organise the Purge Commission rapidly, to prepare a law to punish any attempt at revival of Fascist activity in any form and to establish juridical rules for proceeding against Fascists in North Italy.

6. Meanwhile speculation continues to be rife in regard to Scotta's accomplices and his present whereabouts. The Vatican officially denied that he had sought refuge in Vatican territory and a similar denial was issued by the Spanish Embassy. A fantastic story, said to emanate from Scotta himself, to the effect that he had arrived in North Italy by submarine was broadcast, presumably as a piece of unofficial Axis propaganda. Subsequently the Axis official radio have been at care to point out that Scotta had not succeeded in reaching the North where he was in any case subject to a capital charge for treachery.

7. This event, in spite of its tragic consequences and its demonstration of inefficiency on the part of the police authorities, has shown an unexpected degree of strength in the Government or, at any rate, an unwillingness of the parties composing it to break it up with unpredictable possibilities in regard to the formation of a new Government. The story concludes with the announcement of the sentences by the Court--life imprisonment for Scotta, in absentia, and two others; twenty-four years for Suvich and Jacomoni; death for Anfuso, at present Republican Fascist Ambassador to Germany.

2115

8. On the 8th March the Italian Government [illegible]

I 2 9 8

Declassified E.O. 12356 Section 3.3/NND No. 785045

the Purge Commission rapidly, to prepare a law to punish any attempt at revival of Fascist activity in any form and to establish juridical rules for proceeding against Fascists in North Italy.

6. Meanwhile speculation continues to be rife in regard to Pavolini's accomplices and his present whereabouts. The Vatican officially denied that he had sought refuge in Vatican territory and a similar denial was issued by the Spanish Embassy. A fantastic story, said to emanate from Pavolini himself, to the effect that he had arrived in North Italy by submarine was broadcast, presumably as a piece of unofficial Axis propaganda. Subsequently the Axis official radio have been at care to point out that Pavolini had not succeeded in reaching the North where he was in any case subject to a capital charge for treachery.

7. This event, in spite of its tragic consequences and its demonstration of inefficiency on the part of the police authorities, has shown an unexpected degree of strength in the Government or, at any rate, an unwillingness of the parties composing it to break it up with unpredictable possibilities in regard to the formation of a new Government. The story concludes with the announcement of the sentences by the Court--life imprisonment for Pavolini, in absentia, and two others; twenty-four years for Suvich and Jacomoni; death for Anfuso, at present Republican Fascist Ambassador to Germany.

8. On the 8th March the Italian Government signed an agreement with the Representative of UNRRA implementing Resolution 56 of the UNRRA Conference held at Montreal last Autumn for assistance to Italy. The agreement follows the standard pattern of other UNRRA agreements but in view of the special circumstances of Italy, it has been drawn up rather more precisely. It provides for assistance to Italy up to an amount of 50,000,000 dollars in foreign exchange for (1) the care of and service for children and nurses and expectant

(12)

2115

Declassified E.O. 12356 Section 3.3/NND No. 785015

mothers; (2) assistance in the care of and return to their homes of displaced persons; and (3) the provision of medical, sanitary aid and supplies. Italy is not a member of UNRRA but under the agreement the Italian Government will contribute by giving an amount equivalent to the value of the cost of supplies which benefit Italian nationals. It is understood that certain limitations are to be placed on the amount of money to be spent for administrative purposes by UNRRA in Italy.

8. UNRRA has already taken over the operation of the refugee camps established by the Displaced Persons Commission in Southern Italy, and these will be formally handed over on the 1st April. They have also assumed the direct responsibility, in cooperation with the allied military authorities, for the return of non-Italian refugees from Italian territory to their homes. The Italian Government will be responsible for removing Italians to their homes but will receive UNRRA assistance in their task. In the matter of food supplies a joint program has been prepared by UNRRA with the Food Sub-Commission of the Allied Commission and with the Italian High Commissioner for Food. It should be noted that UNRRA will not function in territory administered under Allied Military Government except by permission of the Allied Commission.

9. The first Regional Commissioners' Conference since last August was held this week in Rome at the Allied Commission. The meeting was presided over by the Acting President and discussions ranged over a large number of subjects. Particular attention was given to the political, economic and other problems which will confront the Allied Commission and Allied Military Government on the liberation of Northern Italy.

10. After a series of conferences extending over a period of five weeks, the Italian Treasury has decided on two internal loans. A large loan for

2114

1300

Declassified E.O. 12356 Section 3.3/NND No. 765015

1307

Declassified E.O. 12356 Section 3.3/NND No. 785005

[illegible] be spent for administrative purposes by UNRRA in Italy.

9. UNRRA has already taken over the operation of the refugee camps established by the Displaced Persons Commission in Southern Italy, and these will be formally handed over on the 1st April. They have also assumed the direct responsibility, in cooperation with the Allied Military Authorities, for the return of non-Italian refugees from Italian territory to their homes. The Italian Government will be responsible for removing Italians to their homes but will receive UNRRA assistance in their task. In the matter of food supplies a joint program has been prepared by UNRRA with the Food Sub-Commission of the Allied Commission and with the Italian High Commissioner for Food. It should be noted that UNRRA will not function in territory administered under Allied Military Government except by permission of the Allied Commission.

9. The first Regional Commissioners' Conference since last August was held this week in Rome at the Allied Commission. The meeting was presided over by the Acting President and discussions ranged over a large number of subjects. Particular attention was given to the political, economic and other problems which will confront the Allied Commission and Allied Military Government on the liberation of Northern Italy.

2114

10. After a series of conferences extending over a period of five weeks, the Italian Treasury has decided on two internal loans. A large loan for purposes of reconstruction will be attempted as soon as substantially all of Italy is liberated. A decree has been drafted by the terms of which this loan will be on a twenty-year basis and at either 3½% or 4%. It is also planned to issue immediately 25 billion lire of bonds. Books will be open for subscription for one month starting 15 April 1945. The delay until that time is necessitated by the customary difficulties of lack of paper, ink, electric current and transportation. It is hoped, however, to have at least

(12)

interim receipts in the hands of all branches of the Banca d'Italia by 5th April 1945. This bond will have a five-year maturity, will pay 5%, and will be issued at 97.50. It will have the customary tax exemptions, can be used at price of issue to subscribe to the Inter-loan, to pay any new tax on capital, and can be used at par for the purchase of any materials imported for purposes of rehabilitation. The bond will also have a lottery feature, holders of each series will participate within the five-year period drawings for one prize of 2 million lire, two prizes of 1 million lire, and ten prizes of one hundred thousand lire each.

That, Gentlemen, concludes my report.

Copies to:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
~~Political Section, ALCOM~~ Political Adviser (4)
CC Files, ALCOM " " (3)

1302

Declassified E.O. 12356 Section 3.3/NND No. 785045

each series will participate within the five-year period a drawing for one prize of 2 million lire, two prizes of 1 million lire, and ten prizes of one hundred thousand lire each.

That, Gentlemen, concludes my report.

Copies to:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
~~Political Section, ALCOM~~ Political Adviser (1)
CC Files, ALCOM " " (2)

2113

1303

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 803

POLITICAL REVIEW BY REAR ADMIRAL ELLERY W. STONE
for presentation at the
~~22nd~~ MEETING OF THE ADVISORY COUNCIL FOR ITALY, 2 MARCH 1945

Gentlemen:

During the past month, events in Italy have not unnaturally been overshadowed by the Crimea Conference. So soon as the news broke in the world press that the long expected meeting of the Big Three had begun, speculation ran high in this country as to the possibility of decisions being taken at the Conference which would materially affect Italy's position. The Italian Government have all along been pressing the Allied Governments to clarify the country's status of co-belligerency and, if possible, accept Italy as one of the United Nations. This pressure was translated into a concrete request for the grant of Allied status in a telegram addressed simultaneously to President Roosevelt, Mr. Churchill and Marshal Stalin which was passed to me in the first instance for onward transmission on February 8th. As you are aware, the communique issued at the conclusion of the Conference made no reference specifically to Italy and I fear that keen disappointment was felt by all Italians. This disappointment was however in some measure offset by the news that the British Labor Conference which was sitting in London at the time had invited the Italian General Confederation of Labor to send its representatives to London and also by the release on February 24th of the news of the imminent implementation of the new Combined Chiefs of Staff directive to the Commission. As I have already addressed you on this last subject, I will not now make more than this passing reference to it.

2112

Turning to domestic affairs, I have to report that the Council of Ministers met on February 7th and tackled the difficult problem of the "political price" of

1304

Declassified E.O. 12356 Section 3.3/NND No. 759045

During the past month, events in Italy have not unnaturally been overshadowed by the Crimea Conference. So soon as the news broke in the world press that the long expected meeting of the Big Three had begun, speculation ran high in this country as to the possibility of decisions being taken at the Conference which would materially affect Italy's position. The Italian Government have all along been pressing the Allied Governments to clarify the country's status of co-belligerency and, if possible, accept Italy as one of the United Nations. This pressure was translated into a concrete request for the grant of Allied status in a telegram addressed simultaneously to President Roosevelt, Mr. Churchill and Marshal Stalin which was passed to us in the first instance for onward transmission on February 8th. As you are aware, the communique issued at the conclusion of the Conference made no reference specifically to Italy and I fear that keen disappointment was felt by all Italians. This disappointment was however in some measure offset by the news that the British Labor Conference which was sitting in London at the time had invited the Italian General Confederation of Labor to send its representatives to London and also by the release on February 24th of the news of the imminent implementation of the new Combined Chiefs of Staff directive to the Commission. As I have already addressed you on this last subject, I will not now make more than this passing reference to it.

2112

Turning to domestic affairs, I have to report that the Council of Ministers met on February 7th and tackled the difficult problem of the "political price" of bread. After long discussion, it was decided to abolish the political price as soon as possible since it had become "an intolerable burden to the State". The Council also expressed its unanimous conviction that the needy classes must be compensated for the effect of this action and instructed the competent ministries to prepare concrete suggestions so that the "necessary operation of bringing the price of bread up to its real cost might have the character of an act of national

(17) 2 March '45

1305

Declassified E.O. 12356 Section 3.3/NND No. 785065

solidarity". The Council met again on February 16th and the political price of bread was definitely abolished. It was announced at the same time that in order to compensate the poorer classes for the increase in the price of bread "opportune increases" would be made in the pay of State employees with effect from February 15th, and that similar increases would be granted to workers in private industries, the details of which would be worked out between the unions and the employers. The Council at the same meeting also approved various measures for the protection of the Treasury, such as the institution of a special committee to reduce State expenditure by pruning non-essential items from the budget and the setting up of a National Solidarity Fund to which it is hoped many voluntary contributions will be made. Certain revenue tax increases were planned and local elective committees are to be empowered to aid the Treasury in estimating incomes. The Council again stated that the goods of high-ranking Fascists would be confiscated and that the war excess profits taxes already in force would be extended to farmers - a class hitherto exempt. Further the pay of troops is to be doubled. As regards control of prices it was announced that the interministerial committee had suggested that co-operatives and communal kitchens should be set up and encouraged. The Food Commissariat was given wide powers to control markets and supplies. On February 23rd the Government decreed a special "carovita" indemnity of 95 lire for the poorer ranks of State employees. This indemnity goes a long way to lessen the effect of the increase in the price of bread from 5 lire the kilo to the estimated 16 lire the kilo. Two days before, the Government and the Allied Commission had jointly announced that as from the 1st March the bread ration for all liberated Italy would be 300 grams or its equivalent - for example, 200 grams of bread daily and 550 grams of pasta weekly. On the whole, public opinion, as reflected in the press, has reacted very favourably to these developments. The public will naturally judge by results.

Among other activities, the Government announced on February 6th that they [illegible] of Italian Prisoners of War in Allied hands.

1306

Declassified E.O. 12356 Section 3.3/NND No. 785015

Council of the same meeting also approved various measures for the protection of the Treasury, such as the institution of a special committee to reduce State expenditure by pruning non-essential items from the budget and the setting up of a National Solidarity Fund to which it is hoped many voluntary contributions will be made. Certain revenue tax increases were planned and local elective committees are to be empowered to aid the Treasury in ascertaining incomes. The Council again stated that the goods of high-ranking Fascists would be confiscated and that the war excess profits taxes already in force would be extended to farmers - a class hitherto exempt. Further the pay of troops is to be doubled. As regards control of prices it was announced that the interministerial committee had suggested that co-operatives and communal kitchens should be set up and encouraged. The Food Commissaries are given wide powers to control markets and supplies. On February 23rd the Government decreed a special "carovane" indemnity of 95 lire for the poorer ranks of State employees. This indemnity goes a long way to lessen the effect of the increase in the price of bread from 5 lire the kilo to the estimated 16 lire the kilo. Two days before, the Government and the Allied Commission had jointly announced that as from the 1st March the bread ration for all liberated Italy would be 300 grams or its equivalent - for example, 200 grams of bread daily and 550 grams of paste weekly. On the whole, public opinion, as reflected in the press, has reacted very favourably to these developments. The public will naturally judge by results.

Among other activities, the Government announced on February 6th that they had been studying closely the problem of Italian Prisoners of War in Allied hands. It was stated that there are 340,000 prisoners in British hands, 110,000 held by the Americans and 35,000 held by the French. 670,000 soldiers and "several hundred thousand" civilians are detained in Germany and are not given the proper status of war prisoners since Germany does not recognise the Bonomi Government. The statement added that accurate figures on prisoners held by the Russians are unobtainable. This objective report of the Government was not well received by the press which

(17)

1307

Declassified E.O. 12356 Section 3.3/NND No. 785015

insisted that the prisoners detained by the United Nations should be repatriated and that Germany should be compelled to give recognised status and better treatment to those in German hands. The news that Count Carandini had assumed the protection of Italian interests in the United Kingdom - hitherto the charge of the Swiss Legation in London - was however hailed with satisfaction as it was realised that the Prisoner of War question is the chief Italian interest in the United Kingdom at this present time.

At its meeting on February 8th, the Council of Ministers set up a new Commissariat for Veterans. This Commissariat will deal not only with Veterans but also with civilians in the areas to be liberated and, through the Partisan organisations, will also be concerned with assistance for the partisans. Signor Gasparotto has been named High Commissioner.

After the news of the unsatisfactory reaction to the call-up in Sicily and Southern Italy, I am glad to be able to report that the response in Sardinia has exceeded all expectations and that to date more than 90 per cent of the classes called to the colors have reported to their reporting centers. Moreover, there has been an encouraging increase in the voluntary enlistment of former patriots in the Italian Army. It is difficult to assess why this change in feeling should have come about, but it is perhaps not imprudent to suggest to you that the improvements made for the reception of recruits and the maintenance of their families during the period of their service with the colors together with the feeling which has been steadily gaining ground that the combat units of the Italian Army are acquitting themselves well at the front have largely influenced the attitude of young Italians in answering the Government's appeal.

In connection with the foregoing, I should like to mention that I attended the ceremonies which took place in Rome on the 13th February to celebrate the Day of the Soldier and Partisan. Signori Bonomi, Casati and Soccimarro made speeches and were well received. The crowds in the Piazza del Popolo were

2111

1308

Declassified E.O. 12356 Section 3.3/NND No. 785015

United Kingdom at this present time.

At its meeting on February 5th, the Council of Ministers set up a new Commissariat for Veterans. This Commissariat will deal not only with Veterans but also with civilians in the areas to be liberated and, through the Partisan organisations, will also be concerned with assistance for the patriots. Signor Casparotto has been named High Commissioner.

After the news of the unsatisfactory reaction to the call-up in Sicily and Southern Italy, I am glad to be able to report that the response in Sardinia has exceeded all expectations and that to date more than 90 per cent of the classes called to the colors have reported to their reporting centers. Moreover, there has been an encouraging increase in the voluntary enlistment of former patriots in the Italian Army. It is difficult to assess why this change in feeling should have come about, but it is perhaps not imprudent to suggest to you that the improvements made for the reception of recruits and the maintenance of their families during the period of their service with the colors together with the feeling, which has been steadily gaining ground that the combat units of the Italian Army are acquitting themselves well at the front have largely influenced the attitude of young Italians in answering the Government's appeal.

In connection with the foregoing, I should like to mention that I attended the ceremonies which took place in Rome on the 13th February to celebrate the Day of the Soldier and Partisan. Signori Bonomi, Casati and Soccimarro made speeches and were well received. The crowds in the Piazza del Popolo were impressively enthusiastic and the whole affair was carried out in an orderly and businesslike manner which came as a pleasant surprise and an encouragement to many of the Allied observers present.

2111

During the past few weeks there has been unfortunately a certain amount of trouble with the local press in the matter of the distribution of newsprint. The Italian press as a whole has exploited to the full the freedom of the press

(17)

1309

Declassified E.O. 12356 Section 3.3/NND No. 785015

which liberation from Fascism has brought. But the newspaper owners, editors and the Italian Press Commission have not always realised that the freedom of the press must be paid for and that in these days of wartime stringency limits must be imposed on the consumption of the materials necessary for the production and distribution of newspapers. More and more daily papers have been appearing in the capital and feeling has run high in certain party quarters where it was felt that the available stocks of newsprint were being thoughtlessly squandered. The crisis became acute when it was learned that no newspapers were to be published in Naples on February 15th because it was alleged newsprint supplies had been exhausted in that city. Attention was drawn to the fact that in Rome 35 daily newspapers have been authorised and no less than 102 weeklies. The Naples editors protested so loudly that the Chairman of the Italian Press Commission and the Head of the Italian Government Press Bureau travelled immediately to Naples to investigate the affair. This enquiry does not seem to have been particularly fruitful. It seems that newsprint was in fact available in Naples and that the Naples editors' move was in the nature of a political strike against the free-handed policies of the Press Commission. In any event the Rome press took the line that the shortage in Naples was due to a breakdown of transport and that the situation could be easily remedied. As a first move the Italian Press Commission decided to suspend the non-party informative journals which had been authorised since the beginning of the year. This decision was reached despite the advice given by the Allied Commission that, if the consumption of newsprint was to be reduced in Rome, the reduction ought in all fairness to be made an overall one and not by the suspension of any particular journal or journals. The Press Commission's decision naturally aroused a howl of protest and it had to be rescinded next day. The position is now that the Allied Commission has asked the Allied Publications Board to urge the Italian Government to take action by making final recommendations as to what imported paper is needed for liberated Italy and the North, in order that the Commission may submit a revised requisition

2110

Declassified E.O. 12356 Section 3.3/NND No. 785015

stocks of newsprint were being thoughtlessly squandered. The crisis became acute when it was learned that no newspapers were to be published in Naples on February 15th because its alleged newsprint supplies had been exhausted in that city. Attention was drawn to the fact that in Rome 25 daily newspapers have been authorised and no less than 102 weeklies. The Naples editors protested so loudly that the Chairman of the Italian Press Commission and the Head of the Italian Government Press Bureau travelled immediately to Naples to investigate the affair. This enquiry does not seem to have been particularly fruitful. It seems that newsprint was in fact available in Naples and that the Naples editors' move was in the nature of a political stroke against the free-handed policies of the Press Commission. In any event the Rome press took the line that the shortage in Naples was due to a breakdown of transport and that the situation could be easily remedied. As a first move the Italian Press Commission decided to suspend the non-party informative journals which had been authorised since the beginning of the year. This decision was reached despite the advice given by the Allied Commission that, if the consumption of newsprint was to be reduced in Rome, the reduction ought in all fairness to be made an overall one and not by the suspension of any particular journal or journals. The Press Commission's decision naturally aroused a howl of protest and it had to be rescinded next day. The position is now that the Allied Commission has asked the Allied Publications Board to urge the Italian Government to take action by making final recommendations as to what imported paper is needed for liberated Italy and the North, in order that the Commission may submit a revised requisition to Allied Force Headquarters for 1945.

2110

In the field of party politics I have to report that the Socialist and Communist Parties published a declaration on the 10th February in which a joint program was set out. The workers were first of all reminded of their duty to carry on the war against Fascism. Next, the Allies were asked for the grant of more autonomy.

(17)

Declassified E.O. 12356 Section 3.3/NND No. 785045

While accepting the abolition of the political price of bread, the two parties insisted that the Government should take energetic measures to confiscate the patrimonies of "all who have enriched themselves through Fascism, war or black-market dealings." The program also called for a national convention of the committees of national liberation and for the formation of a Consultative Assembly. On the tactical side the parties announced that they would work together in the administrative elections with common programs and candidates. This last arrangement however would not exclude agreements with the other parties.

A distressing incident occurred on February 19th when a party of some 50 individuals en bloc occupied the office of the newspaper "Avanti", cut off the telephone and acted aggressively towards the editors and staff of the newspaper. The reason for this attack was to be found in an article in the newspaper which, in the opinion of the Navy, inaccurately criticised that service. No serious harm was done but the Avanti reported the affair on the following day and the left-wing papers immediately took up the cry that the days of Fascist "squadrismo" had returned. On February 22nd a mass meeting was held by various elements sympathetic to the Avanti and a demonstration which was described by the newspaper "Italia Nuova" as "anti-Navy" took place. The Ministry of Marine have now issued a communique saying that the culprits have been punished and the Avanti has admitted that the whole service cannot be blamed for this regrettable incident.

The trial of General Roatta and others continues without any startling developments to report. The left-wing press has been enraged by the presence of certain witnesses at the trial who, it is claimed, are members of the OVRA and yet are still safe and in the employment of the State. The Government have denied that these witnesses are in fact members of the OVRA and the newspapers have retorted that the Government must know who are members of this ill-famed organisation and, if so, that the names should be published and the individuals put on trial. It is reported that the OVRA employed members of practically all the State services [illegible]

2109

Declassified E.O. 12356 Section 3.3/NND No. 785045

tive elections with common programs and candidates. This last arrangement however would not exclude agreements with the other parties.

A distressing incident occurred on February 19th when a party of some 50 indignant ex Navy occupied the office of the newspaper "Avanti", cut off the telephone and acted aggressively towards the editors and staff of the newspaper. The reason for this attack was to be found in an article in the newspaper which, in the opinion of the Navy, inaccurately criticised that service. No serious harm was done but the Avanti reported the affair on the following day and the left-wing papers immediately took up the cry that the days of Fascist "squadrismo" had returned. On February 22nd a mass meeting was held by various elements sympathetic to the Avanti and a demonstration which was described by the newspaper "Italia Nuova" as "anti-Navy" took place. The Ministry of Marine have now issued a communique saying that the culprits have been punished and the Avanti has admitted that the whole service cannot be blamed for this regrettable incident.

The trial of General Roatta and others continues without any startling developments to report. The left-wing press has been enraged by the presence of certain witnesses at the trial who, it is claimed, are members of the OVRA and yet are still safe and in the employment of the State. The Government have denied that these witnesses are in fact members of the OVRA and the newspapers have retorted that the Government must know who are members of this ill-famed organisation and, if so, that the names should be published and the individuals put on trial. It is reported that the OVRA employed members of practically all the State services for short periods at one time or another for particular jobs and that there was not, in a strict sense, a complete and permanent list of the staff of the organisation. The central organisation has of course been broken up and its leaders will undoubtedly be punished in due course but it would be impossible to seek out and bring to justice the great number of small officials whose association with the OVRA was temporary and short-lived. The trial has also focused attention on the international aspect of

2109

17

Declassified E.O. 12356 Section 3.3/NND No. 785045

Fascism, particularly in that General Roatta among others has been asked for by the Yugoslav Government on the grounds that he is on the list of war criminals whom Marshal Tito wishes to see tried for their crimes. Opinion seems to be divided in the Italian press as to whether the Italian Government should accede to such requests. Meanwhile the business of epuration has moved on a step with the setting up of a central commission. I attended its inauguration with the Prime Minister. Signor Bonomi spoke on the occasion and emphasized again what has always been his line in this matter - namely, epuration must strike those who had important charges and were blindly subservient to the Fascist regime but for the lower ranks justice must be tempered with mercy. Above all the operation must be carried out with justice and legality.

I have to report that progress in the campaign for the collection of olive oil has been generally satisfactory. Up to February 19th total collections amounted to 264,770 quintals or 28 per cent of the target figure of 300,000 quintals. Of this total, amassings in the Southern Region accounted for 210,912 quintals, Toscana Region for 23,324 quintals, Lazio-Umbria for 17,515 quintals, Sicily for 5,896 quintals, Abruzzi-Marche for 4,770 quintals and Sardinia for 2,353 quintals. The Italian specialists concentrating on the drive have by now, with the help of Allied officers on loan from the Allied Commission, covered a fair portion of the territory in most of the chief olive oil producing provinces. At the end of November 1944 only 3,338 quintals had been amassed. December brought in a further 6,317 quintals and it was not until the drive got underway early this year that the figures really began to show promise. 10,912 quintals were added to the total in January and another 6,130 quintals in the first half of February. Although in past seasons the collection has always shown a big decline in March compared with January and February, it is expected that this year, due to the late harvest, the present collection rate will be maintained until later in the year. If however the target of

Declassified E.O. 12356 Section 3.3/NND No. 778015

Signor Sonni spoke on the occasion and emphasized again what has always been his line in this matter - namely, epuration must strike those who had important charges and were blindly subservient to the Fascist regime but for the lower ranks justice must be tempered with mercy. Above all the operation must be carried out with justice and legality.

I have to report that progress in the campaign for the collection of olive oil has been generally satisfactory. Up to February 19th total collections amounted to 264,770 quintals or 28 per cent of the target figure of 800,000 quintals. Of this total, amassings in the Southern Region accounted for 210,912 quintals, Toscana Region for 23,224 quintals, Lazio-Umbria for 17,518 quintals, Sicily for 6,396 quintals, Abruzzi-Marche for 4,770 quintals and Sardinia for 2,353 quintals. The Italian specialists concentrating on the drive have by now, with the help of Allied officers on loan from the Allied Commission, covered a fair portion of the territory in most of the chief olive oil producing provinces. At the end of November 1944 only 3,338 quintals had been amassed. December brought in a further 6,327 quintals and it was not until the drive got underway early this year that the figures really began to show promise. 10,912 quintals were added to the total in January and another 6,130 quintals in the first half of February. Although in past seasons the collection has always shown a big decline in March compared with January and February, it is expected that this year, due to the late harvest, the present collection rate will be maintained until later in the year. If however the target of 800,000 quintals is to be reached the present weekly average of about 30,000 quintals will have to be stepped up considerably. Apart from the collections of olive oil nearly 1,125,000 quintals of Sansa have been handed over to the Sansa oil plants since the beginning of the year which should yield, after processing, another 40,000 quintals of edible oil.

2108

(17)

Declassified E.O. 12356 Section 3.3/NND No. 785045

There is very little to report on Italy's international relations apart from what I have already said on the subject of the new directive. Much publicity was given in the Italian press to the report of Congressman Marcantonio's intention to ask the House to make Italy a full Ally. Signor Bonomi's statement that the armistice "does not prejudice Italy's future" was also welcomed particularly when reinforced by the declaration of the United States Acting Secretary of State, Mr. Grew, that "there is no article in the armistice concerning future territorial arrangements." Signor Tarchiani left for Washington last week and has arrived safely at his new post. Duke Gallarati Scotti, the new Ambassador to Spain, has also reported his arrival in Madrid. There is still much speculation in the press as regards the resumption of diplomatic relations between Italy and France and it is hoped that a statement will be made in the very near future.

That, Gentlemen, concludes my report.

Copies to:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Section, AICOM
CC Files, AICOM

2107

1316
Declassified E.O. 12356 Section 3.3/NND No. 785045

Grew, that "there is no article in the armistice concerning future territorial arrangements." Signor Zerchiani left for Washington last week and has arrived safely at his new post. Duke Gallarati Scotti, the new Ambassador to Spain, has also reported his arrival in Madrid. There is still much speculation in the press as regards the resumption of diplomatic relations between Italy and France and it is hoped that a statement will be made in the very near future.

That, Gentlemen, concludes my report.

Copies to:
Chief of Secretariat, Advisory Council (2)
U.S. Representative, ACI
British Representative, ACI
Soviet Union Representative, ACI
French Representative, ACI
Jugoslav Representative, ACI
Greek Representative, ACI
Political Section, AIGOM
CC Files, AIGOM

2107

17

Declassified E.O. 12356 Section 3.3/NND No. 785015

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

EWS/dfe

CC 803

2 February 1945

ADMIRAL STONE'S ADDRESS TO ADVISORY COUNCIL - 2 FEBRUARY 1945

Gentlemen:

The most notable development in the last two weeks has been the decision reached by the Council of Ministers on the 30th January to extend the vote to women who are over 21 years of age. The Government had already laid down in two recent decrees that electoral lists should be drawn up in all communes of Liberated Italy in order that elections might take place in the late spring. Originally the lists would only have comprised the names of male electors but in view of the decision of the 30th January it will now be possible to include the names of female voters. The Minister of the Interior has advised all prefects telegraphically of this reform and instructed them to bring it into force forthwith. I think we must welcome this decision of the Council of Ministers as a step towards the establishment of truly democratic Government and also to the stabilisation of political conditions in the country. I have therefore written to the President of the Council extending my personal congratulations on this reform. There is one point which I should perhaps mention here in parenthesis in connection with the forthcoming elections. There has been much discussion on the subject in the press but no statement has yet been made by the Government as to the nature of the body which the Italians are being asked to elect. I am therefore proposing to suggest to the President of the Council that some definition of the functions and character of the proposed Consultative Assembly should be made public at

2106

Declassified E.O. 12356 Section 3.3/NND No. 778048

The most notable development in the last two weeks has been the decision reached by the Council of Ministers on the 30th January to extend the vote to women who are over 21 years of age. The Government had already laid down in two recent decrees that electoral lists should be drawn up in all communes of Liberated Italy in order that elections might take place in the late spring. Originally the lists would only have comprised the names of male electors but in view of the decision of the 30th January it will now be possible to include the names of female voters. The Minister of the Interior has advised all prefects telegraphically of this reform and instructed them to bring it into force forthwith. I think we must welcome this decision of the Council of Ministers as a step towards the establishment of truly democratic Government and also to the stabilisation of political conditions in the country. I have therefore written to the President of the Council extending my personal congratulations on this reform. There is one point which I should perhaps mention here in parenthesis in connection with the forthcoming elections. There has been much discussion on the subject in the press but no statement has yet been made by the Government as to the nature of the body which the Italians are being asked to elect. I am therefore proposing to suggest to the President of the Council that some definition of the functions and character of the proposed Consultative Assembly should be made public at an early date.

2106

2. On the 23rd January, Signor Bergami, the new Commissioner of the Food Commissariat, gave a press conference in which he announced that one directorate general would henceforth take the place of the two divisions of alimentation and rationing. He promised to facilitate the

(16)

2 FEB 45

Declassified E.O. 12356 Section 3.3/NND No. 785045

the organisation of cooperatives and group kitchens and to encourage exchanges between the regions and cooperation with UNRRA. As regards the supply of non-rationed goods, the Commissioner announced that his programme was to obtain from the Allies permission to import food from foreign markets, to persuade the producing population to accept the principle of the same prices for export as for local sale and to provide food at the lowest possible prices to people with low fixed incomes.

3. Signor Scoccimarro, the new Minister for Occupied Italy, also gave a press conference at the end of last week in which he called on journalists to cooperate in "mobilising public opinion in favour of the partisans of the north". The Minister announced that the 16th February would be observed as a "day of national solidarity" dedicated to patriots, soldiers, sailors and airmen. He stated that preparations must be made for the fusion of partisans with the regular army--a fusion which would indicate national unity in the material as well as in the spiritual sense. A strong army created in these conditions might induce the Allies to call on Italy to participate in the invasion of Germany. Signor Scoccimarro concluded his conference by asserting that his Ministry was above party politics and claimed that he and his Liberal Under-Secretary, Signor Medici Tornaquinci, worked together as if they belonged to the same party.... While on the subject of the partisans and the Italian army, I think I should mention that the enlistment of partisans in the regular Italian forces has been progressing rapidly in recent weeks. This is due, in the opinion of my advisers, to the improvements made in the arrangements for receiving and caring for partisans as they come through the line and also to the feeling which has recently gained ground that the Italian

1320

Declassified E.O. 12356 Section 3.3/NND No. 759015

markets, to persuade the producing population to accept the principle of the same prices for export as for local sale and to provide food at the lowest possible prices to people with low fixed incomes.

3. Signor Scoccimarro, the new Minister for Occupied Italy, also gave a press conference at the end of last week in which he called on journalists to cooperate in "mobilising public opinion in favour of the partisans of the north". The Minister announced that the 18th February would be observed as a "day of national solidarity" dedicated to patriots, soldiers, sailors and airmen. He stated that preparations must be made for the fusion of partisans with the regular army--a fusion which would indicate national unity in the material as well as in the spiritual sense. A strong army created in these conditions might induce the Allies to call on Italy to participate in the invasion of Germany. Signor Scoccimarro concluded his conference by asserting that his Ministry was above party politics and claimed that he and his Liberal Under-Secretary, Signor Medici Tornaquinci, worked together as if they belonged to the same party.... While on the subject of the partisans and the Italian army, I think I should mention that the enlistment of partisans in the regular Italian forces has been progressing rapidly in recent weeks. This is due, in the opinion of my advisers, to the improvements made in the arrangements for receiving and caring for partisans as they come through the line and also to the feeling which has recently gained ground that the Italian army is now represented in the fighting line and that the Italian combat units have given a good account of themselves.

4. I am happy to report that there have been no further disturbances in Sicily. There was however an anti-call-up demonstration in Cagliari in Sardinia on January 18th as a result of which one person was killed and eleven wounded. The Island is now quiet. The response to the call-up

Declassified E.O. 12356 Section 3.3/NND No. 780015

in Calabria has not been encouraging.

5. There have been some new appointments in the past fortnight. Signor Boeri who has lately returned from exile in Switzerland has been named Secretary of the High Commission for sanctions against Fascism. He was one of the founders of the Action party. Signor Pacne, the Communist Deputy Assistant Commissioner in charge of the section dealing with the liquidation of Fascist property has given up his post and has been succeeded by Signor Brugnoi who also belongs to the Communist Party.

The Council of Ministers have decided to place the Chief of Army Staff under the Ministry of War and General Sonco has been appointed to this post. He succeeds General Berardi who has taken over the command of the troops in Sicily. The latter's predecessor in this post, General Mariotti, has been placed on retirement together with several other officers whose names were published in the press on January 31st.

6. The trial of General Roatta and Signor Bovich and their associates opened on the 25rd January. It was learned shortly before the trial began that Signor Berlinguer had agreed to conduct the prosecution. General Roatta at the first session stated that he had been unable to find another lawyer to take the place of Signor Casainelli who had been suspended for reasons of epuration the day before the trial. Lawyer Santoro, also of the General's defense, undertook to find another lawyer but asked that the case be postponed while the new barrister could brief himself. The second day of the trial was taken up with the discussion of various objections to the trial, presented by the defense on the previous day. The sitting was then adjourned until the 25th January since when there have been no developments of particular note.

2105

Declassified E.O. 12356 Section 3.3/NND No. 778065

Communist Deputy Assistant Commissioner in charge of the section dealing with the liquidation of Fascist property has given up his post and has been succeeded by Signor Brugner who also belongs to the Communist Party.

The Council of Ministers have decided to place the Chief of Army Staff under the Ministry of War and General Sonco has been appointed to this post. He succeeds General Berardi who has taken over the command of the troops in Sicily. The latter's predecessor in this post, General Mariotti, has been placed on retirement together with several other officers whose names were published in the press on January 31st.

6. The trial of General Roatta and Signor Suvich and their associates opened on the 23rd January. It was learned shortly before the trial began that Signor Berlinguer had agreed to conduct the prosecution. General Roatta at the first session stated that he had been unable to find another lawyer to take the place of Signor Cassinelli who had been suspended for reasons of epuration the day before the trial. Lawyer Santoro, also of the General's defense, undertook to find another lawyer but asked that the case be postponed while the new barrister could brief himself. The second day of the trial was taken up with the discussion of various objections to the trial, presented by the defense on the 2105 one day. The sitting was then adjourned until the 25th January since when there have been no developments of particular note.

7. Some consternation was caused by the remarks made by the British Prime Minister in the House of Commons on the 18th January. Mr. Churchill's reference to Italy, torn from its context, was interpreted by the press on the whole to mean that Great Britain was uninterested in the future of Italy. This unfortunate impression was corrected by a statement issued from Downing Street on the 23rd January with the text of which you will all be familiar. This clarification was commented on favourably by the Government and responsible sections of the press.

(16)

1323

Declassified E.O. 12356 Section 3.3/NND No. 785015

8. On the 18th January, Signor de Gasperi, the Minister of Foreign Affairs, made a report to the Council of Ministers on international affairs. He stated that the message regarding the formation of a national army to which I referred in my last report had been transmitted to the Allied leaders. He also announced the formal recognition by Italy of the Chungking Government and declared null and void the Fascist Vienna Award of 1940 replacing it by a declaration of the "necessity of free cooperation between Italy and the Balkan/Danubian Nations". He further informed the Council that negotiations were proceeding in Washington between Italian financial experts and the competent American authorities on the financial clauses of the Armistice.

It was announced at the same time that Signor Alberto Tarchiani had been appointed Ambassador to the United States. Signor Tarchiani, who was born in 1885, is a real Anti-Fascist. He was once Editor of the "Corriere della Sera" in Milan and went into exile in 1926. In Paris he became associated with Rosselli, Lussu and Nenni in the publication of the paper "Justice and Liberty". He travelled widely in his years of exile and is well known abroad. He served in the last Badoglio Government as Minister of Public Works. He is a member of the Action Party.

At its 30th January meeting, the Council of Ministers also examined relations between Italy and France. Signor de Gasperi set out the conditions on which both diplomatic and consular relations and more general relations between the two countries might be normalised. The Council expressed its ardent wish to re-establish as quickly as possible the traditional friendship between the two countries and remarked that this

210

1324

Declassified E.O. 12356 Section 3.3/NND No. 785065

Allied leaders. He also announced the formal recognition by Italy of the Chungking Government and declared null and void the Fascist Vienna Award of 1940 replacing it by a declaration of the "necessity of free cooperation between Italy and the Balkan/Danubian Nations". He further informed the Council that negotiations were proceeding in Washington between Italian financial experts and the competent American authorities on the financial clauses of the Armistice.

It was announced at the same time that Signor Alberto Tarchiani has been appointed Ambassador to the United States. Signor Tarchiani, who was born in 1885, is a real Anti-fascist. He was once Editor of the "Corriere della Sera" in Milan and went into exile in 1926. In Paris he became associated with Rosselli, Lussu and others in the publication of the paper "Justice and Liberty". He travelled widely in his years of exile and is well known abroad. He served in the last Badoglio Government as Minister of Public Works. He is a member of the Action Party.

At its 30th January meeting, the Council of Ministers also examined relations between Italy and France. Signor de Gasperi set out the conditions on which both diplomatic and consular relations and more general relations between the two countries might be normalised. The Council expressed its ardent wish to re-establish as quickly as possible the traditional friendship between the two countries and remarked that this also seemed to be the wish of General de Gaulle.

That, Gentlemen, concludes my report.

cc: 2-Adv. Council Secretariat.
1-Political Sec.
1-C of S.
1-cc Files.

(10)

1325

Declassified E.O. 12356 Section 3.3/NND No. 785015

210

1326

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

ENB/dfs

CC 803

19 January 1945

ADMIRAL STONE'S ADDRESS TO ADVISORY COUNCIL - 19 JANUARY 1945

Gentlemen,

During the past fortnight the Italian Government have continued to tackle the problem of reconstruction. At their meeting on the 5th January, the Council of Ministers allotted 5 billion lire for repairs to buildings - 3 billions for public buildings and 2 billions for private. The program of reconstruction might more correctly be called a "shelter program" since the Government emphasized that the funds were to be spent on urgent repairs rather than on new construction which must await a more fitting time for nation-wide planning. The immediate need is to reduce, as soon as possible, the number of people without roofs above their heads. The Ministries of Public Works and Industry have notified the Allied Commission of their needs in the way of raw materials, transport and coal. Special committees have been formed in all the communes to deal with the problems of the shelterless thus making certain that the problem will be approached from a local as well as a national point of view. Posters are to be put up everywhere explaining the machinery of the law so that the average citizen will know where and how to make his claim. The Council of Ministers also approved measures to better the lot of the fighting soldiers, raising their food allowance and doubling their cigarette ration. They also examined the possibility of larger subsidies to the families of needy soldiers. The veto on persons of Jewish origin serving in the Italian Army has been lifted. Measures for increasing the pay of officials of the judiciary

2103

to tackle the problem of reconstruction. At their meeting on the 5th January, the Council of Ministers allotted 5 billion lire for repairs to buildings - 3 billions for public buildings and 2 billions for private. The program of reconstruction might more correctly be called a "shelter program" since the Government emphasized that the funds were to be spent on urgent repairs rather than on new construction which must await a more fitting time for nation-wide planning. The immediate need is to reduce, as soon as possible, the number of people without roofs above their heads. The Ministries of Public Works and Industry have notified the Allied Commission of their needs in the way of raw materials, transport and coal. Special committees have been formed in all the communes to deal with the problems of the shelterless thus making certain that the problem will be approached from a local as well as a national point of view. Posters are to be put up everywhere explaining the machinery of the law so that the average citizen will know where and how to make his claim. The Council of Ministers also approved measures to better the lot of the fighting soldiers, raising their food allowance and doubling their cigarette ration. They also examined the possibility of larger subsidies to the families of needy soldiers. The veto on persons of Jewish origin serving in the Italian Army has been lifted. Measures for increasing the pay of officials of the judiciary were also approved.

2103

2. At the same meeting on January 5th, the Council examined Count Sforza's letter of resignation in which he gave statistics of the work done under his administration. The Count expressed himself as moderately satisfied with results and indicated his belief that the process of epuration would be carried out much more rapidly in the

19 Jan

Declassified E.O. 12356 Section 3.3/NND No. 775045

North where it would be a simple matter to ascertain whether or not individuals had collaborated with the enemy. The new decree law No. 2 of January 5th, 1945 amending decree laws Nos. 159, 257, and 285 has now been published. The amendments are mostly of an administrative nature. The High Commissioner for Sanctions against Fascism is to be appointed by a resolution of the Council of Ministers and will rank for the duration of his office as a judicial magistrate of the first grade. It does not seem likely however that anyone will be appointed to fill this post for the time being. Until such an appointment is made, the President of the Council will preside over the work of the four assistant commissioners. The latter and their deputy assistant commissioners may in their own branches act for the High Commissioner for Sanctions against Fascism should the High Commissioner be prevented from acting. The rest of the decree defines and varies certain less important Fascist crimes, lays down the method of appointing the chairmen of certain committees, extends various time limits and alters sundry details connected with the retirement of persons affected by the decree. Signor Scoccimarro, the former Assistant Commissioner for the Purge of the Administration, has given up this appointment in order to take up the post of Minister for Occupied Italy. It has been announced that he will be succeeded by Signor Ruggero Grieco of the Communist Party. Four Deputy High Commissioners have also been nominated - for the Punishment of Fascist crimes, Avv. Salvatore ITALIA (Christian Democrat) - for the Purge of the Administration, Signor Tullio MULAS (Labour Democrat) - for the Confiscation of Fascist Profits, Signor Nino MAZZOTTI (Liberal) and for the liquidation of Fascist Property, Avv. Mario PAGNA (Communist). The

2102

1328

Declassified E.O. 12356 Section 3.3/NND No. 785015

the duration of his office as a judicial magistrate of the first grade. It does not seem likely however that anyone will be appointed to fill this post for the time being. Until such an appointment is made, the President of the Council will preside over the work of the four assistant commissioners. The latter and their deputy assistant commissioners may in their own branches act for the High Commissioner for Sanctions against Fascism should the High Commissioner be prevented from acting. The rest of the decree defines and varies certain less important Fascist crimes, lays down the method of appointing the chairmen of certain committees, extends various time limits and alters sundry details connected with the retirement of persons affected by the decree. Signor Boccimarro, the former Assistant Commissioner for the Purge of the Administration, has given up this appointment in order to take up the post of Minister for Occupied Italy. It has been announced that he will be succeeded by Signor Ruggero Grieco of the Communist Party. Four Deputy High Commissioners have also been nominated - for the Punishment of Fascist crimes, Avv. Salvatore ITALIA (Christian Democrat) - for the Purge of the Administration, Signor Tullio ANLAS (Labour Democrat) - for the Confiscation of Fascist Profits, Signor Nino MAZZOTTI (Liberal) and for the liquidation of Fascist Property, Avv. Mario PASSI (Communist).

3. The trial of General Roatta and Signori Suvich and Jacomoni is scheduled to begin on January 22nd. There has been much speculation in the press as to whether or not the trial will be held. The preliminary investigations have disclosed that matters of high policy and military strategy are involved and there has been no lack of suggestion that the "dark forces of reaction in ambush" will attempt to suppress

2102

1329

Declassified E.O. 12356 Section 3.3/NND No. 785015

the trial for their own reasons.

4. It was also announced during the week that the Air Minister Scialoia had been obliged to resign for reasons of health. He has been succeeded by Signor Luigi Gasparotto who has recently returned from Switzerland. Signor Gasparotto, whose son, a member of the Action Party, was killed by the Fascists in North Italy, does not belong to any party. Although he is 72 he is an extremely vigorous and forceful personality. His appointment is entirely acceptable to the Allied Military authorities.

5. Another step towards the democratisation of Italy and the eventual cessation of AlliedControl was made on the 15th January when on instructions from the Supreme Allied Commander private news agencies were again admitted in Rome. This means that world news agencies such as the Associated Press, the International News Service, Reuters and the United Press are free to sell news to any individual Italian newspaper and newspapers in turn are free to buy any world or domestic news services they wish. This decision was hailed with satisfaction by the Rome press who rejoiced that the long servitude of the Italian press had come to an end. Private news agencies will gradually be admitted in the rest of Italy under Italian Government administration as soon as the technical problems involved in this change can be solved. At the same time, the Supreme Allied Commander's instructions envisaged the handing over at an early date to Italian control of radio operation within territory under Italian jurisdiction. As you will realise, these instructions must be considered as a prelude to the liquidation of a large part of the commitments of the Psychological Warfare Branch

2101

1330

Declassified E.O. 12356 Section 3.3/NND No. 785045

Party, was killed by the Fascists in North Italy, does not belong to any party. Although he is 72 he is an extremely vigorous and forceful personality. His appointment is entirely acceptable to the Allied Military authorities.

5. Another step towards the democratisation of Italy and the eventual cessation of AlliedControl was made on the 15th January when on instructions from the Supreme Allied Commander private news agencies were again admitted in Rome. This means that world news agencies such as the Associated Press, the International News Service, Reuters and the United Press are free to sell news to any individual Italian newspaper and newspapers in turn are free to buy any world or domestic news services they wish. This decision was hailed with satisfaction by the Rome press who rejoiced that the long servitude of the Italian press had come to an end. Private news agencies will gradually be admitted in the rest of Italy under Italian Government administration so soon as the technical problems involved in this change can be solved. At the same time, the Supreme Allied Commander's instructions envisaged the handing over at an early date to Italian control of radio operations within territory under Italian jurisdiction. As you will realise, these instructions must be considered as a prelude to the liquidation of a large part of the commitments of the Psychological Warfare Branch within territory under Italian jurisdiction and in certain cases to their transfer to other Allied agencies.

6. On the 11th January the Rome press carried an Order of the Day published by the Central Committee of National Liberation urging the Government to constitute a national army. The Committee stated that the Italian people wished to participate more widely and more visibly in the re-conquest of national independence and in the common war for

2101

Declassified E.O. 12356 Section 3.3/NND No. 785045

1331

liberty and democracy. The failure of the Allied Military authorities to respond to this desire had resulted in an unfortunate depression of morale. The Committee therefore requested the Government to intercede with the Allies for the constitution of a strong army which should be the expression of the renewed national consciousness and the deployment of which at the front would satisfy the aspiration of the Italian people to contribute more effectively to the liberation of the country and to re-acquire on the battlefield the fullness of national dignity. The press - particularly the left-wing press - came out strongly in support of this Order of the Day. The Committee of National Liberation thereafter sent copies of it to the United States, Soviet and British Embassies and later, through the medium of the Ministry of Foreign Affairs, telegrams in the same tenor to President Roosevelt, Marshal Stalin, Mr. Churchill and General de Gaulle.

7. In striking contrast to this verbal enthusiasm for a more active part in military operations is the news of disturbances which have taken place in Sicily in protest against the call-up of the 1914 to 1924 classes. In my last report I mentioned that during late December demonstrations against military conscription had taken place in Catania and other towns. These disturbances however were easily quelled and the situation appeared to be returning to normal. However much more serious disorders broke out in Ragusa Province towards the end of the first week of January. Armed crowds disarmed carabinieri and later the troops sent in support in the town of Comiso. During the night of January 6th and 7th, re-inforcements were attacked on the road between Siracusa and the affected area. Casualties were reported as 8 carabinieri and 4 soldiers killed.

2100

1332

Declassified E.O. 12356 Section 3.3/NND No. 785045

people to contribute more effectively to the liberation of the country and to re-acquire on the battlefield the fullness of national dignity. The press - particularly the left-wing press - came out strongly in support of this order of the day. The Committee of National Liberation thereafter sent copies of it to the United States, Soviet and British Embassies and later, through the medium of the Ministry of Foreign Affairs, telegrams in the same tenor to President Roosevelt, Marshal Stalin, Mr. Churchill and General de Gaulle.

7. In striking contrast to this verbal enthusiasm for a more active part in military operations in the wake of disturbances which have taken place in Sicily in protest against the call-up of the 1914 to 1924 classes. In my last report I mentioned that during late December demonstrations against military conscription had taken place in Catania and other towns. These disturbances however were easily quelled and the situation appeared to be returning to normal. However much more serious disorders broke out in Ragusa Province towards the end of the first week of January. Armed crowds disarmed carabinieri and later the troops sent in support in the town of Comiso. During the night of January 6th and 7th, re-inforcements were attacked on the road between Siracusa and the affected area. Casualties were reported as 8 carabinieri and 4 soldiers killed. General Monca was put in command and by January 9th was able to report that the situation was in hand in Ragusa town where approximately 100 rioters and suspects were arrested. The towns of Vittoria and Comiso however were still controlled by the rioters. The Italian 16th Artillery Regiment which had been sent to attack Comiso was reported to have been disarmed and subsequent re-in-

2100

Declassified E.O. 12356 Section 3.3/NND No. 785045

1334

forcements failed to get through to the affected area. Italian reconnaissance planes were brought into use and the Italian Government decided to send two Italian cruisers to Sicilian waters to protect harbour installations at Palermo and Catania and to show the flag. 300 Italian troops entered Vittoria during the morning of January 10th and Comiso at midday on January 11th--apparently against little opposition. By January 14th Ragusa Province was reported to be returning to normal and operations were in progress against the rioters who had taken to the country. The Italian Military Commander has ordered the surrender of arms but none have been recovered to date. In the meantime small disorders broke out in Agrigento Province but were reported quelled by January 15th. It is reported that during these disturbances 18 soldiers have been killed and 24 wounded, while 19 civilians have been killed and 63 wounded. It seems clear that these disorders were on a much larger scale than hitherto and on the basis of this experience the Italian authorities are taking precautions in Sardinia where it is proposed in the next two months to call up the same age groups. As regards the reason for these disturbances the causes seem to be the same as those which I mentioned at our last meeting, namely a genuine desire to avoid conscription at this stage of the war, the unpopularity of grain amassing and the closing of the flour mills. More evidence has been obtained of the activities of separatist and fascist elements working under German direction.

3. In the field of international affairs the Italian Government have announced the resumption of relations with the Norwegian Government. The Italian Ministry of Foreign Affairs have explained that relations

2099

Declassified E.O. 12356 Section 3.3/NND No. 785075

was reported to be returning to normal and operations were in progress against the rioters who had taken to the country. The Italian Military Commander has ordered the surrender of arms but none have been recovered to date. In the meantime small disorders broke out in Agrigento Province but were reported quelled by January 15th. It is reported that during these disturbances 18 soldiers have been killed and 24 wounded, while 19 civilians have been killed and 63 wounded. It seems clear that these disorders were on a much larger scale than hitherto and on the basis of this experience the Italian authorities are taking precautions in Sardinia where it is proposed in the next two months to call up the same age groups. As regards the reason for those disturbances the causes seem to be the same as those which I mentioned at our last meeting, namely a genuine desire to avoid conscription at this stage of the war, the unpopularity of grain amassing and the closing of the flour mills. More evidence has been obtained of the activities of separatist and fascist elements working under German direction.

6. In the field of international affairs the Italian Government have announced the resumption of relations with the Norwegian Government. The Italian Ministry of Foreign Affairs have explained that relations are also being re-activited between Italy on the one hand and Rumania and Bulgaria on the other. It is pointed out that diplomatic relations with these two countries were never in fact broken off but were merely suspended as a result of force majeure. The present developments are therefore claimed to be nothing more than the re-activisation of its relations.

2099

Declassified E.O. 12356 Section 3.3/NND No. 738015

9. At a press conference on January 9th the spokesman of the Italian Government expressed pleasure at Mr. Macmillan's statement on the "new deal" for Italy which envisages the progressive restitution to the Government of political and administrative responsibility. The Spokesman also expressed the Government's satisfaction at the further step which had been taken in the normalisation of relations between Italy and the United States by Mr. Kirk's presentation of letters of credence to the Lieutenant of the Realm. The spokesman also made a statement in reply to a question by a correspondent to the effect that the Italian Government, far from objecting to the publication of the Armistice Terms, were in fact in favour of such publication and were not aware of the nature of the military considerations to which President Roosevelt had referred in a press conference a few days previously.

That, Gentlemen, concludes my report.

cc: 1-Adv. Council Secretariat.
1- Political Sec.
1-C of S.
1-Ops Files.

2008

1336

Declassified E.O. 12356 Section 3.3/NND No. 780015

step which had been taken in the normalisation of relations between Italy and the United States by Mr. Kirk's presentation of letters of credence to the Lieutenant of the Realm. The spokesman also made a statement in reply to a question by a correspondent to the effect that the Italian Government, far from objecting to the publication of the Armistice Terms, were in fact in favour of such publication and were not aware of the nature of the military considerations to which President Roosevelt had referred in a press conference a few days previously.

That, Gentlemen, concludes my report.

cc: 2-Adv. Council Secretariat.
1-Political Sec.
1-G of S.
1-CC Files.

2098

(15)

Declassified E.O. 12356 Section 3.3/NND No. 780015

1338

Declassified E.O. 12356 Section 3.3/NND No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 903 4 January 1945

ADMIRAL STONE'S ADDRESS TO ADVISORY COUNCIL - 5 JANUARY 1945

It is still too early to comment on the actual capabilities of the new four-Party coalition government but, thus far, it appears to be stable and more compact and it has the advantage of an organized Opposition which, however, as yet has been relatively inactive and has restricted itself to a number of suggestions for reform and improvement. In the three meetings held by the Council since the establishment of the new Government, there has been shown an indication to carry out what "Unita" initially demanded, i.e., definite action to solve the most important problems of the country and, as Bonomi said, to put first things first. The matters considered were of an economic and social nature, epuration, the holding of popular elections and relations with the CLNAI. Thus, the budget was approved to 30th June 1945 and showed estimated figures of 76,612.6 million Lire for expenditure and 14,108.4 million Lire for income, giving a deficit of 61,984.2 million Lire. The Minister of Treasury stated that Allied Military Lire issued in Italy to the end of October amounted to 44 billion Lire. He saw some optimism in the fact that bank deposits have increased considerably and that treasury bonds continue to enjoy popular subscription, thereby indicating public confidence in the money. Misc. budget conditions are to be stabilized by pegging the Lire and devising increased tax rates.

2097

A request by the Italian General Confederation of Labor to alleviate workers' conditions produced a decision of the Council to sanction and make obligatory the payment of a 13th month's additional pay as a subsidy

new four-Party coalition government but, thus far, it appears to be stable and more compact and it has the advantage of an organized opposition which, however, as yet has been relatively inactive and has restricted itself to a number of suggestions for reform and improvement. In the three meetings held by the Council since the establishment of the new government, there has been shown an indication to carry out what "Unita" initially demanded, i.e., definite action to solve the most important problems of the country and, as Bonomi said, to put first things first. The matters considered were of an economic and social nature, operation, the holding of popular elections and relations with the C.N.L. Thus, the budget was approved to 30th June 1945 and showed estimated figures of 76,012.6 million Lire for expenditure and 13,168.4 million Lire for income, giving a deficit of 61,884.2 million Lire. The Minister of Treasury stated that Allied Military Lire issued in Italy to the end of October amounted to 44 billion Lire. He saw some optimism in the fact that bank deposits have increased considerably and that treasury bonds continue to enjoy popular subscription, thereby indicating public confidence in the money. Also, budget conditions are to be stabilized by keeping the life and savings income-tax rates.

2097

A request by the Italian General Confederation of Labor to alleviate workers' conditions produced a decision of the Council to sanction and make obligatory the payment of a 13th month's additional pay as a subsidy to workers, and to indemnify the State employees living in large cities. The Ministry of Public Works was instructed to prepare an emergency program to check unemployment as the repatriation of prisoners of war occurs. State employees were given special Christmas bonuses, and part payments of subsidies to pensioned persons beginning January 1st was decreed for a

(14)

1339

Declassified E.O. 12356 Section 3.3/NND No. 785045

temporary period whilst a final plan for regular payment is worked out.

There was created an Inter-Ministerial Committee to coordinate economic reconstruction. Further credits were made for the economic rehabilitation of Sicily and Sardinia where the High Commissioners were given increased powers and advisory bodies were provided to assist them. This grant of increased autonomy was accompanied by a warning that the Government would deal firmly with separatism. Wide powers to afford various relief measures were afforded the Food Commissariat (a new governmental organization directly under the President of the Council which was created at the first meeting of the new Government./

The decision was reached to cause the preparation of voting lists, with a view to holding communal and provincial elections late next Spring. This raised the question of female suffrage, with which the Prime Minister declared himself to be in sympathy. The Union of Italian Women then issued an order of the day, demanding the immediate inclusion of women on voting lists. Their demand was supported by the Italian Confederation of Labor.

A Ministerial Committee composed of a Member of each Party was appointed to make concrete proposals for the formation of an advisory body to permit the "direct expression of the living forces of the nation to collaborate with the Government". The idea obviously is to provide some substitute for a Parliament.

Epuration continued actively during the month of December despite the crisis in the Government. The chief matter of interest was the pronouncement of a verdict of guilty in the cases of Generals Del Bette and Pontiselli and their sentence to twenty years of imprisonment. During the month, 509 cases were reported to have been dealt with in the punishment of Fascist crimes, 14,522 cases in the epuration of the administration

2096

Declassified E.O. 12356 Section 3.3/NND No. 785045

measures were afforded the Food Commissariat (a new governmental organization directly under the President of the Council which was created at the first meeting of the new Government.

The decision was reached to cause the preparation of voting lists, with a view to holding communal and provincial elections late next Spring. This raised the question of female suffrage, with which the Prime Minister declared himself to be in sympathy. The Union of Italian women then issued an order of the day, demanding the immediate inclusion of women on voting lists. Their demand was supported by the Italian Confederation of Labor.

A Ministerial Committee composed of a Member of each Party was appointed to make concrete proposals for the formation of an advisory body to permit the "direct expression of the living forces of the nation to collaborate with the Government". The idea obviously is to provide some substitute for a Parliament.

Epuration continued actively during the month of December despite the crisis in the Government. The chief matter of interest was the pronouncement of a verdict of guilty in the cases of Generals Del Tetto and Pentimalli and their sentence to twenty years of imprisonment. During the month, 309 cases were reported to have been dealt with in the punishment of Fascist crimes, 14,522 cases in the epuration of the administration and 384 cases in the recovery of profits of the Regime. Thus far, the total value of Fascist property liquidated is estimated at $2,171,300.

It was announced on December 27 that Count Carlo Sforza had resigned his appointment as High Commissioner for sanctions against Fascism. It is rumored that the Government proposes to reorganize the machinery for epuration. A copy of the draft of the decree to effect this is awaited.

(14)

2096

Declassified E.O. 12356 Section 3.3/NND No. 760015

There has been a new addition to the Government. With the approval of the Allied Commission, General Cadia was replaced as Undersecretary of State for War by General Luigi Chatrian.

On the political side, there have been some declarations of policy and a continuation of the tendency to Right-Left political cleavage. The Central Committee of National Liberation in an order of the day announced the intention of the Six Parties to collaborate in the war effort for the liberation of Italy, and to maintain close liaison between them for the reconstruction of the country. In a subsequent address to the Council, the Prime Minister took note and expressed his appreciation of this decision and his gratification that the recent crisis had not split the unity of the forces in Northern Italy which had banded together to resist the Germans and the Fascists.

It appears that the Right-Left division in the Political Parties is based in ideology largely and increasingly on the distinction made in the Pope's Christmas message between the "people" and the "masses". The Socialist and the Action Parties reputedly are drawing closer together and the Socialist-Communist Alliance seems to have been threatened seriously by the participation of the Communists in the Government (although Nenni, in his speech on December 31, denied this assumption). On the other hand, there are indications of a consolidation of the Christian Democrat, the Liberal, and the Right-Wing elements of the Labor Democrat Parties with a view to forming a "People's Group" which would threaten politically the "Masses' Group" of the Left.

2095

The Government has made two statements concerning the recognition of the CLNAI. On December 20 it was stated that the struggle of the patriots is an integral part of the nation's war effort and that to the

1342

Declassified E.O. 12356 Section 3.3/NND No. 785015

The Central Committee of National Liberation in an order of the day announced the intention of the Six Parties to collaborate in the war effort for the liberation of Italy, and to maintain close liaison between them for the reconstruction of the country. In a subsequent address to the Council, the Prime Minister took note and expressed his appreciation of this decision and his gratification that the recent crisis had not split the unity of the forces in Northern Italy which had banded together to resist the Germans and the Fascists.

It appears that the Right-Left division in the Political Parties is based in ideology largely and increasingly on the distinction made in the Pope's Christmas message between the "people" and the "masses". The Socialist and the Action Parties reportedly are drawing closer together and the Socialist-Communist alliance seems to have been threatened seriously by the participation of the Communists in the Government (although Nenni, in his speech on December 31, denied this assumption). On the other hand, there are indications of a consolidation of the Christian Democrat, the Liberal, and the Right-Wing elements of the Labor Democrat Parties with a view to forming a "People's Group" which would threaten politically the "Masses' Group" of the Left.

2095

The Government has made two statements concerning the recognition of the CLNAI. On December 20 it was stated that the struggle of the patriots is an integral part of the nation's war effort and that to the Committee of Liberation of Northern Italy, as representative of the Government itself, is given the task of directing the action of the patriots against the Fascist and Nazi oppressors. It was stated further (but erroneously) that the Allied Command had recognized the Committee as the representative organ of all anti-Fascist parties in territory occupied by the enemy and that this recognition, together with that previously

(14)

1343

Declassified E.O. 12356 Section 3.3/NND No. 785045

given by the Italian Government, would strengthen the Committee in its struggle.

As the Council is aware, committees similar to the C.L.N. which was established in Rome before the entry of the Allies, have sprung up in other large cities such as Florence, Turin, Milan, and Genoa. The committees have played an increasingly powerful role in political affairs and have succeeded in acquiring control over a majority of the bands of patriots engaged in fighting the enemy. During the Summer, the CLNAI succeeded in establishing contact with the Italian Government through the Italian Legation in Bern, and a limited degree of recognition in fact was accorded to them as the coordinating body for anti-Fascist activities in the North. The example of Florence indicated that the eventualities of war might find the committees in control, to some extent, of liberated cities or areas until Allied Military Government could be established. For this reason it was deemed desirable by the Italian Government to accord some further degree of recognition to the Committee. In consequence, after conversations with representatives of the CLNAI, the Government issued a further communique saying that the CLNAI accepts the authority of the Italian Government and agrees to act as its delegate, while the Government recognized the Committee as the organ of the anti-Fascist parties in the territory occupied by the enemy, and delegates it to represent the Government in the struggle against the Germans and the Fascists. A rectification of the previous erroneous statement regarding Allied recognition was made in this statement which said that the Allied Military Authorities had not accorded any form of political recognition to the Committee, but had agreed with it on military measures for the prosecution of the war behind the enemy lines.

2094

1544

Declassified E.O. 12356 Section 3.3/NND No. 785015

and have succeeded in acquiring control over a majority of the bands of patriots engaged in fighting the enemy. During the Summer, the CLNAI succeeded in establishing contact with the Italian Government through the Italian Legation in Bern, and a limited degree of recognition in fact was accorded to them as the coordinating body for anti-Fascist activities in the North. The example of Florence indicated that the eventualities of war might find the committees in control, to some extent, of liberated cities or areas until Allied Military Government could be established. For this reason it was deemed desirable by the Italian Government to accord some further degree of recognition to the Committee. In consequence, after conversations with representatives of the CLNAI, the Government issued a further communique saying that the CLNAI accepts the authority of the Italian Government and agrees to act as its delegate, while the Government recognized the Committee as the organ of the anti-Fascist parties in the territory occupied by the enemy, and delegates it to represent the Government in the struggle against the Germans and the Fascists. A rectification of the previous erroneous statement regarding Allied recognition was made in this statement which said that the Allied Military Authorities had not accorded any form of political recognition to the Committee, but had agreed with it on military measures for the prosecution of the war behind the enemy lines.

2094

On December 14, demonstrations against military conscription took place in Catania where rioting occurred and fires were started which gutted the Municipio, the Tribunale, and the Tax Office, and damaged three other official buildings. The riots ended in the death of one person and in the injury of eight others. Thereafter, further demonstrations occurred which were simultaneous and widespread throughout the

(14)

1345

Declassified E.O. 12356 Section 3.3/NND No. 780075

Island. By December 21 there had been 43 demonstrations without incident at 34 different places; demonstrations with damage and conflict at nine places; and demonstrations with damage but without conflict at five places.

While the apparent cause of this unrest was a protest by students and others against being called to the colors, there appeared to be economic factors such as reaction to grain rationing and the closing of the flour mills (which alone accounted for seven demonstrations). Also, other outside forces appeared to have incited the students to assume their attitude of indifference toward the war and to rebel against participation in it. Both separatists and Fascist elements were regarded (and not without evidence) at least in part to have been responsible for the disturbance. At last report, when the situation was reported to be in hand, casualties totalled four civilians dead and 25 injured; six police injured.

With regard to international affairs, the British and American Governments issued virtually identical communiques following the formation of the new Italian Government, saying that their Ambassadors had worked in close council and, their reports having been found satisfactory to the two Governments, the latter welcomed the representative character of the new Government and were happy to see it assume office.

Count Sforza has declined to accept the appointment of Ambassador to the United States, and no other nomination thereto yet has been made. The Public Relations Office of the Presidency of the Council announced on December 27 that diplomatic relations were to be resumed with Belgium and were to be "reactivated" with Rumania. Its spokesman said that most problems impeding a resumption of relations with France had been solved, and the Government was hopeful of a speedy settlement of those which remained—in fact, the new Foreign Minister considered reconciliation with France "his

2093

1346

Declassified E.O. 12356 Section 3.3/NND No. 785015

other outside forces appeared to have incited the students to assume their attitude of indifference toward the war and to rebel against participation in it. Both Separatists and Fascist elements were regarded (and not without evidence) at least in part to have been responsible for the disturbance. At last report, when the situation was reported to be in hand, casualties totalled four civilians dead and 23 injured; six police injured.

With regard to international affairs, the British and American Governments issued virtually identical communiques following the formation of the new Italian Government, saying that their ambassadors had worked in close council and, their reports having been found satisfactory to the two Governments, the latter welcomed the representative character of the new Government and were happy to see it assume office.

Count Sforza has declined to accept the appointment of Ambassador to the United States, and no other nomination thereto yet has been made. The Public Relations Office of the Presidency of the Council announced on December 27 that diplomatic relations were to be resumed with Belgium and were to be "reactivated" with Rumania. Its spokesman said that most problems impeding a resumption of relations with France had been solved, and the Government was hopeful of a speedy settlement of those which remained--in fact, the new Foreign Minister considered reconciliation with France "his first obligation".

2093

The press of December 29 announced a resumption of Italo-Norwegian relations.

cc: 2- Advisory Council Section
1- Political Section
1- E of S
1- CC Files

(17)

Declassified E.O. 12356 Section 3.3/NND No. 785045

- 1347 -

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

15 December 1944

NEAR ADMIRAL STONE'S SPEECH TO ADVISORY COUNCIL

The crisis occasioned by the resignation of the Government on 26 November was the chief concern of my last report to you. It continued until December 7 when Bonomi officially accepted the charge of forming a new Ministry. The names of the Members of the new Government were not presented to the Commission until December 9, and the names of the Undersecretaries had not been decided definitely until December 12, the day on which the new Government was sworn in office by the Lieutenant General of the Realm. The requirements of the Allies were complied with; i.e., the names of the proposed Heads of Service Ministries and those of the Undersecretary for Posts and Telegraphs as well as the Director General of Railroads were submitted to the Commission for the approval of AFHQ, and the names of all the Members were submitted to the United States and British Embassies and to AFHQ before their announcement was made.

I have submitted to the President of the Council a complete list of the names of the officials composing the new Government. Since this has been published, I shall not restate them at this time.

I also have informed your President of the signing of the two undertakings by Signor Bonomi on the formation of his new Government; namely,

(1) that he accepts all obligations towards the Allies entered into by the former Italian Governments since the conclusion of the Armistice signed on 3 September 1943 and he declares that every member of the Government has acquainted himself personally with the terms of all such

2092

1348

Declassified E.O. 12356 Section 3.3/NND No. 785045

November was the chief concern of my last report to you. It continued until December 7 when Bonomi officially accepted the charge of forming a new Ministry. The names of the Members of the new Government were not presented to the Commission until December 9, and the names of the Undersecretaries had not been decided definitely until December 12, the day on which the new Government was sworn in office by the Lieutenant General of the Realm. The requirements of the Allies were complied with; i.e., the names of the proposed Heads of Service Ministries and those of the Undersecretary for Posts and Telegraphs as well as the Director General of Railroads were submitted to the Commission for the approval of AFHQ, and the names of all the Members were submitted to the United States and British Embassies and to AFHQ before their announcement was made.

I have submitted to the President of the Council a complete list of the names of the officials composing the new Government. Since this has been published, I shall not restate them at this time.

I also have informed your President of the signing of the two undertakings by Signor Bonomi on the formation of his new Government; namely, (1) that he accepts all obligations towards the Allies entered into by the former Italian Governments since the conclusion of the Armistice signed on 3 September 1943 and he declares that every member of the Government has acquainted himself personally with the terms of all such obligations including the terms of the Armistice signed on 29 September; and (2) that without the prior consent of the Allied Governments the Royal Italian Government undertakes not to reopen the institutional question until such time as Italy has been liberated and the Italian people have the opportunity of themselves determining their form of government.

2092

1349

Declassified E.O. 12356 Section 3.3/NND No. 785015

(13) 15 Dec

FILES A

You will have noted that the new Cabinet is essentially a reshuffling of the former Ministry and that the only changes in its constitution are the exclusion of representatives of the Socialist and Action Parties, and the reduction of the number of Ministries without Portfolio from seven to three, two of whom also are Vice-Presidents. Also, the Ministry of Communications has been split into two Ministries of Post and Telegraph Communications and of Railroad Transportation, and a new Ministry of Occupied Italy has been created.

Seven Members were carried over from the last Cabinet without change of position, though, Corbino, former Minister of Communications, now presides only over the Ministry of Railroad Transport. De Gasperi, Togliatti, and Bulmi were shifted from Ministries without Portfolio to the Ministry of Foreign Affairs, a Vice Presidency without Portfolio and the Ministry of Public Works, respectively. The Ministers of Finance and Air, Pesenti and Scialoja, were Undersecretaries in the previous Government. Arangio-Ruiz, the Minister of Public Instruction, was Minister of Justice in the last Badoglio Cabinet. The two new members, Brosio and Cevolotto, Minister without Portfolio and Minister of Post and Telegraph Communications are, respectively, secretaries of the Liberal Party and of the Labor Democrat Party.

The portfolios are divided evenly amongst the four parties. The two Vice-Presidencies of the Christian Democrat and of the Communist Parties are balanced by a third Minister without Portfolio belonging to the Liberal Party, and it is understood that a Labor Democrat Party Minister with Portfolio will occupy the Presidency of the Inter-Ministerial Committee.

The first week of the crisis was marked throughout by the publication of Party "orders of the day", charges and counter-charges and partisan

2091

Declassified E.O. 12356 Section 3.3/NND No. 759049

Communications and of Railroad Transportation, and a new Ministry of Occupied Italy has been created.

Seven Members were carried over from the last Cabinet without change of position, though, Cerabona, former Minister of Communications, now presides only over the Ministry of Railroad Transport. De Gasperi, Togliatti, and Bulni were shifted from Ministries without Portfolio to the Ministry of Foreign Affairs, a Vice Presidency without Portfolio and the Ministry of Public Works, respectively. The Ministers of Finance and Air, Pesenti and Scialoja, were Undersecretaries in the previous Government. Arangio-Ruiz, the Minister of Public Instruction, was Minister of Justice in the last Badoglio Cabinet. The two new members, Brosio and Cevolotto, Minister without Portfolio and Minister of Post and Telegraph Communications are, respectively, secretaries of the Liberal Party and of the Labor Democrat Party.

The portfolios are divided evenly amongst the four parties. The two Vice-Presidencies of the Christian Democrat and of the Communist Parties are balanced by a third Minister without Portfolio belonging to the Liberal Party, and it is understood that a Labor Democrat Party Minister with Portfolio will occupy the Presidency of the Inter-Ministerial Committee.

The first week of the crisis was marked throughout by the publication of Party "orders of the day", charges and counter charges and partisan commentary. While the underlying reasons for the Government's resignation--the division amongst its members and the question of epuration--continued to be made manifest, a definite cleavage between Right and Left became apparent on the issue of whether or not the C.L.N. was to become a "Super-government". The Socialists blamed the Liberals for the fall of the Government saying that they wished to return to the old

Declassified E.O. 12356 Section 3.3/NND No. 785015

pre-Fascist Italy rather than to accept Socialist orientation towards the future and hence were an obstacle to unity. "Avanti" remarked that Bonomi had but two alternatives--to fight democracy or to retire.

The Action Party declared they would not take part in any government which did not assign the position of Minister of Foreign Affairs to Count Sforza. "Italia Libera" asserted that by having offered the resignation of the Government to the Lieutenant General rather than to the C.L.N., Bonomi had put himself beyond the political pale.

The Communists, while adopting a milder and more conciliatory tone, maintained their solidarity with the Socialists and declared that Bonomi had not followed the democratic program laid down by the C.L.N. "Unita", denying Communist responsibility for the crisis, said that the impasse was due to a tendency of the late government to liquidate the Committee of Liberation and the process of epuration.

This plethora of newspaper polemics was followed by days of feverish political negotiation punctuated by the publication of letters to and from the several political personages. It appeared during this course of events that the Parties definitely had split into two groups of the Left (Action, Socialist and Communist) and of the right (Labor Democrat, Christian Democrat, and Liberal), but with the Christian Democrats at times straddling the political fence in an effort to effect a compromise.

Bonomi, counting on the eventual support of the Christian Democrats, obviously was attempting to break up the Leftist bloc which 2090
self was striving to obtain a decision through the jurisdiction of C.L.N. and with the aid of the Christian Democrats. His strongest efforts were directed towards the Communist Party which had shown itself to be more conciliatory than had the other two Parties of the Left.

Declassified E.O. 12356 Section 3.3/NND No. 785045

nation of the Government to the Lieutenant General rather than to the C.L.N., Bonomi had put himself beyond the political pale.

The Communists, while adopting a milder and more conciliatory tone, maintained their solidarity with the Socialists and declared that Bonomi had not followed the democratic program laid down by the C.L.N. "Unita", denying Communist responsibility for the crisis, said that the impasse was due to a tendency of the late government to liquidate the Committee of Liberation and the process of epuration.

This plethora of newspaper polemics was followed by days of Italian political negotiation punctuated by the publication of letters to and from the several political personages. It appeared during this course of events that the Parties definitely had split into two groups of the Left (Action, Socialist and Communist) and of the right (Labor Democrat, Christian Democrat, and Liberal), but with the Christian Democrats at times straddling the political fence in an effort to effect a compromise.

Bonomi, counting on the eventual support of the Christian Democrats, obviously was attempting to break up the Leftist bloc which 2090,
self was striving to obtain a decision through the jurisdiction of C.L.N. and with the aid of the Christian Democrats. His strongest efforts were directed towards the Communist Party which had shown itself to be more conciliatory than had the other two Parties of the Left. An early effort was made by him to induce Togliatti, Nenni and De Gasperi to accept the posts of Vice-Presidents of the Council. It was unsuccessful. In the end, however, the Communists yielded to Bonomi's final appeal and joined the right parties to form the present Government.

(13)

Declassified E.O. 12356 Section 3.3/NND No. 785015

1353

Explaining this action, Togliatti stated that the Sforza case practically had unveiled the possibility of a unanimous candidate and, in consequence, the best course was to accept Bonomi in order to permit a solution of the crisis. He added that the Communist Party had to participate in the Government because otherwise all three left parties --perhaps even all the C.L.N. Parties--would have been excluded from the Government. He thinks it important that the Socialists and the Communists reach an agreement with the Christian Democrats. The apparent difference of political attitudes of the Communists and Socialists was denied by "Unita" which reaffirmed the united action of the two Parties, and Togliatti asserted that the Party's presence in the Government did not mean an end of the pact with the Socialists, who were aware of this decision and had approved of it.

The Socialist and Action Parties remained adamant in refusing to enter the Government. Nenni stated that the Socialists refused to join a Government which owed its investiture to the Prince rather than to the C.L.N. Having expressed their lack of faith in the Bonomi Government, they certainly could not join it. The Action Party followed the same line and accused Bonomi of having betrayed the confidence which the C.L.N. had given him. The organ "Italia Libera" asserted that the Allies were responsible for the failure of the two Parties to take part in the Government.

The Democrat "Italia Nuova" said that the Italian nation had known for six months that the self-appointment of the C.L.N. Parties as the only representatives of the nation would lead to serious consequences and the Independent "Tempo" said that Bonomi had fought the revolutionary currents in his Government and had split the coalition by differentiating between the Parties of the masses and the other Parties. One of

2089

Declassified E.O. 12356 Section 3.3/NND No. 785015

perhaps even all the C.L.N. parties--would have been excluded from the Government. He thinks it important that the Socialists and the Communists reach an agreement with the Christian Democrats. The apparent difference of political attitudes of the Communists and Socialists was denied by "Unita" which reaffirmed the united action of the two Parties, and Togliatti asserted that the Party's presence in the Government did not mean an end of the pact with the Socialists, who were aware of this decision and had approved of it.

The Socialist and Action Parties remained adamant in refusing to enter the Government. Nenni stated that the Socialists refused to join a Government which owed its investiture to the Prince rather than to the C.L.N. Having expressed their lack of faith in the Bonomi Government, they certainly could not join it. The Action Party followed the same line and accused Bonomi of having betrayed the confidence which the C.L.N. had given him. The organ "Italia Libera" asserted that the Allies were responsible for the failure of the two Parties to take part in the Government.

The Democrat "Italia Nuova" said that the Italian nation had known for six months that the self-appointment of the C.L.N. Parties as the only representatives of the nation would lead to serious consequences and the Independent "Tempo" said that Bonomi had fought the revolutionary currents in his Government and had split the coalition by differentiating between the Parties of the masses and the other Parties. One of the results of his struggle, it said, had been to remove the Communists from control of education.

Two new situations have emerged from the formation of the present Government. First, the position of the C.L.N. undoubtedly has been weakened and the Government has been given a conservative tinge; second, there has been created a strong opposition of the Socialist and the Action

2089

Declassified E.O. 12356 Section 3.3/NND No. 740045

135

Parties, presumably to include also the Republican Party. Nenni, surely to be the mouthpiece of the opposition, stated that the basic questions had been avoided but not solved. He said that his Party would criticise the new Government dispassionately and not fight it systematically, but would support all measures directed towards winning the war and the democratization of the country.

The Communists achieved a technical triumph and have jockeyed themselves into an excellent political bargaining position since, in their alliance with the Socialists, they are virtually at once inside and outside the Government. The Christian Democrats, who made every effort to reach a compromise in the crisis, ultimately joined the conservatives and have gained strength as their ministerial appointments indicate. The legal position of the Monarchy is somewhat strengthened since the Government was formed under the direct charge of the Lieutenant General.

Bonomi undoubtedly has achieved a personal triumph. "Tempo" paid tribute to his patience, tenacity and courage. Despite the strain of numerous conferences and discussions and against the receipt of anonymous letters and threats against his person, it added, he stood firm to his principles and his first thoughts were for the good of the country.

The task of the newly created government undoubtedly will continue to be a severe one and its success in large measure will depend upon its ability to gain popular support, to supply the basic needs of the population, to deal with the opposition, and to solve the political and economic problems of the North. "Unita" in commenting on the tasks of the Government, said that no one expects it to perform a miracle, but the people would anticipate definite action to solve their most

1356

Declassified E.O. 12356 Section 1.3/NND No. 760015

2088

The Communists achieved a technical triumph and have jockeyed themselves into an excellent political bargaining position since, in their alliance with the Socialists, they are virtually at once inside and outside the Government. The Christian Democrats, who made every effort to reach a compromise in the crisis, ultimately joined the conservatives and have gained strength as their ministerial appointments indicate. The legal position of the Monarchy is somewhat strengthened since the Government was formed under the direct charge of the Lieutenant General.

Bonomi undoubtedly has achieved a personal triumph. "Tempo" paid tribute to his patience, tenacity and courage. Despite the strain of numerous conferences and discussions and against the receipt of anonymous letters and threats against his person, it added, he stood firm to his principles and his first thoughts were for the good of the country.

The task of the newly created government undoubtedly will continue to be a severe one and its success in large measure will depend upon its ability to gain popular support, to supply the basic needs of the population, to deal with the opposition, and to solve the political and economic problems of the North. "Unita" in commenting on the tasks of the Government, said that no one expects it to perform a miracle, but the people would anticipate definite action to solve their most important problems; more specifically, partisan formations had to be recognized, the Army had to be epurated, the Black Market had to be eradicated and replaced by a controlled market, and the country had to be democratized.

2088

Declassified E.O. 12356 Section 3.3/NND No. 788545

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

EMS/dfe

1 December 1944

COMMODORE STONE'S SPEECH TO ADVISORY COUNCIL

Domestic political events have moved fast since my last report to you. My expressed hope that the existing political alignment might be perpetuated has suffered a rebuff, but it is hoped that the present crisis will find a satisfactory solution.

Various factors made for political uneasiness. Primary amongst these was the realization that warfare in Italy would continue and necessitate continued action for some considerable period by the existing Government in liberated Italy. The Government was hanging together on the cord of an agreement to cooperate which the several component groups, although constantly becoming more divergent outside the Cabinet with rival attacks in the press, were striving to maintain for their individual advantages. This circumstance, the bases of which I later shall develop briefly, together with the departure of Carandini for London and the expected resignation of the Minister of Public Education and of the Undersecretary of Foreign Affairs, necessitated at least a reconstruction of the Cabinet. The extent of the difficulty in accomplishing this task was evidenced by the action of the Prime Minister in submitting to the Lieutenant General of the Realm his resignation and that of his Government, on November 26.

The Lieutenant General, following constitutional procedure, accepted the resignation of the Government and then proceeded to hold conversations with the Presidents of the Senate and of the Chamber, and with the leaders of the six Government Parties and with other political personages. These

2087

1358
Declassified E.O. 12356 Section 3.3(NN) No. 785045
CCS/358

perpetuated has suffered a rebuff, but it is hoped that the present crisis will find a satisfactory solution.

Various factors made for political uneasiness. Primary amongst these was the realization that warfare in Italy would continue and necessitate continued action for some considerable period by the existing Government in liberated Italy. The Government was hanging together on the cord of an agreement to cooperate which the several component groups, although constantly becoming more divergent outside the Cabinet with rival attacks in the press, were striving to maintain for their individual advantages. This circumstance, the bases of which I later shall develop briefly, together with the departure of Carandini for London and the expected resignation of the Minister of Public Education and of the Undersecretary of Foreign Affairs, necessitated at least a reconstruction of the Cabinet. The extent of the difficulty in accomplishing this task was evidenced by the action of the Prime Minister in submitting to the Lieutenant General of the Realm his resignation and that of his Government, on November 26.

The Lieutenant General, following constitutional procedure, accepted the resignation of the Government and then proceeded to hold conversations with the Presidents of the Senate and of the Chamber, and with the leaders of the six Government Parties and with other political personages. These conversations were concluded on the evening of December 29th.

The attitude of the Commission has been one of interested observation, looking with favor upon any change made by Italian initiative which will strengthen the Government and permit it to conduct its affairs efficiently, in furtherance of the war effort.

(12) 1 Dec

2087

1359

Declassified E.O. 12356 Section 3.3/NND No. 785045

Ten days of political maneuvers, statements by various Parties and endless rumors preceded the crisis. For the most part, Party statements reiterated old theses, but the general impression was given of discontent and a weakness in Government which was reflected by a public feeling of increasing, marked hesitancy in Government activity. The Socialists expressed themselves strongly against reactionary forces. They asked for an annulment of the Armistice, the limitation of A.C. control to military matters and a quick solution of national problems. They solicited aid for Italy from international socialist organizations. The Action Party stressed the necessity for union of the Parties of the C.N.L. as the only remedy against disunion, and for more homogeneous and efficient activity on the part of the Government. The Christian Democrats deplored agitation and disturbance, particularly as carried on by the press, and declared that the Socialist and Communist newspapers had shown lack of a sense of responsibility and had broken the political truce. They published figures to indicate the extent of the damage done by War to Italy's social and economic structure and demanded unity of government with which to effect reconstruction. The Labor Democrats echoed the Christian Democrats and, reaffirming the truce on the institutional question, still reserved the right to "persuade" other Parties to agree on the establishment of a democratic republic.

At the time of the resignation of the Government, rumor had it that the Parties of the Left demanded stronger representation in the Government and that they particularly desired the portfolios of Interior, War, and Foreign Affairs. They were said also to desire the removal from the Government of certain weak members whom they professed to represent the more moderate Parties.

1360

Declassified E.O. 12356 Section 3.3/NND No. 785045

military matters and a quick solution of national problems. They solicited aid for Italy from international socialist organizations. The Action Party stressed the necessity for union of the Parties of the C.N.L. as the only remedy against disunion, and for more homogeneous and efficient activity on the part of the Government. The Christian Democrats deplored agitation and disturbance, particularly as carried on by the press, and declared that the Socialist and Communist newspapers had shown lack of a sense of responsibility and had broken the political truce. They published figures to indicate the extent of the damage done by war to Italy's social and economic structure and demanded unity of government with which to effect reconstruction. The Labor Democrats echoed the Christian Democrats and, reaffirming the truce on the institutional question, still reserved the right to "persuade" other Parties to agree on the establishment of a democratic republic.

At the time of the resignation of the Government, rumor had it that the Parties of the Left demanded stronger representation in the Government and that they particularly desired the portfolios of Interior, War, and Foreign Affairs. They were said also to desire the removal from the Government of certain weak members whom they professed to represent the more moderate Parties.

Along another line, it was said that the President of the Council of Ministers had decided to form a cabinet of technicians, and "TEMPO" of November 24 stated that "only a government of technicians could gain the approval of Di Nicola and other parliamentarians". This brought an indignant blast from "AVANTI" which railed against the attempt of the "reaction to exclude the Communists from the Government" by forming a government of technicians.

1361

Declassified E.O. 12356 Section 3.3/NND No. 735045

Subsequent to the resignation, a meeting was held of representatives of the components of C.L.N. to discuss means of solving the crisis. Count Sforza was named Chairman and it was said that he was cast for the portfolio of Foreign Affairs in a new Government.

A Committee of the C.L.N. called upon the British Ambassador to express their views and, according to the B.B.C., they were given to understand by the Ambassador that Count Sforza, as a member of the Government, would not be welcomed by the British Government. Thereupon Count Sforza resigned as Chairman of the C.L.N. Risorgimento Liberale of November 29 said that 'the relations between Count Sforza and a high English political personality had been disturbed by some misunderstanding which occurred because of an assurance given by Count Sforza at the time of his return to his country. The inclusion of Count Sforza as Minister of Foreign Affairs in a Government to be formed could accentuate rather than dissipate this misunderstanding."

In any event, it appears most likely that the resignation of the Government primarily was caused by the unwillingness of the President of the Council and of the moderate Members of his Cabinet to accede to the demand for key ministerial posts by the Parties of the Left.

Yesterday, the Luogo Tenente charged Signor Bonomi with the task of forming a new government. It is to be hoped that he will be successful.

In view of the conditions arising out of a Winter campaign, Field Marshal Alexander issued instructions to the patriots in the North, to slow down the tempo of battle and to cease for the time being the maintenance of large scale organized activity. This caused the press to 2085 for an intensification of Government and Allied assistance to prevent a collapse in partisan activity in the North. The press of the Left urged the recognition of the Committees of Liberation in newly-liberated terri-

1362

Declassified E.O. 12356 Section 3.3/NND No. 785015

ment, would not be welcomed by the British Government. Thereupon Count Sforza resigned as Chairman of the C.L.N. Risorgimento Liberale of November 29 said that "the relations between Count Sforza and a high English political personality had been disturbed by some misunderstanding which occurred because of an assurance given by Count Sforza at the time of his return to his country. The inclusion of Count Sforza as Minister of Foreign Affairs in a Government to be formed could accentuate rather than dissipate this misunderstanding."

In any event, it appears most likely that the resignation of the Government primarily was caused by the unwillingness of the President of the Council and of the moderate Members of his Cabinet to accede to the demand for key ministerial posts by the Parties of the Left.

Yesterday, the Luogo Tenente charged Signor Bonomi with the task of forming a new government. It is to be hoped that he will be successful.

In view of the conditions arising out of a Winter campaign, Field Marshal Alexander issued instructions to the patriots in the North, to slow down the tempo of battle and to cease for the time being the maintenance of large scale organized activity. This caused the press to call for an intensification of Government and Allied assistance to prevent a collapse in partisan activity in the North. The press of the Left urged the recognition of the Committees of Liberation in newly-liberated territory as 'provisional governments'. The Socialists in a subsequent resolution have urged the recognition of the main Committee in enemy-occupied territory.

A proposal for a Consultative Assembly as an interim method of introducing some form of popular control of the Government is said to have been supported by practically all the Members of the Council. Some Parties, however, wished to make the establishment of this Assembly subordinate to the holding of elections.

(12)

1363

2085

Declassified E.O. 12356 Section 3.3/NND No. 785045

Epuration continues but it still is subject to the accusation of delay in action by certain sections of the press. Scoccimarro, High Commissioner for Epuration, stated that the reasons for this delay were the insufficiency of the law, lack of personnel, and difficulties encountered in recognizing the political nature of charges presented. The issue is linked closely to politics. At least there is a divergence of views as to carrying out this process. The proclaimed desire of the Left Parties to carry out far-reaching measures of epuration gives rise to suspicion of moderate Italians that the Left desires to eliminate entirely the old administrative personnel and to place persons of their own political sympathies in key positions. Moderate elements, on the other hand, desire to eliminate those Fascists who profited by their adherence to the regime or who collaborated openly with the Germans after the Armistice.

The most notable development in the field of epuration was the arrest of General Mario Roatta and of Colonel Bartolini, former Chief and member, respectively, of the Army General Staff.

The trial of General Pentimalli and Del Tetto again has been postponed until December 14. However, the arrest of Roatta again brought into public conversation the possibility of a full enquiry into the cause of, and responsibility for, the collapse of the Italian Army after the Armistice.

Several incidents of interest have occurred since our last meeting. The most important perhaps, from the point of view of public safety and order, was the disturbance which occurred in the Regina Coeli Prison beginning on November 21 when several hundred prisoners loosed from their cells created a slight disturbance and caused a small fire which was easily put out. There were about 1700 prisoners in the jail, of whom 994 are

2084

1364

Declassified E.O. 12356 Section 3.3/NND No. 785045

issue is linked closely to politics. At least there is a divergence of views as to carrying out this process. The proclaimed desire of the Left Parties to carry out far-reaching measures of epuration gives rise to suspicion of moderate Italians that the Left desires to eliminate entirely the old administrative personnel and to place persons of their own political sympathies in key positions. Moderate elements, on the other hand, desire to eliminate those Fascists who profited by their adherence to the regime or who collaborated openly with the Germans after the Armistice.

The most notable development in the field of epuration was the arrest of General Mario Roatta and of Colonel Bertolini, former Chief and member, respectively, of the Army General Staff.

The trial of General Pentimalli and Del Tetto again has been postponed until December 14. However, the arrest of Roatta again brought into public conversation the possibility of a full enquiry into the cause of, and responsibility for, the collapse of the Italian Army after the Armistice.

Several incidents of interest have occurred since our last meeting. The most important perhaps, from the point of view of public safety and order, was the disturbance which occurred in the Regina Coeli Prison 2084 beginning on November 21 when several hundred prisoners loosed from their cells created a slight disturbance and caused a small fire which was easily put out. There were about 1700 prisoners in the jail, of whom 994 are awaiting trial. They complained that they were detained without bail and without trial, that the prison was in a bad state of repair and that the food was bad. As there were some 150 security prisoners held in the prison by the Allies, the Regional Commissioner of Lazio-Umbria Region investigated conditions in the prison during the week before the disturbances, with a view to improving conditions and expediting the trial of the prisoners.

1365

Declassified E.O. 12356 Section 3.3/NND No. 785045

Shortly after seven a.m. on November 23, a number of the prisoners broke the communicating gates between the wings and escaped into the courtyard, but not from the prison. Others fled to the top floors and the roof where a fire was started, as was also one on the ground floor. A strong force of Carabinieri was present in and about the prison. At one stage of the disturbance they used their fire-arms, wounding three prisoners. Those in the courtyard then joined the prisoners on the roof, to make a total of some 500 persons who barricaded themselves in and refused to come down. They were not molested there and by eight a.m. of the following morning most of them had returned to their cells. No further incidents occurred.

In the course of the day of November 23, the 150 security prisoners were taken from the prison and transferred to the Boys' Reformatory School in Trastevere. Twenty Italian military prisoners were taken to the Forte Boccea. Three to four hundred other prisoners were removed to other prisons.

A mission composed of five members of the United States Commercial Company and a member of the State Department, headed by former U.S. Ambassador Culbertson, have spent some days in Rome investigating the industrial capacity of Italy, the possibilities of import and export trade and the currency exchange position. The function of the mission is purely exploratory but it is indicative of long-view Allied efforts to rehabilitate the commerce of Italy.

2083

The first contingent of six Italian Army groups now being re-equipped and reorganized, passed through Rome on November 24. The citizens turned

1366

Declassified E.O. 12356 Section 3.3/NND No. 785045

disturbance they used their fire-arms, wounding three prisoners. Those in the courtyard then joined the prisoners on the roof, to make a total of some 500 persons who barricaded themselves in and refused to come down. They were not molested there and by eight a.m. of the following morning most of them had returned to their cells. No further incidents occurred.

In the course of the day of November 23, the 150 security prisoners were taken from the prison and transferred to the Boys' Reformatory School in Trastevere. Twenty Italian military prisoners were taken to the Forte Boccea. Three to four hundred other prisoners were removed to other prisons.

A mission composed of five members of the United States Commercial Company and a member of the State Department, headed by former U.S. Ambassador Culbertson, have spent some days in Rome investigating the industrial capacity of Italy, the possibilities of import and export trade and the currency exchange position. The function of the mission is purely exploratory but it is indicative of long-view Allied efforts to rehabilitate the commerce of Italy.

2083.

The first contingent of six Italian Army groups now being re-equipped and reorganized, passed through Rome on November 24. The citizens turned out in large numbers to view the passage of the contingent which was reviewed by the Lieutenant General of the Realm. The splendid appearance of both personnel and materiel provoked favorable comment.

1367

Declassified E.O. 12356 Section 3.3/NNB No. 785045

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

E&S/dfs

17 November 1944

CORRIDORS STONE'S SPEECH TO ADVISORY COUNCIL

It now has been made known to us that what underlay the joint Churchill-Roosevelt declaration of September 26 was an agreement on a general policy to meet the economic and other difficulties of Italy. It appears further that the Allied leaders have chosen action by their chosen representatives on the spot to implement this policy, rather than by further defining it in a clarification of their stated views. In an official communique made from Washington and London on November 10, the Right Honorable Harold Macmillan, M. P., British Resident Minister at Allied Force Headquarters, Mediterranean, was made the responsible head of the Allied Commission, in addition to his present duties. General Maitland Wilson, the President of the Commission, delegated his functions as such to Mr. MacMillan as Acting President, thereby charging him specifically with the supervision of the development of new measures and with changing the structure of the Commission as he may see fit, to achieve them.

The communique further announced my appointment as Chief Commissioner.

The prestige of the presence as head of the Allied Commission of a British Cabinet Minister cannot be overlooked, and due to Mr. MacMillan's long association with the Commission and its problems I welcome his appointment as indicating a continuation in general of the Commission's policies which we have every hope to carry on to a fruitful and happy conclusion, and for the help he can give me in my work.

2082

I should also announce that there have been, or will be, some

1368

Declassified E.O. 12356 Section 3.3/NND No. 785015

It appears further that the Allied leaders have chosen action by their chosen representatives on the spot to implement this policy, rather than by further defining it in a clarification of their stated views. In an official communique made from Washington and London on November 10, the Right Honorable Harold Macmillan, M. P., British Resident Minister at Allied Force Headquarters, Mediterranean, was made the responsible head of the Allied Commission, in addition to his present duties. General Maitland Wilson, the President of the Commission, delegated his functions as such to Mr. Macmillan as Acting President, thereby charging him specifically with the supervision of the development of new measures and with changing the structure of the Commission as he may see fit, to achieve them.

The communique further announced my appointment as Chief Commissioner.

The prestige of the presence as head of the Allied Commission of a British Cabinet Minister cannot be overlooked, and due to Mr. Macmillan's long association with the Commission and its problems I welcome his appointment as indicating a continuation in general of the Commission's policies which we have every hope to carry on to a fruitful and happy conclusion, and for the help he can give me in my work.

I should also announce that there have been, or will be, some changes in the personnel and in the constitution of the Commission. It has been announced that General William O'Dwyer, Deputy Chief of Staff and Vice President of the Economic Section, who returned to the United States some weeks ago, will not return. His successor has not yet been announced. Mr. Harlan Cleveland has been appointed as Economic Director vice Mr. A. G. Antolini, who has been Acting Vice President in General O'Dwyer's absence. Further, to facilitate the work of the Economic Section

2082

1369

Declassified E.O. 12356 Section 3.3/NND No. 785845

there have been established a Supply and Resources Division and a Priorities and Movements Division.

The announcement of the resumption of direct relations between Great Britain and Italy and the establishment of diplomatic relations by the United States, Russia and the Latin American countries with Italy, has been followed by a considerable amount of diplomatic activity. Fifteen of the Latin American Representatives have advised the Italian Government of their decision to resume diplomatic relations and five of them (Brazil, Cuba, the Dominican Republic, Mexico and Peru) already have appointed representatives, three of whom already are in Rome. The Chilean Government have stated their imminent intention to name a Charge d'Affaires and, eventually, an Ambassador to the Quirinale. Argentina has maintained relations uninterruptedly with Italy. No communications to date regarding the resumption of relations have been received by the Italian Government from Bolivia, El Salvador, Guatemala, and Haiti.

His Excellency, Count Niccolo Carandini, newly appointed Italian Representative to the British Government, will leave for London with a part of his staff on November 20.

Turning to domestic matters, the Prime Minister on November 4 made an effort to strengthen his Government's foundation by summarizing their policy in a carefully considered speech in which he demanded the removal of all those responsible for Italy's present plight and of all traces of the factional principles on which the past regime based its action. He plead for a unification of the country's moral and material resources and emphasized the necessity for cooperation amongst the political parties in their common duty to carry out the work of reconstruction within a framework of liberal institutions. However, criticism continues to be levelled at the Government for their inability to cope satisfactorily

2081

Declassified E.O. 12356 Section 3.3/NNB No. 785045

ment of their decision to resume diplomatic relations and five of them (Brazil, Cuba, the Dominican Republic, Mexico and Peru) already have appointed representatives, three of whom already are in Rome. The Chilean Government have stated their imminent intention to name a Charge d'Affaires and, eventually, an Ambassador to the Quirinale. Argentina has maintained relations uninterruptedly with Italy. No communications to date regarding the resumption of relations have been received by the Italian Government from Bolivia, El Salvador, Guatemala, and Haiti.

His Excellency, Count Niccolo Carandini, newly appointed Italian Representative to the British Government, will leave for London with a part of his staff on November 20.

Turning to domestic matters, the Prime Minister on November 4 made an effort to strengthen his Government's foundation by summarizing their policy in a carefully considered speech in which he demanded the removal of all those responsible for Italy's present plight and of all traces of the factional principles on which the past regime based its action. He plead for a unification of the country's moral and material resources and emphasized the necessity for cooperation amongst the political parties in their common duty to carry out the work of reconstruction within a democratic framework of liberal institutions. However, criticism continues to be levelled at the Government for their inability to cope satisfactorily with the countless problems confronting the country, and rumors persist of disagreement within the body.

Several meetings of the Council of Ministers were held at which the following subjects were treated:- the abolition of the Army General Staff which "will be reconstituted with new elements"; the liquidation of Fascist federal and parastatal organizations; the creation of an Undersecretariat for Food; the coordination of air, sea, and land transport, to solve the

2031

Declassified E.O. 12356 Section 3.3/NND No. 785045

137

problem of the transport of food and other essentials; and the High Commissioner for Epuration was given greater initiative to carry out this work. This last may have been induced by Scoccimaro himself, who publicly admitted that epuration was proceeding too slowly, and complained that he as Commissioner had not been given enough power.

There has been some consolidation of political forces both of the Left and of the Right, and indications of movements towards one side or the other by sections within Parties. Thus the Socialist Party has one faction which inclines towards the Action and the Christian Democrat Parties; another, towards the Communists. Similarly, one element of the Christian Democrat Party tends towards the Action Party and the moderate wing of the Socialist Party; another, towards the Right. Outside the Government there has been a fusion between the Christian Socialists and the Christian Party of the Left.

The Government parties, despite a certain amount of bickering and of press polemics, have indicated a desire to maintain the present political alignment, probably more from fear of what might happen should the coalition suddenly collapse than from a conviction of duty or reciprocal dependence. In this circumstance, Monarchical elements have become politically active. They have formed the Democrat Liberal Party headed by Alberto Bergamini, formerly President of the Italian Press Association. This party apparently stands politically between the Liberal Party and the right-wing Monarchists. Manifestos signed "The Monarchist Movement" appeared in the city appealing "to all who wish to preserve individual and national liberty through the orderly and legal procedure based on constitutional rights". The first public demonstration staged by Monarchists in Rome took place at the Quirino Theatre during Orlando's Armistice Day

2030

Declassified E.O. 12356 Section 3.3/NND No. 785015

there has been some [illegible] of political power

Left and of the Right, and indications of movements towards one side or the other by sections within Parties. Thus the Socialist Party has one faction which inclines towards the Action and the Christian Democrat Parties; another, towards the Communists. Similarly, one element of the Christian Democrat Party tends towards the Action Party and the moderate wing of the Socialist Party; another, towards the Right. Outside the Government there has been a fusion between the Christian Socialists and the Christian Party of the Left.

The Government parties, despite a certain amount of bickering and of press polemics, have indicated a desire to maintain the present political alignment, probably more from fear of what might happen should the coalition suddenly collapse than from a conviction of duty or reciprocal dependence. In this circumstance, Monarchical elements have become politically active. They have formed the Democrat Liberal Party headed by Alberto Bergamini, formerly President of the Italian Press Association. This party apparently stands politically between the Liberal Party and the right-wing Monarchists. Manifestos signed "The Monarchist Movement" appeared in the city appealing "to all who wish to preserve individual and national liberty through the orderly and legal procedure based on constitutional rights". The first public demonstration staged by Monarchists in Rome took place at the Quirino Theatre during Orlando's Armistice Day speech there.

2080

The whole question of Monarchy versus Republic thus raised anew by this activity, came to a head by the publication of an interview granted by the Lieutenant General of the Realm to a correspondent of the New York Times in which the Prince stated that the Monarchy was prepared to move "towards the left". He favored a plebiscite rather than a constituent

Declassified E.O. 12356 Section 3.3/NND No. 785015

assembly to decide the institutional question, and the impression was given that he did not consider the political Parties fully to represent the people. This produced much unfavorable comment by the press of the left which showed itself decidedly nervous about the institutional question and it considered that the Prince should not have expressed these political ideas which violated the political truce between the Government and the Monarchy. The matter was quieted by the issuance of a communique by the Council of Ministers that the institutional question will be decided by a constituent assembly as provided already by State Law and that the political parties which form the Government are the expression of the will and the aspirations of the people.

The Christian Democrat Party in an order of the day published in "Popolo" on November 11, and the Liberal Party at its national council, announciated some principles of their policies. The former stressed the necessity of concerting Government action to reestablish the power of law by observing the following three precepts:- (1) Government action must be decisive and unitarian; (2) Parties and press must collaborate loyally with the Government; (3) power and respect of law must be reestablished. The Liberal Party adopted at its meeting a resolution asking for: (1) a clarification of Italy's international status; (2) the strengthening of the forces of law and order; (3) the maintenance of the non-political character of labor unions; and (4) assistance to needy workers. The council also made the decision that the party would take no definite stand on the institutional question or on the manner in which it is to be decided until all of Italy is liberated. This decision received adverse comment from the Left parties, "Italia Libera" stating that "The Liberals evidently wish to maintain the Monarchy".

2079

To complete my comment on political Party activity I may say that

Declassified E.O. 12356 Section 3.3/NND No. 785015

Ministers that the institutional question will be decided by a constituent assembly as provided already by State Law and that the political parties which form the Government are the expression of the will and the aspirations of the people.

The Christian Democrat Party in an order of the day published in "Popolo" on November 11, and the Liberal Party at its national council, enunciated some principles of their policies. The former stressed the necessity of concerting Government action to reestablish the power of law by observing the following three precepts:- (1) Government action must be decisive and unitarian; (2) Parties and press must collaborate loyally with the Government; (3) power and respect of law must be reestablished. The Liberal Party adopted at its meeting a resolution asking for: (1) a clarification of Italy's international status; (2) the strengthening of the forces of law and order; (3) the maintenance of the non-political character of labor unions; and (4) assistance to needy workers. The council also made the decision that the party would take no definite stand on the institutional question or on the manner in which it is to be decided until all of Italy is liberated. This decision received adverse comment from the Left parties, "Italia Libera" stating that "The Liberals evidently wish to maintain the Monarchy".

2079

To complete my comment on political Party activity I may say that there have been evidences of efforts to strengthen the ties between the official Communist Party and the "Italian Communist Movement" which outwardly is dissident to it.

At the meeting held on September 22 in which I described the regrettable incident resulting in the death of Donato Carretta, I discussed to some extent the situation of the Royal Carabinieri, whose lot since then has

Declassified E.O. 12356 Section 3.3/NND No. 785045

1375

not been made easier by a campaign against them of the Left press which accuses the Carabinieri of being an instrument of Royalists and reactionaries. The Under-Secretary for Press and Information published excerpts from instructions issued to the Carabinieri in which they were ordered to be apolitical, and the Commander of the Carabinieri issued two official communiques refuting the allegations of the Left press and stating that the corps is not a political organisation and is ready to serve loyally any Party in power.

Declassified E.O. 12356 Section 3.3/NND No. 785045

communiques refuting the allegations of the Left press and stating that the corps is not a political organization and is ready to serve loyally any Party in power.

1377

Declassified E.O. 12356 Section 3.3/NND No. 785045

2078

(11)

HEADQUARTERS ALLIED COMMISSION
Office of the Acting Chief Commissioner
APO 394

3 November 1943

SUBJECT: ADVISORY COUNCIL - CONSTITUTE A.C.S.2

The British and American Governments have not yet clarified the joint declaration of September 29 by President Roosevelt and Mr. Churchill in its application towards Italy save to indicate their good intentions by announcing that in future the word 'Control' would be eliminated from the title of the Commission. This became effective on October 28.

A more profound expression of the policy of the Allies, however, was the announcement on October 25 that direct relations had been resumed between Great Britain and Italy and, thereafter following, that diplomatic relations with Italy had been established by the United States and Russia. In its announcement, His Majesty's Government stated that Sir Noel Charles had been given the personal rank of Ambassador and expressed its agreement to the appointment of Count Carandini as Italian representative in England. Russia appointed N. Kostylev as her Ambassador. The United States Government stated that its action had been taken after consultation with the other American Republics all of whom, excepting Argentina, had agreed to resume diplomatic relations with Italy. The U.S. Senate was to be asked on November 11th to confirm the nomination of Mr. Kirk as Ambassador. It was made quite clear in the U.S. statement that no change in Italy's status of co-belligerency was inherent in the U.S. Government's resumption of diplomatic relations which, however, did signify its policy to return to the Italian Government control of internal affairs as soon as possible.

2077

The Italian press hailed these developments as an important step towards Italy's emergence from isolation and towards the Government's

Declassified E.O. 12356 Section 3.3/NNB No. 778505

...consideration of Soviet ... by President Roosevelt and Mr. Churchill in the application towards Italy ... to indicate their good intentions by announcing that in future the word "Control" would be eliminated from the title of the Commission. This became effective on October 28.

A more profound expression of the policy of the Allies, however, was the announcement on October 15 that direct relations had been resumed between Great Britain and Italy and, thereafter following, that diplomatic relations with Italy had been reestablished by the United States and Russia. In the announcement, His Majesty's Government stated that Sir Noel Charles had been given the personal rank of Ambassador and expressed its agreement to the appointment of Count Carandini as Italian representative in England. Russia appointed N. Novikov as her Ambassador. The United States Government stated that its action had been taken after consultation with the other American Republics all of whom, excepting Argentina, had agreed to resume diplomatic relations with Italy. The U.S. Senate was to be asked on November 14th to confirm the nomination of Mr. Kirk as Ambassador. It was made quite clear in the U.S. statement that no change in Italy's status of co-belligerency was inherent in the U.S. Government's resumption of diplomatic relations which, however, did signify its policy to return to the Italian Government control of internal affairs as soon as possible.

2077

The Italian press hailed these developments as an important step towards Italy's emergence from isolation and towards the Government's obtaining greater autonomy. The Prime Minister found that by them, Italy had regained her individuality as a nation, but that this situation was incompatible with the state of subjection in which she was held by the terms of the Armistice. He trusted that the sense of justice of the Allies would cause them to appreciate the need for making an Ally of Italy.

1376

Declassified E.O. 12356 Section 3.3/NND No. 785015

The British Embassy issued a communique on the evening of October 31 saying that the British Foreign Minister, Mr. Anthony Eden, had visited Rome where in the British Embassy he had met the Prime Minister, the Under-Secretary of Foreign Affairs and the Italian representative designated to London. This visit is regarded as significant, coming as it did on the heels of the reestablishment of direct relations between the two countries, and in light of the well-known attitude of Mr. Eden towards Fascist Italy. Press comment which thus far has appeared is friendly and stresses the fact that Mr. Eden was opposed to the Fascist regime--not to the Italian people.

There have been activities in the economic field affecting Italy and the Allies following on the statement of October 12 of the President of the United States regarding credits for Italy. Anglo-American representatives arrived in Rome to review requisitions and delineate justifications for a program of aid to Italy. An Italian economic-financial mission, accompanied by a senior member of the Finance Sub-Commission, left ~~yesterday~~ today for the United States. It has been suggested that the Italian Government accept an invitation to attend the convention of the International Chamber of Commerce at Atlantic City early in November. Hope is entertained that private cable and radio communications will be established between Italy and the rest of the world during the month. United States and the British Empire on November 15th

The Economic Section is introducing a project for joint planning with the Italian Government to the Italian Ministers, at a conference today, when a supply program will be presented to them. This program will transfer automatically many of the present A.C. operational responsibilities in the field of supply over to the Italian Government, placing the Economic Section in its proper focus of supervision and review.

2076

The question of Imports-Exports is being reviewed with the Ministry

1380

Declassified E.O. 12356 Section 3.3/NND No. 785015

the two countries, and in light of the well-known attitude of Mr. Eden towards Fascist Italy. Press comment until thus far has appeared to friendly and stresses the fact that Mr. Eden was opposed to the Fascist regime--not to the Italian people.

There have been activities in the economic field affecting Italy and the Allies following on the statement of October 12 of the President of the United States regarding credits for Italy. Anglo-American representatives arrived in Rome to review negotiations and delineate justifications for a program of aid to Italy. An Italian economic-financial mission, accompanied by a senior member of the Finance Sub-Commission, left Rome for the United States. It has been suggested that the Italian Government accept an invitation to attend the convention of the International Chamber of Commerce at Atlantic City early in November. Hope is entertained that private cable and radio communications will be established between Italy and the rest of the world during the month. Under a State Dept. Cipher on November 15th

The Economic Section is introducing a project for joint planning with the Italian Government to the Italian Ministers, at a conference today, when a supply program will be presented to them. This program will transfer automatically many of the present A.C. operational responsibilities in the field of supply over to the Italian Government, placing the Economic Section in its proper focus of supervision and review.

2076

The question of Imports-Exports is being reviewed with the Ministry of Industry, Commerce and Labor and the I.C.E. (Istituto Commercio Estero). A working plan has been submitted by the Italian Government and is being reviewed by the Economic Section.

Final reports have not yet been received regarding the regrettable incident which occurred in Palermo on the day before our last meeting, when Italian troops fired upon a demonstration of persons before the

Declassified E.O. 12356 Section 3.3/NND No. 785015

1382

killed ... wounded 20 ... 150 were wounded,

office of the High Commissioner, ~~killing~~ 20 and ~~wounding~~ 150. It appears however that a combination of economic and political factors were in play in this presumed effort by private employees to obtain the same wage concessions as had been conceded public employees (actually the decree which met their demands had been approved prior to the demonstration and was passed by the Council the following day) but Separatist culpability has not been determined. Although the troops, consisting of a lieutenant and 30 men, were attacked by a hand grenade hurled by one of the crowd, wounding eleven of them, there is question first as to the authority for their use, and next as to the employment in a street riot operation. Measures are being taken to obviate a repetition of this action by the military. On its side, the Council of Ministers pre ared the necessary decrees to set up in Sicily a consultative body of 25 members representing various interests on the Island, to finance further industrial development of special funds and to institute agrarian reform.

The situation in Palermo remained tense for four days, after which it became tranquil.

Further in the field of domestic affairs, instances occurred of the seizing of land by peasants which, in some cases, led to conflicts between the Carabinieri and the peasants. This caused the Prime Minister to issue a circular instruction to the Prefects outlining the principles of the decrees relative to the transfer of land to associations of peasants and, stressing the restricted and emergency nature of these measures, to urge a strict observance of the law.

The measures to increase the wage scale which I discussed in my 2075
last report, have been passed and signed by the Lieutenant-General. The decree regarding family allowances has been presented to the Council of

Declassified E.O. 12356 Section 3.3/NND No. 785015

and 36 men, were attacked by a hand grenade hurled by one of the crowd, wounding eleven of them. There is question first as to the authority for their use, and next as to the employment in a street riot operation. Measures are being taken to obviate a repetition of this action by the military. On its side, the Council of Ministers prepared the necessary decrees to set up in Sicily a consultative body of 25 members representing various interests on the island, to finance further industrial development by special funds and to institute agrarian reform.

The situation in Palermo remained tense for four days, after which it became tranquil.

Further in the field of domestic affairs, instances occurred of the seizing of land by peasants which, in some cases, led to conflicts between the Carabinieri and the peasants. This caused the Prime Minister to issue a circular instruction to the Prefects outlining the principles of the decrees relative to the transfer of land to associations of peasants and, stressing the restricted and emergency nature of these measures, to urge a strict observance of the law.

2075

The measures to increase the wage scale which I discussed in my last report, have been passed and signed by the Lieutenant-General. The decree regarding family allowances has been presented to the Council of Ministers.

Efforts to increase the food ration continue. The issue of 300 grams of flour or pasta every two weeks in the total area north of the Garigliano River has been authorized. This supplementary issue is equivalent, in terms of bread, to 25 grams per day per person. Hence, the two ration positions in total liberated Italy are 300 grams south of the Garigliano River and 225 grams north of the Garigliano River.

1383

Declassified E.O. 12356 Section 3.3/NND No. 785965

Decision has been reached to turn back the feeding of liberated Italy to the Ministry of Agriculture. The plan suggested by them reflects elimination of controls and a state purchase in the free market with distribution through a selective rationing system on a subsidy basis. The subsidy to be reflected in the saving of part of the present subsidy on the bread and pasta prices. The Economic Section has this plan under consideration and decision will be reached with the Italian Government within the next few days.

The general strike which was to be called on October 31 was cancelled. A conference was held with the Ministers at which time the Prime Minister presented requests of labor as follows:

1) Equalizing the ration for the heavy workers and the light workers under military control.

2) Increase of bread ration to all workers to 350 grams per worker per day. (This means an increase of 50 grams of bread per day south of the Garigliano and 125 grams per worker north of the Garigliano.)

Both of these points will be reviewed by the Economic Section after the Minister has submitted the necessary statistics and formal proposal.

A third point, which was considered by the Economic Section, was the issuance of a pasta allowance to the private industrial messes in Rome Province.

cc: Mr. Locke, Advisory Council Section

2074

1 of 5
Edit'l Section

Declassified E.O. 12356 Section 3.3/NND No. 785015

1384

consideration and decision will be reached with the Italian Government within the next few days.

The general strike which was to be called on October 31 was cancelled. A conference was held with the ministers at which time the Prime Minister presented requests of labor as follows:

1) Re-building the ration for the heavy workers and the light workers under military control.

2) Increase of bread ration to all workers to 350 grams per worker per day. (This means an increase of 50 grams of bread per day south of the Garigliano and 125 grams per worker north of the Garigliano.)

Both of these points will be reviewed by the Economic Section after the Minister has submitted the necessary statistics and formal proposal.

A third point, which was concealed by the Economic Section, was the issuance of a pants allowance to the private industrial masses in Rome Province.

cc: Northern Albany Branch
Section

Copy 5
Political Section
A Files

Declassified E.O. 12356 Section 3.3/NND No. 785015

1386

Declassified E.O. 12356 Section 3.3/NND No. 785015

3 November 1944

Enclosed is copy of Commodore Stone's address given at the meeting of the Advisory Council this morning.

Secretariat
Allied Advisory Council to Italy
Via Vittorio Veneto, 119
Rome

2073
2073

20 October 1944

A

ADDRESS TO ADVISORY COUNCIL

I am not going to take much of your time this morning for the good reason that there has been no major political development during the past fortnight. The period has been one of marking time for the moment when we are in a position to explain to the Italian Government exactly what the joint declaration of September 26 by President Roosevelt and Mr. Winston Churchill will mean in its day to day application towards Italy. That moment has not yet come.

Meanwhile certain further statements of policy have been made in Washington. On the 12th of October the President stated that Italy would be credited in dollars with an amount up to the total represented by Allied Military Lire issued to our American troops in Italy, by remittances from America to the Italians in liberated Italy and by the value of Italian exports to the U.S.A. It is not exactly clear what this total will amount to, but the statement has been welcomed by the Italian Government as an indication of their concern in the financial and economic future of the country. In addition an announcement was made in Washington regarding the lifting of the trading with the enemy regulations for liberated Italy. Once again the exact scope of the statement is not clear from press reports but we trust shortly to be in a position to make a formal communication to the Italian Government on the subject.

While these developments, if still lacking precision have been of encouragement to the Italian Government and people I am bound to say that the statement about colonies ascribed in the press to the British Secretary came as a douche of cold water. According to the Roman press it was alleged that Mr. Eden had said that the British Government was opposed to the return of colonies to Italy and the Italian Empire in Africa was irrevocably lost. It

2072

1387

Declassified E.O. 12356 Section 3.3/NND No. 785045

Winston Churchill will mean in its day to day application towards Italy. That moment has not yet come.

Meanwhile certain further statements of policy have been made in Washington. On the 12th of October the President stated that Italy would be credited in dollars with an amount up to the total represented by Allied Military Lire issued to our American troops in Italy, by remittances from America to the Italians in liberated Italy and by the value of Italian exports to the U.S.A. It is not exactly clear what this total will amount to, but the statement has been welcomed by the Italian Government as an indication of their concern in the financial and economic future of the country. In addition an announcement was made in Washington regarding the lifting of the trading with the enemy regulations for liberated Italy. Once again the exact scope of the statement is not clear from press reports but we trust shortly to be in a position to make a formal communication to the Italian Government on the subject.

While these developments, if still lacking precision have been of encouragement to the Italian Government and people I am bound to say that the statement about colonies ascribed in the press to the British Secretary came as a douche of cold water. According to the Roman press it was alleged that Mr. Eden had said that the British Government was opposed to the return of colonies to Italy and the Italian Empire in Africa was irrevocably lost. It appears however that he did not himself use any such words but merely replied to a question framed in this sense by a Private Member with the words, "Yes, Sir." In a later question specifically about Eritrea it was made plain that the future of this territory must await consideration by the United Nations at the conclusion of peace and that the previous question and answer in the House of Commons had only sought to lay down the present attitude of the British Government. From the public discussions of this incident in the

2072

Declassified E.O. 12356 Section 3.3/NND No. 785045

press in Italy it is apparent that certain sections in Italy seek to draw a distinction between the Italian Empire as represented by Abyssinia and Albania and the old colonies such as Eritrea and Tripoli which did not owe their foundation in any sense to Fascism.

In the field of home affairs the most important developments have been a decree providing in certain special cases for the workings of large holdings of land and measures to increase the wage scale. As regards the former a decree is under consideration providing that uncultivated lands or lands that were relatively uncultivated in relation to the quality or the agricultural conditions of the area could be worked by the peasants through properly organized and recognised peasants' cooperatives. The surrender of the land is to be carefully controlled by a board in which all parties--peasant, land owner, and State--are represented and by the terms of the decree the length of the concession cannot be for more than four years. As regards wage increases, the Italian Government is in the process of completing legislation with respect to (a) an increase in wages for private industry and (b) increase in salaries and wages for public employees. With regard to (a) the Government formulated a program calling for increases of fixed daily sums for each worker plus other benefits. The Commission recommended that the legislation take the form of an increase in the percentage scale based on wages and salaries of 1 September 1942, together with an increase of family allowances. A proposed Decree now pending before the Ministers of the Council would carry out the Government's approach to this situation. The pending legislation will grant a cost of living bonus of L.35 and L.30 plus an increase not only of 50% family allowance but a fixed additional amount of L.5 for each dependent. These increases are to be superimposed not on the 1942 rate but on present wages, many of which include illegal increases. With regard to (b) [illegible] public employees, the Government's position has been reduced to Decree form

2071

1389

Declassified E.O. 12356 Section 3.3/NND No. 778045

former a decree is under consideration providing that uncultivated lands or lands that were relatively uncultivated in relation to the quality or the agricultural conditions of the area could be worked by the peasants through properly organized and recognized peasants' cooperatives. The surrender of the land is to be carefully controlled by a board in which all parties--peasant, land owner, and State--are represented and by the terms of the decree the length of the concession cannot be for more than four years. As regards wage increases, the Italian Government is in the process of completing legislation with respect to (a) an increase in wages for private industry and (b) increase in salaries and wages for public employees. With regard to (a) the Government formulated a program calling for increases of fixed daily sums for each worker plus other benefits. The Commission recommended that the legislation take the form of an increase in the percentage scale based on wages and salaries of 1 September 1942, together with an increase of family allowances. A proposed Decree now pending before the Ministers of the Council would carry out the Government's approach to this situation. The pending legislation will grant a cost of living bonus of L.35 and L.30 plus an increase not only of 50% family allowance but a fixed additional amount of L.5 for each dependent. These increases are to be superimposed not on the 1942 rate but on present wages, many of which include illegal increases. With regard to (b) wages of public employees, the Government's position has been reduced to Decree form and it is expected that the matter will be submitted to the Council of Ministers shortly. The increases for public employees will include (a) graduated monthly payments of from 500 to 1000 Lire, (b) 100% increase in family allowances up to the third child, and (c) a special cost-of-living bonus similar to the bombardimento indemnity to be paid in instances where it had not been received previously and requiring joint approval of the Ministers of the Interior and the Treasury.

2071

1390

Declassified E.O. 12356 Section 3.3/NND No. 785045

There is one further subject to which I should draw your attention and that is the denial by both British and American Authorities that the Sicilian Seperatist Movement has any Allied support. In view of the claims made by the Seperatists it was thought advisable to make the attitude of the Allied Governments plain to the Italian Government and you will have seen in the press yesterday an official statement by the Italian Government pointing out the assurances that they have received on this subject.

Finally in accordance with the Council's recommendation, the six provinces of Teramo, Aquila, Pescara, Chieti, Viterbo and Rieti have been turned over to Italian Administration with the approval of the Supreme Allied Commander, Mediterranean, as of 16 October.

Declassified E.O. 12356 Section 3.3/NND No. 785015

2070

Italian Government pointing out the assurances that they have received on this subject.

Finally in accordance with the Council's recommendation, the six provinces of Teramo, Aquila, Pescara, Chieti, Viterbo and Rieti have been turned over to Italian Administration with the approval of the Supreme Allied Commander, Mediterranean, as of 16 October.

2070

Declassified E.O. 12356 Section 3.3/NND No. 785015

5 October 1944

SPEECH TO ADVISORY COUNCIL

In my last report to you a fortnight ago I took up most of your time with an account of the serious incident which took place in Rome in connection with the Caruso trial. That incident was bound to reflect upon the capacity of the Government to govern. In addition there have been for many weeks attacks against the Government in the newspapers of the parties that were represented in it. Some of these attacks were concerned with the slowness of epuration and on that subject Brigadier Upjohn, who is the head of the Civil Affairs Section of the Control Commission, is going to make a statement to you today. Other attacks had been on the Government's inability to improve the daily difficulties of life in Italy. The upshot inevitably was a reconsideration by the Prime Minister and the leaders of the parties in the Government of their position. The result of that reconsideration was satisfactory and reassuring. At their meeting on the 26th September the Council of Ministers reasserted the solidarity of the six parties in the Government. In the official communique it was stated that the parties would postpone the solution of major political problems, would resolve the differences in the Government, would bring their party papers in line with this principle and would maintain the impartial authority of the State and defeat all attempts of reactionaries to return to power. This statement was welcome generally and may be accounted a considerable success by the Prime Minister as well as an achievement of good sense in present circumstances.

This initiative on the part of the Government to reassert its own authority was coincidentally supported by the declaration on Italy which appeared simultaneously in the names of President Roosevelt and Mr. Minister Churchill. The declaration has been described as a vote of con-

1363

Declassified E.O. 12356 Section 3.3/NND No. 785045

2069

001-153-6

the parties that were represented in it. Some of these attacks were concerned with the slowness of epuration and on that subject Brigadier Upjohn, who is the head of the Civil Affairs Section of the Control Commission, is going to make a statement to you today. Other attacks had been on the Government's inability to improve the daily difficulties of life in Italy. The upshot inevitably was a reconsideration by the Prime Minister and the leaders of the parties in the Government of their position. The result of that reconsideration was satisfactory and reassuring. At their meeting on the 20th September the Council of Ministers reasserted the solidarity of the six parties in the Government. In the official communique it was stated that the parties would postpone the solution of major political problems, would resolve the differences in the Government, would bring their party papers in line with this principle and would maintain the impartial authority of the State and defeat all attempts of reactionaries to return to power. This statement was welcome generally and may be accounted a considerable success by the Prime Minister as well as an achievement of good sense in present circumstances.

This initiative on the part of the Government to reassert its own authority was coincidentally supported by the declaration on Italy which appeared simultaneously in the names of President Roosevelt and Mr. Winston Churchill. The declaration has been described as a vote of confidence in the Italian Government and it has certainly been taken as such in Italy. It seems plain that this was indeed the intention of the President and the Prime Minister, for the statement looks towards giving to the Italian administration more autonomy beginning by the elimination of the word "Control" from the Allied Control Commission and by the invitation to send Italian representatives to London and Washington. In addition civil-

2069

1364

Declassified E.O. 12356 Section 3.3/NND No. 785045

1395

ian technicians are to be sent over to Italy to help in reconstruction particularly with a view to increasing the assistance which Italy may be able to give in the war against Germany and Japan. But I should here make plain that the Allied Control Commission have received no detailed instructions as a result of the declaration and we do not know in what way, if any, the structure and functions of the Commission will be altered. While the Italians, like ourselves, are waiting for elucidation they have welcomed this declaration as far as it goes in all respects except for certain misgivings about the advisability of a declaration of war by Italy upon Japan. The Under-Secretary for Foreign Affairs, Visconti Venosta, in a press conference indicated the Government's willingness. However, no Government decision has as yet been taken and questions have been asked in some of the party newspapers, for instance the Socialist "Avanti" and others, whether such action should be taken without very careful consideration. The degree of caution is perhaps not unnatural. The diplomatic success of Cavour's intervention in the Crimean War has not been forgotten; but certain parties apparently think that it would be well for Italy to strike a bargain at least for an improvement of her status before committing herself to war with Japan. The principal points are her desire to become an ally and to secure that Italians held by the Allies should no longer be Prisoners of War. There will no doubt be time to go into these matters when some instructions are received of the intentions and desires of the Allied Governments in these matters. While on this subject I should add that the Italian Government have formally requested through the Commission that they should be brought into any armistice negotiations that may be with Germany against whom they are at war. This request has been referred to the Supreme Allied Commander.

2068

Declassified E.O. 12356 Section 3.3/NNN No. 785045

While the Italians, like ourselves, are waiting for elucidation they have welcomed this declaration as far as it goes in all respects except for certain misgivings about the advisability of a declaration of war by Italy upon Japan. The Under-Secretary for Foreign Affairs, Visconti Venosta, in a press conference indicated the Government's willingness. However, no Government decision has as yet been taken and questions have been asked in some of the party newspapers, for instance the Socialist "Avanti" and others, whether such action should be taken without very careful consideration. The degree of caution is perhaps not unnatural. The diplomatic success of Cavour's intervention in the Crimean War has not been forgotten, but certain parties apparently think that it would be well for Italy to strike a bargain at least for an improvement of her status before committing herself to war with Japan. The principal points are her desire to become an ally and to secure that Italians held by the Allies should no longer be Prisoners of War. There will no doubt be time to go into these matters when more instructions are received of the intentions and desires of the Allied Governments in these matters. While on this subject I should add that the Italian Government have formally requested through the Commission that they should be brought into any armistice negotiations that may be with Germany against whom they are at war. This request has been referred to the Supreme Allied Commander.

So much for the political side. But the Council will recognize that the economic situation in Italy at the present time dominates the political. The capacity of the Italian Government to carry on and indeed of the Control Commission to ensure peace and good order on the lines of communication of our armies depends primarily in my opinion upon supplying the population of Italy with a sufficiency of food and other necessities without a lot in any

20/6/1

1396

Declassified E.O. 12356 Section 3.3/NND No. 785075

country there would be trouble. As to this aspect, the Council will be aware that it was decided at the Quebec Meeting of UNRRA that fifty million dollars may be assigned to Italy for emergency relief measures for certain specified classes of Italians: for instance, refugees, expectant and nursing mothers, etc. Exactly how this relief will be administered has not yet been laid down. In addition the Council will no doubt have seen the declaration made by President Roosevelt on the 4th October in which assurances are given that increased wheat and flour as well as transport will be made available. No details beyond those appearing in the press have been received by the Commission, but from the statements that have been made to you by Colonel Legg on food and Colonel Adams on transport, you will realize that assistance in these matters is vitally and urgently needed if this Commission is to carry out its fundamental duty—that is to see that good order is maintained on the lines of communications of our armies.

I should take this opportunity briefly to explain to you certain measures of reorganization which have been taken in the Headquarters of the Commission with the objects of saving manpower and increasing the efficiency of our organization. Most important is the creation of a Chief-of-Staff under the Chief Commissioner and Brigadier Lush has been appointed to this post with Colonel Norman B. Fiske as his American Deputy. The Commission will still retain its four sections but there will be two changes of title and a certain reallocation of duties. The Political and Economic Sections remain as before, but the Administrative Section, under Brigadier Upjohn, is renamed the Civil Affairs Section and what was known as the Regional Commissioner and Military Government Section is abolished, an Establishment Section, under Colonel Fiske, taking over certain of its duties. The Vice-Presidents of the Economic, Civil Affairs and Establishments Sections

2012

1367

Declassified E.O. 12356 Section 3.3/NND No. 785045

assurances are given that increased wheat and flour as well as transport will be made available. No details beyond those appearing in the press have been received by the Commission, but from the statements that have been made to you by Colonel Legg on food and Colonel Adams on transport, you will realize that assistance in these matters is vitally and urgently needed if this Commission is to carry out its fundamental duty—that is to see that good order is maintained on the lines of communications of our Armies.

I should take this opportunity briefly to explain to you certain measures of reorganization which have been taken in the Headquarters of the Commission with the objects of saving manpower and increasing the efficiency of our organization. Most important is the creation of a Chief-of-Staff under the Chief Commissioner and Brigadier Bush has been appointed to this post with Colonel Norman H. Fiske as his American Deputy. The Commission will still retain its four Sections but there will be two changes of title and a certain reallocation of duties. The Political and Economic Sections remain as before, but the Administrative Section, under Brigadier Upjohn, is renamed the Civil Affairs Section and what was known as the Regional Commissioner and Military Government Section is abolished, an Establishments Section, under Colonel Fiske, taking over certain of its duties. The Vice-Presidents of the Economic, Civil Affairs and Establishments Sections will also be Deputy Chiefs-of-Staff. In addition a forward echelon of A.C.C. Headquarters will be established at A.A.I. Headquarters to administer to the emergency operational needs of the Allied Military Government officials with the Fifth and Eighth Armies. The need for this has become apparent as A.A.I. Headquarters gets further and further away from Rome. In mentioning these points I should emphasize that this reorganization has

2017

1398

Declassified E.O. 12356 Section 3.3/NND No. 735045

no connection whatever with the declaration made by President Roosevelt and Mr. Churchill; but, as said, is for the sole purpose of increased efficiency and conservation of manpower within the Commission.

Finally as the Council is aware I have been instructed to request your views on a proposal submitted by the Commission and approved by Commander-in-Chief, Allied Forces in Italy, that six further provinces should be turned over to the Italian Government on October 16th. The details have, I understand, already been circulated to you and I trust that this proposal will be favorably received. It is a step in line with the policy which has already received your approval on other occasions and from an administrative point of view would be welcome to the Commission. I should be glad therefore if I may know what advice from this Council I may transmit to the Supreme Allied Commander, Mediterranean, on this question.

cc: Mr. Hoskins, Privy Council Section (E)

2066

Declassified E.O. 12356 Section 3.3/NND No. 788015

should be turned over to the Italian Government on October 16th. The details have, I understand, already been circulated to you and I trust that this proposal will be favorably received. It is a step in line with the policy which has already received your approval on other occasions and from an administrative point of view would be welcome to the Commission. I should be glad therefore if I may know what advice from this Council I may transmit to the Supreme Allied Commander, Mediterranean, on this question.

cc: Mr. Hoodie, Advisory Council Secretariat (2)

2066

1400

Declassified E.O. 12356 Section 3.3/NND No. 785045

1401

22 September 1944

ACTING CHIEF COMMISSIONER'S ADDRESS
TO ADVISORY COUNCIL

1. Since your last meeting the Italian Government have continued as before their policy of wholehearted cooperation with Allied authorities and the Control Commission have no complaint to make on that score. They have carried on with the administration of that part of Italy which has been turned over to them and I should have had little to say beyond this, were it not for a most regrettable incident which took place in Rome on Monday last. I propose to give a detailed description of what occurred not because I wish to magnify what we all hope will be a single instance of breach of civil peace and good order, but because the incident has illustrated several of the fundamental difficulties with which the present government has to contend and will have to contend in the coming months.

The following are the events of last Monday:

Since the early hours of the morning thousands of people gathered in front of the Justice Palace, where the trial of Caruso and Cocchetto was to take place, including women whose relatives had been the victims of the fascist Police Chief. The inadequate police cordons were soon broken by the mob who assembled before the entrance of the Courts.

At 9 a.m. the biggest hall on the first floor of the Courts, where the trial was to be conducted, was completely crowded. The hall was lit by a battery of lights for the film operators. The Italian and Allied press was largely represented.

At 9.30 a.m., while a few members of the Court were already in the room, at their places, and as the President was expected to take his seat, a riot started at the door leading to the court room. Caruso and Cocchetto had been safely transported from Regina Coeli Jail to the cellars of the Palace of Justice and were waiting to be summoned. The crowd had broken through police lines at the entrance of the Palace towards Umberto bridge, rushed up the great marble stairway and broke into the room. Wooden partitions were smashed and chairs and tables broken. A crowd invaded the part of the courtroom reserved for the judges, lawyers, officials and newspapermen, advancing up to the Judges' places. Police agents and carabinieri were unable to stem the tide of enraged people. The police succeeded in closing from the inside the door at the far end of the hall. The mob stormed the door trying to break through in the belief that Caruso and Cocchetto could be found behind that door. The shouts of the men asking for the lynching of Caruso, the weeping of women and children, filled the Court with a tremendous clamour.

As the door seemed on the point of collapsing, and it appeared that the Italian Police were powerless, the Chief of the Allied Police in Rome, Colonel Pollock, intervened personally to try and calm the uproar. It took him half an hour to obtain relative calm. He suggested to court officials that the trial be postponed and this announcement

Declassified E.O. 12356 Section 3.3/NND No. 785045

occurred not because I wish to magnify what we all hope will be a single instance of breach of civil peace and good order, but because the incident has illustrated several of the fundamental difficulties with which the present government has to contend and will have to contend in the coming months.

The following are the events of last Monday:

Since the early hours of the morning thousands of people gathered in front of the Justice Palace, where the trial of Caruso and Cocchiato was to take place, including women whose relatives had been the victims of the Camorist Police Chief. The inadequate police cordons were soon broken by the mob who assembled before the entrance of the Courts.

At 9 a.m. the biggest hall on the first floor of the Courts, where the trial was to be conducted, was completely crowded. The hall was lit by a battery of lights for the film operators. The Italian and allied press was largely represented.

At 9.30 a.m., while a few members of the Court were already in the room, at their places, and as the President was expected to take his seat, a riot started at the door leading to the Court room. Caruso and Cocchiato had been safely transported from Regina Coeli Jail to the cellars of the Palace of Justice and were waiting to be summoned. The crowd had broken through police lines at the entrance of the Palace towards Umberto bridge, rushed up the great marble stairway and broke into the room. Wooden partitions were smashed and chairs and tables broken. A crowd invaded the part of the Courtroom reserved for the Judges, lawyers, officials and newspapermen, advancing up to the Judges' places. Police agents and carabinieri were unable to stem the tide of enraged people. The police succeeded in closing from the inside the door at the far end of the hall. The mob stormed the door trying to break through in the belief that Caruso and Cocchiato could be found behind that door. The shouts of the men asking for the lynching of Caruso, the weeping of women and children, filled the Court with a tremendous clamour.

As the door seemed on the point of collapsing, and it appeared that the Italian Police were powerless, the Chief of the Allied Police in Rome, Colonel Poletti, intervened personally to try and calm the uproar. It took him half an hour to obtain relative calm. He suggested to Court officials that the trial be postponed and this announcement was duly made.

But in the meantime some of the relatives of the victims spotted among the witnesses Donato Carretta, 50 years old, director of the Regina Coeli Jail until July 18, dismissed from his post by A.M.G. on the same day that Caruso entered the jail as a prisoner.

The relatives of the Roman arrested victims pointed him out to the crowd. A few young men seized him then in front of the President's chair and hit him violently.

1402

Declassified E.O. 12356 Section 3.3/NND No. 785045

Mario Berlinguer, Adjunct Sign Commissary for the punishment of Fascist Crimes, who was the public Prosecutor during the trial, jumped on a table and harangued the crowd.

In the meantime the former director of Regina Coeli jail was dragged out of the hall, down the stairs, onto the street. Outside the Palace the carabinieri tried to extract Carretta from the enraged mob, and to push him into a car. But the people resisted and a free-fight was started. Women in mourning were the most aggressive. Carretta, his hair torn away, his face pallid, tried to defend himself brandishing the starting-crank of the car on which he had been deposited. But, as the engine refused to start, after a short and violent fight, the mob succeeded in taking Carretta away from the carabinieri.

I should add here that a young lieutenant of carabinieri performed his duties manfully but had been unable with the few police that he had been able to call to his assistance to control the mob.

Carretta was then lifted, dragged to the centre of Ponte Umberto, the bridge facing the main entrance of the Palace of Justice, and then dragged to the river bank and thrown into the water. But he was not dead. The contact with the cold water probably revived him and he made feeble attempts to swim. At this sight, the more excited members of the crowd went down to the river bank, got hold of a boat and reached the floating body. At the oars they hit him again and again until he died. The body, tied to the boat was then dragged down the river, as far as Regina Coeli, the jail as directed under the German occupation, which is a little way down the river. There they dragged him from the water, threw him against the door of the jail and tied his body to the grating of a first floor window.

Allied Troops were not called out because our policy is not to do so in territory under the Government's control unless allied lives or property are endangered or there is interference with the war effort. But because certain prisoners at the jail are security prisoners arrested by the Allies, Allied Military Police were sent to the jail. Carretta's body was cut down and the crowd dispersed without violence.

I conferred with General Krum of the same Allied Commission. We agreed that there was no need to call out Allied Troops. Later, I conferred with the Prime Minister and Sforza and reviewed with them the arrangements for resuming the trial.

2. As you have no doubt heard, the trial took place without further incident on Wednesday and Thursday and ended in a verdict of guilty and sentence of death for Caruso and a verdict of guilty and a sentence of 30 years imprisonment for his former secretary Cochetto.

2064

Some newspapers have attributed this incident in part to unrest caused by alleged delays in carrying out epuration in the capital.

Brigadier Upjohn is preparing a full report on the progress of epuration which can be submitted to your next meeting if the Council desires. In the meantime, it is fair to say that there has been a

1403

Declassified E.O. 12356 Section 3.3/NND No. 765015

I should add here that a young lieutenant of Cs abundant performed his duties carefully but had been unable with the few police that he had been able to call to his assistance to control the mob.

Carretta was then lifted, dragged to the centre of Ponte Garibaldi, the bridge facing the main entrance of the Palace of Justice, and then dragged to the river bank and thrown into the water. But he was not dead. The contact with the cold water probably revived him and he made feeble attempts to swim. At this sight, the more excited members of the crowd went down to the river bank, got hold of a boat and reached the floating body. At the cries they hit his again and again until he died. The body, tied to the boat was then dragged down the river, as far as Regina Coeli, the jail as directed under the German occupation, which is a little way down the river. There they dragged him from the water, threw him against the door of the jail and tied his body to the grating of a first floor window.

Allied troops were not called out because our policy is not to do so in territory under the Government's control unless Allied lives or property are endangered or there is interference with the war effort, but because certain prisoners at the jail are security prisoners arrested by the Allies. Allied military police were sent to the jail. Carretta's body was cut down and the crowd dispersed without violence.

I conferred with General Krom of the Rome Allied Area Command. We agreed that there was no need to call out Allied troops. Later, I conferred with the Prime Minister and others and reviewed with them the arrangements for resuming the trial.

2. As you have no doubt heard, the trial took place without incident on Wednesday and Thursday and ended in a verdict of guilty and sentence of death for Graziani and a verdict of guilty and a sentence of 30 years imprisonment for his former secretary Cocchia. 2064

Some newspapers have attributed this incident in part to unrest caused by alleged delays in carrying out epuration in the capital.

Brigadier Upjohn is preparing a full report on the progress of epuration which can be submitted to your next meeting if the Council desires. In the meantime, it is fair to say that there has been a measure of delay in carrying out epuration due, at any rate in part, to administrative and organizational difficulties, but whether such delay was a contributory cause to this incident is in my opinion debatable.

3. I should like now to deal with the Carabinieri.

The Royal Carabinieri, which is traditionally the senior branch of the Italian Army, is primarily concerned with policing the country and maintaining law and order.

1404

Declassified E.O. 12356 Section 3.3/NND No. 785015

1405

Both under Fascist and German domination the Carabinieri suffered severely by having their authority undermined by special fascist militias. Since the Allied occupation the main task of keeping public order has been entrusted to the Carabinieri and every support has been given to them to restore their prestige in the eyes of the public.

Groups of Carabinieri have been attached to the Fifth and Eighth Armies. They move into the newly occupied territory with advancing Allied troops and constitute the first symbol of returning Italian administration. The Carabinieri have been enthusiastically welcomed by the liberated Italian population and their work in the early stages has been of the greatest assistance in establishing military Government.

The strength of the Carabinieri is insufficient to meet all the extra demands made on them under war conditions. If, as is clear, the Carabinieri in the north of Italy have been disbanded or withdrawn by the enemy, the strength of the Carabinieri will be still more thinly spread throughout Italy.

At present, the morale of the Carabinieri is undermined by poor conditions of service. Pay is poor, rations are military, clothing and equipment are inadequate. Difficulty is experienced in providing blankets, boots, overcoats, and underclothes for the Carabinieri proceeding to the northern provinces. Repair materials for clothing and boots are in short supply. As a result, while the Carabinieri work well in forward areas where a lead is given by Allied officers, it has been noticed that behind army areas the Carabinieri need a degree of supervision to keep them up to their work.

Steps have been and are being taken to improve the morale of the police forces generally, and discussions are being held with commanding officers.

In conclusion it must be said that the Carabinieri have loyally carried out their duties, first to the Allied forces and later to the Italian Government. It is a testimony to the work of the Carabinieri that in no instance have Allied troops been called upon to quell a major disturbance in the rear of our occupation.

4. Outside the governmental sphere there have been two meetings at which party policy has been outlined during the past fortnight. The Labour Democrat Party have held a convention in Naples at which fusion was announced of the Labour Democrat with the Labour Party and Social Democrat Party. These last two groups are largely local [illegible] Italian parties and have not been members of the National Committee of Liberation. This fact has led, as in the case of the fusion of the Liberals and Liberal Democrats a few weeks ago, to adverse comment from some of the other parties in the National Committee of Liberation, in particular in this case, from the Socialist Party. At the convention the Labour Democrat leader, Sig. Quinti, declared that the party was in favor of a republic. He claimed that the party represented the small farm laborers and the artisans and announced their intention to depro-[illegible]

Declassified E.O. 12356 Section 3.3/NND No. 778505

208.2

tary Government.

The strength of the Carabinieri is insufficient to meet all the extra demands made on them under our occupation. If, as is clear, the Carabinieri in the north of Italy have been disbanded or withdrawn by the enemy, the strength of the Carabinieri will be still more highly spread throughout Italy.

At present, the morale of the Carabinieri is undermined by poor conditions of service. Pay is poor, rations are military, clothing and equipment are inadequate. Difficulty is experienced in providing blankets, coats, overcoats, and underclothing for the ... preceding to the northern provinces. Repair materials for clothing and boots are in short supply. As a result, while [illegible] work well in forward areas where a lead is given by allied officers, it has been noticed that behind army areas the C. C. need a degree of supervision to keep them up to their work.

Steps have been and are being taken to improve the morale of the police forces generally, and discussions are being held with commanding officers.

In conclusion it must be said that the Carabinieri have loyally carried out their duties, first to the allied forces and later to the Italian Government. It is a testimony to the work of the Carabinieri that in no instance have allied troops been called upon to quell a major disturbance in the year of our occupation.

4. Outside the governmental sphere there have been two meetings at which party policy has been outlined during the past fortnight. The Labor Democrat Party have held a convention in Naples at which fusion was announced of the Labor Democrat with the Labour Party and the Social Democrat Party. These last two groups are largely local groups Italian parties and have not been members of the National Committee of Liberation. This fact has led, as in the case of the fusion of the Liberals and Liberal Democrats a few weeks ago, to adverse comment from some of the other parties in the National Committee of Liberation, in particular in this case, from the Socialist Party. At the convention the Labor Democrat leader, Sig. Quint, declared that the party was in favor of a republic. He claimed that the party represented the small farm laborers and the artisans and announced their intention to depro-letarianize the workers. He urged the party to found cooperatives.

5. In Rome the Christian Democrats have also held a party convention. At the conclusion of the meetings an order of the day was passed. It was declared that the first necessity of political life in Italy was liberty and declared that the party considered itself in the vanguard of those democratic forces which would guarantee the rights of the human individual and the family as well as of religion. The party deferred its decision on its policy towards the institutional problem until all Italy had been liberated when it would be possible to hold a National Congress of the whole party to decide. The order

1406

Declassified E.O. 12356 Section 3.3/NND No. 765075

of the day also made it clear that the party preferred a joint collaboration between the six parties now represented in the government rather than individual alliances such as the one by which the Socialist and Communist Parties had agreed to associate together. Finally the meeting made definite proposals for radical agricultural reform. Large estates in the South of Italy should be broken up and compensation paid to the owners. In particular those properties which are not sufficiently cultivated should be divided up first. This land should be divided among individual families of farm laborers in such a way as to ensure efficient cultivation. Other land should be assigned to those whose farms are too small to ensure a livelihood. Other land would be taken over and managed on a cooperative basis by groups of families of laborers. This last proposal was considered as less satisfactory than the others and the preference of the party was clearly for the cause of the small present proprietor.

Distrib:

2 - Mr. Hoskie, Advisory Council Secretariat

1407

Declassified E.O. 12356 Section 3.3/NND No. 738015

2062

1408

Declassified E.O. 12356 Section 3.3/NND No. 785015

2062

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Sincerely yours,

J. Edgar Hoover

1 - Mr. Charles D. Brennan

Military events have dominated the last fortnight in Italy as elsewhere in Europe. An attack was launched on the Gothic Line on August 25, the Line itself has been passed on the eastern flank and the battle is now being fought outside the city of Rimini. When that has fallen into our hands, the Northern Italian plains stretch ahead and there are none of the natural obstacles to rapid advance that have made progress so hard in Southern and Central Italy. We may, therefore, be on the threshold of a period of rapid movement in which further large areas will be liberated. This in turn will put a great strain upon the resources of the Allied Control Commission and much of the past fortnight has been spent in laying our plans so that we shall be ready for whatever emergency may arise.

The Italian Government themselves have also been giving thought to this question. As you knew we work in close collaboration with them and look to them to suggest for us names from which we can choose for appointments to prefect, sindaco, etc. By this means continuity is assured when territory is turned back to Italian administration. These appointments raise difficult questions and you will understand that they are of great political importance when the cities concerned may include large industrial centers in the North of Italy.

Events in Italy and in Europe have, therefore, focused attention on future planning rather than present administration. About the latter, there is little to be said except that the Italian Government carried on during the last fortnight with the difficult administrative tasks which confronted it. There has been full cooperation with the Allied Control Commission and you will have seen a message from the Prime Minister to the Patriots in the North of Italy urging them not only to action as auxiliaries of the Allied armies but also emphasizing to them their duty to cooperate with Allied military [illegible]

206

1409

Declassified E.O. 12356 Section 3.3/NND No. 759015

Southern and Central Italy. We may, therefore, be on the threshold of a period of rapid movement in which further large areas will be liberated. This in turn will put a great strain upon the resources of the Allied Control Commission and much of the past fortnight has been spent in laying our plans so that we shall be ready for whatever emergency may arise.

The Italian Government themselves have also been giving thought to this question. As you know we work in close collaboration with them and look to them to suggest for us names from which we can choose for appointments to prefect, sindaco, etc. By this means continuity is assured when territory is turned back to Italian administration. These appointments raise difficult questions and you will understand that they are of great political importance when the cities concerned may include large industrial centers in the North of Italy.

Events in Italy and in Europe have, therefore, focused attention on future planning rather than present administration. About the latter, there is little to be said except that the Italian Government carried on during the last fortnight with the difficult administrative tasks which confronted it. There has been full cooperation with the Allied Control Commission and you will have seen a message from the Prime Minister to the Patriots in the North of Italy urging them not only to action as auxiliaries of the Allied armies but also emphasizing to them their duty to cooperate with Allied Military Government after they have come within the liberated zone.

The most interesting piece of legislation since our last meeting has been a decree providing for the naming of Commissioner to take over the running of editorial enterprises and information agencies which since the Armistice have published books, newspapers or pamphlets or carried on any activities on behalf of Fascism or the Germans. This measure may

Declassified E.O. 12356 Section 3.3/NNB No. 7 552 1.5

affect those well-known [illegible] daily newspapers the GIORNALE D'ITALIA and the MESSAGGERO which were suspended shortly after our arrival in Rome.

Apart from Governmental activity the principal political activity as in previous weeks has been the preparation by the Parties of their own political programs. On the 6th of September the Socialist Party at the end of their meeting in Naples adopted a resolution which is in effect a party program. Various points stand out. First, they, like the Communist Party in a declaration recently made by Signor Togliatti, come out in favor of equal political rights for women. Secondly in the political field they re-affirm their belief that the struggle for democracy is today identified in Italy with the necessity for a republic. Thirdly, they emphasize their conviction that the future of Italy is only an aspect of the whole European problem and should be treated as such. Finally, amont the requests that they put forward is one that the administrative, Economic and Financial aspects of Allied control should be progressively abolished so that the country shall regain its own autonomy. A proposal for the execution of the political part of this program was recently put forward in a leading article by the Socialist leader Nenni. In an article in the AVANTI he said that the present phase was one in which all six parties must combine for administrative purposes but that in the next phase those parties who had decided to press for a republic should form a block. This next phase in Nenni's opinion might come soon.

In addition to the Socialist Party, there has also been a declaration of liberal policy by the Liberal Minister-without-Portfolio, Signor Carandini. There is also some prospect of an early meeting of various [illegible] groups but it is too early yet to say what political program that party will adopt.

2060

At the beginning of my statement I said that we might be seen entering

Declassified E.O. 12356 Section 3.3/NND No. 785045

a party program. Various points stand out. First, they, like the Communist Party in a declaration recently made by Signor Togliatti, come out in favor of equal political rights for women. Secondly in the political field they re-affirm their belief that the struggle for democracy is today identified in Italy with the necessity for a republic. Thirdly, they emphasize their conviction that the future of Italy is only an aspect of the whole European problem and should be treated as such. Finally, among the requests that they put forward is one that the Administrative, Economic and Financial aspects of Allied control should be progressively abolished so that the country shall regain its own autonomy. A proposal for the execution of the political part of this program was recently put forward in a leading article by the Socialist leader Nenni. In an article in the AVANTI he said that the present phase was one in which all six parties must combine for administrative purposes but that in the next phase those parties who had decided to press for a republic should form a block. This next phase in Nenni's opinion might come soon.

In addition to the Socialist Party, there has also been a declaration of liberal policy by the Liberal Minister-without-Portfolio, Signor Carandini. There is also some prospect of an early meeting of various [illegible] groups but it is too early yet to say what political program the party will adopt.

2060

At the beginning of my statement I said that we might be soon entering upon another period of rapid movement. Movement depends upon transport. Indeed lack of transport is at the root of many of our administrative difficulties here. Colonel Adams is to make a statement to you on that subject, and I will not delay you further before you pass to this most important aspect of our work in Italy.

Declassified E.O. 12356 Section 3.3/NND No. 785049

ADDRESS OF CAPTAIN ELLERY W. STONE, USNR
TO ALLIED ADVISORY COUNCIL FOR ITALY
25 AUGUST 1944

26 AUG 1944

I propose to take even less of your time this afternoon than usual. The reasons will, I think, be acceptable to the Council. In the first place, there has been no crisis in the political field and the Italian Government have gone about their business in the most forthright in a quiet and orderly fashion. Secondly, we have just had one of our periodical meetings between the senior officers in the field and at Headquarters and I was glad to see that members of the Council were present to hear our discussions. I assume, therefore, that you will not expect me to say anything on the subjects so recently reviewed at our Headquarters meeting. Finally, there are two reports to be presented on behalf of the Commission, one on the detailed functions of the Allied Control Commission and the other on food production and supply in liberated Italy. As these subjects are ones about which the Council desire to hear to-day, I shall not delay the agenda too long by my introductory remarks.

In my last report I drew attention to the fact that the Socialist and Communist Parties had published their intention to associate together as close allies. As I said then, we must expect such groupings of the parties, and since your last meeting, the Liberal Party have in fact taken steps to consolidate their position. On 19 August an announcement was published stating that the Italian Liberal Party had decided to fuse with the Democratic Liberal Party. The Italian Liberal Party is of course one of the six parties which have made up the Committees of Liberation in Italy and their principal members in the present Government are Bonomi, Minister without Portfolio, and Casati, Minister of War. The Democrat Liberal Party was formed in South Italy

2059

Declassified E.O. 12356 Section 3.3/NND No. 785015

414

Declassified E.O. 12356 Section 3.3/NND No. 785045

political meeting between the senior officers in the field and at Headquarters and I was glad to see that members of the Council were present at your discussions. I suppose, therefore, that we will not speak in any detail on the subjects so recently reviewed at the conference. Finally, there are two reports to be presented to the Council for consideration, one on the detailed functions of the Allied Control Commission and the other on food production and supply in liberated Italy. As these subjects are those about which the Council desires to hear most urgently, I shall not delay the agenda too long by my introductory remarks.

In my last report I drew attention to the fact that the Socialist and Communist parties had established their intention to associate themselves in close allies. As I said then, we must expect such groupings of the parties, and since your last meeting, the Liberal Party have in fact taken steps to consolidate their position. An Italian report an announcement was published stating that the Italian Liberal Party had decided to fuse with the Democratic Liberal Party. The Italian Liberal Party is of course one of the six parties which have made up the Committees of Liberation in Italy and their principal members in the present Government are Casati, Minister without Portfolio, and Count Carlo Sforza, Minister of War. The Democratic Liberal Party was formed in South Italy after the Armistice and did not take part in the Committees of Liberation. It was a group of men of liberal tendencies, the leaders of whom agreed to serve in the government of Marshal Badoglio in Brindisi and later in Salerno. These leaders were such men as Nitti in Rome, who held the Ministry of Public Works, and Nitti Senior, who was first Under-Secretary and later Minister of Education.

2059

Although this announcement of the fusion of these liberal groups might appear to have been stimulated by the action of the Socialist and Communist Parties, these latter Parties did not welcome this development. Shortly after the announcement of this fusion, the Communist newspaper "UNITA" carried an article by the Communist leader, Signor Togliatti, describing the adhesion of the Democrat Liberals to the Italian Liberal Party as the introduction of a Trojan Horse within the citadel of democracy. Such political polemics are of course no more unexpected than the regrouping of the parties themselves. The one leads to the other. At the same time it is to be hoped that these verbal interchanges will not be carried too far. There is no reason why the parties in Italy should not prepare for the moment when they will be able to enjoy the full interplay of political life. But for the moment good order on the lines of communications of our armies is a prime necessity and we in the Control Commission must watch carefully to see that natural rivalry between the parties does not get out of hand and upset the balance of the government. As I indicated earlier, there has been no sign of any such danger up till now.

On the contrary. During the two months which the present Government has been functioning they have settled down and despite the fact that they are made up of six different political elements they are working together with surprisingly little friction. I should not end without saying that the reception of the Government by the British Prime Minister and the fact that it is known that he had a long conversation with Signor Bonomi has undoubtedly done much to strengthen the standing of the Government. This cannot but be helpful to the Government and the

2053

Declassified E.O. 12356 Section 3.3/NND No. 785045

describing the adhesion of the Democrat Liberals to the Italian Liberal Party as the introduction of a Trojan Horse within the citadel of democracy. Such political polemics are of course no more unexpected than the regrouping of the parties themselves. The one leads to the other. At the same time it is to be hoped that these verbal interchanges will not be carried too far. There is no reason why the parties in Italy should not prepare for the moment when they will be able to enjoy the full interplay of political life. But for the moment good order on the lines of communications of our armies is a prime necessity and we in the Control Commission must watch carefully to see that natural rivalry between the parties does not get out of hand and upset the balance of the government. As I indicated earlier, there has been no sign of any such danger up till now.

On the contrary. During the two months which the present Government has been functioning they have settled down and despite the fact that they are made up of six different political elements they are working together with surprisingly little friction. I should not end without saying that the reception of the Government by the British Prime Minister and the fact that it is known that he had a long conversation with Signor Bonomi has undoubtedly done much to strengthen the standing of the Government. This cannot but be helpful to the Government and the Control Commission against the time when both will have to undertake responsibility for large new areas in the north of Italy. In order to be able to do this we are compelled to reduce our staff to the minimum in the southern areas. Reference to this is contained in the statement on ACC organization before you but our capacity to do this depends in turn upon the effectiveness of the Italian Government to run the areas which have been handed over to Italian administration.

2058

Declassified E.O. 12356 Section 3.3/NND No. 785015

It is therefore an Allied interest that there should be wide-spread confidence in the stability and effectiveness of the Italian Government. We realize that we as well as the Italian Government have great responsibility and that the question of production and supply is of capital importance in this connection. As to that General O'Dwyer will explain the efforts that we are making to overcome the very serious difficulties that confront us.

Declassified E.O. 12356 Section 3.3/NND No. 785045

1418

Declassified E.O. 12356 Section 3.3/NND No. 785015

20th

53

that confront us.

1419

Declassified E.O. 12356 Section 3.3/NND No. 788045

A 2184

15 AUG 1944

11 August 1944

Once again I am glad to be able to report to the Council that in the world since their last meeting there have been no internal incidents involving the stability of the Italian Government or hold relations with the Allies. The Government has control of the administration of the country and I propose to give the Council some details of how the new consolidated administration has worked out in practice. In addition I shall report the progress of the assembly of this year's harvest and say a word or two about some of the problems which seem very prominent in Italy, particularly those to do with food, water and light.

Before turning to these administrative questions I should draw the Council's attention to an announcement that appeared in the press on 9th August two days ago in which the Socialist and Communist parties publicized their intention to associate together as close allies in the fight for the liberation of the country and for the total destruction of fascism. A coordinating committee has been set up consisting of three members of each party and in each case the secretary general of the party, that is, Mr. Togliatti for the Communist and Mr. Nenni for the Socialist. This Committee will not only coordinate policy in political matters, but also over trade union questions and the officers of each party principally concerned with the trade union movement are both members of the Committee, namely, Mr. Di Vittorio of the Communist Party and Mr. Lizzadri, better known in Italy under the pseudonym of Buozzi, for the Socialist Party. In the statements that have been published it has been made plain that this association of the Communist and Socialist Parties is not a fusion and that each party will maintain its individuality. Nevertheless, this is one of the first outward and visible signs of a trend which might normally be expected. In origin the six parties, of which the National Committee of Liberation was formed were for the most part extremists of left-centre against Fascism and against the policy of tying Italy to Germany. Now that the time is coming when each of them will have to consider a positive programme, it can be expected that there should be some regrouping into formations towards association of the parties of the left and of the right. For instance in the association between the Socialist and Communist parties they announced that they were convinced that the establishment of a democratic republic by means of a constituent assembly was the solution which best suited the aspirations of the Italian people. It will be of interest to see whether this association of the parties of the left will lead to a similar association of the various liberal groups and what attitude will be taken by the Christian Democrat

2056

- 1 -

1420

Declassified E.O. 12356 Section 3.3/NND No. 785015

2055

- 2 -

T 4 2 1

Declassified E.O. 12356 Section 3.3/NND No. 785175

I think that it may be of interest of the Council if for this purpose I take the Ministry of Foreign Affairs as an example. In the case of that Ministry the Commission, I understand, will consist of Sig. Pilotti as the magistrate, Sig. Ruffini as the representative of the High Commissioner and Sig. Vidau, the head of personnel, as representative of the Ministry. It is intended that this Committee should start work next week and one of their first duties will be to review the work that has already been done by this Ministry in purging itself. As has been announced in the press some 70 members of the Italian Foreign Service have already been suspended. This shows considerable progress, seeing that the total personnel of the Foreign Service used to be some 400. Amongst the ambassadors and ministers of first class who have been affected by these measures there are the following:

MARTELLI
ASQUINI
DE CICCO
ROSSETTI
DE PECCHI
DE MARTINO
ZAPPONETTI
ALFIERI

The Ministry of Grace and Justice has also already made much progress.

In order that this question should be dealt with in the same manner and by the same process in all liberated Italy, the new consolidated decree has been extended to apply to all territory under Allied Military Government behind the battle area and the Allied Commission has been instructed that they are responsible for supervising the progress of epuration Commissions in the provinces.

In addition to the foregoing under Art. 5 of the decree His Excellency Count Carlo Sforza has already denounced to the High Court of Justice set up by the decree the names of 309 senators for treason.

As I said at the last meeting of the Council, we shall not be able to form a considered view of the success or failure of the ensuring of the harvest until the end of August at earliest. At the same time it still remains true that in a particular estimate there is no reason for pessimism. The figures to date are as follows:

Commodity in quintals	Total estimate	Amount reaped by 31 July.	Percentage of total reaping by 31 July. 1946.	Normal pre-war year
Wheat	11,340,000	1,826,299	16	24

I do not propose to go into an analysis of these figures but I am glad to be able to say that there is some improvement in the position in Sicily, which up to now has been the area in which we have been most anxious. Even as today 711,490 quintals have been reaped in Sicily and this is a slightly lower percentage of the annual reaping than that reaped in pre-war years by the end of July. Sicily should be self-supporting in

1422

Declassified E.O. 12356 Section 3.3/NND No. 788015

grain and it is not the Allied intention to import grain into that Island to make up for any deficiency there may be in the ensuing. From the point of view of peace and good order in the Island the ensuring of grain supply is therefore of considerable importance.

The Council no doubt follows the Roman press and will have noticed the recurrent complaints of the difficulties of daily life. Indeed we have probably all had personal experiences over the difficulties of water and light. Before these the Italians put food. As to that I should like to say here and now that stories of starvation are grossly exaggerated. For instance you may have seen in the press 4 or 5 days ago a statement by the Italian Commissioner for Sanitation making serious allegations against conditions in the Roman complexes of starvation conditions and shortage of clothes and textiles. The Italian Commissioner Dr. Pennello has been interviewed and denies that he ever made these statements and he complained that he had been misquoted. He is preparing a statement for issue to the press to refute these reports.

There is shortage I admit. The ground ration is only 200 grams a day and this is not a great deal, but it is also not starvation and even to give this ration we have had to shorten the aviation means of transportation. I would add that a considerable part of the flour which goes to make up this ration has been brought from the United Nations in United Nation ships to Italy. Colonel Gilmore is going to give you a picture of the transportation situation, from which you will see the very great difficulties under which we are bound to work. Nevertheless it is our good to increase the ration once it is certain that we can continue at that rate. Meanwhile we shall do everything possible to increase the [illegible] of vegetables and fruit from Rome and to set a stop to black market restaurants, the existence of which naturally arouses strong indignation amongst those who cannot afford to frequent them.

As regards light and water, there is shortage of electric power owing to intentional destruction of all of the generating plants by the Germans. Electric power is provided for 15 hours every four days, and some times are better than that. There is no actual shortage of water but difficulty in distribution is being experienced in some of the higher parts of the city owing to reduced pressure due to low voltage.

2253

28

15 July 44

Since the last meeting of the Advisory Council on July 15th members of the Council have, like the Control Commission and the Italian Government, all been together in Rome. The Council will thus have had easier means than were available in Naples to follow the course of political events, and I will therefore on this occasion only make a very brief report. If at the end of it there are any questions, I will, of course, do my best to answer them.

The main event of the past fortnight has undoubtedly been the transfer of the Provinces of Naples, Avellino, Benevento, Campobasso and Foggia to the Italian Government on the 30th July, with the promise that the Provinces of Frosinone, Littorio and Rome would be turned over on the 15th August. These transfers are in accordance with the recommendation of the Council at its last meeting and, as has been pointed out in both the Roman and foreign press, the result has been to enhance the prestige and confidence of the present Italian Government. From the point of view of the Control Commission, this is desirable insofar as it may help to give the Italian Government the authority that they will need to carry out certain administrative measures of great importance to ourselves.

Amongst the first of these is, of course, the amassing of this year's harvest. The normal custom has been that the harvest is amassed in the autumn. This year we and the Italian Government have agreed to do everything that is possible to make a beginning of the amassing immediately after the wheat fields have been cut. In fact, we have just received the first reports on the amounts amassed up to date from the regions of Sicily, Campania, Foggia, Campobasso and Sardinia. The totals to date are 100,000 quintals for Sicily, 12,190 quintals for Campania, ~~[illegible]~~ 456,288 quintals for Foggia and Campobasso and 38,436 quintals for Sardinia.

1423

Declassified E.O. 12356 Section 3.3/NND No. 759015

2052

port. If at the end of it there are any questions, I will, of course, do my best to answer them.

The main event of the past fortnight has undoubtedly been the transfer of the Provinces of Naples, Avellino, Benevento, Campobasso and Foggia to the Italian Government on the 20th July, with the promise that the Provinces of Frosinone, Littorio and Rome would be turned over on the 15th August. These transfers are in accordance with the recommendation of the Council at its last meeting and, as has been pointed out in both the Roman and foreign press, the result has been to enhance the prestige and confidance of the present Italian Government. From the point of view of the Control Commission, this is desirable insofar as it may help to give the Italian Government the authority that they will need to carry out certain administrative measures of great importance to ourselves.

Amongst the first of these is, of course, the amassing of this year's harvest. The normal custom has been that the harvest is amassed in the autumn. This year we and the Italian Government have agreed to do everything that is possible to make a beginning of the amassing immediately after the wheat fields have been cut. In fact, we have just received the first reports on the amounts amassed up to date from the regions of Sicily, Campania, Foggia, Campobasso and Sardinia. The totals to date are 100,000 quintals for Sicily, 12,190 quintals for Campania, ~~141,190~~ 456,622 quintals for Foggia and Campobasso and 38,436 quintals for Sardinia. These are naturally only a fraction of the totals that we hope to reach and it is impossible as yet to make any reliable forecasts of how the campaign for the amassing of this year's crop will eventually turn out in two months' time. But at least it is fair to say that there is no reason for pessimism as yet.

The other activity of broad political importance which the Government

/have

2052

1424

Declassified E.O. 12356 Section 3.3/NND No. 759015

have considered since your last meeting is the question of defascistization. A new consolidated decree was adopted by the Government yesterday which covers four main subjects: 1. Cancellation of Fascist political sentences; 2. Punishment of Fascist crimes; 3. Defascistization of the State Administration; 4. Confiscation of wealth acquired through Fascist connections. By this decree, special courts to deal with those guilty of fascist crimes will be set up, with the right to impose the death sentence. Those guilty of collaboration with the Germans after the Armistice in September of last year are to be punished according to military law. Individual ministries have also been busy with the task of defascistising their staffs and the Foreign Office, for instance, published two days ago a further list of junior officials who have been set aside.

On the question of the composition of the Government, you will recall that at the last meeting I reported that Senator Croce had decided to carry out his oft expressed intention of resigning when the Italian Government transferred to Rome. The Government at first refused to accept his resignation and asked him to continue in office. Senator Croce, however, would not be persuaded and the Government yesterday, with the approval of the Allied Control Commission, appointed Dr. Carandini in his place. Dr. Carandini is a Liberal, was born in 1895, served in the last war with the Alpini, has since then been interested in industry and agriculture and, it is hoped, should make an appropriate successor to Senator Croce in his office as Minister without Portfolio.

I should perhaps draw attention to two measures that will shortly become effective and which may lead to misunderstanding without some explanatory remarks on my part. The first is an arrangement that has been made between the Allied authorities and the Italian Government whereby the Italian Government will assume a certain responsibility for the authorisa-

1425

Declassified E.O. 12356 Section 3.3/NND No. 785015

[illegible] with those guilty of fascist crimes will be set up, with the right to impose the death sentence. Those guilty of collaboration with the Germans after the Armistice in September of last year are to be punished according to military law. Individual ministries have also been busy with the task of defascistizing their staffs and the Foreign Office, for instance, published two days ago a further list of junior officials who have been set aside.

On the question of the composition of the Government, you will recall that at the last meeting I reported that Senator Croce had decided to carry out his oft expressed intention of resigning when the Italian Government transferred to Rome. The Government at first refused to accept his resignation and asked him to continue in office. Senator Croce, however, would not be persuaded and the Government yesterday, with the approval of the Allied Control Commission, appointed Dr. Carandini in his place. Dr. Carandini is a Liberal, was born in 1895, served in the last war with the Alpini, has since then been interested in industry and agriculture and, it is hoped, should make an appropriate successor to Senator Croce in his office as Minister without Portfolio.

I should perhaps draw attention to two measures that will shortly become effective and which may lead to misunderstanding without some explanatory remarks on my part. The first is an arrangement that has been made between the Allied authorities and the Italian Government whereby the Italian Government will assume a certain responsibility for the authorisation of newspapers and other printed matter within the territory which it administers. Up to now the Allied authorities have retained complete jurisdiction in this field. From the 1st August, however, they have agreed that the Italian Government should draw up its recommendations which will, of course, remain subject to Allied approval. This change will bring press matters into line with all other administrative matters

14261

Declassified E.O. 12356 Section 3.3/NNN No. 785045

in Italian Government territory, that is to say, the Italians will be responsible for the administration, but always subject to Allied supervision and control.

On the same day August 1st, there is to be a reorganization of our own Allied Military Government regions which will merge certain Provinces around Rome and Rome City under Col. Poletti. At present, these Provinces of Littorio and Frosinone are under Brigadier Dunlop and are run separately from Rome City. The purpose of the change is, amongst other things, to enable the administration of Rome City and these Provinces to be amalgamated and worked together for a fortnight under Allied auspices before both are turned over to the Italian Government on the 15th August.

To sum up, I should say that the experience of the last fortnight has been, on the whole, encouraging, with the Italian Government settling down to work in their various departments. It is, of course, a coalition government and it will clearly be difficult for it always to maintain the same degree of cohesion with Six Parties as a government of only one or at the most two. But, as I have said, the first impressions of their work in Rome have been encouraging.

Finally, I am pleased to be able to report--particularly for the benefit of the Greek member of the Council--that Prime Minister Bonomi at my suggestion has quite willingly agreed to issue an order striking from the official list of Italian medals the medal issued for the campaign against Greece. He has promised me that the order will be issued this week. The Council will be formally advised by A.F.H.Q.--no doubt between now and the next meeting--but I felt that members would desire to know that this question has now been resolved in accordance with their wishes. Allied wishes.

Declassified E.O. 12356 Section 3.3/NNB No. 785045

of Littorio and Fossinone are under Brigadier Dunlop and are run separately from Rome City. The purpose of the change is, amongst other things, to enable the administration of Rome City and these Provinces to be amalgamated and worked together for a fortnight under Allied auspices before both are turned over to the Italian Government on the 15th August.

To sum up, I should say that the experience of the last fortnight has been, on the whole, encouraging, with the Italian Government settling down to work in their various departments. It is, of course, a coalition government and it will clearly be difficult for it always to maintain the same degree of cohesion with Six Parties as a government of only one or at the most two. But, as I have said, the first impressions of their work in Rome have been encouraging.

Finally, I am pleased to be able to report--particularly for the benefit of the Greek member of the Council--that Prime Minister Bonomi at my suggestion has quite willingly agreed to issue an order striking from the official list of Italian medals the medal issued for the campaign against Greece. He has promised me that the order will be issued this week. The Council will be formally advised by A.F.H.Q.--no doubt between now and the next meeting--but I felt that members would desire to know that this question has now been resolved in accordance with their wishes. [illegible]

1428

Declassified E.O. 12356 Section 3.3/NND No. 760060

1429

Declassified E.O. 12356 Section 3.3/NND No. 785015

CONFIDENTIAL

[illegible] CAPTAIN [illegible]
ACTING DEPUTY COMMISSIONER

DATED AT ROME AT 0900Z, JULY 15, 1944

During the fortnight which has elapsed since the last meeting of the Advisory Council in Naples, there have been no political developments of considerable importance.

The Italian Government has been actively concerned with the new transfer to Rome and the first Cabinet meeting to be held in the Capital takes place Sunday July 16, 1944, at the Viminale.

As you know, certain programs [illegible] made to the organization of the Governmental Departments. In the Foreign Office and Ministry of Justice in particular, a good deal of ground work has already been done over reinstatement. A preliminary list of foreign affairs officials who have been removed has been published in the press and will be followed by other lists. In all departments the initiative is being left to the Italian Government to deal with this question but the Vice-Commission of the Allied Control Commission knows duty it is to supervise each particular Governmental department has been made responsible to see that the work is done properly.

There is to be one change in the composition of the Government as Senator Croce has decided to carry out the intention which he had all along expressed to resign when the Government left Salerno. Senator Croce is 78 years old and did not feel that at this time of life he could make the move. His place as Minister-without-Portfolio will probably be taken by another member of the Liberal Party, probably Bonomi, the present Minister of the Treasury. No final decision has yet been reached as to who might succeed Bonomi at the Treasury. One proposal is that the Finance which is the Income department, and the Treasury, which is the expenditure department, should be once more united under the existing Minister of Finance, Migliorni. Another is that Bonomi should be succeeded in the Treasury Department by Quintieri who was Finance Minister in the last Badoglio Government and does not belong to any of the six Parties. Either of these solutions are agreeable to the Finance Sub-Commission of the Allied Control Commission, who are of course, following this question closely.

I should also announce one impending change in the composition of the Control Commission itself; it is with very deep regret that I must inform you that Br. Henry Grady is returning to the United States and is to be succeeded as Vice President of the Economic Section by Colonel [illegible] who arrived in Rome yesterday.

[illegible]49

CONFIDENTIAL

1430

Declassified E.O. 12356 Section 3.3/NND No. 785015

July 1, 1944

Gentlemen:

I am sure that you will regret, as I do, that General Mason MacFarlane cannot be here to-day to give you an account of the political situation. For urgent reasons of health he has had to return to England for treatment to an injury of long standing and, if all goes well, hopes to be back here within six weeks or so.

I should say at once that I cannot follow the example which, on some occasions, he set of speaking to you in French. I do not know whether you would wish for my remarks to be translated as I go along, or whether you would prefer me to finish what I have to say in English.

Since the last meeting of the Advisory Council the new Italian Government has taken office on the conditions recommended by the Council. There have been minor changes of non-political kind in its composition. As you will remember, Count Casati originally held the portfolios of War and Air. He has since surrendered the Ministry of Air to General Piacentini, who, up to now, has been the operational head of the Italian Air Force. General Piacentini has given good service in carrying out his operational duties under the supervision of the head of the Air Forces Sub-Commission and Air Vice-Marshal Bowen-Buscarlet is quite satisfied with this appointment. In addition, at the request of the Allied Services concerned, Signor Fano and General di Raimondi have been appointed Under Secretary for Telecommunications and Director General of Railways respectively. They are both technicians and had held these appointments under the two previous Governments with good results.

The Cabinet took the oath on the 22nd June in the form that had been published, swearing to exercise their functions in the supreme interests of the nation and not to commit any acts which might in any way prejudice the solution of the institutional question until the convocation of a Constituent Assembly. Senator Croce and Signor Cianca were absent for reasons of health and Admiral de Courten was prevented from being present by naval duties at Taranto.

In the afternoon of the same day the Cabinet met in Salerno. Their first act was unanimously to approve a declaration in which the following points were made. They declared that the Government, on account of its political origin, represented that large majority of the country which, even in 1940, was against Fascism and against Italy's entry into the war by the side of Hitlerite Germany. They repudiated the so-called Fascist claims against the honour and integrity of other nations and they condemned the Fascist aggressions against France, Greece, Yugoslavia and Russia. These aggressions had violated Italy's political tradition and consequently the Cabinet intended to continue the war by the side of the United Nations until the final defeat of Hitlerite Germany and to intensify Italian participation in various ways. In addition, the Cabinet considered a scheme for the calling of the Constituent Assembly, which

2018

D

1431

Declassified E.O. 12356 Section 3.3/NND No. 785015

would be elected by universal and secret ballot once the whole country was liberated. Another meeting of the Cabinet took place yesterday but I am informed that no measures of outstanding political interest were under discussion.

The main preoccupation of the Italian Government is, of course, the question when it will be allowed to move to Rome. Until then it will not settle down to work. As a political Government is must inevitably rely, to a great extent, upon the permanent Civil Service in the Italian Ministries. The bulk of this Service is in Rome and the Germans have not succeeded in dispersing this administrative machine. There is not room in Salerno to house it. Indeed there is not even room in Salerno for the Under-Secretaries of State to go there. I warned the Supreme Allied Commander of this when I saw him last week on the 21st June. Since then I have been to Rome to see the situation for myself, and returned more than ever convinced that the move was essential in the Allied war interest. As you gentleman know, the Allied Control Commission is not staffed with sufficient personnel to carry out such things as the repair of roads, the re-establishment of hydro-electric stations etc. We must rely upon Italian organizations which we control and supervise in accordance with the needs of the Allied Command. The mainspring of these Italian administrative organizations is in the Ministries in Rome and it is in the Allied interest to get these working again as quickly as possible. So that the Ministries should not be entirely idle I have authorised that the Under-Secretary of each Ministry may get his administrative machine ready for work in Rome. But of course until the Government can move, these Ministries cannot be allowed to undertake anything beyond their own internal organization.

There is also the political aspect. It does not help the Allied war effort in Italy if the Government publicly loses prestige. Many Italians are now asking why the Government does not go to the Capital and are concluding that it is because they do not enjoy the confidence of the Allied authorities. Consequently we risk that the effectiveness of the Italian Government will diminish if it is not soon allowed to go to Rome. On my return from the Capital I once more laid these considerations before the Supreme Allied Commander and urgently pressed for authority to transfer the Italian Government at the earliest possible date.

As for the conditions in Rome itself. I am glad to be able to say that owing to an improvement in the transportation situation it is expected that the daily bread ration will soon be raised to 200 grammes per person. But it must be recognized that during recent weeks most of the reserve stocks of food in Rome, both public and private, have been consumed. It will take some time to re-build these.

0017

The housing situation is also difficult. The population of Rome was already several hundred thousand above the normal figure before the arrival of the Allies. Now it is considered vitally necessary in the

1432

Declassified E.O. 12356 Section 3.3/NND No. 785015

interests of the Allied war effort that a restricted number of Allied headquarters should be in Rome, at least on a temporary basis.

These and other problems are not insoluble. But I must emphasize again that they will be easier of solution when the Allied Control Commission, the Allied military authorities, this Advisory Council, and the Italian Government are concentrated in one place. It is very difficult for us to carry out our duties when we are spread out over three headquarters.

0046

1433

Declassified E.O. 12356 Section 3.3/NND No. 785015

M. C. Evans, Jr.
Declassifier

AFHQ APO 512

L50/hjp

5 July 1944

5 JUL 1944

My dear Mr. Ambassador:

Enclosed is a copy of the report on the Political Situation in Italy that Captain Ellery W. Stone, Acting Chief Commissioner of the Allied Control Commission, presented to the meeting of the Advisory Council for Italy on 1 July 1944.

Encl.

L. D. DENNISON
Colonel, Sig C
Chief Staff Officer

The Honorable Alexander Kirk
The American Ambassador
Naples, Italy

1434

Declassified E.O. 12356 Section 3.3/NND No. 785015

LIST OF PAPERS

File under No. 383.6

Prisoners of War.

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1) Adm. 383.6 A&M.	Com. Roberts	11 June	DP. P.C.E.	Forwards P.W. Agreement re Bulgaria: explains
2) Freedom 29/24	Malkin and C.-in-C	14 "	Fatima for Caserta	explains the above
3) Fatima 2116	Resident C.	20 "	Freedom	Bentinck has informed Chetwood re Prisoners
4 Tango 562	"	25 "	"	Bentinck will not agree
5) Tango 617		26 "		Bentinck gives reasons for opposing the note being handed
6) DP. 6 24.		26 "	AFHQ for Commando	Forwards Bentinck note & opinion
7) Tango 705		1 Feb	Freedom.	Reply to Resolution 3 Treaty
8) Freedom 30x62	Freedom	27 "	Gen Macf.	Reply to 6
9) Tango 1202	Gen Macf.	28 "	Freedom	Gen Eisenhower A.F. Post will pass to the next for BAF & USAAF
10) Freedom 32 26x6	H.Q., N.A.A.F.	28 "	Tango	Completion Protocol.
11) [illegible]	[illegible]	[illegible]	[illegible]	
12) AG. 11. 1.	M.M.I.A.	1 Feb.	AFHQ with 24	Plan for release of P.W. in Sicily.
13) 564 + 565	London Govt. Departments	25	Gen Macf.	Gen Eisenhower with Bancroft's comment AGI on P.W. matters.
14) [illegible]	[illegible]	[illegible]	[illegible]	
15) Tango 890	Gen Macf	28 Feb	Freedom.	Transmitting 12 above.
16) Freedom 58124	Freedom	29 "	Gen. Macf.	Bentinck's reply [illegible] Prisoners agreement.
17) Fatima 2010	Gen Macf	1	Freedom for JAM, Mil. Mission	Sandalo's note for Bentinck re Prisoners Convention.

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

