ACC

10000/136/256

POLICY, ALLIED COMMISSION, ITALY
OCT. 1943 – OCT. 1945

0125

The Chief Commissioner

Your attention is directed to Item 1 in the attached.

GB

1001/CC

Office of the
Chief Commissioner

ALLIED COMMISSION

LIST OF PAPERS

File under No. 1001 POLICY, ALLIED COMMISSION, ITALY

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
32	Press Release	3 Jan 45		Macmillan's Press Conference.
33	Memo Macmillan 4001/COS	5 Jan 45		'Allied Policy Towards Italy' (New deal proposed for Italy)
34	Ltr FEA Wash. (Hunt)	9 Jan 45	Cleveland	Macmillan's Proposals dragging along.
35	Statement, Chuchill	22 Jan 45	Press	Statement on Italy fr 10 Downing St.
36	Cbl AFHQ F-15693	26 Jan 45	AC	CCAC clears new It directive; CCS will issue shortly.
37	Cbl CCS, FAN 487 (WX-29633)	31 Jan 45	SACMED	New Directive from CCS as implementation of FDR-Chirchill declaration 26 Sep to relax control of Ital Govt.
38	4001/COS, Lush	5 Feb 45	VPs, Comm & WMD-IPW S/C	CC will hold meeting study New Directive from CCS to Allied Commission.
39	Minutes of Mtg, Quayle	6 Feb 45		Minutes of Mtg held by CC to discuss New Directive from CCS to AC.
40	CC-1001, Quayle	7 Feb 45		Amendment to Minutes of Mtg held to discuss New Directive from CCS to AC.
41	Crimea Conference	12 Feb 45		Declaration, Crimea Conference.
42	Aide Memoire, Macmillan	24 Feb 45	Bonomi	New Directive fr CCS - New Deal f It
43	AFHQ Admin Memo 19	31 Mar 45		Functions of AC as per FAN 487.
44	CC 1001, Stone	16 Apr 45	A/Pres	To see papers on AC after war in It.

SECRET

1001/CC

Office of the
Chief Commissioner

ALLIED COMMISSION

LIST OF PAPERS

File under No. 1001 POLICY, ALLIED COMMISSION (ACC)

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
17	Roosevelt	4 Oct 44		Announcement of forthcoming extended aid to Italy. Trucks, etc
18	Cbl AFHQ FX 34291	4 Oct 44	AGWAR for CCS	Re statement of 26 Sept, grateful for early info on implementation
19	Cbl AFHQ F 34211	4 Oct 44	ACC	Instructions being sought. No change in status until further note
20	Ltr 501/4/CCS	7 Oct 44	All Sections etc	Policy to be maintained by ACC
21	A/CC 321 Stone	10 Oct 44	Army Navy & Air	Present ACC status to be kept
22	Cbl AFHQ F 39435	16 Oct 44	ACC	Selection of FBA personnel
23	Ltr AFHQ 387.4-1	24 Oct 44	ACC for CC	"Control" to be dropped from ACC
24	Cbl AFHQ F 44611	27 Oct 44	AC	Employment of civilians, ACC
25	Cbl AFHQ FX 45873	30 Oct 44	AC	Implementation of new policy awaiting CCS approval
26	Cbl AFHQ F 46096	30 Oct 44	AC	All US AC Mil Pers to be withdrawn by end of this year. Pls advise
27	Speech, Roosevelt	3 Nov 44		Increase of bread ration, with other increased aid to Italy.
28	Cbl S-358 Stone	4 Nov 44	AFHQ	Comments & recommendations on proposal for demilitarization & future organization of AC
29	Cbl FAN 449 AGWAR	8 Nov 44	AFHQ (AC)(passed)	General policy agreed, future directive on way. MacMillan to be President of AC, Stone Chief Comm
30	GO 27, AFHQ	18 Nov 44	- -	Macmillan appointed President; Stone as DP, CC and CCAO.
31	Cbl CCS, FAN 455 WX-66285	21 Nov 44	AFHQ	US & UK ambassadors handle only political questions; AC continue deal econ-admin matters & questions arising out of armistice terms.

4580

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1001/CC

Office of the
Chief Commissioner

ALLIED COMMISSION

LIST OF PAPERS

File under No. 1001 POLICY, ALLIED COMMISSION (ACC)

SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Cbl FAN 248, MAT 53 & additions CCS	23 Oct 43	Control Commission	Directive from CCS for setting up of Control Commission, Italy
2	Ltr AFHQ 387.4-1 Gen Holmes	26 Oct 43	ACC	Transmittal of combined CCS directive for ACC
3	Moscow Conference	30 Oct 43		Declaration on Italy - Moscow
4	AFHQ Admin Memo 74	2 Nov 43		Establishment & functions, organization of ACC, effect fr 10 Nov.
5	Teheran Conference	1 Dec 43		Declaration, Teheran Conference
5a	AFHQ Gen Order #5	24 Jan 44		Control of ACC also to ACMB
6	Speech, Churchill	22 Feb 44	House of Commons	Statement on Italy
7	Ltr CG 008 MacFarlane	17 May 44	VPs	Consultation with Regional Commissioners on matters of Policy
8	Speech, Roosevelt	4 Jun 44		Speech by President upon liberation of Rome
9	Memo Lush	29 Jul 44		Future of the ACC, its function & relations with Ital Govt
10	Ltr Col Stone	4 Aug 44	G-5 AFHQ via AAI	Fwdg 29 July memo on future, AC
11	Ltr Stone	7 Aug 44	Spofford	Fwdg 29 July memo on future, AC
12	AG 014.1 War Dept	26 Aug 44	CG's, theaters	Civil Affairs, Occupied Areas. Further Development
12a	AFHQ Gen Order #21	11 Sep 44		Control of AC passes back to AFHQ
13	Cbl S-328 Stone	12 Sep 44	AFHQ	If future of AC being considered herewith views of myself & staff
13a	Draft Cbl NAF____	15 Sep 44	CCS	Econ policy guidance requested.
14	Ltr AFHQ G-5	17 Sep 44	ACC	Fwdg of AGWAR ltr re Civil Affrs
15	Joint Communique Am & Brit Govts	26 Sep 44		Setting up of new policy toward Italy, re control
16	Cbl S-347 Stone	28 Sep 44	AFHQ	Ref recent decl of 26 Sept, grateful for early info

SECRET

1001/CC

LIST OF PAPERS

Office of the Chief Commissioner

File under No. 1001 POLICY, ALLIED COMMISSION, ITALY

ALLIED COMMISSION

SECRET

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45	501/76/CC, Stone	1 May 45	DCCAO,SCAOs,RCs	AMG Policy - Northern Italy.
46	Message fr CC	8 May 45	All ranks,AC	Message on end of war in Europe.
47	501/EC, IV Corps CG	9 May 45	CC	AMG Policy - Northern Italy.
47a	6514/EC, Lush	30 May 45	CC	Lush Memo "ITALY'S FUTURE."
48	Statement, Secy GREW	31 May 45	Press	GREW Statement on"US Policy toward Italy."
49	CC 1001, Stone	23 Jun 45	SACMED	"Future Policy Toward Italy".
50	CC 1001, Stone	26 Jun 45	AFHQ G-5	"Future Policy Toward Italy".
50a	Ltr Ploeser MC	2 Jul 45	President T.	Confirmation copy, cbl on CC 1001
51	Cbl Stone (fr Ploeser)	3 Jul 45	Pres.Truman	"Future Policy Toward Italy".
52	Cbl SENALUSLO ITALY (fr Stone fr Ploeser)	3 Jul 45	SECNAV for President	"Future Policy Toward Italy" for President to see
53	Ltr Lush	12 Jul 45	CC	British policy toward Italy as ascertained by Brig Lush on visit to London IRCLS: 1) Future of US-UK Econ Set-up 2) Cbl UK to US, Finance, Relief
54	Memo, Lush	15 Jul 45	CAO AFHQ	Future of Italy - decisions needed.
55	USIS	20 Jul 45		Senator Mead urges continued relief to Italy under adm direction fr US.
56	SAC (45) 3	22 Jul 45		"Future Policy Toward Italy".
57	AFHQ MJPS P/308 Final	23 Jul 45		Future Policy Toward Italy - draft covering ltr fr SACMED to CCS.

SECRET

1001/CC

Office of the
Chief Commissioner

=ALLIED COMMISSION=

LIST OF PAPERS

File under No. 1001 POLICY, ALLIED COMMISSION, ITALY

TOP SECRET

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
58	SAC (45) 1st Meeting	26 Jul 45		Future policy towards Italy discussed
59	Ltr, AFHQ, D/SAC	27 Jul 45	CCS	Future Policy Toward Italy - CC memo officially forwarded.
60	SAC (45) 7	27 Jul 45		Future Policy Toward Italy - CC memo officially forwarded to CCS.
60a	Ltr, Stone	28 Jul 45	Truscott	Future policy toward Italy.
60b	Ltr, Stone	28 Jul 45	Brown	Future policy toward Italy.
61	Potsdam Conference	2 Aug 45		Declaration - Potsdam Conference.
62	Digest, Ital Press	3 Aug 45		Comments on Potsdam Declaration.
x 62a	SAC (45) 2nd Meeting	4 Aug 45	(Min. 10)	Future policy toward Italy.
63	Ltr RAAC, Gen Brown	7 Aug 45	Stone	Comments on paper future policy.
64	Ltr, 5 Army, Truscott	7 Aug 45	Stone	Truscott comments on future policy.
65	Ltr, Stone	11 Aug 45	Kirk, Charles	Truscott comments onfuture policy.
66	Cbl AC CC, 3748	15 Aug 45	AFHQ	Turn-over of Udine Prov to IG.
67	Aide-Memoire, CC	6 Sep 45	(SACMED)	Suggested change in AFHQ procedure in handling CC's messages/proposals to SAC.
68	DO Ltr, COS AFHQ	10 Sep 45	CC	Suggested change in AFHQ procedure in handling CC's messages/proposals to SAC.
69	Cbl AC Ex C, 5260	12 Sep 45	AFHQ	AFHQ staff meeting affecting future Alcom and relations with IG.
70	USIS Special	17 Sep 45	Italpress	Text of Acheson message to U.S.Mazzini Societ Convention.
71	A.P. (Geo Bria)	18 Sep 45		SACMED's interview with Bria on future of Italy.

4883

TOP SECRET

1001/CC

Office of the
Chief Commissioner

=ALLIED COMMISSION=

LIST OF PAPERS

File under No. 1001 POLICY, ALLIED COMMISSION, ITALY

[redacted]

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
72	State Dept Bulletin	5 Oct 45		Secretary Byrnes' speech-report on London Foreign Ministers Conference.
73	LtrBritish Embassy	30 Oct. 45	Stone	In Re to return of "Future Policy Towar Italy"

4384

[redacted]

British Embassy,
Rome.

Secret.

30th October, 1945.

My dear Admiral,

I return herewith, in accordance with my promise, your most interesting paper (No.CC 1001) of 23rd. June. I am much impressed by the arguments contained in it and I hope that they will be taken into full account by all those responsible for framing Anglo-American policy towards Italy. 49

With renewed thanks for letting me see it and hoping that I may have the opportunity of another talk with you when I return next week from my tour of the North,

Yours very sincerely,

Rear Admiral Ellery W. Stone,
USNR,
Chief Commissioner,
Allied Commission,
Rome.

WORLDS' SERIES. CHICAGO CUBS WON THE THIRD GAME OF THE WORLDS' SERIES BY DEFEATING THE DETROIT TIGERS THREE TO NOTHING, BEHIND THE ONE HIT PITCHING OF BASSEAU. OVERMIRE WAS DETROITS' STARTING PITCHER AND WAS RELIEVED IN THE SEVENTHINNING BY BENTON. CHICAGO GOT TWO RUNS IN THE FOURTH AND ONE IN THE SEVENTH. CHICAGO GOT THREE RUNS, EIGHT HITS, AND NO ERRORS; DETROIT, NO RUNS, ONE HIT, AND TWO ERRORS.

ADD STATE DEPARTMENT. RIO MEETING. THE GOVERNING BOARD OF THE PAN AMERICAN UNION, AT A MEETING THIS AFTERNOON, VOTED UNANIMOUSLY TO POSTPONE THE MEETING OF FOREIGN MINISTERS SCHEDULED AT RIO DE JANEIRO ON OCTOBER 20. THE BOARD WILL MEET AGAIN ON NOVEMBER 20 TO SET A DATE FOR THE CONFERENCE. 5 OCT 45

BYRNES SPEECH. SECRETARY BYRNES TONIGHT MADE THE FOLLOWING REPORT ON THE FIRST SEESION OF THE COUNCIL OF FOREIGN MINISTERS:

"THE FIRST SESSION OF THE COUNCIL OF FOREIGN MINSTERS CLOSED IN A STALEMATE. BUT THAT NEED NOT, AND SHOULD NOT, DEPRIVE US OF A SECOND AND BETTER CHANCE TO GET ON WITH THE PEACE.

IN THE PAST, I HAVE BEEN BOTH CRITICIZED AND COMMENDED FOR BEING A COMPROMISER. I CONFESS THAT I DO BELIEVE THAT PEACE AND POLITICAL PROGRESS IN INTERNATIONAL AFFAIRS AS IN DOMESTIC AFFAIRS DEPEND UPON INTELLIGENT CONPROMISE. THE UNITED STATES DELEGATION ACTED IN THAT SPIRIT AT BERLIN. WE ACTED IN THAT SPIRIT AT LONDON. AND WE SHALL CONTINUE TO ACT IN THAT SPIRIT AT FUTURE CONFERENCES.

THAT SPIRIT IS ESSENTIAL IN INTERNATIONAL CONFERENCES WHERE ACTION CAN ONLY BE TAKEN BY UNANIMOUS AGREEMENT. WHEN ANY ONE MEMBER CAN PREVENT AGREEMENT, COMPROMISE IS A NECESSITY. MEN AND WOMEN WHO HAVE SERVED ON A JURY CAN APPRECIATE THAT.

COMPROMISE, HOWEVER, DOES NOT MEAN SURRENDER, AND COMPROMISE, UNLIKE SURRENDER, REQUIRES THE ASSENT OF MORE THAN ONE PARTY.

THE DIFFICULTIES ENCOUNTERED AT THE LONDON CONFERENCE WILL, I HOPE, IMPRESS UPON THE PEOPLES OF ALL COUNTRIES, INCLUDING OUR OWN PEOPLE, THE HARD REALITY THAT NONE OF US CAN EXPECT TO WRITE THE PEACE IN OUR OWN WAY. IF THIS HARD REALITY IS ACCEPTED BY STATESMEN AND PEOPLES AT AN EARLY STAGE OF THE PEACE MAKING PROGRESS, IT MAY AT LATER STAGES SAVE US AND SAVE THE PEACE OF THE WORLD FROM THE DISASTROUS EFFECTS OF THE DISILLUSIONMENT.

REGARDLESS OF HOW AMERICANS MAY DIFFER AS TO DOMESTIC POLICIES, THEY DESIRE UNITY IN OUR FOREIGN POLICIES. THIS UNITY WILL BE ESSENTIAL IN THE DAYS AHEAD OF US WHEN WE MAY EXPECT THE DIFFERENCES

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REGARDLESS OF HOW AMERICANS MAY DIFFER AS TO DOMESTIC POLICIES, THEY DESIRE UNITY IN OUR FOREIGN POLICIES. THIS UNITY WILL BE ESSENTIAL IN THE DAYS AHEAD OF US WHEN WE MAY EXPECT THE DIFFERENCES IN VIEWS BY VARIOUS GOVERNMENTS AS TO PEACE SETTLEMENTS. HOWEVER, THE POLITICAL PARTY IN POWER CANNOT EXPECT THIS UNITY UNLESS IT FREELY CONSULTS REPRESENTATIVES OF THE OPPOSING POLITICAL PARTY.

4577

BELIEVING THIS, I REQUESTED MR. JOHN FOSTER DULLES, ONE OF THE BEST INFORMED AMERICANS IN THE FIELD OF FOREIGN RELATIONS, AND A LOYAL REPUBLICAN, TO ACCOMPANY ME TO LONDON IN AN ADVISORY CAPACITY. HE HAS BEEN MORE THAN AN ADVISOR; HE HAS BEEN A PARTNER. BETWEEN US, THERE HAVE BEEN NO SECRETS. AT THE COUNCIL TABLE AND IN PRIVATE CONFERENCE, HE HAS PARTICIPATED IN THE MAKING OF ALL DECISIONS. OUR ACCORD SERVES TO SHOW THAT IN FOREIGN AFFAIRS, REPUBLICANS AND DEMOCRATS CAN WORK TOGETHER AND THAT IN VITAL MATTERS OF FOREIGN POLICY, WE AMERICANS ARE UNITED.

WHEN IT WAS AGREED AT BERLIN TO ESTABLISH THE COUNCIL OF FOREIGN MINISTERS, I THINK WE ALL HAD IN MIND THE PRECEDENT OF DUMBARTON OAKS CONFERENCE. THERE, REPRESENTATIVES OF GREAT BRITAIN, THE SOVIET UNION, CHINA, AND THE UNITED STATES WORKED TOGETHER TO PREPARE DRAFT PROPOSALS FOR THE UNITED NATIONS CHARTER AS A BASE FOR DISCUSSION WITH OTHER NATIONS. FRANCE WAS NOT PRESENT AT DUMBARTON OAKS ONLY BECAUSE FRANCE HAD NOT YET BEEN LIBERATED. HER RIGHT TO PERMANENT MEMBERSHIP ON THE SECURITY COUNCIL WAS NOT QUESTIONED.

EXPERIENCE REVEALS THAT A CERTAIN DEGREE OF UNDERSTANDING AMONG THE MAJOR POWERS IS ESSENTIAL TO SECURE GENERAL AGREEMENT AMONG MANY NATIONS. WHEN UNDERSTANDING AMONG THE GREAT POWERS IS NOT ACHEIVED IN ADVANCE OF A CONFERENCE PARTIPATED IN BY MANY NATIONS, IT USUALLY HAS TO BE SECURED INFORMALLY DURING THE CONFERENCE.

AT THE VERSAILLES CONFERENCE, FOR EXAMPLE, IT TOOK THE BIG THREE AND THE BIG FIVE SO LONG TO AGREE AMONG THEMSELVES THAT THE COMPLAINT WAS MADE THAT THE SMALLER POWERS HAD LITTLE MORE TIME TO CONSIDER THE TREATY THAN WAS GIVEN TO THE GERMANS.

THE BERLIN AGREEMENT ENVISAGED THE NAMING OF HIGHRANKING DEPUTIES WHO COULD CARRY ON THE WORK OF THE COUNCIL IN THE ABSENCE OF THEIR CHIEFS, THE FOREIGN SECRETARIES. THE COUNCIL, AS PRESIDENT TRUMAN AND I UNDERSTOOD IT, WAS TO BE A SORT OF COMBINED STAFF TO EXPLORE THE PROBLEMS AND PREPARE PROPOSALS FOR THE FINAL PEACE SETTLEMENTS.

AT BERLIN IT CERTAINLY WAS NEVER INTENDED THAT THE THREE POWERS PRESENT OR THE FIVE POWERS CONSTITUTING THE COUNCIL SHOULD TAKE UNTO THEMSELVES THE MAKING OF THE FINAL PEACE. THE BERLIN DECLARATION SETTING UP THE COUNCIL BEGINS WITH THE STATEMENT 'THE CONFERENCE REACHED THE FOLLOWING AGREEMENT FOR THE ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS TO DO THE NECESSARY PREPARATORY WORK FOR THE PEACE SETTLEMENTS.'

THE COUNCIL WAS NOT TO MAKE THE PEACE SETTLEMENTS BUT TO DO THE NECESSARY PREPARATORY WORK FOR THE PEACE SETTLEMENTS. IT CERTAINLY WAS NOT MY INTENTION TO AGREE TO ANY FINAL TREATY WITHOUT FIRST GETTING THE VIEWS OF THE FOREIGN RELATIONS COMMITTEE OF THE SENATE WHICH MUST PASS UPON ALL TREATIES BEFORE RATIFICATION.

THE FIRST SESSION OF THE COUNCIL, SO FAR AS THE PERSONAL PARTICIPANTS OF THE FOREIGN MINISTERS WAS CONCERNED, WAS INTENDED TO PROVIDE DIRECTIVES FOR THE DEPUTIES IN THE PREPARATION OF TREATIES FOR ITALY, RUMANIA, BULGARIA, HUNGARY, AND FINLAND.

THIS WORK WAS EXPLORATORY- TO FIND OUT ON WHAT POINTS WE WERE IN AGREEMENT, ON WHAT POINTS WE DIFFERED, AND ON WHAT POINTS FURTHER STUDY AND DATA WERE REQUIRED. IT IS A LITTLE NAIVE TO SUPPOSE THAT WHEN REALLY VITAL DIFFERENCES EMERGE, ONE NATION OR ANOTHER IS LIKELY TO ABANDON ITS' POSITION ON THE FIRST INTERCHANGE OF VIEWS.

AT THIS STAGE IT IS AS IMPORTANT TO KNOW AND UNDERSTAND WHEREIN WE AND OUR ALLIES DIFFER AS WHEREIN WE AGREE. WE MUST UNDERSTAND OUR POINTS OF DIFFERENCE BEFORE WE CAN INTELLIGENTLY CONSIDER MEANS OF RECONCILING THEM.

SO FAR AS THE ITALIAN TREATY WAS CONCERNED I THINK WE MADE VERY GOOD PROGRESS TOWARD AGREEMENT ON DIRECTIVES TO GOVERN THE WORK OF OUR DEPUTIES.

THERE WAS READY ACCEPTANCE OF OUR PROPOSAL THAT ITALY SHOULD

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THERE WAS READY ACCEPTANCE OF OUR PROPOSAL THAT ITALY SHOULD
UNDERTAKE TO MAINTAIN A BILL OF RIGHTS WHICH WILL SECURE THE
FREEDOMS OF SPEECH, RELIGIOUS WORSHIP, POLITICAL BELIEF AND PUBLIC
MEETINGS ENVISAGED FOR ITALY IN THE MOSCOW DECLARATION OF NOVEMBER
1943 AND WHICH WILL CONFIRM THE HUMAN RIGHTS AND FUNDAMENTAL FREE-
DOMS SET FORTH IN THE CHARTER OF THE UNITED NATIONS.

THERE WAS SOME DIFFERENCE AMONG THE CONFEREES AT THE START AS
TO PROVIDING FOR THE LIMITATION OF ARMAMENTS. BUT IT WAS OUR FEE-
ING THAT ITALY SHOULD RELY ON THE UNITED NATIONS FOR PROTECTION
AGAINST AGGRESSION AND SHOULD NOT ENGAGE IN COMPETITION IN ARMAMENT
WHEN ALL HER RESOURCES ARE BADLY NEEDED TO RESTORE HER CIVILIAN
ECONOMY. AND THIS VIEW GAINED GENERAL ACCEPTANCE.

WHILE THE VERY CONTROVERSIAL BOUNDARY DISPUTE BETWEEN YUGO-
SLAVIA AND ITALY WAS NOT SETTLED, IT WAS ENCOURAGING TO FIND THAT
IT WAS POSSIBLE TO AGREE THAT THE LINE SHOULD IN THE MAIN BE GOVERN-
ED BY CONSIDERATIONS AND THAT REGARDLESS OF ITS SOVEREIGNITY THERE
SHOULD BE A FREE PORT AT TRIESTE UNDER CONTROL.

THE COUNCIL WAS IN GENERAL AGREEMENT THAT THE DODECANES ISLANDS
SHOULD GO TO GREECE ALTHOUGH THE ASSENT OF ONE MEMBER WAS QUALIFIED

PENDING THE STUDY OF CERTAIN QUESTIONS BY HIS GOVERNMENT.

THERE WAS GENERAL AGREEMENT THAT THE ITALIAN COLONIELS SHOULD COME UNDER THE TRUSTEESHIP PROVISIONS OF THE UNITED NATIONS CHARTER. VARIOUS VIEWS WERE EXPRESSED AS THE PREFERRED FORM OF TRUSTEESHIP FOR THE COLONIES.

THE AMERICAN DELEGATION WAS PARTICULARLY GRATIFIED THAT THE DIRECTIVES TO THE DEPUTIES, WHILE NOT RESTRICTING THEIR STUDIES, CALLED FOR SPECIAL CONSIDERATION OF THE AMERICAN PROPOSAL FOR TRULY INTERNATIONAL ADMINISTRATION DIRECTLY RESPONSIBLE TO THE UNITED NATIONS WITH A VIEW TO THE ATTAINMENT OF THE GREATEST DEGREE OF INDEPENDENCE OF THE INHABITANTS OF TWO OF THE COLONIES AT THE END OF TEN YEARS AND INDEPENDENCE FOR THE PEOPLE OF A THIRD COLONY AT AS EARLY A DATE AS POSSIBLE. -0-

THISSPROPOSAL WAS PRESENTED BY THE AMERICAN DELEGATION WHEN THE ITALIAN TREATY FIRST WAS TAKEN UP AND CONSISTENTLY ADHERED TO.

IT IS OUR VIEW THAT THE OBJECT OF TRUSTEESHIP SHOULD BE TO PROMOTED THE SELF GOVERNMENT OF THE PEOPLE AS A COLONY AND NOT TO ENRICH A TRUSTEE OR INCREASE THE ECONOMIC OR MILITARY POWER.

IT WAS ALSO AGREED THAT ITALIAN SOVEREIGNITY SHOULD BE RESTORED ON THE CONCLUSION OF THE TREATY SO THAT FOREIGN TROOPS MAY BE WITHDRAWN AND, EXCEPT AS SPECIALLY RPVIDED IN THE TREATY, FOREIGN CONTROLS WITHIN ITALY TERMINATED.

THERE WAS NO DEFINITE UNDERSTANDING ON HER REPARATIONS. THE UNITED STATES TOOK THE POSITION THAT ITALY COULD NOT PAY ANYTHING LIKE THE 600,000,000 DOLLARS. APART FROM CERTAIN FOREIGN ASSETS, SHE SHOULD BE REQUIRED TO PAY AS REPARATIONS ONLY SUCH FACTORY AND TOOLS EQUIPMENT DESIGNED FOR THE MANUFACTURE OF WAR IMPLEMENTS WHICH ARE NOT REQUIRED FOR THE LIMITED MILITARY ESTABLISHMENT PERMITTED TO HER AND WHICH CANNOT BE CONVERTED TO PEACEFUL PURPOSES. IF SHE IS STRIPPED OF MORE, THEN HER ECONOMY CAN NOT BE RESTORED.

WE HAVE CONTRIBUTED SEVERAL HUNDRED MILLION DOLLARS FOR THE RELIEF OF THE ITALIAN PEOPLE. THEIR CONDITION IS DEPLORABLE. WE MUST CONTINUE TO HELP THEM. BUT WE CANNOT CONTRIBUTE MORE MILLIONS, IF THOSE MILLIONS ARE TO BE USED TO ENABLE ITALY TO PAY REPARATIONS TO OTHER GOVERNMENTS. WE DID THAT FOR GERMANY AFTER THE LAST WAR. WE SHALL NOT DO IT AGAIN.

SUBSTANTIAL PROGRESS WAS ALSO MADE ON THE DIRECTIVES FOR THE PREPARATORY WORK ON THE FINNISH TREATY AND THE TREATIES WITH RUMANIA AND BULGARIA. THE PRINCIPLES SUGGESTED BY THE AMERICAN DELEGATION AND ACCEPTED FOR THE ITALIAN TREATY FOR THE SAFEGUARDING OF HUMAN RIGHTS AND FUNDAMENTAL

NOTED THE SELF-GOVERNMENT [illegible]
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4876

THE DIRECTIVES CONCERNING THE LIMITATION OF ARMAMENTS FOR RUMANIA AND BULGARIA ARE EXPECTED TO FOLLOW THE SAME GENERAL LINE AS THOSE ACCEPTED FOR ITALY.

BEFORE WORK COULD BE COMMENCED UPON THE DIRECTIVES FOR THE HUNGARIAN TREATY, THE SOVIET DELEGATION ANNOUNCED THEY FELT OBLIGED TO WITHDRAW THEIR ASSENT TO THE PROCEDURE PREVIOUSLY ACCEPTED BY THE COUNCIL FOR DEALING WITH PEACE TREATIES.

BEFORE TAKING UP THESE PROCEDURAL DIFFICULTIES, I SHOULD SAY A FEW WORDS ABOUT THE SOVIET DELEGATIONS' DISAPPOINTMENT WITH THE FAILURE OF GREAT BRITAIN AND THE UNITED STATES TO RECOGNIZE THE BULGARIAN AND RUMANIAN GOVERNMENTS.

THE THOUGHT APPARENTLY EXISTS IN THEIR MIND THAT OUR GOVERNMENT OBJECTS TO THESE GOVERNMENTS BECAUSE THEY ARE FRIENDLY TO THE SOVIET UNION AND THAT OUR UNWILLINGNESS TO RECOGNIZE THESE GOVERNMENTS IS A MANIFESTATION OF UNFRIENDLINESS TO THE SOVIET UNION.

72

THERE COULD BE NO GREATER MISCONCEPTION OF OUR ATTITUDE. I WAS AT YALTA. THE YALTA DECLARATION OF LIBERATED COUNTRIES WAS BASED ON A PROPOSAL SUBMITTED BY

ROOSELVELT. UNDER IT THE ALLIED POWERS, INCLUDING THE SOVIET UNION ASSUMED THE RESPONSIBILITY OF CONCERTING THEIR POLICIES TO ASSIST IN THE ESTABLISHMENT OF THE INTERIM GOVERNMENTS BROADLY REPRESENTATIVE OF ALL IMPORTANT DEMOCRATIC ELEMENTS IN THE POPULATION AND PLEDGED TO THE EARLIEST ESTABLISHMENT THROUGH FREE ELECTIONS OF GOVERNMENTS RESPONSIBLE TO THE WILL OF THE PEOPLE. THAT PLEDGE CANNOT BE FULFILLED IF COUNTRIES WHERE FREEDOM OF SPEECH AND ASSEMBLY ARE DENIED.

THAT POLICY SPONSORED BY PRESIDENT ROOSEVELT WAS AMERICAS' POLICY AND REMAINS AMERICAS' POLICY.

WE ARE WELL AWARE THAT NO GOVERNMENT IS PERFECT AND THAT THE REPRESENTATIVE CHARACTER OF ANY PROVISIONAL GOVERNMENT WILL ALWAYS BE SUBJECT TO DEBATE. WE DO NOT DEMAND PERFECTION WHERE PERFECTION IS UNOBTAINABLE.

IN AN EFFORT TO CONCERT OUR POLICIES WITH OUR ALLIES, WE HAVE TRIED TO SHOW A SPIRIT OF CONCILIATION. CERTAINLY WE DID NOT MAKE UNDERINED THE REQUIREMENTS WE SET BEFORE WE RECOGNIZED THE PROVISIONAL POLISH GOVERNMENT ON THE CONDITIONS WE HAVE PROPSED AS A BASIS FOR THE RECOGNITION OF THE PROVISIONAL HUNGARIAN GOVERNMENT.

AND I HOPE THAT AS THE RESULT OF EFFORTS NOW BEING MADE BY THE PROVISIONAL AUSTRIAN GOVERNMENT TO BROADEN ITS' REPRESENTATION, WE MAY BE SOON ABLE TO RECOGNIZE THAT GOVERNMENT.

AT BERLIN, WE STATED WE WOULD EXAMINE IN THE NEAR FUTURE, IN THE LIGHT OF PREVAILING CONDITIONS, THE QUESTION OF RUMANIA AND BULGARIA. WE HAVE INVESTIGATED AND SHALL CONTINUE TO INVESTIGATE.

BUT WE CANNOT KNOW WHETHER CONDITIONS JUSTIFY RECOGNITION UNLESS OUR POLITICAL REPRESENTATIVES ARE FULLY INFORMED AND UNLESS OUR NEWS CORRESPONDENTS ARE PERMITTED FREE ENTRY AND FREEDOM TO SEND THEIR STORIES UNCENSORED.

WE DO NOT SEEK TO DICTATE THE INTERNAL AFFAIRS OF ANY PEOPLE. WE ONLY RESERVE FOR OURSELVES THE RIGHT TO REFUSE TO RECOGNIZE GOVERNMENTS IF AFTER INVESTIGATION WE CONCLUDE THEY HAVE NOT BEEN GIVEN TO THE PEOPLE THE RIGHTS PLEDGED THEM IN THE YALTA AGREEMENT AND IN THE ATLANTIC CHARTER.

THE PEACE OF EUROPE DEPENDS UPON THE EXISTENCE OF FRIENDLY RELATIONS BETWEEN THE SOVIET UNION AND ITS EUROPEAN NEIGHBORS, AND TWO WARS IN ONE CENTURY HAVE CONVINCED THE AMERICAN PEOPLE THAT THEY HAVE A VERY VITAL INTEREST IN THE MAINTENANCE OF PEACE IN EUROPE.

THE AMERICAN GOVERNMENT SHARES THE DESIRE OF THE SOVIET UNION TO HAVE GOVERNMENTS FRIENDLY TO THE SOVIET UNION IN EASTERN AND CENTRAL EUROPE.

BUT LASTING PEACE DEPENDS NOT ONLY UPON FRIENDSHIP BETWEEN

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BUT LASTING PEACE DEPENDS NOT ONLY UPON FRIENDSHIP BETWEEN GOVERNMENTS BUT FRIENDSHIP BETWEEN PEOPLES.

HAD IT NOT BEEN FOR DIFFICULTIES EXPERIENCED BY THE ALLIED GOVERNMENTS IN AGREEING UPON A COMMON POLICY IN REGARD TO THE RECOGNITION OF THE GOVERNMENTS OF RUMANIA AND BULGARIA, A MORE CONCILIATORY SPIRIT MIGHT POSSIBLY HAVE PREVAILED AND MIGHT GREATLY HAVE SERVED TO OVERCOME THE PROCEDURAL DIFFICULTIES OF THE COUNCIL.

NO ONE PRESENT AT THE COUNCIL OF SEPTEMBER 11 QUESTIONED THE DECISION TAKEN BY THE COUNCIL THAT DAY INVITING ALL FIVE MEMBERS TO BE PRESENT AT ALL MEETINGS. DIRECTIVES FOR THE ITALIAN TREATY WERE UNDER DISCUSSION FOR SEVERAL DAYS WITH CHINA, NOT A PARTY TO THE SURRENDER TERMS, PRESENT, PARTICIPATING IN THE DISCUSSION, BUT NOT VOTING. NO ONE OBJECTED. DIRECTIVES FOR THE FINNISH TREATY WERE THEN CONSIDERED, WITH THE UNITED STATES, FRANCE, AND CHINA PRESENT BUT NOT VOTING. NO ONE OBJECTED. DIRECTIVES FOR THE RUMANIAN TREATY AND FOR THE BULGARIAN WERE WITH FRANCE AND CHINA PRESENT BUT NOT VOTING. NO ONE OBJECTED.

IT WAS ONLY ON SEPTEMBER 22 THAT THE SOVIET DELEGATIONS TOOK THE POSITION THAT THE DECISION OF THE COUNCIL ON SEPTEMBER 11 VIOLATED THE BERLIN AGREEMENT.

IT WILL BE RECALLED THAT THE BERLIN AGREEMENT SET UP A COUNCIL OF THE SOVIET UNION, GREAT BRITAIN, FRANCE, CHINA, AND THE UNITED STATES TO UNDERTAKE THE NECESSARY PREPARATORY WORK FOR THE PEACE SETTLEMENTS. IT PROVIDED THAT THE COUNCIL SHOULD SET UP WITH A VIEW TO THEIR SUBMISSION TO THE UNITED NATIONS PEACE TREATIES WITH ITALY, RUMANIA, BULGARIA, HUNGARY, AND FINLAND.

IT PROVIDED THAT IN THE DISCHARGE OF THESE TASKS, THE COUNCIL WILL BE COMPOSED OF MEMBERS REPRESENTING THOSE STATES WHICH WERE SIGNATORY TO THE TERMS OF SURRENDER IMPOSED UPON THE ENEMY STATES AND FOR THE PURPOSE OF THE ITALIAN SETTLEMENT, FRANCE SHOULD BE REGARDED AS A SIGNATORY TO THE SURRENDER TERMS. THE BERLIN AGREEMENT FURTHER DECLARED THAT OTHER MEMBERS OF THE COUNCIL WILL BE INVITED TO PARTICIPATE WHEN MATTERS DIRECTLY CONCERNING THEM ARE UNDER DISCUSSION.

THE DISTINCTION BETWEEN MEMBERS OF THE COUNCIL WHO WERE PARTIES TO THE SURRENDER TERMS AND THOSE WHO WERE NOT, WAS NOT PART OF THE ORIGINAL PROPOSAL, AND WAS RELUCTANTLY ACCEPTED BY US. WE WERE FULLY AWARE THAT A MEMBER WOULD NOT HAVE THE RIGHT TO VOTE ON NOT A PARTY TO THE SURRENDER TERMS BUT WE UNDERSTOOD FROM THE EXCHANGE OF VIEWS AT THE TABLE THAT ALL MEMBERS WOULD BE ALLOWED TO PARTICIPATE IN ALL DISCUSSIONS OF THE COUNCIL.

IT CERTAINLY NEVER OCCURRED TO PRESIDENT TRUMAN OR MYSELF, THAT ANY OF THE FIVE MEMBERS OF THE COUNCIL WHO ARE ALSO THE FIVE PERMANENT MEMBERS OF THE UNITED NATIONS SECURITY COUNCIL, WHICH IS CHARGED WITH THE RESPONSIBILITY FOR MAINTAINING THE PEACE WHICH THE COUNCIL OF FOREIGN MINISTERS IS PREPARING, WOULD NOT BE INVITED TO BE PRESENT DURING THE DISCUSSIONS OF THE TREATIES.

SUCH EXCLUSION OF TWO PERMANENT MEMBERS OF THE SECURITY COUNCIL WOULD NOT PROMOTE THE HARMONIOUS RELATIONS ESSENTIAL TO THE SUCCESS OF THE UNITED NATIONS ORGANIZATION.

THE SOVIET DELEGATIONS POSITION WAS NOT SIMPLY THAT THEY WISHED TO WITHDRAW THE INVITATION TO CHINA AND FRANCE TO PARTICIPATE WITHOUT RIGHT TO VOTE. THEIR POSITION WAS THAT IT WAS BEYOND THE AUTHORITY OF THE STATES SIGNATORY TO THE SURRENDER TERMS TO EXTEND

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ALTHOUGH THIS CONSTRUCTION OF THE BERLIN AGREEMENT DID NOT ACCORD WITH THE UNDERSTANDING OF THE AMERICAN DELEGATION OR THE BRITISH DELEGATION OF THE PRESIDENT OF THE UNITED STATES OR THE PRIME MINISTER OF GREAT BRITAIN, THE SOVIET DELEGATION INSISTED THAT THEY COULD NO LONGER DISCUSS TREATY MATTERS IN THE PRESENCE OF MEMBERS WHO WERE NOT PARTIES TO THE SURRENDER TERMS.

THEREAFTER, THE MEETINGS OF THE COUNCIL FOR A NUMBER OF DAYS WERE CONFINED TO THE DISCUSSION OF OTHER ITEMS ON THE AGENDA SUCH AS INTERNATIONAL INLAND WATERWAYS, THE RUHR, ACCELERATION OF GERMAN REPARATIONS, RESTITUTION, REPARATION OF ALLIED NATIONALS AND THE AUSTRIAN FOOD SUPPLY.

WHEN THE GENERAL ITEMS ON THE AGENDA WERE EXHAUSETED, AGREEMENT HAD NOT BEEN REACHED FOR SOLVING THE PROCEDURAL OBSTACLES WHICH IN THE VIEW OF THE SOVIET UNION DELEGATION MADE FURTHER DISCUSSIONS OF TREATY MATTERS IMPOSSIBLE UNTIL THE DECISION OF SEPTEMBER 11 SHOULD BE RESCINDED.

72

SINCE IT HAD ALWAYS BEEN MY VIEW THAT THE BERLIN AGREEMENT CONTEMPLATED A BROADENING OUR OF THE PARTICIPANTS BEFORE THE FINAL CONCLUSION OF A PEACE TREATY, I SOUGHT TO FIND A COMPROMISE ALONG THAT LINE.

THE BERLIN AGREEMENT EXPRESSLY PROVIDED IN SECTION 4 OF THE ARTICLE ESTABLISHING THE COUNCIL THAT THE COUNCIL MAY ADAPT ITS PROCEDURES TO THE PARTICULAR PROBLEMS UNDER DISCUSSION; THAT IN SOME CASES, IT MAY HOLD ITS' OWN DISCUSSIONS PRIOR TO THE PARTICIPATION OF OTHER INTERESTED STATES; AND IN OTHER CASES, IT MAY CONVOKE A FORMAL CONFERENCE OF STATES INTERESTED IN PARTICULAR.

I THEREFORE PROPSED WITH CONSIDERABLE RELUCTANCE THAT WE ASK OUR FRENCH AND CHINESE COLLEAGUES TO ACCEPT THE POSITION OF THE SOVIET DELEGATION THAT THE PREPARATORY AND EXPLORATORY WORK OF THE COUNCIL FOR THE PEACE SETTLEMENTS BE CONFINED TO THE SIGNATORIES OF THE SURRENDER TERMS; PROVIDED, THAT AT THE SAME TIME IT SHOULD BE AGREED THAT A TRULY REPRESENTATIVE PEACE CONFERENCE SHOULD BE CONVOKED BEFORE THE END OF THE YEAR. TO ENSURE THE CALLING OF SUCH A CONFERENCE WE THOUGHT THAT FRANCE AND CHINA, IN THE INTEREST OF PEACE, MIGHT MAKE EVEN THIS SACRIFICE.

THIS CONFERENCE WOULD BE CONVOKED FOR THE PURPOSE OF CONSIDERING THE PEACE TREATIES WITH ITALY, RUMANIA, BULGARIA, HUNGARY, AND FINLAND. TO THE CONFERENCE WOULD BE INVITED:

1-THE FIVE MEMBERS OF THE COUNCIL OF FOREIGN MINISTERS WHICH ARE ALSO THE FIVE PERMANENT MEMBERS OF THE UNITED NATIONS SECURITY COUNCIL;

2-ALL EUROPEAN MEMBERS OF UNITED NATIONS;

3-ALL NON-EUROPEAN MEMBERS OF THE UNITED NATIONS WHICH SUPPLIED SUBSTANTIAL MILITARY CONTINGENTS IN THE WAR AGAINST THE EUROPEAN MEMBERS OF THE AXIS.

THE AMERICAN DELEGATION TOOK THE POSITION THAT, INTERNATIONALLY, PEACE CANNOT BE THE EXCLUSIVE CONCERN OF A FEW PRESENTLY POWERFUL STATES; THAT UNLESS WE WERE TO REVERT TO A WORLD OF ISOLATIONISM, NONE OF THE STATES WHICH WERE INVITED TO THE PEACE CONFERENCE COULD BE SAID TO BE NOT DIRECTLY CONCERNED IN THE PEACE. WE URGED THAT THOSE STATES, BOTH LARGE AND SMALL, WHICH HAD FOUGHT AND SUFFERED IN THE WAR MUST MAKE THE PEACE. THIS HAS BEEN A PEOPLES' WAR AND IT MUST BE A PEOPLES' PEACE.

THE SOVIET DELEGATION STATED, HOWEVER, THAT THEY COULD NOT AGREE TO THE AMERICAN PROPOSAL FOR A PEACE CONFERENCE UNTIL THEY HAD RETURNED TO MOSCOW AND HAD PERSONAL CONSULTATIONS WITH THEIR GOVERNMENT.

IT THEREFORE BECAME OBVIOUS THAT THERE COULD BE NO AGREEMENT UNLESS THE OTHER DELEGATIONS WERE PREPARED TO YIELD THEIR VIEWS AND CONCILIATIONS TO THOSE OF THE SOVIET DELEGATION. THIS NONE OF THE OTHER DELEGATIONS WERE PREPARED TO DO.

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THE UNITED STATES IS WILLING TO DICTATE PEACE TERMS TO AN ENEMY BUT IS NOT WILLING TO DICTATE TERMS OF PEACE TO ALLIES.

OUR TASK IS, THEREFORE, ONE OF ARRANGING ADJOURNMENT UNTIL THE SOVIET DELEGATION COULD RETURN TO MOSCOW. IT IS CUSTOMARY BEFORE ADJOURNING TO ADOPT AND HAVE ALL CONFEREES TO SIGN A PROTOCOL CONTAINING A RECORD OF THE AGREED DECISIONS OF A CONFERENCE. THE SOVIET DELEGATION WOULD NOT AGREE TO THE INCLUSION IN THE PROTOCOL OF THE DECISION OF SEPTEMBER 11 THAT THE FIVE MEMBERS SHOULD PARTICIPATE IN ALL MEETINGS, EVEN THOUGH IT INCLUDED A STATEMENT OF THE ACTION TAKEN BY THE SOVIET DELEGATION ON SEPTEMBER 22 TO WITHDRAW THEIR ASSENT TO THAT DECISION.

ON THE LAST DAY OF THE SESSION, THE SOVIET DELEGATION ANNOUNCED IT WOULD OFFER A COMPROMISE PROPOSAL. THE PROPOSAL WAS THAT THERE SHOULD BE FOUR SEPARATE PROTOCOLS WITHOUT RECORDING IN ANY OF THEM OF THE DECISION OF SEPTEMBER 11 WHICH HAD BEEN AGREED TO BY THEM BUT WHICH THEY LATER WISHED TO RESCIND. THIS WAS THE SAME POSITION THAT THEY HAD URGED FOR DAYS. THE ONLY THING NEW ABOUT IT WAS THE SUGGESTION THAT ON THE FOLLOWING DAY THEY WOULD DISCUSS UNSETTLED QUESTIONS INCLUDING THE AMERICAN PROPOSAL FOR A PEACE CONFERENCE AND THE DISPUTED SEPTEMBER 11 DECISION.

IN ANSWER TO A QUESTION, THE SOVIET FOREIGN MINISTER STATED THAT WHILE HE COULD DISCUSS THE PROPOSAL FOR A PEACE CONFERENCE, HE STILL WAS WITHOUT AUTHORITY TO ACT UPON IT. THE PROPOSAL HAD BEEN DISCUSSED FOR A WEEK. FURTHER DISCUSSIONS WITHOUT ACTION WAS FUTILE.

IT WAS ALSO OBVIOUS THAT ONCE THE FOUR PROTOCOLS WERE SIGNED IT WOULD BE USELESS ON THE FOLLOWING DAY TO DISCUSS THE QUESTION OF INSERTING IN THE PROTOCOLS THE DECISION OF SEPTEMBER 11. AN OBJECTION BY THE SOVIET UNION WOULD PREVENT ITS INSERTION.

THE SOVIET DELEGATION ALSO REITERATED THEIR POSITION THAT THEY WOULD NOT DISCUSS THE TREATIES IN THE PRESENCE OF MEMBERS THEY NOW BELIEVED TO BE INELIGIBLE. THIS WOULD HAVE EXCLUDED CHINA FROM THE CONSIDERATION OF ALL TREATIES AND FRANCE FROM THE CONSIDERATION OF ALL BUT ONE WITHOUT ASSURANCE OF PARTICIPATION IN A PEACE CONFERENCE.

IT BECAME APPARENT THAT AGREEMENT WAS IMPOSSIBLE AND FURTHER MEETINGS WERE USELESS. THE CHINESE FOREIGN MINISTER, WHO WAS PRESIDING WHEN THE COUNCIL ADJOURNED AND AT WHOSE INSISTENCE THE COUNCIL HAD REMAINED IN SESSION FROM SUNDAY UNTIL TUESDAY, STATED THAT UNDER THE CIRCUMSTANCES, HE COULD NOT ASK THE COUNCIL TO CONTINUE IN SESSION LONGER.

AS THE RECORD STANDS THE FOREIGN MINISTERS OF THE SOVIET UNION HAS NOT REJECTED OUR PROPOSAL FOR A PEACE CONFERENCE. DURING THE DISCUSSION, HE ADMITTED THAT IT WAS CORRECT IN PRINCIPLE. MY HOPE IS THAT AFTER HE HAS CONFERRED WITH HIS GOVERNMENT, HIS GOVERNMENT WILL AGREE THAT NATIONS THAT FOUGHT THE WAR-THE WORLD-SHALL HAVE A CHANCE TO MAKE THE WORLD PEACE.

THE MATTER THAT CAUSED THE SUSPENSION OF OUR WORK IS NO MINOR TECHNICAL QUESTION. IT PRESENTED SHALL PEACE BE MADE BY THE THREE OR FIVE NATIONS TO THE EXCLUSION OF OTHER NATIONS VITALLY CONCERNED IN THE MAINTENANCE AND ENFORCEMENT OF THE PEACE WHICH IS BEING PREPARED.

THE ISSUE GOES EVEN DEEPER. THE COUNCIL OF FOREIGN MINISTERS ACTS UNDER THE UNANIMITY RULE JUST AS THE SOCIETY OF THE UNITED NATIONS MUST ACT IN ANY MATTERS, BUT IS THE SECURITY OF ALL NATIONS. IN THE COUNCIL OF FOREIGN MINISTERS, ONE NATION CAN VETO ALL ACTION. THE VETO POWER IS A GREAT POWER AND SHOULD NOT BE LIGHTLY EXERCISED. WE ARE WILLING TO MAKE MANY CONCESSIONS BUT THE [illegible] AT ANY PRICE. THE [illegible]

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PEACE MUST BE BASED UPON MUTUAL UNDERSTANDING AND MUTUAL RESPECT. IT CAN NOT BE SECURED BY PROCEDURAL MANEUVERINGS WHICH OBSCURE FROM THE PEOPLE THE REAL AND VITAL ISSUES UPON WHICH THEIR PEACE DEPENDS.

EVER WILLING TO ACCORD TO OTHERS THAT TOLERANT UNDERSTANDING THAT WE WISH OTHERS TO ACCORD TO US, WE MUST NOT RELAX IN OUR EFFORTS TO ACHIEVE A JUST AND LASTING PEACE FOR OURSELVES AND ALL NATIONS. 'WITH FIRMNESS IN THE RIGHT AS GOD GIVES US TO SEE THE RIGHT, LET US STRIVE ON TO FINISH THE WORK WE ARE IN.'"

72

TO ADMIRAL STONE,

Sir, here is the translation you asked for; I have done it rather in a hurry, and this is the only copy existing. I hope it is O.K.

a.b.c.

CASERTA - 18 - (A.P.)

Field Marshal Alexander stated yesterday to George Bria, A.P. correspondent, and to the correspondent of an American Radio, that the Allied occupation of Italy will cease when the territorial controversy of Venezia Giulia is solved.

He said that in this zone there are an American and a British division, with all their auxiliary services; a total of about 70,000 men. The Marshal spoke these very words :" Once the Venezia Giulia problem is solved no Allied soldier will remain south of the Alps".

Alexander also pointed out having recommended the combined Chiefs of Staff to limit the future Italian army to a small well trained force capable of maintaining the national"prestige"and of defending the frontiers of the country, and which must not represent an"international menace".

He added that this army should be proportionate to the limited national resources.

"A small efficient army is better than a large inefficient one" said the commander in chief recalling with a smile "Mussolini's eight million bayonets".

He said that the Allies are now helping Italians to organise combat units which might form the new army.

He affirmed that the Italian fleet will probably be deprived of all submarines and limited to a"small mobile and efficient force" while Italian war ships will probably be radiated.

Alexander then stated that the whole Italian territory - except Venezia Giulia - will soon go back to Italian jurisdiction - may be within a few weeks - and added that the port of Naples as well as other important Italian ports on the future of which so many rumors were spread, will return under Italian control.

He then affirmed that there are no Allied installations in Pantelleria, about whose

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He then affirmed that there are no Allied installations in Pantelleria, about whose future much was rumored, and that no Allied plans for keeping Allied troops in the island exist.

H aving expressed his worry about the capacity of the Italian authorities to maintain order in the country once the Allies have gone, Alexander said that he has recommended the combined Chiefs of Staff to send a British or American police mission in order to give a more modern training to the Italian police.. He then said that the Carabinieri forces, which at present are at the dependence of the Ministries of War and of the Interior, would pass under civilian jurisdiction.

71

Statement made by Field Marshal Alexander to George Brin, A.P. correspondent, and to the correspondent of an American broad-casting station.

Caserta.

Questioned whether he thought that the planned invasion of Rome by parachute troops wich should have taken place on the 8th of Sept 1943 might have been successful, Alexander said that the Allied troops might have been forced to abandon the capital, owing to the swift movements of the German forces and to the disorganisation of the Italian troops which should have helped the Allied operation.

Questioned whether the abandoning of the capital by Marshal Badoglio may have increased the disorganisation of the Italian army, Alexander said: "Probably".

Having been asked to give some clarifications on the question of the demarcation zone between the territories under Allied control and Yugoslavia, Alexander confirmed the news according to which arms destined to Italian civilians have been clandestinely introduced into Southern Italy across the Adriatic (is true); the Allied Police has however been able to get hold of these arms.

Alexander stated that the Allies will make no accusations against the Contessa Edda Ciano Mussolini, because they believe it is a matter which concerns only Italians.

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71

USIS 1

TEXT OF ACHESON MESSAGE TO U.S. MAZZINI SOCIETY CONVENTION

NEW YORK, September 17 -- Following is the text of a message Saturday from Dean Acheson, United States Acting Secretary of State, to the national convention of the Mazzini Society currently being held at the Rand School in New York City. The society's aim is the cultivation of better understanding between the United States and Italy.

Acheson's message said:

"Fellow Americans, members and friends of the Mazzini Society:

"It is indeed an honor to greet you on this occasion, your national convention, and a pleasure to recall the time when June 2, 1942, you held a rally in Washington together with the Italian-American Labor Council. Expectations which we then shared and expressed have largely been fulfilled. We looked forward then to the time when the Italian people would rid themselves of the tyranny of Mussolini and the Fascist regime, believing that the war initiated by Fascist Italy against the United States ran completely counter to the feelings and sympathies of the common man in Italy. Since that time the Fascist system crumbled, Italy turned against the oppressor and Italian troops fought shoulder to shoulder with the

"Fellow Americans, members and friends of the Italian-American Labor Council:

"It is indeed an honor to greet you on this occasion, your national convention, and a pleasure to recall the time when June 2, 1942, you held a rally in Washington together with the Italian-American Labor Council. Expectations which we then shared and expressed have largely been fulfilled. We looked forward then to the time when the Italian people would rid themselves of the tyranny of Mussolini and the Fascist regime, believing that the war initiated by Fascist Italy against the United States ran completely counter to the feelings and sympathies of the common man in Italy. Since that time the Fascist system crumbled, Italy turned against the oppressor and Italian troops fought shoulder to shoulder with the Allies to drive the Nazis from Italian soil.

"At great risk and sacrifice the people and Partisans of north Italy prepared the way for the collapse of Nazi power and the destruction of Mussolini's government. The faith of the American Government and people that Italy, rather than continue in the false path of German alliance, would prefer to resume its historic friendship with America has been amply justified.

(MORE)

IAZZINI

USIS 1

"The faith which you of the Iazzini Society shared with the American Government if given a chance the Italian people will soon return to the democratic traditions of risorgimento -- also has been largely justified./Government of 1942 The ment of Italy is now composed of anti-Fascist leaders trained in the resistance movement, in the underground and in exile. They have made a clean break with the Fascist period and are preparing to conclude an enduring peace with the United Nations. These anti-Fascist leaders also are preparing to establish a permanent democratic governmental system in accordance with the freely expressed wishes of the Italian people.

"It is the policy of the American Government to welcome the efforts of Italy to wipe out the Fascist past and to work for such conditions of peace as will enable Italy to reassume her rightful place in the comunity of nations. Along with our chief Allies, we look forward to the time when Italy will be a member of the United Nations. It is the hope of the American Government that negotations now started in London will speedily prepare the way for Italy to regain her historic international ties and position.

0237

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"The policy of the American Government also is directed to aid the economic and political rehabilitation of Italy. It is in our own interest to grant such aid. This cannot, however, be economic aid on the simple order of charity. It must be such as at the critical time will enable the Italian people to get back on their own feet; it must be essentially granting of the opportunity for them to rebuild their devastated agriculture, industry and commerce.

(MORE)

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"So, too, in the political reconstruction of Italy our policy is that the Italian people should have full opportunity to rebuild their own house. We have welcomed the declarations of the present Italian leaders of their intention to reconstruct the government on a democratic basis. But it is the Italian people and government who must perform this task if it is to be accomplished. By its very nature, democracy cannot be imposed on a people from without. It cannot be imposed on a people or country by a central government operating from the top down -- from the capital to the village. While United States has aided in purging Italy of Fascist personnel and Fascist institutions and given its support to the removal of restrictions on a free press, on free discussion and on free association -- those steps are merely preliminary. They furnish only the opportunity for rebuilding democratic Italy. The structure must be built by the Italian people.

"Democracy depends on respect for the worth of the individual, it depends on respect for differences and on recognition of rights of political opponents. We Americans are a mixed people embracing

While United States has aided in purging Italy of Nazi and Fascist institutions and given its support to the removal of restrictions on a free press, on free discussion and on free association -- those steps are merely preliminary. They furnish only the opportunity for rebuilding democratic Italy. The structure must be built by the Italian people.

"Democracy depends on respect for the worth of the individual, it depends on respect for differences and on recognition of rights of political opponents. We Americans are a mixed people embracing strains from all the nations of Europe. We live in peace with each other -- not through the domination of any one class, element or group -- but through the tolerance of differences. Our democratic political system functions, and functions well, because all of us prefer peaceful solutions and compromises rather than a resort to force.

(MORE)

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"Our democracy is not the result of orders and decrees from Washington. It has its roots in towns, counties and cities where citizens manage their own affairs through their elected representatives. Through the states it extends to the federal government. Our habits of self government begin in the local units. The American people feel competent to direct and ultimately to control their federal government because of their constant practice in managing their own local affairs.

"Now that the war in Europe is over, and the Italian people face the positive task of rebuilding a democratic system, we hope to see them begin at the grass roots with free and fair elections, and reestablish, through elected mayors and councils, control over their immediate affairs.

"To regain democratic habits and ways of life, to maintain the spirit of tolerance essential for democracy and to reintroduce elective officials in units most directly affecting the average citizen -- these are the immediate tasks of the Italian people. We in America cannot force these things upon them. We can and we do wish them well in their task."

4608

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TOP SECRET

11 August 1945

My dear Mr. Ambassador:

I am enclosing herewith copy of a letter received today from General Truscott, together with a copy of the attachment which accompanied it.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

Sir Noel Charles, Bt., K.C.M.G.,
British Ambassador,
84 Via Venti Settembre,
Rome.

Copy to Exec. Comm.
Chief Commissioner

4862

TOP SECRET

0162

Original estimate of time required for close-out (Memo of Executive Commissioner AC for CAO AFHQ, 15 July 43

93

0163

ec

FREEDOM FOR G-5

5260 12 SEPTEMBER 45 URGENT

SECRET PD

I HAVE RECEIVED ON EVENING ONE TWO SEPTEMBER LETTER GEORGE DASH FIVE CMA THREE EIGHT SEVEN PD FOUR OF ONE TWO SEPTEMBER ENCLOSING TWO DOCUMENTS PREPARED BY MJTS FIRSTLY ON TWO SIX AUGUST AND SECONDLY ON ONE ZERO SEPTEMBER WHICH AFFECT CLOSELY FUTURE ALCOM AND RELATIONS WITH ITALIAN GOVERNMENT PD I AM ASKED TO SEND REPRESENTATIVE TO DISCUSS SECOND DOCUMENT ON ONE FOUR SEPTEMBER PD THIS IS FIRST I HAVE SEEN OF PROPOSALS PD IF ALCOM REPRESENTATIVE IS TO HAVE ANY VALUE AT THE MEETING HE MUST BE BRIEFED AFTER CONSULTATIONS WITH SECTIONS AND SUBCOMMISSIONS OF ALCOM PD THIS CANNOT BE DONE ADEQUATELY IN TWO FOUR HOURS PD I THEREFORE REQUEST POSTPONEMENT OF MEETING UNTIL ONE SEVEN SEPTEMBER PAREN TO FREEDOM FOR GEORGE DASH FIVE FROM HQ ALCOM CITE ALCEC PAREN

4367

(sgd) Brigadier Lush

69

EXTRACT

Personal to Admiral Stone

Ltr from Lt Gen W. D. Morgan, Chief of Staff, AFHQ 10 Sep 45

* * *

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2. The Field Marshal gave me your aide-memoire for your interview with him on Thursday. I am afraid that your proposal to speed up decisions on certain matters by holding high-power conferences would not work to anyone's benefit. It is important to remember that this Headquarters is really a miniature war department, and that every problem has to be thoroughly investigated before a decision is given. If we do not do so, decisions will be made which are later found to be based on incomplete knowledge, and which then have to be reversed. This, of course, would have a bad effect on the confidence of our subordinates and superiors. In future I would be grateful if you would let me know if you wish any matter pushed through with particular urgency. I can then bring pressure to bear on the sections which have to examine it.

I understand that the Field Marshal explained to you the reason for the delay of thrity days in forwarding your paper on Italy to the Combined Chiefs of Staff.

* * *

COMPLETE DOCUMENT FILED IN 1008/CC

68

6 September 1945

AIDE MEMOIRE FOR INTERVIEW WITH SACMED

1. I wish to recommend that in view of the cessation of hostilities a change in procedure in A.F.H.Q. regarding proposals which affect high level policy submitted by me as Chief Commissioner and Deputy President to yourself in order to avoid the delay which past procedure inevitably involves.

2. On important matters recommendations are practically never submitted to you without the fullest consultation, not only with my own staff and the political advisers whose services are furnished to me by the US and UK Embassies, but with the Allied Ambassadors themselves who are my Political Advisers. They in turn have where necessary consulted their own Governments. The proposals therefore submitted to you reflect not only your Deputy President's views and those of his expert technical advisers, but frequently the views of the US and British Governments.

3. It is my understanding that these proposals are, according to staff procedure, submitted to the various staff sections of A.F.H.Q. and to your own political advisers. This inevitably takes time. In a recent case, viz., the hand back of BOLZANO and UDINE Provinces, my recommendations were made more than a month before transmission to the Combined Chiefs of Staff. I fully realise the importance of exploring every aspect of a particular problem but I submit that in dealing with

See 68

matters which require urgent consideration in view of the rapidly changing aspect of European politics, recommendations affecting political issues might be restricted to a less general study than apparently is attempted at the moment and that decisions could be reached with greater rapidity and with greater certainty if you or your Chief of Staff were able to discuss them at a conference attended by your principal advisers and with me in the event of non-concurrence with my proposals.

4. I make this suggestion with some hesitancy, involving as it does what may appear to be a criticism of the existing staff procedure but my experience with regard to my memorandum of June 23rd and my telegrams concerning the turnover of BOLZANO and UDINE Provinces and later of the Northern Regions, makes it, in my opinion, necessary to do so.

TOP SECRET

CROSS REFERENCE SHEET

Cbl AC 3748 15 Aug 45

To: AFHQ for G-5

From: AC from Stone

References: 1) Aide-Memoire of 13 June on retention of Allied troops in Italy.

2) Ltr 1001/CC of 23 June, "Future Policy Towards Italy".

3) FAN 487

4) Cbl AC 2960 of 1 Aug 45 on handover of territory.

Admiral Stone recommends that AMG terr. in No. Italy less province of UDINE be handed back to Ital. Govt. on 15 Sept 45. Recommend Udine be returned on 1 Dec 45.

Decision taken because view held that this territory (i.e., UDINE) is not yet tranquill enough to warrant its being returned sooner.

Please consider retention of Allied troops for security reasons.

Publicity and preparation will be needed.

DOCUMENT FILED IN 2603/CC

TOP SECRET

TOP SECRET

HEADQUARTERS FIFTH ARMY

Office of the Commanding General

A. P. O. 464; U. S. ARMY

7 August 1945

Rear Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
A.P.O. 394, U. S. Army

Dear Admiral:

I am returning herewith Copy No. 73 of your secret paper of 23 June 1945 on the future policy toward Italy. I have read it with great interest, and I can assure you that I heartily indorse every statement that you make.

I have taken the liberty of addressing a letter to the Supreme Allied Commander, Mediterranean Theater, in which I have stated to him that I do indorse your recommendation and believe that immediate steps should be taken to settle the question of our future policy. Attached hereto is a copy of that letter.

As you probably know, I am leaving Italy tomorrow for China. I regret very much that I shall not have the opportunity of seeing you again.

Wishing you the best of luck, and with all good wishes, I am

Sincerely yours,

L. K. TRUSCOTT, JR.
Lieutenant General, U. S. Army
Commanding

1 Incl:
Copy of ltr to SACMED

4861

Copy to: Exec. Comm.

TOP SECRET

7 August 1945

SUBJECT: Future Policy on the War in Italy

TO : Supreme Allied Commander
Mediterranean Theater of Operations

THROUGH: Commanding General, MTOUSA
A.P.O. 512, United States Army

1. I have read a copy of a paper submitted to you by Admiral Stone on this subject. Based on my experience in Italy, I desire to add my hearty indorsement to the recommendations submitted by Admiral Stone.

2. Reports from all sources since the cessation of hostilities indicate an intensification of communist activities all through northern Italy in particular. There can be no doubt that these activities are inspired and, in some measure at least, financed from outside sources. All of the Italian people with whom I have talked personally, as well as reports from all the members of my staff, indicate a strong belief on their part that the withdrawal of Allied troops from Italy prematurely will result in a communist effort to seize power and establish a communist state. Personally I believe that there is grave danger that this may happen, if Allied troops are withdrawn before a completely stable form of government is established in Italy. It is obvious, of course, that any representative form of government must utilize former Fascists, because without doubt a vast majority of the Italian people were Fascists at one time or another.

3. I am hardly competent to express an opinion on the length of time which will be required to establish a stable government in which we can repose confidence, but I should think as much as two years might be required. Certainly we have an educational responsibility for winning these people away from dictatorships of any kind and assisting them in the establishment of a government in accord with the principles for which we have fought.

4. I believe that Admiral Stone has analyzed the problem very thoroughly. I concur in his recommendations and believe a decision with regard to the policy on the war in Italy is not only desirable but essential.

4-60

L. K. TRUSCOTT, JR.
Lieutenant General, U. S. Army
Commanding

Copy to: Exec. Comm.

4

SECRET

ROME AREA ALLIED COMMAND
APO 794, POSTMASTER NEW YORK CITY
OFFICE OF THE COMMANDING GENERAL

AUG 7 REC'D
1745

7 August 1945

My dear Admiral:

I am returning herewith copy #72 of your secret paper of 23 June 1945 on the future policy toward Italy.

I have been very much interested in your presentation of the situation confronting Italy at the present moment, and I agree heartily with your proposed policy and means of carrying it out. The adoption of this plan and a clear statement of how it is to be executed would in itself be a great balancing influence in this country. But, I suppose whatever policy is adopted will be so completely concealed in the fog of evasive commitments that the Italians, as well as all Europeans, will have no conception of what we are doing, and we will ourselves probably be little better off.

We of the United States owe it to ourselves to stick with this problem until we are assured that we have done everything to prevent having to come back here within the next ten years, and Great Britain needs all the friends she can get, even if her prestige has suffered by the action of Mussolini and his Fascist party.

Thank you very much for your kindness in sending me this paper.

Very sincerely yours,

Thoburn K. Brown

THOBURN K. BROWN
Brigadier General, US Army

1 Incl:
Copy #72 "Future Policy Toward Italy" dated 23 June 1945.

Rear Admiral Ellery W. Stone, USNR
Chief Commissioner,
Allied Commission,
APO #394, US Army.

SECRET

AFHQ

SUPREME ALLIED COMMANDER'S CONFERENCE

SAC (45) 2nd Meeting
4 August 1945

TOP SECRET

CROSS REFERENCE SHEET:

Para 10:

FUTURE POLICY TOWARDS ITALY

Comments of Committee on Paper SAC (45) 7

DOCUMENT FILED IN FILE 1002-1/CC

62a

Press comments on the potsdam conference

AVANTI (Socialist)	Peace with Italy in September: the Big Three have decided to support the admission of Italy among the United Nations - Praise to democratic Italy.
UNITA' (Communist)	Reorganization of Europe in the Potsdam decisions; Italy to be admitted among the United Nations; the admission to take place after the peace treaty, which is to be discussed, has been signed. - Our 'substantial contribution' to the defeat of Nazi Germany acknowledged by the Big Three.
TEMPO (Independent)	Italy to be admitted among the United Nations when peace treaty has been signed. Full acknowledgement of our war effort. A Conference in London to settle all territorial questions.
SECOLO XX (Finance)	First step towards normal exchanges: Italy has obtained full freedom for trading with foreign countries. The A.C. no longer exercises an intermediary function for export orders. The restrictions which are still in force.
ITALIA NUOVA (Democrat)	Italy to be one of the United Nations : the peace treaty with Rome will not be enforced, but negotiated; our contribution to common victory acknowledged in the conclusive communique of the Big Three. The problem of Italian territory to be examined in September.
ITALIA LIBERA (Action)	Italy to be admitted among the United Nations after the peace treaty has been signed. A permanent Council of the Ministers of Foreign Affairs of the Big powers for peace treaty with Italy, Rumania, etc...
GIORNALE DEL MATTINO (Government)	Italy will have her peace and be admitted among the United Nations. Arrigo Jacchi in the leading article expresses satisfaction at the fact that peace treaties will not be imposed but discussed. This guarantee all the people the possibility to defend their rights.
RISORGIMENTO LIBERALE (Liberal)	Peace treaty with Italy soon to be made; admission among United Nations to follow, formal acknowledgement of our substantial contribution to allied victory. The question of frontiers and colonies submitted to the Council of Foreign Ministers.
POPOLO (Christ. Demo)	Decisions of the Conference: A permanent Council of five Ministers of Foreign Affairs will, in Septembre, prepare a peace treaty to be submitted to the United Nations.

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POPOLO (Christ. Demo)	Decisions of the Conference: A permanent Council of five Ministers of Foreign Affairs will, in Septembre, prepare a peace treaty to be submitted to the United Nations.
IL LAVORO (C.G.I.L.)	The Big Three support Italy's admission among the United Nations when peace has been made. A Council to draft peace treaties.
IL MOMENTO	Peace treaty with Italy before long. Negotiations, also those concerning the frontiers and colonies, to start in September. Promise to back up our request for admission among the Unite Nations.

Aug 3. 1945

67

4. THE AMERICAN EMBASSY, ROME.
FOREIGN SERVICE, DEPARTMENT OF STATE.
RADIO BULLETIN #184, AUG. 2ND, 1945: AUG 3 RECD

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NOTE : THIS DIGEST HAS BEEN COMPILED FROM PRESS AND OTHER SOURCES AND IS IN NO WAY AN EXPRESSION OF OFFICIAL OPINION.

- -

WHITE HOUSE: FDR ITALY. SEE PORTIONS MARKED IN RED

POTSDAM COMMUNIQUE; I. REPORT ON THE TRIPARTITE CONFERENCE OF BERLIN.

ON JULY 17, 1945, THE PRESIDENT OF THE UNITED STATES OF AMERICA, HARRY S TRUMAN, THE CHAIRMAN OF THE COUNCIL OF PEOPLES COMMISSARS OF THE UNION OF SOVIET SOCIALIST REPUBLICS, GENERALISSIMO J V STALIN, AND THE PRIME MINISTER OF GREAT BRITAIN, WINSTON S CHURCHILL, TOGETHER WITH MR CLEMENT R ATTLEE, MET IN THE TRIPARTITE CONFERENCE OF BERLIN. THEY WERE ACCOMPANIED BY THE FOREIGN SECRETARIES OF THE THREE GOVERNMENTS, MR JAMES F BYRNES, MR V M MOLOTOV, AND MR ANTHONY EDEN, THE CHIEFS OF STAFF AND OTHER OBSERVERS.

THERE WERE NINE MEETINGS BETWEEN JULY SEVENTEENTH AND JULY TWENTY-FIFTH. THE CONFERENCE WAS THEN INTERRUPTED FOR TWO DAYS WHILE THE RESULTS OF BRITISH GENERAL ELECTION WERE BEING DECLARED.

ON JULY TWENTY-EIGHTH MR ATTLEE RETURNED TO THE CONFERENCE AS PRIME MINISTER ACCOMPANIED BY THE NEW SECRETARY OF STATE FOR FOREIGN AFFAIRS MR ERNEST BEVIN. FOUR DAYS OF FURTHER DISCUSSION THEN TOOK PLACE. DURING THE COURSE OF THE CONFERENCE THERE WERE REGULAR MEETINGS OF THE HEADS OF THE THREE GOVERNMENTS ACCOMPANIED BY THE FOREIGN SECRETARIES, AND ALSO OF THE FOREIGN SECRETARIES ALONE. COMMITTEES APPOINTED BY THE FOREIGN SECRETARIES FOR PRELIMINARY CONSIDERATION OF QUESTIONS BEFORE THE CONFERENCE ALSO MET DAILY.

THE MEETINGS OF THE CONFERENCE WERE HELD AT THE CECILIENHOF NEAR POTSDAM. THE CONFERENCE ENDED ON AUGUST 2, 1945.

IMPORTANT DECISIONS AND AGREEMENTS WERE REACHED. VIEWS WERE EXCHANGED ON A NUMBER OF OTHER QUESTIONS AND CONSIDERATION OF THESE MATTERS WILL BE CONTINUED BY THE COUNCIL OF FOREIGN MINISTERS ESTABLISHED BY THE CONFERENCE.

PRESIDENT TRUMAN, GENERALISSIMO STALIN AND PRIME MINISTER ATTLEE LEAVE THIS CONFERENCE, WHICH HAS STRENGTHENED THE TIES BETWEEN THE THREE GOVERNMENTS AND EXTENDED THE SCOPE OF THEIR COLLABORATION AND UNDERSTANDING, WITH RENEWED CONFIDENCE THAT THEIR GOVERNMENTS AND PEOPLES, TOGETHER WITH THE OTHER UNITED NATIONS, WILL ENSURE THE CREA-

RESULTS OF BRITISH GENERAL ELECTION

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48560

II. ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS.

THE CONFERENCE REACHED AN AGREEMENT FOR THE ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS REPRESENTING THE FIVE PRINCIPAL POWERS TO CONTINUE THE NECESSARY PREPARATORY WORK FOR THE PEACE SETTLEMENTS AND TO TAKE UP OTHER MATTERS WHICH FROM TIME TO TIME MAY BE REFERRED TO THE COUNCIL BY AGREEMENT OF THE GOVERNMENTS PARTICIPATING IN THE COUNCIL.

THE TEXT OF THE AGREEMENT FOR THE ESTABLISHMENT OF THE COUNCIL OF FOREIGN MINISTERS IS AS FOLLOWS:

1. THERE SHALL BE ESTABLISHED A COUNCIL COMPOSED OF THE FOREIGN MINISTERS OF THE UNITED KINGDOM, THE UNION OF SOVIET SOCIALIST REPUBLICS, CHINA, FRANCE AND THE UNITED STATES.

2. (I) THE COUNCIL SHALL NORMALLY MEET IN LONDON, WHICH SHALL BE THE PERMANENT SEAT OF THE JOINT SECRETARIAT WHICH THE COUNCIL WILL FORM. EACH OF THE FOREIGN MINISTERS WILL BE ACCOMPANIED BY A HIGH-RANKING DEPUTY, DULY AUTHORIZED TO CARRY ON THE WORK OF THE COUNCIL IN THE ABSENCE OF HIS FOREIGN MINISTER, AND BY A SMALL STAFF OF TECHNICAL ADVISERS.

11. THE FIRST MEETING OF THE COUNCIL SHALL BE HELD IN LONDON NOT LATER THAN SEPTEMBER 1, 1945. MEETINGS MAY BE HELD BY COMMON AGREEMENT IN OTHER CAPITALS AS MAY BE AGREED FROM TIME TO TIME.

3. (I) AS ITS IMMEDIATE IMPORTANT TASK, THE COUNCIL SHALL BE AUTHORIZED TO DRAW UP, WITH A VIEW TO THEIR SUBMISSION TO THE UNITED NATIONS; TREATIES OF PEACE WITH ITALY, RUMANIA, BULGARIA, HUNGARY, AND FINLAND, AND TO PROPOSE SETTLEMENTS OF TERRITORIAL QUESTIONS OUTSTANDING ON THE TERMINATION OF THE WAR IN EUROPE. THE COUNCIL SHALL BE UTILIZED FOR HE PREPARATION OF A PEACE SETTLEMENT FOR GERMANY TO BE ACCEPTED BY THE GOVERNMENT OF GERMANY WHEN A GOVERNMENT ADEQUATE FOR THE PURPOSE IS ESTABLISHED.

x - 207(4 (II) FOR THE DISCHARGE OF EACH OF THESE TASKS THE COUNCIL WILL BE COMPOSED OF THE MEMBERS REPRESENTING THOSE STATES WHICH WERE SIGNATORY TO THE TERMS OF SURRENDER IMPOSED UPON THE ENEMY STATE CONCERNED. FOR THE PURPOSE OF THE PEACE SETTLEMENT FOR ITALY, FRANCE SHALL BE REGARDED AS A SIGNATORY TO THE TERMS OF SURRENDER FOR ITALY. OTHER MEMBERS WILL BE INVITED TO PARTICIPATE WHEN MATTERS DIRECTLY CONCERNING THEM ARE UNDER DISCUSSION.

(III) OTHER MATTERS MAY FROM TIME TO TIME BE REFERRED TO THE COUNCIL BY AGREEMENT BETWEEN THE MEMBER GOVERNMENTS.

4. (I) WHENEVER THE COUNCIL IS CONSIDERING A QUESTION OF DIRECT INTEREST TO A STATE NOT REPRESENTED THEREON, SUCH STATE SHOULD BE INVITED TO SEND REPRESENTATIVES TO PARTICIPATE IN THE DISCUSSION AND STUDY OF THAT QUESTION.

(II) THE COUNCIL MAY ADAPT ITS PROCEDURE TO THE PARTICULAR PROBLEM UNDER CONSIDERATION. IN SOME CASES IT MAY HOLD ITS OWN PRELIMINARY DISCUSSIONS PRIOR TO THE PARTICIPATION OF OTHER INTERESTED STATES. IN OTHER CASES, THE COUNCIL MAY CONVOKE A FORMAL CONFERENCE OF THE STATE CHIEFLY INTERESTED IN SEEKING A SOLUTION OF THE PARTICULAR PROBLEM.

IN ACCORDANCE THE DECISION OF THE CONFERENCE THE THREE GOVERNMENT HAVE EACH ADDRESSED AN IDENTICAL INVITATION TO THE GOVERNMENTS OF CHINA AND FRANCE TO ADOPT THIS TEXT AND TO JOIN IN ESTABLISHING THE COUNCIL.

THE ESTABLISHMENT OF THE COUNCIL OF FOREIGN MINISTERS FOR THE SPECIFIC PURPOSES NAMED IN THE TEXT WILL BE WITHOUT PREJUDICE TO THE AGREEMENT OF THE CRIMEA CONFERENCE THAT THERE SHOULD BE PERIODIC CONSULTATION AMONG THE FOREIGN SECRETARIES OF THE UNITED STATES, THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED KINGDOM.

THE CONFERENCE ALSO CONSIDERED THE POSITION OF THE EUROPEAN ADVISORY COMMISSION IN THE LIGHT OF THE AGREEMENT TO ESTABLISH THE COUNCIL OF FOREIGN MINISTERS. IT WAS NOTED WITH SATISFACTION THAT THE COMMISSION HAD ABLY DISCHARGED ITS PRINCIPAL TASKS BY THE RECOMMENDA-

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THE ESTABLISHMENT OF THE COUNCIL OF FOREIGN MINISTERS FOR THE SPECIFIC PURPOSES NAMED IN THE TEXT WILL BE WITHOUT PREJUDICE TO THE AGREEMENT OF THE CRIMEA CONFERENCE THAT THERE SHOULD BE PERIODIC CONSULTATION AMONG THE FOREIGN SECRETARIES OF THE UNITED STATES, THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE UNITED KINGDOM.

THE CONFERENCE ALSO CONSIDERED THE POSITION OF THE EUROPEAN ADVISORY COMMISSION IN THE LIGHT OF THE AGREEMENT TO ESTABLISH THE COUNCIL OF FOREIGN MINISTERS. IT WAS NOTED WITH SATISFACTION THAT THE COMMISSION HAD ABLY DISCHARGED ITS PRINCIPAL TASKS BY THE RECOMMENDATIONS THAT IT HAD FURNISHED FOR THE TERMS OF GERMANY'S UNCONDITIONAL SURRENDER, FOR THE ZONES OF OCCUPATION IN GERMANY AND AUSTRIA, AND FOR THE INTER-ALLIED CONTROL MACHINERY IN THOSE COUNTRIES. IT WAS FELT THAT FURTHER WORK OF A DETAILED CHARACTER FOR THE COORDINATION OF ALLIED POLICY FOR THE CONTROL OF GERMANY AND AUSTRIA WOULD IN FUTURE FALL WITHIN THE COMPETENCE OF THE ALLIED CONTROL COUNCIL AT BERLIN AND THE ALLIED COMMISSION AT VIENNA. ACCORDINGLY, IT WAS AGREED TO RECOMMEND THAT THE EUROPEAN ADVISORY COMMISSION BE DISSOLVED.

III. GERMANY. THE ALLIED ARMIES ARE IN OCCUPATION OF THE WHOLE OF GERMANY AND THE GERMAN PEOPLE HAVE BEGUN TO ATONE FOR THE TERRIBLE CRIMES COMMITTED UNDER THE LEADERSHIP OF THOSE WHOM IN THE HOUR OF THEIR SUCCESS, THEY OPENLY APPROVED AND BLINDLY OBEYED.

AGREEMENT HAS BEEN REACHED AT THIS CONFERENCE ON THE POLITICAL AND ECONOMIC PRINCIPLES OF A COORDINATED ALLIED POLICY TOWARD DEFEATED GERMANY DURING THE PERIOD OF ALLIED CONTROL.

THE PURPOSE OF THIS AGREEMENT IS TO CARRY OUT THE CRIMEA DECLARATION ON GERMANY. GERMAN MILITARISM AND NAZISM WILL BE EXTIRPATED AND

THE ALLIES WILL BRING TOGETHER, NOW AND IN THE FUTURE, THE OTHER MEASURES NECESSARY TO ASSURE THAT GERMANY NEVER AGAIN WILL THREATEN HER NEIGHBORS OR THE PEACE OF THE WORLD.

IT IS NOT THE INTENTION OF THE ALLIES TO DESTROY OR ENSLAVE THE GERMAN PEOPLE. IT IS THE INTENTION OF THE ALLIES THAT THE GERMAN PEOPLE BE GIVEN THE OPPORTUNITY TO PREPARE FOR THE EVENTUAL RECONSTRUCTION OF THEIR LIFE ON A DEMOCRATIC AND PEACEFUL BASIS. IF THEIR OWN EFFORTS ARE STEADILY DIRECTED TO THIS END, IT WILL BE POSSIBLE FOR THEM IN DUE COURSE TO TAKE THEIR PLACE AMONG THE FREE AND PEACEFUL PEOPLES OF THE WORLD.

THE TEXT OF THE AGREEMENT IS AS FOLLOWS:

THE POLITICAL AND ECONOMIC PRINCIPLES TO GOVERN THE TREATMENT OF GERMANY IN THE INITIAL CONTROL PERIOD.

A. POLITICAL PRINCIPLES.

1. IN ACCORDANCE WITH THE AGREEMENT ON CONTROL MACHINERY IN GERMANY, SUPREME AUTHORITY IN GERMANY IS EXERCISED ON INSTRUCTIONS FROM THEIR RESPECTIVE GOVERNMENTS, BY THE COMMANDERS-IN-CHIEF OF THE ARMED FORCES OF THE UNITED STATES OF AMERICA, THE UNITED KINGDOM, THE UNION OF SOVIET SOCIALIST REPUBLICS, AND THE FRENCH REPUBLIC, EACH IN HIS OWN ZONE OF OCCUPATION, AND ALSO JOINTLY, IN MATTERS AFFECTING GERMANY AS A WHOLE, IN THEIR CAPACITY AS MEMBERS OF THE CONTROL COUNCIL.

2. SO FAR AS IS PRACTICABLE, THERE SHALL BE UNIFORMITY OF TREATMENT OF THE GERMAN POPULATION THROUGHOUT GERMANY.

3. THE PURPOSE OF THE OCCUPATION OF GERMANY BY WHICH THE CONTROL COUNCIL SHALL BE GUIDED ARE:

(I) THE COMPLETE DISARMAMENT AND DEMILITARIZATION OF GERMANY AND THE ELIMINATION OR CONTROL OF ALL GERMAN INDUSTRY THAT COULD BE USED FOR MILITARY PRODUCTION. TO THESE ENDS:

(A) ALL GERMAN LAND, NAVAL AND AIR FORCES, THE SS, SA, SD AND GESTAPO, WITH ALL THEIR ORGANIZATIONS, STAFFS AND INSTITUTIONS, INCLUDING THE GENERAL STAFF, THE OFFICERS CORPS, RESERVE CORPS, MILITARY SCHOOLS, WAR VETERANS ORGANIZATIONS AND ALL OTHER MILITARY AND QUASI-MILITARY ORGANIZATIONS, TOGETHER WITH ALL CLUBS AND ASSOCIATIONS WHICH SERVE TO KEEP ALIVE THE MILITARY TRADITION IN GERMANY, SHALL BE COMPLETELY AND FINALLY ABOLISHED IN SUCH MANNER AS PERMANENTLY TO PREVENT THE REVIVAL OF REORGANIZATION OF GERMAN MILITARISM AND NAZISM.

4855

(B) ALL ARMS, AMMUNITION AND IMPLEMENTS OF WAR AND ALL SPECIAL [illegible] FOR THEIR PRODUCTION SHALL BE HELD AT THE DISPOSAL OF [illegible] PRODUCTION OF ALL AIR-

MANY, SUPREME AUTHORITY IN GERMANY IS EXERCISED ON INSTRUCTIONS FROM THEIR RESPECTIVE GOVERNMENTS, BY THE COMMANDERS-IN-CHIEF OF THE ARMED FORCES OF THE UNITED STATES OF AMERICA, THE UNITED KINGDOM, THE UNION OF SOVIET SOCIALIST REPUBLICS, AND THE FRENCH REPUBLIC, EACH IN HIS OWN ZONE OF OCCUPATION, AND ALSO JOINTLY, IN MATTERS AFFECTING GERMANY AS A WHOLE, IN THEIR CAPACITY AS MEMBERS OF THE CONTROL COUNCIL.

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(B) ALL ARMS, AMMUNITION AND IMPLEMENTS OF WAR AND ALL SPECIALIZED FACILITIES FOR THEIR PRODUCTION SHALL BE HELD AT THE DISPOSAL OF THE ALLIES OR DESTROYED. THE MAINTENANCE AND PRODUCTION OF ALL AIRCRAFT AND ALL ARMS, AMMUNITION AND IMPLEMENTS OF WAR SHALL BE PREVENTED.

(II) TO CONVINCE THE GERMAN PEOPLE THAT THEY HAVE SUFFERED A TOTAL MILITARY DEFEAT AND THAT THEY CANNOT ESCAPE RESPONSIBILITY FOR WHAT THEY HAVE BROUGHT UPON THEMSELVES, SINCE THEIR OWN RUTHLESS WARFARE AND THE FANATICAL NAZI RESISTANCE HAVE DESTROYED GERMAN ECONOMY AND MADE CHAOS AND SUFFERING INEVITABLE.

(III) TO DESTROY THE NATIONAL SOCIALIST PARTY AND ITS AFFILIATED AND SUPERVISED ORGANIZATIONS, TO DISSOLVE ALL NAZI INSTITUTIONS, TO ENSURE THAT THEY ARE NOT REVIVED IN ANY FORM, AND TO PREVENT ALL NAZI AND MILITARIST ACTIVITY OR PROPAGANDA.

(IV) TO PREPARE FOR THE EVENTUAL RECONSTRUCTION OF GERMAN POLITICAL LIFE ON A DEMOCRATIC BASIS AND FOR EVENTUAL PEACEFUL COOPERATION IN INTERNATIONAL LIFE BY GERMANY.

61

4. ALL NAZI LAWS WHICH PROVIDED THE BASIS OF THE HITLER REGIME OR ESTABLISHED DISCRIMINATION ON GROUNDS OF RACE, CREED, OR POLITICAL

OPINION SHALL BE ABOLISHED. NO SUCH DISCRIMINATIONS, WHETHER LEGAL, ADMINISTRATIVE, OR OTHERWISE, SHALL BE TOLERATED.

5. WAR CRIMINALS AND THOSE WHO HAVE PARTICIPATED IN PLANNING OR CARRYING OUT NAZI ENTERPRISES INVOLVING OR RESULTING IN ATROCITIES OR WAR CRIMES SHALL BE ARRESTED AND BROUGHT TO JUDGMENT. NAZI LEADERS, INFLUENTIAL NAZI SUPPORTERS AND HIGH OFFICIALS OF NAZI ORGANIZATIONS AND INSTITUTIONS AND ANY OTHER PERSONS DANGEROUS TO THE OCCUPATION OR ITS OBJECTIVES SHALL BE ARRESTED AND INTERNED.

6. ALL MEMBERS OF THE NAZI PARTY WHO HAVE BEEN MORE THAN NOMINAL PARTICIPANTS IN ITS ACTIVITIES AND ALL OTHER PERSONS HOSTILE TO ALLIED PURPOSES SHALL BE REMOVED FROM PUBLIC AND SEMI-PUBLIC OFFICE, AND FROM POSITIONS OF RESPONSIBILITY IN IMPORTANT PUBLIC UNDERTAKINGS. SUCH PERSONS SHALL BE REPLACED BY PERSONS WHO, BY THEIR POLITICAL AND MORAL QUALITIES, ARE DEEMED CAPABLE OF ASSISTING IN DEVELOPING GENUINE DEMOCRATIC INSTITUTIONS IN GERMANY.

7. GERMAN EDUCATION SHALL BE SO CONTROLLED AS COMPLETELY TO ELIMINATE NAZI AND MILITARIST DOCTRINES AND TO MAKE POSSIBLE THE SUCCESSFUL DEVELOPMENT OF DEMOCRATIC IDEAS.

8. THE JUDICIAL SYSTEM WILL BE REORGANIZED IN ACCORDANCE WITH THE PRINCIPLES OF DEMOCRACY, OF JUSTICE UNDER LAW, AND OF EQUAL RIGHTS FOR ALL CITIZENS WITHOUT DISTINCTION OF RACE, NATIONALITY, OR RELIGION.

9. THE ADMINISTRATION OF AFFAIRS IN GERMANY SHOULD BE DIRECTED TOWARD THE DECENTRALIZATION OF THE POLITICAL STRUCTURE AND THE DEVELOPMENT OF LOCAL RESPONSIBILITY. TO THIS END;

(I) LOCAL SELF-GOVERNMENT SHALL BE RESTORED THROUGHOUT GERMANY ON DEMOCRATIC PRINCIPLES AND IN PARTICULAR THROUGH ELECTIVE COUNCILS AS RAPIDLY AS IS CONSISTENT WITH MILITARY SECURITY AND THE PURPOSES OF MILITARY OCCUPATION;

(II) ALL DEMOCRATIC POLITICAL PARTIES WITH RIGHTS OF ASSEMBLY AND OF PUBLIC DISCUSSION SHALL BE ALLOWED AND ENCOURAGED THROUGHOUT GERMANY;

(III) REPRESENTATIVE AND ELECTIVE PRINCIPLES SHALL BE INTRODUCED INTO REGIONAL, PROVINCIAL AND STATE (LAND) ADMINISTRATION AS RAPIDLY AS MAY BE JUSTIFIED BY THE SUCCESSFUL APPLICATION OF THESE PRINCIPLES IN LOCAL SELF-GOVERNMENT;

(IV) FOR THE TIME BEING NO CENTRAL GERMAN GOVERNMENT SHALL BE ESTABLISHED. NOTWITHSTANDING THIS; HOWEVER, CERTAIN ESSENTIAL CENTRAL GERMAN ADMINISTRATIVE DEPARTMENTS, HEADED BY STATE SECRETARIES, SHALL BE ESTABLISHED; PARTICULARLY IN THE FIELDS OF FINANCE, TRANSPORT, COMMUNICATIONS, FOREIGN TRADE AND INDUSTRY. SUCH DEPARTMENTS WILL ACT UNDER THE DIRECTION OF THE CONTROL COUNCIL.

10. SUBJECT TO THE NECESSITY FOR MAINTAINING MILITARY SECURITY,

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10. SUBJECT TO THE NECESSITY FOR MAINTAINING MILITARY SECURITY, FREEDOM OF SPEECH, PRESS AND RELIGION SHALL BE PERMITTED, AND RELIGIOUS INSTITUTIONS SHALL BE RESPECTED. SUBJECT LIKEWISE TO THE MAINTENANCE OF MILITARY SECURITY, THE FORMATION OF FREE TRADE UNIONS SHALL BE PERMITTED.

(B). ECONOMIC PRINCIPLES.

11. IN ORDER TO ELIMINATE GERMANY'S WAR POTENTIAL, THE PRODUCTION OF ARMS, AMMUNITION AND IMPLEMENTS OF WAR AS WELL AS ALL TYPES OF AIRCRAFT AND SEA-GOING SHIPS SHALL BE PROHIBITED AND PREVENTED. PRODUCTION OF METALS, CHEMICALS, MACHINERY AND OTHER ITEMS THAT ARE DIRECTLY NECESSARY TO A WAR ECONOMY SHALL BE RIGIDLY CONTROLLED AND RESTRICTED TO GERMANY'S APPROVED POSTWAR PEACETIME NEEDS TO MEET THE OBJECTIVES STATED IN PARAGRAPH 15. PRODUCTIVE CAPACITY NOT NEEDED FOR PERMITTED PRODUCTION SHALL BE REMOVED IN ACCORDANCE WITH THE REPARATION PLAN RECOMMENDED BY THE ALLIED COMMISSION ON REPARATIONS AND APPROVED BY THE GOVERNMENTS CONCERNED OR IF NOT REMOVED SHALL BE DESTROYED.

12. AT THE EARLIEST PRACTICABLE DATE, THE GERMAN ECONOMY SHALL BE DECENTRALIZED FOR THE PURPOSE OF ELIMINATING THE PRESENT EXCESSIVE CONCENTRATION OF ECONOMIC POWER AS EXEMPLIFIED IN PARTICULAR BY CARTELS, SYNDICATES, TRUSTS AND OTHER MONOPOLISTIC ARRANGEMENTS.

13. IN ORGANIZING THE GERMAN ECONOMY, PRIMARY EMPHASIS SHALL BE GIVEN TO THE DEVELOPMENT OF AGRICULTURE AND PEACEFUL DOMESTIC INDUSTRIES.

14. DURING THE PERIOD OF OCCUPATION GERMANY SHALL BE TREATED AS A SINGLE ECONOMIC UNIT. TO THIS END COMMON POLICIES SHALL BE ESTABLISHED IN REGARD TO:

(A) MINING AND INDUSTRIAL PRODUCTION AND ALLOCATIONS;

(B) AGRICULTURE, FORESTRY AND FISHING;

(C) WAGES, PRICES AND RATIONING;

(D) IMPORT AND EXPORT PROGRAMS FOR GERMANY AS A WHOLE;

(E) CURRENCY AND BANKING, CENTRAL TAXATION AND CUSTOMS;

(F) REPARATION AND REMOVAL OF INDUSTRIAL WAR POTENTIAL;

(G) TRANSPORTATION AND COMMUNICATIONS. IN APPLYING THESE POLICIES ACCOUNT SHALL BE TAKEN, WHERE APPROPRIATE, OF VARYING LOCAL CONDITIONS.

15. ALLIED CONTROLS SHALL BE IMPOSED UPON THE GERMAN ECONOMY BUT ONLY TO THE EXTENT NECESSARY;

(A) TO CARRY OUT PROGRAMS OF INDUSTRIAL DISARMAMENT AND DEMILITARIZATION, OF REPARATIONS, AND OF APPROVED EXPORTS AND IMPORTS.

(B) TO ASSURE THE PRODUCTION AND MAINTENANCE OF GOODS AND SERVICES REQUIRED TO MEET THE NEEDS OF THE OCCUPYING FORCES AND DISPLACED PERSONS IN GERMANY AND ESSENTIAL TO MAINTAIN IN GERMANY AVERAGE LIVING STANDARDS NOT EXCEEDING THE AVERAGE OF THE STANDARDS OF LIVING OF EUROPEAN COUNTRIES. (EUROPEAN COUNTRIES MEANS ALL EUROPEAN COUNTRIES EXCLUDING THE UNITED KINGDOM AND THE UNION OF SOVIET SOCIALIST REPUBLICS.)

(C) TO ENSURE IN THE MANNER DETERMINED BY THE CONTROL COUNCIL THE EQUITABLE DISTRIBUTION OF ESSENTIAL COMMODITIES BETWEEN THE SEVERAL ZONES SO AS TO PRODUCE A BALANCED ECONOMY THROUGHOUT GERMANY AND REDUCE THE NEED FOR IMPORTS.

(C) WAGES, PRICES AND RATIONING;

(D) IMPORT AND EXPORT PROGRAMS FOR GERMANY AS A WHOLE;

(E) CURRENCY AND BANKING, CENTRAL TAXATION AND CUSTOMS;

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(D) TO CONTROL GERMAN INDUSTRY AND ALL ECONOMIC AND FINANCIAL INTERNATIONAL TRANSACTIONS, INCLUDING EXPORTS AND IMPORTS, WITH THE AIM OF PREVENTING GERMANY FROM DEVELOPING A WAR POTENTIAL AND OF ACHIEVING THE OTHER OBJECTIVES NAMED HEREIN.

(E) TO CONTROL ALL GERMAN PUBLIC OR PRIVATE SCIENTIFIC BODIES, RESEARCH AND EXPERIMENTAL INSTITUTIONS, LABORATORIES, ET CETERA, CONNECTED WITH ECONOMIC ACTIVITIES.

16. IN THE IMPOSITION AND MAINTENANCE OF ECONOMIC CONTROLS ESTABLISHED BY THE CONTROL COUNCIL, GERMAN ADMINISTRATIVE MACHINERY SHALL BE CREATED AND THE GERMAN AUTHORITIES SHALL BE REQUIRED TO THE FULLEST EXTENT PRACTICABLE TO PROCLAIM AND ASSUME ADMINISTRATION OF SUCH CONTROLS. THUS IT SHOULD BE BROUGHT HOME TO THE GERMAN PEOPLE THAT THE RESPONSIBILITY FOR THE ADMINISTRATION OF SUCH CONTROLS AND ANY BREAKDOWN IN THESE CONTROLS WILL REST WITH THEMSELVES. ANY GERMAN CONTROLS WHICH MAY RUN COUNTER TO THE OBJECTIVES OF OCCUPATION WILL BE PROHIBITED.

61

17. MEASURES SHALL BE PROMPTLY TAKEN;

(A) TO SYSTEMIZE AND REPAIR TRANSPORT;

(B) TO ENLARGE COAL PRODUCTION;

(C) TO MAXIMIZE AGRICULTURAL OUTPUT; AND

(D) TO EFFECT EMERGENCY REPAIR OF HOUSING AND ESSENTIAL UTILITIES.

18. APPROPRIATE STEPS SHALL BE TAKEN BY THE CONTROL COUNCIL TO EXERCISE CONTROL AND THE POWER OF DISPOSITION OVER GERMAN-OWNED EXTERNAL ASSETS NOT ALREADY UNDER THE CONTROL OF UNITED NATIONS WHICH HAVE TAKEN PART IN THE WAR AGAINST GERMANY.

19. PAYMENT OF REPARATIONS SHOULD LEAVE ENOUGH RESOURCES TO ENABLE THE GERMAN PEOPLE TO SUBSIST WITHOUT EXTERNAL ASSISTANCE. IN WORKING OUT THE ECONOMIC BALANCE OF GERMANY THE NECESSARY MEANS MUST BE PROVIDED TO PAY FOR IMPORTS APPROVED BY THE CONTROL COUNCIL IN GERMANY. THE PROCEEDS OF EXPORTS FROM CURRENT PRODUCTION AND STOCKS SHALL BE AVAILABLE IN THE FIRST PLACE FOR PAYMENT FOR SUCH IMPORTS.

THE ABOVE CLAUSE WILL NOT APPLY TO THE EQUIPMENT AND PRODUCTS REFERRED TO IN PARAGRAPHS 4 (A) AND 4 (B) OF THE REPARATIONS AGREEMENT.

IV. REPARATIONS FROM GERMANY. IN ACCORDANCE WITH THE CRIMEA DECISION THAT GERMANY BE COMPELLED TO COMPENSATE TO THE GREATEST POSSIBLE EXTENT FOR THE LOSS AND SUFFERING THAT SHE HAS CAUSED TO THE UNITED NATIONS AND FOR WHICH THE GERMAN PEOPLE CANNOT ESCAPE RESPONSIBILITY, THE FOLLOWING AGREEMENT ON REPARATIONS WAS REACHED:

1. REPARATION CLAIMS OF THE U.S.S.R. SHALL BE MET BY REMOVALS FROM THE ZONE OF GERMANY OCCUPIED BY THE U.S.S.R. AND FROM APPROPRIATE GERMAN EXTERNAL ASSETS.

2. THE U.S.S.R. UNDERTAKES TO SETTLE THE REPARATION CLAIMS OF POLAND FROM ITS OWN SHARE OF REPARATIONS.

3. THE REPARATION CLAIMS OF THE UNITED STATES, THE UNITED KINGDOM AND OTHER COUNTRIES ENTITLED TO REPARATIONS SHALL BE MET FROM THE WESTERN ZONES AND FROM APPROPRIATE GERMAN EXTERNAL ASSETS.

4. IN ADDITION TO THE REPARATIONS TO BE TAKEN BY THE U.S.S.R. FROM ITS OWN ZONE OF OCCUPATION, THE U.S.S.R. SHALL RECEIVE ADDITIONAL ALLY FROM THE WESTERN ZONES:

(A) 15 PERCENT OF SUCH USABLE AND COMPLETE INDUSTRIAL CAPITAL EQUIPMENT, IN THE FIRST PLACE FROM THE METALURGICAL, CHEMICAL AND MACHINE MANUFACTURING INDUSTRIES, IS IS UNNECESSARY FOR THE GERMAN PEACE ECONOMY AND SHOULD BE REMOVED FROM THE WESTERN ZONES OF GERMANY, [illegible] ZING TIM- [illegible] POTASH, COAL

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4. IN ADDITION TO THE REPARATIONS TO BE TAKEN BY THE U.S.S.R. FROM ITS OWN ZONE OF OCCUPATION, THE U.S.S.R. SHALL RECEIVE ADDITIONALLY FROM THE WESTERN ZONES:

(A) 15 PERCENT OF SUCH USABLE AND COMPLETE INDUSTRIAL CAPITAL EQUIPMENT, IN THE FIRST PLACE FROM THE METALURGICAL, CHEMICAL AND MACHINE MANUFACTURING INDUSTRIES, IS IS UNNECESSARY FOR THE GERMAN PEACE ECONOMY AND SHOULD BE REMOVED FROM THE WESTERN ZONES OF GERMANY, IN EXCHANGE FOR AN EQUIVALENT VALUE OF FOOD, COAL, POTASH, ZINC, TIMBER, CLAY PRODUCTS, PETROLEUM PRODUCTS, AND SUCH OTHER COMMODITIES AS MAY BE AGREED UPON.

(B) 10 PERCENT OF SUCH INDUSTRIAL CAPITAL EQUIPMENT AS IS UNNECESSARY FOR THE GERMAN PEACE ECONOMY AND SHOULD BE REMOVED FROM THE WESTERN ZONES, TO BE TRANSFERRED TO THE SOVIET GOVERNMENT ON REPARATIONS ACCOUNT WITHOUT PAYMENT OR EXCHANGE OF ANY KIND IN RETURN.

REMOVAL OF EQUIPMENT AS PROVIDED IN (A) AND (B) ABOVE SHALL BE MADE SIMULTANEOUSLY.

5. THE AMOUNT OF EQUIPMENT TO BE REMOVED FROM THE WESTERN ZONES ON ACCOUNT OF REPARATIONS MUST BE DETERMINED WITHIN SIX MONTHS FROM NOW IN THE LATEST.

6. REMOVALS OF INDUSTRIAL CAPITAL EQUIPMENT SHALL BEGIN AS SOON AS POSSIBLE AND SHALL BE COMPLETED WITHIN TWO YEARS FROM THE DETERMINATION SPECIFIED IN PARAGRAPH 5. THE DELIVERY OF PRODUCTS COVERED BY 4 (A) ABOVE SHALL BEGIN AS SOON AS POSSIBLE AND SHALL BE

MADE UNDER AN AGREEMENT BY THE U.S.S.R. WITHIN FIVE YEARS OF THE DATE HEREOF. THE DETERMINATION OF THE AMOUNT AND CHARACTER OF THE INDUSTRIAL CAPITAL EQUIPMENT UNNECESSARY FOR THE GERMAN PEACE ECONOMY AND THEREFORE AVAILABLE FOR REPARATIONS SHALL BE MADE BY THE CONTROL COUNCIL UNDER POLICIES FIXED BY THE ALLIED COMMISSION ON REPARATIONS, WITH THE PARTICIPATION OF FRANCE, SUBJECT TO THE FINAL APPROVAL OF THE ZONE COMMANDER IN THE ZONE FROM WHICH THE EQUIPMENT IS TO BE REMOVED.

7. PRIOR TO THE FIXING OF THE TOTAL AMOUNT OF EQUIPMENT SUBJECT TO REMOVAL, ADVANCE DELIVERIES SHALL BE MADE IN RECEIPT OF SUCH EQUIPMENT AS WILL BE DETERMINED TO BE ELIGIBLE FOR DELIVERY IN ACCORDANCE WITH THE PROCEDURE SET FORTH IN THE LAST SENTENCE OF PARAGRAPH 6.

8. THE SOVIET GOVERNMENT RENOUNCES ALL CLAIMS IN RESPECT OF REPARATIONS TO SHARES OF GERMAN ENTERPRISES WHICH ARE LOCATED IN THE WESTERN ZONES OF OCCUPATION IN GERMANY AS WELL AS TO GERMAN FOREIGN ASSETS IN ALL COUNTRIES EXCEPT THOSE SPECIFIED IN PARAGRAPH 9 BELOW.

9. THE GOVERNMENTS OF THE UNITED KINGDOM AND THE UNITED STATES OF AMERICA RENOUNCE THEIR CLAIMS IN RESPECT OF REPARATIONS TO SHARES OF GERMAN ENTERPRISES WHICH ARE LOCATED IN THE EASTERN ZONE OF OCCUPATION IN GERMANY, AS WELL AS TO GERMAN FOREIGN ASSETS IN BULGARIA, FINLAND, HUNGARY, RUMANIA AND EASTERN AUSTRIA.

10. THE SOVIET GOVERNMENT MAKES NO CLAIMS TO GOLD CAPTURED BY THE ALLIED TROOPS IN GERMANY.

V. DISPOSAL OF THE GERMAN NAVY AND MERCHANT MARINE.

THE CONFERENCE AGREED IN PRINCIPLE UPON ARRANGEMENTS FOR THE USE AND DISPOSAL OF THE SURRENDERED GERMAN FLEET AND MERCHANT SHIPS. IT WAS DECIDED THAT THE THREE GOVERNMENTS WOULD APPOINT EXPERTS TO WORK OUT TOGETHER DETAILED PLANS TO GIVE EFFECT TO THE AGREED PRINCIPLES. A FURTHER JOINT STATEMENT WILL BE PUBLISHED SIMULTANEOUSLY BY THE THREE GOVERNMENTS IN DUE COURSE.

VI. CITY OF KOENIGSBERG AND THE ADJACENT AREA.

THE CONFERENCE EXAMINED A PROPOSAL BY THE SOVIET GOVERNMENT THAT PENDING THE FINAL DETERMINATION OF TERRITORIAL QUESTIONS AT THE PEACE SETTLEMENT THE SECTION OF THE WESTERN FRONTIER OF THE UNION OF SOVIET SOCIALISTS REPUBLICS WHICH IS ADJACENT TO THE BALTIC SEA SHOULD PASS FROM A POINT ON THE EASTERN SHORES OF THE BAY OF DANZIG TO THE EAST, NORTH OF BRAUNSBERG GOLDAP, TO THE MEETING POINT OF THE FRONTIERS OF LITHUANIA, THE POLISH REPUBLIC AND EAST PRUSSIA.

4553

9. THE GOVERNMENTS OF THE UNITED KINGDOM AND THE UNITED STATES OF AMERICA RENOUNCE THEIR CLAIMS IN RESPECT OF REPARATIONS TO SHARES OF GERMAN ENTERPRISES WHICH ARE LOCATED IN THE EASTERN ZONE OF OCCUPATION IN GERMANY, AS WELL AS TO GERMAN FOREIGN ASSETS IN BULGARIA, FINLAND, HUNGARY, RUMANIA AND EASTERN AUSTRIA.

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THE CONFERENCE AGREED IN PRINCIPLE UPON ARRANGEMENTS FOR THE USE AND DISPOSAL OF THE SURRENDERED GERMAN FLEET AND MERCHANT SHIPS. IT WAS DECIDED THAT THE THREE GOVERNMENTS WOULD APPOINT EXPERTS TO WORK OUT TOGETHER DETAILED PLANS TO GIVE EFFECT TO THE AGREED PRINCIPLES. A FURTHER JOINT STATEMENT WILL BE PUBLISHED SIMULTANEOUSLY BY THE THREE GOVERNMENTS IN DUE COURSE.

VI. CITY OF KOENIGSBERG AND THE ADJACENT AREA.

THE CONFERENCE EXAMINED A PROPOSAL BY THE SOVIET GOVERNMENT THAT PENDING THE FINAL DETERMINATION OF TERRITORIAL QUESTIONS AT THE PEACE SETTLEMENT THE SECTION OF THE WESTERN FRONTIER OF THE UNION OF SOVIET SOCIALISTS REPUBLICS WHICH IS ADJACENT TO THE BALTIC SEA SHOULD PASS FROM A POINT ON THE EASTERN SHORES OF THE BAY OF DANZIG TO THE EAST, NORTH OF BRAUNSBERG GOLDAP, TO THE MEETING POINT OF THE FRONTIER OF LITHUANIA, THE POLISH REPUBLIC AND EAST PRUSSIA. 4553

THE CONFERENCE HAS AGREED IN PRINCIPLE TO THE PROPOSAL OF THE SOVIET GOVERNMENT CONCERNING THE ULTIMATE TRANSFER TO THE SOVIET UNION OF THE CITY OF KOENIGSBERG AND THE AREA ADJACENT TO IT AS DESCRIBED ABOVE SUBJECT TO EXPERT EXAMINATION OF THE ACTUAL FRONTIER.

THE PRESIDENT OF THE UNITED STATES AND THE BRITISH PRIME MINISTER HAVE DECLARED THAT THEY WILL SUPPORT THE PROPOSAL OF THE CONFERENCE AT THE FORTHCOMING PEACE SETTLEMENT.

VII. WAR CRIMINALS. THE THREE GOVERNMENTS HAVE TAKEN NOTE OF THE DISCUSSIONS WHICH HAVE BEEN PROCEEDING IN RECENT WEEKS IN LONDON BETWEEN BRITISH, UNITED STATES, SOVIET AND FRENCH REPRESENTATIVES WITH A VIEW TO REACHING AGREEMENT ON THE METHODS OF TRIAL OF THOSE MAJOR WAR CRIMINALS WHOSE CRIMES UNDER THE MOSCOW DECLARATION OF OCTOBER, 1943 HAVE NO PARTICULAR GEOGRAPHICAL LOCALIZATION. THE THREE GOVERNMENTS REAFFIRM THEIR INTENTION TO BRING THOSE CRIMINALS TO SWIFT AND SURE JUSTICE. THEY HOPE THAT THE NEGOTIATIONS IN LONDON WILL RESULT IN SPEEDY AGREEMENT BEING REACHED FOR THIS PURPOSE, AND THEY REGARD IT AS A MATTER OF GREAT IMPORTANCE THAT THE TRIAL OF THOSE MAJOR CRIMINALS SHOULD BEGIN AT THE EARLIEST POSSIBLE DATE. THE FIRST LIST OF DEFENDANTS WILL BE PUBLISHED BEFORE SEPTEMBER FIRST.

VIII. AUSTRIA. THE CONFERENCE EXAMINED A PROPOSAL BY THE SOVIET GOVERNMENT ON THE EXTENSION OF THE AUTHORITY OF THE AUSTRIAN PROVISIONAL GOVERNMENT TO ALL OF AUSTRIA.

THE THREE GOVERNMENTS AGREED THAT THEY WERE PREPARED TO EXAMINE THIS QUESTION AFTER THE ENTRY OF THE BRITISH AND AMERICAN FORCES INTO THE CITY OF VIENNA.

IX. POLAND. THE CONFERENCE CONSIDERED QUESTIONS RELATING TO THE POLISH PROVISIONAL GOVERNMENT AND THE WESTERN BOUNDARY OF POLAND.

ON THE POLISH PROVISIONAL GOVERNMENT OF NATIONAL UNITY THEY DEFINED THEIR ATTITUDE IN THE FOLLOWING STATEMENT:

A. WE HAVE TAKEN NOTE WITH PLEASURE OF THE AGREEMENT REACHED AMONG THE REPRESENTATIVE POLES FROM POLAND AND ABROAD WHICH HAS MADE POSSIBLE THE FORMATION, IN ACCORDANCE WITH THE DECISIONS REACHED AT THE CRIMEA CONFERENCE, OF A POLISH PROVISIONAL GOVERNMENT OF NATIONAL UNITY RECOGNIZED BY THE THREE POWERS. THE ESTABLISHMENT BY THE BRITISH AND UNITED STATES GOVERNMENTS OF DIPLOMATIC RELATIONS WITH THE POLISH PROVISIONAL GOVERNMENT HAS RESULTED IN THE WITHDRAWAL OF THEIR RECOGNITION FROM THE FORMER POLISH GOVERNMENT IN LONDON, WHICH NO LONGER EXISTS.

THE BRITISH AND UNITED STATES GOVERNMENTS HAVE TAKEN MEASURES TO PROTECT THE INTEREST OF THE POLISH PROVISIONAL GOVERNMENT AS THE RECOGNIZED GOVERNMENT OF THE POLISH STATE IN THE PROPERTY BELONGING TO THE POLISH STATE LOCATED IN THEIR TERRITORIES AND UNDER THEIR CONTROL, WHATEVER THE FORM OF THIS PROPERTY MAY BE. THEY HAVE FURTHER TAKEN MEASURES TO PREVENT ALIENATION TO THIRD PARTIES OF SUCH PROPERTY. ALL PROPER FACILITIES WILL BE GIVEN TO THE POLISH PROVISIONAL GOVERNMENT FOR THE EXERCISE OF THE ORDINARY LEGAL REMEDIES FOR THE RECOVERY OF ANY PROPERTY BELONGING TO THE POLISH STATE WHICH MAY HAVE BEEN WRONGFULLY ALIENATED.

THE THREE POWERS ARE ANXIOUS TO ASSIST THE POLISH PROVISIONAL GOVERNMENT IN FACILITATING THE RETURN TO POLAND AS SOON AS PRACTICABLE OF ALL POLES ABROAD WHO WISH TO GO, INCLUDING MEMBERS OF THE POLISH ARMED FORCES AND THE MERCHANT MARINE. THEY EXPECT THAT THOSE POLES WHO RETURN HOME SHALL BE ACCORDED PERSONAL AND PROPERTY RIGHTS ON THE SAME BASIS AS ALL POLISH CITIZENS.

THE THREE POWERS NOTE THAT THE POLISH PROVISIONAL GOVERNMENT IN ACCORDANCE WITH THE DECISIONS OF THE CRIMEA CONFERENCE HAS AGREED TO THE HOLDING OF FREE AND UNFETTERED ELECTIONS AS SOON AS POSSIBLE ON THE BASIS OF UNIVERSAL SUFFRAGE AND SECRET BALLOT IN WHICH ALL DEMOCRATIC AND ANTI-NAZI PARTIES SHALL HAVE THE RIGHT TO TAKE PART AND TO PUT FORWARD CANDIDATES, AND THAT REPRESENTATIVES OF THE ALLIED PRESS SHALL ENJOY FULL FREEDOM TO REPORT TO THE WORLD UPON DEVELOPMENTS IN POLAND BEFORE AND DURING THE ELECTIONS.

B. THE FOLLOWING AGREEMENT WAS ACHIEVED ON THE WESTERN FRONTIER

THE BRITISH AND UNITED STATES GOVERNMENTS WILL
PROTECT THE INTEREST OF THE POLISH PROVISIONAL GOVERNMENT AS THE
RECOGNIZED GOVERNMENT OF THE POLISH STATE IN THE PROPERTY BELONGING
TO THE POLISH STATE LOCATED IN THEIR TERRITORIES AND UNDER THEIR CON-
TROL, WHATEVER THE FORM OF THIS PROPERTY MAY BE. THEY HAVE FURTHER
TAKEN MEASURES TO PREVENT ALIENATION TO THIRD PARTIES OF SUCH PROPERTY.
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MENT FOR THE EXERCISE OF THE ORDINARY LEGAL REMEDIES FOR THE RECOVERY
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ERNMENT IN FACILITATING THE RETURN TO POLAND AS SOON AS PRACTICABLE
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WHO RETURN HOME SHALL BE ACCORDED PERSONAL AND PROPERTY RIGHTS ON THE
SAME BASIS AS ALL POLISH CITIZENS.

THE THREE POWERS NOTE THAT THE POLISH PROVISIONAL GOVERNMENT IN
ACCORDANCE WITH THE DECISIONS OF THE CRIMEA CONFERENCE HAS AGREED TO
THE HOLDING OF FREE AND UNFETTERED ELECTIONS AS SOON AS POSSIBLE ON
THE BASIS OF UNIVERSAL SUFFRAGE AND SECRET BALLOT IN WHICH ALL DEMOC-
RATIC AND ANTI-NAZI PARTIES SHALL HAVE THE RIGHT TO TAKE PART AND TO
PUT FORWARD CANDIDATES, AND THAT REPRESENTATIVES OF THE ALLIED PRESS
SHALL ENJOY FULL FREEDOM TO REPORT TO THE WORLD UPON DEVELOPMENTS IN
POLAND BEFORE AND DURING THE ELECTIONS.

B. THE FOLLOWING AGREEMENT WAS ACHIEVED ON THE WESTERN FRONTIER
OF POLAND:

IN CONFORMITY WITH THE AGREEMENT ON POLAND REACHED AT THE CRIMEA
CONFERENCE THE THREE HEADS OF GOVERNMENT HAVE SOUGHT THE OPINION OF
THE POLISH PROVISIONAL GOVERNMENT OF NATIONAL UNITY IN REGARD TO THE
ACCESSION OF TERRITORY IN THE NORTH AND WEST WHICH POLAND SHOULD RE-
CEIVE. THE PRESIDENT OF THE NATIONAL COUNCIL OF POLAND AND MEMBERS OF
THE POLISH PROVISIONAL GOVERNMENT OF NATIONAL UNITY HAVE BEEN RECEIVED
AT THE CONFERENCE AND HAVE FULLY PRESENTED THEIR VIEWS. THE THREE
HEADS OF GOVERNMENT REAFFIRM THEIR OPINION THAT THE FINAL DELINIATION
OF THE WESTERN FRONTIER OF POLAND SHOULD AWAIT THE PEACE SETTLEMENT.

THE THREE HEADS OF GOVERNMENT AGREE THAT, PENDING THE FINAL
DETERMINATION OF POLANDS WESTERN FRONTIER, THE FORMER GERMAN TERRITOR-
IES EAST OF A LINE RUNNING FROM THE BALTIC SEA IMMEDIATELY WEST OF
SWINEMUNDE, AND THENCE ALONG THE ODER RIVER TO THE CONFLUENCE OF THE
WESTERN NEISSE RIVER AND ALONG THE WESTERN NEISSE TO THE CZECHOSLOVAK
FRONTIER, INCLUDING THAT PORTION OF EAST PRUSSIA NOT PLACED UNDER THE

ADMINISTRATION OF THE SOVIET SOCIALIST REPUBLICS IN ACCORDANCE WITH THE UNDERSTANDING REACHED AT THIS CONFERENCE AND INCLUDING THE AREA OF THE FORMER FREE CITY OF DANZIG, SHALL BE UNDER THE ADMINISTRATION OF THE POLISH STATE AND FOR SUCH PURPOSES SHOULD NOT BE CONSIDERED AS PART OF THE SOVIET ZONE OF OCCUPATION IN GERMANY.

X. CONCLUSION OF PEACE TREATIES AND ADMISSION TO THE UNITED NATIONS ORGANIZATION. THE CONFERENCE AGREED UPON THE FOLLOWING STATEMENT OF COMMON POLICY FOR ESTABLISHING, AS SOON AS POSSIBLE, THE CONDITIONS OF LASTING PEACE AFTER VICTORY IN EUROPE:

THE THREE GOVERNMENTS CONSIDER IT DESIRABLE THAT THE PRESENT ANOMALOUS POSITION OF ITALY, BULGARIA, FINLAND, HUNGARY AND RUMANIA SHOULD BE TERMINATED BY THE CONCLUSION OF PEACE TREATIES. THEY TRUST THAT THE OTHER INTERESTED ALLIED GOVERNMENTS WILL SHARE THESE VIEWS.

FOR THEIR PART THE THREE GOVERNMENTS HAVE INCLUDED THE PREPARATION OF A PEACE TREATY FOR ITALY AS THE FIRST AMONG THE IMMEDIATE IMPORTANT TASKS TO BE UNDERTAKEN BY THE NEW COUNCIL OF FOREIGN MINISTERS. ITALY WAS THE FIRST OF THE AXIS POWERS TO BREAK WITH GERMANY, TO WHOSE DEFEAT SHE HAS MADE A MATERIAL CONTRIBUTION, AND HAS NOW JOINED WITH THE ALLIES IN THE STRUGGLE AGAINST JAPAN. ITALY HAS FREED HERSELF FROM THE FASCIST REGIME AND IS MAKING GOOD PROGRESS TOWARDS THE REESTABLISHMENT OF A DEMOCRATIC GOVERNMENT AND INSTITUTIONS. THE CONCLUSION OF SUCH A PEACE TREATY WITH A REESTABLISHED, DEMOCRATIC ITALIAN GOVERNMENT WILL MAKE IT POSSIBLE FOR THE THREE GOVERNMENTS TO FULFILL THEIR DESIRE TO SUPPORT AN APPLICATION FROM ITALY FOR MEMBERSHIP OF THE UNITED NATIONS.

THE THREE GOVERNMENTS HAVE ALSO CHARGED THE COUNCIL OF FOREIGN MINISTERS WITH THE TASK OF PREPARING PEACE TREATIES FOR BULGARIA, FINLAND HUNGARY AND RUMANIA. THE CONCLUSION OF PEACE TREATIES WITH RECOGNIZED DEMOCRATIC GOVERNMENTS IN THESE STATES WILL ALSO ENABLE THE THREE GOVERNMENTS TO SUPPORT APPLICATIONS FROM THEM FOR MEMBERSHIP OF THE UNITED NATIONS. THE THREE GOVERNMENTS AGREE TO EXAMINE EACH SEPARATELY IN THE NEAR FUTURE, IN THE LIGHT OF THE CONDITIONS THEN PREVAILING, THE ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH FINLAND, RUMANIA, BULGARIA, AND HUNGARY TO THE EXTENT POSSIBLE PRIOR TO THE CONCLUSION OF PEACE TREATIES WITH THOSE COUNTRIES.

THE THREE GOVERNMENTS HAVE NO DOUBT THAT IN VIEW OF THE CHANGED CONDITIONS RESULTING FROM THE TERMINATION OF THE WAR IN EUROPE, REPRESENTATIVES OF THE ALLIED PRESS WILL ENJOY FULL FREEDOM TO REPORT TO THE WORLD UPON DEVELOPMENTS IN RUMANIA, BULGARIA, HUNGARY AND FINLAND.

AS REGARDS THE ADMISSION OF OTHER STATES INTO THE UNITED NATIONS ORGANIZATION, ARTICLE 4 OF THE CHARTER OF THE UNITED NATIONS DECLARES

THE ALLIES IN THE STRUGGLE AGAINST JAPAN. ITALY HAS FREED HERSELF FROM THE FASCIST REGIME AND IS MAKING GOOD PROGRESS TOWARDS THE REESTABLISHMENT OF A DEMOCRATIC GOVERNMENT AND INSTITUTIONS. THE CONCLUSION OF SUCH A PEACE TREATY WITH A REESTABLISHED, DEMOCRATIC ITALIAN GOVERNMENT WILL MAKE IT POSSIBLE FOR THE THREE GOVERNMENTS TO FULFILL THEIR DESIRE TO SUPPORT AN APPLICATION FROM ITALY FOR MEMBERSHIP OF THE UNITED NATIONS.

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AS REGARDS THE ADMISSION OF OTHER STATES INTO THE UNITED NATIONS ORGANIZATION, ARTICLE 4 OF THE CHARTER OF THE UNITED NATIONS DECLARES THAT:

"1. MEMBERSHIP IN THE UNITED NATIONS IS OPEN TO ALL OTHER PEACE-LOVING STATES WHO ACCEPT THE OBLIGATIONS CONTAINED IN THE PRESENT CHARTER AND, IN THE JUDGMENT OF THE ORGANIZATION, ARE ABLE AND WILLING TO CARRY OUT THESE OBLIGATIONS;

2. THE ADMISSION OF ANY SUCH STATE TO MEMBERSHIP IN THE UNITED NATIONS WILL BE EFFECTED BY A DECISION OF THE GENERAL ASSEMBLY UPON THE RECOMMENDATION OF THE SECURITY COUNCIL."

THE THREE GOVERNMENTS, SO FAR AS THEY ARE CONCERNED, WILL SUPPORT APPLICATIONS FOR MEMBERSHIP FROM THOSE STATES WHICH HAVE REMAINED NEUTRAL DURING THE WAR AND WHICH FULFILL THE QUALIFICATIONS SET OUT ABOVE.

THE THREE GOVERNMENTS FEEL BOUND HOWEVER TO MAKE IT CLEAR THAT THEY FOR THEIR PART WOULD NOT FAVOR ANY APPLICATION FOR MEMBERSHIP PUT FORWARD BY THE PRESENT SPANISH GOVERNMENT, WHICH, HAVING BEEN FOUNDED WITH THE SUPPORT OF THE AXIS POWERS, DOES NOT, IN VIEW OF ITS ORIGINS, ITS NATURE, ITS RECORD AND ITS CLOSE ASSOCIATION WITH THE AGGRESSOR STATES, POSSESS THE QUALIFICATIONS NECESSARY TO JUSTIFY SUCH MEMBER-

SHIP.

XI. TERRITORIAL TRUSTEESHIPS. THE CONFERENCE EXAMINED A PROPOSAL BY THE SOVIET GOVERNMENT CONCERNING TRUSTEESHIP TERRITORIES AS DEFINED IN THE DECISION OF THE CRIMEA CONFERENCE AND IN THE CHARTER OF THE UNITED NATIONS ORGANIZATION.

AFTER AN EXCHANGE OF VIEWS ON THIS QUESTION IT WAS DECIDED THAT THE DISPOSITION OF ANY FORMER ITALIAN TERRITORIES WAS ONE TO BE DECIDED IN CONNECTION WITH THE PREPARATION OF A PEACE TREATY FOR ITALY AND THAT THE QUESTION OF ITALIAN TERRITORY WOULD BE CONSIDERED BY THE SEPTEMBER COUNCIL OF MINISTERS OF FOREIGN AFFAIRS.

XII. REVISED ALLIED CONTROL COMMISSION PROCEDURE IN RUMANIA, BULGARIA, AND HUNGARY.

THE THREE GOVERNMENTS TOOK NOTE THAT THE SOVIET REPRESENTATIVES ON THE ALLIED CONTROL COMMISSIONS IN RUMANIA, BULGARIA AND HUNGARY, HAVE COMMUNICATED TO THEIR UNITED KINGDOM AND UNITED STATES COLLEAGUES PROPOSALS FOR IMPROVING THE WORK OF THE CONTROL COMMISSION, NOW THAT HOSTILITIES IN EUROPE HAVE CEASED.

THE THREE GOVERNMENTS AGREED THAT THE REVISIONS OF THE PROCEDURES OF THE ALLIED CONTROL COMMISSIONS IN THESE COUNTRIES WOULD NOW BE UNDERTAKEN, TAKING INTO ACCOUNT THE INTERESTS AND RESPONSIBILITIES OF THE THREE GOVERNMENTS WHICH TOGETHER PRESENTED THE TERMS OF ARMISTICE TO THE RESPECTIVE COUNTRIES, AND ACCEPTING AS A BASIS THE AGREED PROPOSALS.

XIII. ORDERLY TRANSFERS OF GERMAN POPULATIONS. THE CONFERENCE REACHED THE FOLLOWING AGREEMENT ON THE REMOVAL OF GERMANS FROM POLAND, CZECHOSLOVAKIA AND HUNGARY:

THE THREE GOVERNMENTS HAVING CONSIDERED THE QUESTION IN ALL ITS ASPECTS, RECOGNIZE THAT THE TRANSFER TO GERMANY OF GERMAN POPULATIONS, OR ELEMENTS THEREOF, REMAINING IN POLAND, CZECHOSLOVAKIA AND HUNGARY, WILL HAVE TO BE UNDERTAKEN. THEY AGREE THAT ANY TRANSFERS THAT TAKE PLACE SHOULD BE EFFECTED IN AN ORDERLY AND HUMANE MANNER.

SINCE THE INFLUX OF A LARGE NUMBER OF GERMANS INTO GERMANY WOULD INCREASE THE BURDEN ALREADY RESTING ON THE OCCUPYING AUTHORITIES, THEY CONSIDER THAT THE ALLIED CONTROL COUNCIL IN GERMANY SHOULD IN THE FIRST INSTANCE EXAMINE THE PROBLEM WITH SPECIAL REGARD TO THE QUESTION OF THE EQUITABLE DISTRIBUTION OF THESE GERMANS AMONG THE SEVERAL ZONES OF OCCUPATION. THEY ARE ACCORDINGLY INSTRUCTING THEIR RESPECTIVE REPRESENTATIVES ON THE CONTROL COUNCIL TO REPORT TO THEIR GOVERNMENTS AS SOON AS POSSIBLE THE EXTENT TO WHICH SUCH PERSONS HAVE ALREADY ENTERED GERMANY FROM POLAND, CZECHOSLOVAKIA AND HUNGARY, AND TO SUBMIT AN ESTIMATE OF THE TIME AND RATE AT WHICH FURTHER TRANSFERS COULD BE CARRIED OUT, HAVING REGARD TO THE PRESENT SITUATION IN GERMANY.

THE THREE GOVERNMENTS AGREED THAT THE ACTIVITIES OF THE ALLIED CONTROL COMMISSIONS IN THESE COUNTRIES WOULD NOW BE UNDERTAKEN, TAKING INTO ACCOUNT THE INTERESTS AND RESPONSIBILITIES OF THE THREE GOVERNMENTS WHICH TOGETHER PRESENTED THE TERMS OF ARMISTICE TO THE RESPECTIVE COUNTRIES, AND ACCEPTING AS A BASIS THE AGREED PROPOSALS.

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THE CZECHOSLOVAK GOVERNMENT, THE POLISH PROVISIONAL GOVERNMENT AND THE CONTROL COUNCIL IN HUNGARY ARE AT THE SAME TIME BEING INFORMED OF THE ABOVE, AND ARE BEING REQUESTED MEANWHILE TO SUSPEND FURTHER EXPULSIONS PENDING THE EXAMINATION BY THE GOVERNMENTS CONCERNED OF THE REPORT FROM THEIR REPRESENTATIVES ON THE CONTROL COUNCIL.

XIV. MILITARY TALKS. DURING THE CONFERENCE THERE WERE MEETINGS BETWEEN THE CHIEFS OF STAFF OF THE THREE GOVERNMENTS ON MILITARY MATTERS OF COMMON INTEREST.

FOLLOWING IS A LIST OF DELEGATIONS ATTENDING THE CONFERENCE:

FOR THE UNITED STATES: THE PRESIDENT, HARRY S TRUMAN; THE SECRETARY OF STATE, JAMES F BYRNES, FLEET ADMIRAL WILLIAM D LEAHY, U.S.N., CHIEF OF STAFF TO THE PRESIDENT. JOSEPH E DAVIES, SPECIAL AMBASSADOR. EDWIN PAULEY, SPECIAL AMBASSADOR. AMBASSADOR ROBERT D MURPHY,

POLITICAL ADVISER TO THE COMMANDER-IN-CHIEF, UNITED STATES ZONE IN GERMANY. W AVERELL HARRIMAN; AMBASSADOR TO THE U.S.S.R. GENERAL OF THE ARMY, GEORGE C MARSHALL, CHIEF OF STAFF, UNITED STATES ARMY. FLEET ADMIRAL ERNEST J KING, U.S.N., CHIEF OF NAVAL OPERATIONS AND COMMANDER-IN-CHIEF, U.S. FLEET. GENERAL OFTHE ARMY, H H ARNOLD, U.S. ARMY AIR FORCES. GENERAL BREHON S SOMERVELL, COMMANDING GENERAL, ARMY SERVICE FORCES. VICE ADMIRAL EMORY S LAND, WAR SHIPPING ADMINISTRATOR. WILLIAM L CLAYTON, ASSISTANT SECRETARY OF STATE. JAMES C DUNN, ASSISTANT SECRETARY OF STATE. BEN COHEN, SPECIAL ASSISTANT TO THE SECRETARY OF STATE. H FREEMAN MATTHEWS, DIRECTOR OF EUROPEAN AFFAIRS, DEPARTMENT OF STATE. CHARLES E BOHLEN, ASSISTANT TO THE SECRETARY, (TOGETHER WITH POLITICAL, MILITARY AND TECHNICAL ADVISERS.)

FOR THE UNITED KINGDOM:

THE PRIME MINISTER, MR WINSTON S CHURCHILL, M.P., MR C R ATTLEE, M.P.; THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, MR ANTHONY EDEN, M.P.; AND MR ERNEST BEVIN, M.P. LORD LEATHERS, MINISTER OF WAR TRANSPORT. SIR ALEXANDER CADOGAN, PERMANENT UNDER SECRETARY OF STATE FOR FOREIGN AFFAIRS. SIR ARCHIBALD CLARK KERR, H.M. AMBASSADOR AT MOSCOW. SIR WALTER MONCKTON, HEAD OF THE UNITED KINGDOM DELEGATION TO MOSCOW REPARATIONS COMMISSION. SIR WILLIAM STRANG, POLITICAL ADVISER TO THE COMMANDER-IN-CHIEF; BRITISH ZONE IN GERMANY. SIR EDWARD BRIDGES, SECRETARY OF THE CABINET, FIELD MARSHAL SIR ALAN BROOKE, CHIEF OF THE IMPERIAL GENERAL STAFF, MARSHAL OF THE ROYAL AIR FORCE, SIR CHARLES PORTAL, CHIEF OF THE AIR STAFF, ADMIRAL OF THE FLEET, SIR ANDREW CUNNINGHAM, FIRST SEA LORD, GENERAL SIR HASTINGS ISMAY, CHIEF OF STAFF TO THE MINISTER OF DEFENCE, FIELD MARSHAL SIR HAROLD ALEXANDER, SUPREME ALLIED COMMANDER, MEDITERRANEAN THEATRE, FIELD MARSHAL SIR HENRY MAITLAND WILSON, HEAD OF THE BRITISH JOINT STAFF MISSION AT WASHINGTON, AND OTHER ADVISERS.

FOR THE SOVIET UNION:

THE CHAIRMAN OF THE COUNCIL OF PEOPLES COMMISSARS, J V STALIN, PEOPLES COMMISSAR FOR FOREIGN AFFAIRS, V M MOLOTOV, FLEET ADMIRAL N G KUZNETSOV, PEOPLES COMMISSAR, THE NAVAL FLEET OF THE U.S.S.R, A I ANTONOV, CHIEF OF STAFF OF THE RED ARMY, A YA VYSHINSKI, DEPUTY PEOPLES COMMISSAR FOR FOREGIN AFFAIRS; S I KAVATRADZE, ASSISTANT PEOPLES COMMISSAR FOR FOREIGN AFFAIRS, I M MAISKY, ASSISTANT PEOPLES COMMISSAR FOR FOREIGN AFFAIRS, ADMIRAL S G KUCHEROV, CHIEF OF STAFF OF THE NAVAL FLEET, F T GUSEV, AMBASSADOR OF THE SOVIET UNION IN GREAT BRITAIN, A A GROMYKO, AMBASSADOR OF THE SOVIET UNION IN THE UNITED STATES OF AMERICA, K V NOVIKOV, MEMBERS OF THE COLLEGIUM OF THE COMMISSARIAT FOR FOREIGN AFFAIRS, DIRECTOR OF THE SECOND EUROPEAN DIVISION OF THE COMMISSARIAT FOR FOREIGN AFFAIRS, S K TSARAPKIN, MEMBERS OF THE COLLEGIUM OF THE COMMISSARIAT FOR FOREIGN AFFAIRS, S P KOZYREV,

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THE PRIME MINISTER, MR WINSTON S CHURCHILL, M.P., MR C R ATTLEE, M.P.; THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, MR ANTHONY EDEN, M.P.; AND MR ERNEST BEVIN, M.P. LORD LEATHERS, MINISTER OF WAR TRANSPORT. SIR ALEXANDER CADOGAN, PERMANENT UNDER SECRETARY OF STATE FOR FOREIGN AFFAIRS. SIR ARCHIBALD CLARK KERR, H.M. AMBASSADOR AT MOSCOW. SIR WALTER MONCKTON, HEAD OF THE UNITED KINGDOM DELEGATION TO MOSCOW REPARATIONS COMMISSION. SIR WILLIAM STRANG, POLITICAL ADVISER TO THE COMMANDER-IN-CHIEF; BRITISH ZONE IN GERMANY. SIR EDWARD BRIDGES, SECRETARY OF THE CABINET, FIELD MARSHAL SIR ALAN BROOKE, CHIEF OF THE IMPERIAL GENERAL STAFF, MARSHAL OF THE ROYAL AIR FORCE, SIR CHARLES PORTAL, CHIEF OF THE AIR STAFF, ADMIRAL OF THE FLEET, SIR ANDREW CUNNINGHAM, FIRST SEA LORD, GENERAL SIR HASTINGS ISMAY, CHIEF OF STAFF TO THE MINISTER OF DEFENCE, FIELD MARSHAL SIR HAROLD ALEXANDER, SUPREME ALLIED COMMANDER, MEDITERRANEAN THEATRE, FIELD MARSHAL SIR HENRY MAITLAND WILSON, HEAD OF THE BRITISH JOINT STAFF MISSION AT WASHINGTON, AND OTHER ADVISERS.

FOR THE SOVIET UNION:

THE CHAIRMAN OF THE COUNCIL OF PEOPLES COMMISSARS, J V STALIN, PEOPLES COMMISSAR FOR FOREIGN AFFAIRS, V M MOLOTOV, FLEET ADMIRAL N G KUZNETSOV, PEOPLES COMMISSAR, THE NAVAL FLEET OF THE U.S.S.R, A I ANTONOV, CHIEF OF STAFF OF THE RED ARMY, A YA VYSHINSKI, DEPUTY PEOPLES COMMISSAR FOR FOREGIN AFFAIRS; S I KAVATRADZE, ASSISTANT PEOPLES COMMISSAR FOR FOREIGN AFFAIRS, I M MAISKY, ASSISTANT PEOPLES COMMISSAR FOR FOREIGN AFFAIRS, ADMIRAL S G KUCHEROV, CHIEF OF STAFF OF THE NAVAL FLEET, F T GUSEV, AMBASSADOR OF THE SOVIET UNION IN GREAT BRITAIN, A A GROMYKO, AMBASSADOR OF THE SOVIET UNION IN THE UNITED STATES OF AMERICA, K V NOVIKOV, MEMBERS OF THE COLLEGIUM OF THE COMMISSARIAT FOR FOREIGN AFFAIRS, DIRECTOR OF THE SECOND EUROPEAN DIVISION , S K TSARAPKIN, MEMBERS OF THE COLLEGIUM OF THE COMMISSARIAT FOR FOREGIN AFFAIRS, DIRECTOR OF THE UNITED STATES DIVISION, S P KOZYREV, DIRECTOR OF THE FIRST EUROPEAN DIVISION OF THE COMMISSARIAT FOR FOREIGN AFFAIRS, A A LAVRISKHEV, DIRECTOR OF THE DIVISION OF BALKAN COUNTRIES, COMMISSARIAT FOR FOREIGN AFFAIRS, A A SOBOLEV, CHIEF OF THE POLITICAL SECTION OF THE SOVIET MILITARY ADMINISTRATION IN GERMANY, I Z SABUROV, ASSISTANT TO THE CHIEF OF THE SOVIET MILITARY ADMINISTRATION IN GERMANY, A A GOLUNSKY, EXPERT CONSULTANT OF THE COMMISSARIAT FOR FOREIGN AFFAIRS, AND ALSO POLITICAL, MILITARY AND TECHNICAL ASSISTANTS.

4851

STATE DEPARTMENT:

ACTING SECRETARY TODAY ISSUED THE FOLLOWING STATEMENT:

THE DEPARTMENT HAS RECEIVED A REPORT FROM THE AMERICAN EMBASSY AT BUENOS AIRES REGARDING A CALL MADE ON AMBASSADOR BRADEN YESTERDAY BY REPRESENTATIVES OF ARGENTINE LABOR UNIONS. THESE LABOR LEADERS CALLED AT THEIR OWN REQUEST IN ORDER TO EXPRESS THEIR DISAPPROVAL OF THE RECENT CAMPAIGN OF DEFAMATION DIRECTED AT THE AMBASSADOR IN ARGENTINA. THEY ASSURED AMBASSADOR BRADEN THAT ALL INDEPENDENT LABOR UNIONS AND THE VAST MAJORITY OF THE ARGENTINE PEOPLE ARE IN COMPLETE SYMPATHY WITH THE GOVERNMENT AND PEOPLE OF THE UNITED STATES AND WITH THE

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AMBASSADOR PERSONALLY, AND STATED THAT ARGENTINE WORKERS ARE PROUD THAT THE NORTH AMERICAN PEOPLE IS A PEOPLE OF THE AMERICAN CONTINENT.

THE DELEGATE OF THE CONFEDERATION OF LATIN-AMERICAN WORKERS STATED THAT THESE VIEWS REPRESENT THE OPINION OF ALL LATIN-AMERICAN WORKERS.

AMBASSADOR BRADEN WAS EXPRESSLY AUTHORIZED AND REQUESTED BY THE LABOR REPRESENTATIVES WHO CALLED UPON HIM TO MAKE THEIR DECLARATIONS PUBLIC.

THE DEPARTMENT NATURALLY IS DEEPLY GRATIFIED BY THE FRIENDLY STATEMENTS MADE BY THESE ARGENTINE LABOR LEADERS ABOUT THE AMERICAN PEOPLE AND GOVERNMENT. FRIENDLY AND UNDERSTANDING RELATIONS BETWEEN THE PEOPLES OF ARGENTINA AND THE UNITED STATES ARE PRIME OBJECTIVES OF OUR GOVERNMENT.

A LIST OF THE ARGENTINE LABOR UNIONS WHOSE REPRESENTATIVES VISITED AMBASSADOR BRADEN FOLLOWS:

FEDERACION OBRERA NACIONAL DE LA CONSTRUCTION; SINDICATO OBRERO DE LA CONSTRUCCIONE DE LA CAPITAL FEDERAL; FEDERACIONE GRAFICA BONARENSE; FEDERACIONE ARGENTINA DE TRABAJDORES DE LA IMPRENTA; UNION OBRERA LOCAL DE LA CAPITAL FEDERAL; UNION OBRERA DE CURTIDORES; SINDICATO DE OBREROS PINTORES; SINDICATO OBRERO DE LA INDUSTRIA METALUGICOS; SINDICATO OBRERO DE LA ALIMENTACION; UNION OBRERA TEXTIL; SINDICATO OBRERO DE LA INDUSTRIA DEL VESTIDO; SINDICATO DE CHOFERES DE CAMIONES Y ANEXOS.

CHILEAN COMMERCIAL AGREEMENT: THE GOVERNMENTS OF THE UNITED STATES AND CHILE CONCLUDED ON JULY 30, 1945, BY MEANS OF AN EXCHANGE OF NOTES A PROVISIONAL COMMERCIAL AGREEMENT WHEREBY THE CHILEAN GOVERNMENT GRANTED TO THE COMMERCE OF THE UNITED STATES, WITHOUT COMPENSATION, REDUCTIONS IN THE CHILEAN IMPORT DUTIES ON CERTAIN COMMODITIES, THE REDUCTIONS TO CONTINUE IN FORCE FOR A PERIOD OF ONE YEAR UNLESS THE AGREEMENT IS SUPERSEDED WITHIN THAT TIME BY A MORE COMPREHENSIVE COMMERCIAL AGREEMENT. THE AGREEMENT MAY ALSO BE TERMINATED BY EITHER GOVERNMENT UPON GIVING THIRTY DAYS NOTICE.

THE GOVERNMENT OF CHILE ANNOUNCED THAT ITS DECISION TO MAKE THESE UNILATERAL DUTY CONCESSIONS WAS TAKEN IN THE INTEREST OF THE EXPANSION AND LIBERALIZATION OF TRADE IN ACCORDANCE WITH THE ECONOMIC OBJECTIVES OF THE ATLANTIC CHARTER AND OF THE RECENT INTER-AMERICAN CONFERENCE ON PROBLEMS OF WAR AND PEACE AT MEXICO CITY.

BOTH GOVERNMENTS TOOK ADVANTAGE OF THE OCCASION TO EXPRESS A WILLINGNESS TO UNDERTAKE NEGOTIATIONS FOR THE CONCLUSION OF A TREATY OF

FEDERACION OBRERA NACIONAL DE LA CONSTRUCCION; SINDICATO DE LA CONSTRUCCIONE DE LA CAPITAL FEDERAL; FEDERACIONE GRAFICA BONARENSE; FEDERACIONE ARGENTINA DE TRABAJDORES DE LA IMPRENTA; UNION OBRERA LOCAL DE LA CAPITAL FEDERAL; UNION OBRERA DE CURTIDORES; SINDICATO DE OBREROS PINTORES; SINDICATO OBRERO DE LA INDUSTRIA METALUGICOS; SINDICATO OBRERO DE LA ALIMENTACION; UNION OBRERA TEXTIL; SINDICATO OBRERO DE LA INDUSTRIA DEL VESTIDO; SINDICATO DE CHOFERES DE CAMIONES Y ANEXOS.

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BOTH GOVERNMENTS TOOK ADVANTAGE OF THE OCCASION TO EXPRESS A WILLINGNESS TO UNDERTAKE NEGOTIATIONS FOR THE CONCLUSION OF A TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION.

THE EXCHANGE OF NOTES TOOK PLACE IN SANTIAGO BETWEEN THE AMERICAN AMBASSADOR AND THE ACTING MINISTER OF FOREIGN AFFAIRS, OF CHILE. THE NEW AGREEMENT DOES NOT AFFECT THE PROVISIONAL COMMERCIAL AGREEMENT BETWEEN THE UNITED STATES AND CHILE WHICH HAS BEEN IN FORCE SINCE FEBRUARY 1, 1938.

RECEIVED AT: 0606/3RD - GARL E. DANFORD, CRM, USN - 7730 KCS.

SECRET

PERSONAL

28 July 1945.

My dear General:

I am enclosing herewith copy #72 of my secret paper of 23 June 1945 on the future policy toward Italy, which I promised to send you. Will you please return this copy to me when it has served your purpose.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Brigadier General Thoburn K. Brown, U.S.A.,
Commanding General,
Rome Area Allied Command.

See 63

4850

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SECRET

SECRET

PERSONAL

28 July 1945.

My dear General:

I am enclosing herewith copy #73 of my secret paper of 23 June 1945 on the future policy toward Italy, for your information. Will you please return this copy to me when it has served your purpose.

Very truly yours,

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Lieutenant General Lucian K. Truscott, Jr., USA,
Commanding General,
FIFTH Army.

See 64

600

SECRET

CROSS REFERENCE SHEET

SAC (45) 7 AFHQ 27 July 1945

SACMED'S CONFERENCE

FUTURE POLICY TOWARD ITALY

Enclosing copy of covering letter dispathced by SAC with copy of CC 1001 of 23 June 1945.

DOCUMENT FILED IN ~~CC 1001~~ CC 1002-2/w

4548 1002-2/5

(59) AND (60)

S E C R E T

ALLIED FORCE HEADQUARTERS
Supreme Allied Commander's Secretariat

SAC (45) 1st Meeting
26th July 1945

SUPREME ALLIED COMMANDER'S CONFERENCE

* * * * *

EXTRACT:

7. FUTURE POLICY TOWARDS ITALY

(Paper No. SAC (45) 3
JPS Study No. P/308 (Final))

THE CONFERENCE had before them a letter from the Chief Commissioner, Allied Commission, advocating the adoption by the Allies of a policy of active interest in regard to the future of ITALY, together with a draft letter for signature by the Supreme Allied Commander, forwarding the Chief Commissioner's letter to the Combined Chiefs of Staff and making certain comments.

MAJOR GENERAL LEMNITZER said that the Chief Commissioner's letter had already been given a wide distribution both in LONDON and in WASHINGTON. It was, therefore, extremely desirable that copies should be forwarded officially to the Chiefs of Staff. However, referring to paragraph 4 of the JPS Study, he questioned whether it was desirable to raise the issue of the ability of UNRRA to assume responsibility for civil supplies in ITALY.

MAJOR GENERAL MAGRUDER, referring to the Deputy Chief of Staff's last point, said that an enquiry, in regard to the arrangements required on the termination of military responsibility for civil supplies, had been received from the Supreme Allied Commander in BERLIN. The question arose because, on the U.S. side, the decision had been taken to terminate the military responsibility for civil supplies in ITALY at an early date. At that time the Foreign Economics Administration would take over the United States financial responsibilities which were involved. No parallel decision had been taken on the British side to cover the interim period until UNRRA would assume responsibility in October. It had been suggested that during this interim period UNRRA should take over financial responsibility, while the physical handling of the supplies should continue to be a matter for the military authorities in conjunction with the Allied Commission. This proposal that UNRRA should assume financial responsibility had been agreed by AFHQ. There remained, however, the greatest objection to UNRRA

4847

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THE DEPUTY SUPREME ALLIED COMMANDER considered that as the Chief Commissioner's letter had already been circulated both in LONDON and in WASHINGTON, the purpose of the Supreme Allied Commander's letter was merely to forward copies so as to regularize the existing position. It was not, therefore, desirable to use that forwarding letter to raise this separate and complicated question.

MR. KIRK suggested that the Chief Commissioner's letter might be forwarded without comment.

ADMIRAL CUNNINGHAM, disagreeing with the United States Political Adviser, thought that the Supreme Allied Commander must comment on the

58

See 59

SECRET

military matters raised in the basic letter. He thought therefore, that it should be made clear that the Supreme Allied Commander did not necessarily support these views. This was particularly applicable to the naval recommandations with certain of which he (Admiral Cunningham) was in complete disagreement. He wished, therefore, to see the final paragraph of the Supreme Allied Commander's draft letter strengthened so as to state this disagreement.

THE DEPUTY SUPREME ALLIED COMMANDER considered that it would be wise in forwarding the paper to the Combined Chiefs of Staff, to notify them that the Supreme Allied Commander's comments on the military aspects of the paper would follow.

LIEUTENANT GENERAL MORGAN thought that it would be unwise to express any strong views in the present letter. The time for doing this would be when the Supreme Allied Commander forwarded his detailed military comments.

THE DEPUTY SUPREME ALLIED COMMANDER:

Instructed the Secretary to prepare for his signature the letter circulated under JPS Paper NO. P/308 (Final), deleting the paragraph referring to UNRRA responsibilities, and subsequently to despatch it to the Combined and British Chiefs of Staff, together with copies of the letter from the Chief Commissioner, Allied Commission.

See 59

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See (59)

4846

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SECRET

CROSS REFERENCE SHEET

P/308 (Final) 23 July 1945

FUTURE POLICY TOWARDS ITALY

Note by Mediterranean Joint Planning Staff

1002-2/C

DOCUMENT FILED IN ~~1001/00~~

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57

SECRET

ALLIED FORCE HEADQUARTERS
Supreme Allied Commander's Secretariat

SECRET

SAC (45) 2
22 July 1945

COPY NO 21

SUPREME ALLIED COMMANDER'S CONFERENCE

FUTURE POLICY TOWARD ITALY

Note by Secretary

49

1. The attached letter from the Chief Commissioner, Allied Commission, is circulated for information.

2. It is proposed that copies of this letter, together with the Supreme Allied Commander's comments, should be forwarded officially to the Combined Chiefs of Staff and to the British Chiefs of Staff.

3. A draft covering letter is, therefore, in preparation and will be circulated shortly for the approval of the Supreme Allied Commander.

See 57

/s/ J. G. SHEEHAN,
LIEUTENANT COLONEL,
SECRETARY.

See 58

4844

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56

USIS 1 U.S. SENATOR URGES CONTINUED RELIEF TO ITALY

WASHINGTON, July 20 -- "The New York Times" Tuesday reported that United States Senator James M. Mead, Democrat of New York, has urged continuation of relief to Italy under administrative direction from the United States. The "Times" said in part:

"Mead, who is chairman of the (U.S.) War Investigation Committee, said reports received by him showed that economic aid to Italy was necessary to insure political stability and 'to prevent resurgence' of Fascist forces against which we have fought.

"The Senator mentioned talks he had with Brigadier General William O'Dwyer, former vice president of the Allied Commission in Italy, and with A.G. Antolini, who succeeded O'Dwyer and who has recently come to this country. He said they pointed out ~~that~~ 4&i, unless Italy received coal, raw materials, some essential production equipment and food, "we may expect serious economic dissension in Italy.' Mead also mentioned conferences at the White House and with members of his committee who have visited Italy to report

resurgence' of Fascist forces against which we have fought.

"The Senator mentioned talks he had with Brigadier General William O'Dwyer, former vice president of the Allied Commission in Italy, and with A.G. Antolini, who succeeded O'Dwyer and who has recently come to this country. He said they pointed out that, unless Italy received coal, raw materials, some essential production equipment and food, "we may expect serious economic dissension in Italy.' Mead also mentioned conferences at the White House and with members of his committee who have visited Italy to report on the situation.

"He said:'As a result of these conferences and reports, I have formed the conviction that critically needed supplies must continue to flow to Italy for a limited time, even though the period of official Allied military responsibility is terminated.'

"The Senator added that O'Dwyer had stated it was in the interest of European stability and in our own self-interest that we see to it that serious privation, unemployment and economic dislocation do not occur in Italy.

"Much assistance could be given to Italy through disposal of war surpluses and this was progressing at a satisfactory rate, he (Mead) declared."

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HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

MEMORANDUM

15th July 1945.

To: C.A.O.
A.F.H.Q.

THE FUTURE OF ITALY.

What has happened to the Chief Commissioner's paper of June 23rd? It is known that Field-Marshal Alexander took a copy to London and sent it with his concurrence to the Foreign Office. D.C.A. and P.U.S. were handed copies by the Executive Commissioner, Allied Commission, and it is hoped that Brigadier-General Spofford has taken copies back to Washington. But it was hoped and might reasonably have been expected that A.F.H.Q. would forward it, with comment, to C.C.S. at once.

2. Whatever may be the reception of the paper it is necessary to make decisions, if only provisional, for the future of the Allied Commission and its 1,300 officers after the turn over to the Italian Government which will take place on September 1st.

3. It is estimated that the winding up of the Regions will take approximately one month. Provincial Commissioners with their civil affairs and police staffs will be withdrawn to Regional Headquarters on September 1st. But the Allied Commission will have to continue until October 1st in nearly full operation and, if to be liquidated, will take until November 1st or even later to dissolve. This fits in pretty well with the life of A.F.H.Q. predicted by Saomed at four months. The Chief Commissioner must be brought fully into the picture in redeployment plans.

4. Plans will be made for the retention of certain Liaison officers in the north similar to those in Bari, Catania and Palermo and for economic advisory staff which will probably be concentrated in Milan. Transportation officers will presumably be needed.

The remainder of the Allied Officers will be at the disposal of the War Office and War Department for service in other theatres unless it is decided to retain a number to assist with elections. This depends to a certain extent on the number of troops retained.

5. Although London was averse to the Police Mission it is essential that we should press for this. Public Order is at a low ebb and unless the Police Forces are reorganised will deteriorate. Admiral Stone agrees with the undesirability of an American Police Mission (recommended by London). We should try

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

the Dominions and could, I am sure, obtain the right type from Canada or South Africa.

6. It is essential that the recommendations made in the Chief Commissioner's paper 8251/180/EC of 7th June for the interim Italian Army be approved this month and that the whole of the 140,000 be handed over to the Italian Government on September 1st. Thenceforth the Italian Government should have complete control of the Italian Army for Italy (excluding service units now working for the United States and British authorities). Without an army the Italian Government cannot govern. New directions should be issued as to relations between District and Area Commanders and the Italian Army. We must avoid repetition of the Bari incident and the move of the Garibaldi Division against the wishes of the Italian Government.

7. Pressure must be brought on Political Advisers and Embassies to expedite the organisation of M.O.I., British Council and U.S.I.S., in order that there may be no hiatus between removal of A.M.G., and continuation of British and U.S. organisations for spreading democratic ideas. At present none of these organisations is prepared to function fully - the British are far behind the Americans.

8. The Economic Section of the Allied Commission has been asked to prepare a plan showing its future organisation and functions after October 1st, assuming (a) that U.N.R.R.A. will thereafter be responsible for procurement and distribution of disease and unrest supplies; (b) that the Allied Commission continues or is superseded by an Allied Mission. 4541

Personally I foresee the possibility of a large reduction in staff and I hope that the necessity for this will be borne in mind in future discussions on Advisory Boards, etc.

54

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Venezia Giulia.

There is a strong feeling in the Allied Commission that certain sections of A.F.H.Q. regard A.M.G., Venezia Giulia as being independent of the Allied Commission or desire that it should be so. Direct telephonic communications are made by VIII Army to G-5 on the subject. We understand that A.F.H.Q. intends to set up a Police Establishment separate from the A.M.G. establishment in the Area, etc. General Harding recently appointed Lt.Col. Smith as Provincial Commissioner for Gorizia thereby defeating the Allied Commission's objective in creating parity between U.S., and British officers in the administration. We desire confirmation that S.C.A.O., Venezia Giulia and his staff come under operational command of XIII Corps and under the technical control of the Allied Commission (including all matters of personnel). This is the old formula for Army A.M.Gs.

The Allied Commission intends to strengthen the quality of officers in A.M.G., Venezia Giulia as the northern Regions are turned over to the Italian Government.

61

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Phase II in North Italy.

Vth Army are at present intending to exercise certain A.M.G. functions in their area, and are retaining about 20 - 30 officers and 50 EM/OR (badly needed for Venezia Giulia) for this purpose. G-5 has told the Allied Commission that this not A.F.H.Q. intention and Colonel Fiske will attempt to persuade Vth Army to agree. But I think an order from A.F.H.Q. will be necessary and is obviously desirable.

Public Security in North Italy.

At a recent meeting of the Regional Commissioners it was agreed that the situation was serious. The facts are that Police Agencies are ineffective. Allied troops are rapidly diminishing and public confidence is very low. The result is that A.M.G. and the Italian police can gather no information regarding criminals (e.g. Prison massacre at Schio) and hidden arms. Districts are co-operating well.

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

London Co-Ordinating Committee.

This Committee co-ordinates supply problems for north-west Europe. SHAEF was represented by members of rear (London) H.Q. SHAEF and found it most valuable. Sir Desmond Morton and S.L.A.O., recommend representation of Sacmed both for military and civil supply problems and suggest formation of a small nucleus of A.F.H.Q. in London for this purpose.

Transport for various agencies who will succeed A.C.

U.N.R.R.A., M.O.I., I.G.C.R., will all need transport both domestic and haulage when they assume new and greater responsibilities. They will probably be unable to acquire them from home sources and plans should be made for them to take over from Allied Commission.

Russians.

The Mission is multiplying. I suggest strong action to reduce both Allied Commission and Displaced Persons and Refugees missions to reasonable size and authority given to Allied Commission and R.A.A.C. to withhold rations from any surplus.

54

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Accommodation.

Air Ministry in Rome for the Italian Government.
Hotel for Italian Consulta in Rome.
Continental Hotel & IV Corps Billets in Milan.

A far more liberal implementation of policy regarding all requisitioned buildings.

Financing of Imports.

If the financing of Imports is to be an Italian responsibility after August, they must be told now.

Admiral Stone
Gen Browning

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

Civilianisation.

It appears obvious that whatever happens to the Commission both U.N.R.R.A., and the successor to the commission will require a number of officers to carry on the functions of procurement, distribution etc. These appointments will be civilian and it is essential that we should study the civilianisation immediately. Over a month ago I asked for a civilian expert to be sent from Troopers. None has come.

Unless officers can be told much more about conditions of service, pay, gratuities, wives, leave, rations, etc., we shall lose for Italy a number of qualified men and will jeopardise the successful continuation of the Commission's work.

We should request immediate despatch of a civilian expert and then study the matter with him and U.N.R.R.A.

61

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

TOP SECRET.

MEMORANDUM

TO : Chief Commissioner. 12 July 1945.

1. The following points have emerged as a result of my visit to London and meeting there with SACMED, the War Office, Sir Noel Charles, the Foreign Office, Ministry of Production, SLAC, British Council and Sir Desmond Morton.

2. Your paper CC 1001 of 23 June is generally accepted as defining the problems of Italy clearly and accurately. It is the policy of H.M.G. to preserve Italy as a bastion of democracy in the Mediterranean area, but the recommendations made in paras 7 - 13 are not accepted in toto.

3. The recommendation for an interim agreement is unacceptable because it is H.M.G's policy to press for a Treaty of Peace with Italy at a very early date. The draft treaty is already before the Cabinet and if approved will be submitted to the U.S. Government and the Governments of the Allied Nations. Although Foreign Office are optimistic on an early termination of these negotiations, the general feeling is that they cannot be signed until the end of the year. The Foreign Office draft of the treaty does not follow your recommendation that terms should be non punitive. Italy, for instance, will be obliged "to renounce her Colonies to the United Nations" and there is no mention of any subsequent mandatory powers being given to her over any one of them, although that may be the intention. The military terms follow your recommendation with regard to the Army, but permit a far smaller Navy, including probably only two battleships. One of the reasons for this is that Russia, Greece and Yugoslavia claim and will probably be allowed to take over part of the existing fleet. These military terms are for a period of five years, after which Italy presumably will be allowed to expand her armed forces if she finds it possible to do so.

4. I found universal and strong opposition against the establishment of a Police Mission, firstly, because of unwillingness to accept responsibility for law and order, and, secondly, because of lack of manpower. I pressed the point that this Mission would be advisory only, and recommended that if manpower is unavailable from U.K. that it should be found from the Dominions. I feel that this should be followed up.

4935

5. The Allied deployment plans will not allow retention of five divisions in Italy and it is probable that by the early part of 1946 there will be no Allied troops in Italy except two divisions in Venezia Giulia unless it is decided to keep part of the strategic force for Europe in Italy. Sir Desmond Morton has also recommended that Italy should be used as a training ground for U.S. troops en route for the Pacific.

6. The importance of Free Elections in Italy is fully recognised. The difficulty or perhaps impossibility of arranging for the National Elections to take place before the Spring is not fully realised in spite of your telegram 1266 of 5 July. Instructions will be given to H.M. Ambassador to bring the strongest pressure on the Italian Government to arrange for the National Elections

/to be held ...

TOP SECRET

to be held this year. The U.S. Government will be asked to give similar instructions to the U.S. Ambassador in Rome. If the Italian Government find it impossible to do this, the responsibility will then be Italian and not Allied.

7. It was stated by the Foreign Office that it would be impossible to include in the treaty any assurances of economic help although such might be given by other means. It was considered quite impossible to promise any quota of coal.

8. I was told that the recommendation on the educative side would have to be met by British Council, U.S.I.S. and the Press Attaches to the Embassies. I pointed out that the British Council at any rate was not at present in a fit state to undertake these responsibilities and asked that urgent steps should be taken to correct this.

9. On the economic side the policy would be to hand over to UNRRA all procurement and distribution of food and raw materials on 1 October. I pointed out that this would mean an alteration of the charter, which cannot be done until 16 August, when UNRRA Council meets and that even if this is agreed it is most unlikely that UNRRA will be ready on the ground by 1 October. It is assumed in London that a number of the A.C. staff will be taken over by UNRRA in order to make it capable of fulfilling its duties. The economic side is dealt with in the attached note by the Ministry of Production. It is not intended to form a Combined Mission but to wind up the Economic Section and to establish U.S. and U.K. civilian Economic Missions in Italy to be attached to the Embassies and to advise the Italian Government on economic affairs.

4834

10. The general policy involves the winding up of the Allied Commission in every respect as soon as Military Government ceases and UNRRA takes over. It is accepted that the Military Missions must remain but the establishment of an Allied Mission for Coordination was not regarded with favour.

11. I do not think that we need regard the conclusions which I have come to above too tragically at the moment until we hear the policy adopted at the meeting of the President, the Prime Minister and Stalin in Berlin, particularly as we know that SACMED agrees with the bulk of the recommendations made in your paper.

MSC

Brigadier,
Executive Commissioner.

(53)

TOP SECRET

IMS

THE FUTURE ANGLO-AMERICAN ECONOMY SET UP IN ITALY

Note by the Ministry
of Production

1. Now that the war in Europe is over and the military authorities in the United States and the United Kingdom are turning their minds to the dissolution of Combined Commands and all their attendant organisations in the European and Mediterranean theatres of war it is appropriate to give some thought both to the time and to the scope of the changes in the handling of economic affairs in Italy which will be necessitated by the withdrawal of the combined military control.

2. At present Sacmed reporting to C.C.S. in Washington is the ultimate authority governing all Italian economic affairs in the parts of Italy not already handed back to the Italian Government and in those parts that have been handed back Sacmed still retains an advisory function. These controlling and advisory functions are discharged by Sacmed working through the Allied Military Government and the Allied Commission in Rome and the whole forms a fully integrated Anglo-American organisation directed ultimately by the C.C.S. in Washington.

3. Our ultimate aim must be to hand back complete and full control of Italian economic affairs to the Italian Government by removing all vestige of direct Allied interference. This can only be realised after the conclusion of peace with Italy and it is therefore to be

4533

of Italy not already handed back to the Italian Government and in those parts that have been handed back Sacmed still retains an advisory function. These controlling and advisory functions are discharged by Sacmed working through the Allied Military Government and the Allied Commission in Rome and the whole forms a fully integrated Anglo-American organisation directed ultimately by the C.C.S. in Washington.

3. Our ultimate aim must be to hand back complete and full control of Italian economic affairs to the Italian Government by removing all vestige of direct Allied interference. This can only be realised after the conclusion of peace with Italy and it is therefore to be hoped that the preparation of a treaty of peace, both in London and Washington, will be pressed forward as much as possible; it cannot, however, be completed for many months to come.

4. So far, however, as economic affairs are concerned, it is suggested that the present military set up of Sacmed/AMG/AC need not be retained right through the intervening period.

5. For reasons of general policy AMG is likely to be wound up in all parts of Italy, except Venezia Giulia, Bolzano and the small Mediterranean islands, by September 1st. When AMG control ceases (with the above-mentioned exceptions) the Allied Commission will retain two main functions on the civil side:-

(a)

(a) Preparation and supervision of the basic (extended disease and unrest) programme A of supplies for Italy. (The preparation and supervision of the Italian rehabilitation programme - the so-called programme B - has already passed to the Italian Government under the Macmillan New Deal).

(b) Advice to the Italian Government in the field of rehabilitation of industry, public works and agriculture, food control, foreign trades, public health, displaced persons, and so on, as well as on the preparation of programme B.

It is clear that (a) must be carried on by the Economic Section of the Allied Commission until some other authority has assumed responsibility. There is no reason, on the other hand, why the Economic Section of the Allied Commission should be kept in being for the sake of its share of the functions listed under (b).

6. It is understood that the United States Government, the Canadian Government and H.M.G. fully intend to propose at the next U.N.R.R.A. Council meeting in London in August that responsibility for programme A should be undertaken by U.N.R.R.A. It is hoped that this change will be approved and can take place by October 1st. As from that date, the activities of the Allied Commission in this respect should cease.

persons, and so on, as well as [illegible]

programme B.

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7. An international organisation like U.N.R.R.A., however, could hardly assume responsibility for giving the Italian Government the kind of advice on economic matters including especially Italian reconstruction indicated under (b) in paragraph 5 above. The need for such advice will, as a matter of fact, be very greatly diminished once the new Italian Government has begun to get into its stride and it will be quite unnecessary for a large combined Anglo-U.S. body to be retained for this purpose alone, whether in the Allied Commission or elsewhere. The functions now performed by the Allied Commission in this respect could well be transferred to small bodies of U.S. and U.K. civilian representatives working through their respective Ambassadors.

/8.

8. While either or both the U.S. and U.K. retain a military commander in Italy the two countries' economic representatives would be responsible for keeping him informed of economic developments.

9. It is not considered necessary or desirable for these Anglo-U.S. civilian representatives to be co-ordinated together into a Combined Mission. Any necessary co-ordination between them could be attained by means of joint working groups on particular problems. Similarly their contact with the Italian Government and/or with the UNRRA mission in Italy could be attained by regular joint meetings.

10. It is understood that the American Government has already laid plans for strengthening the economic side of its Embassy in Rome in the expectation that some arrangement on the above lines will shortly supersede the Economic Section of the Allied Commission in Italy. It is suggested that H.M.G. should lose no time in working out similar plans and that as a start steps should be taken to appoint a high level expert to head the British team. He should be responsible to, and receive his instructions from, S.L.A.C., and he and his team should be attached to the Embassy and be under the general direction of the Ambassador while in Italy. At first he should be provided with a nucleus staff only. Any increase in strength which should ultimately prove to be necessary could be provided either by extra permanent appointments, if possible from the personnel now with the A.C., or by the temporary attachment of experts in particular subjects. This staff under the Economic Adviser would be [illegible]

4832

shortly supersede the Economic Section of the Allied Commission in Italy. It is suggested that R.M.G. should lose no time in working out similar plans and that as a start steps should be taken to appoint a high level expert to head the British team. He should be responsible to, and receive his instructions from, S.I.A.C., and he and his team should be attached to the Embassy and be under the general direction of the Ambassador while in Italy. At first he should be provided with a nucleus staff only. Any increase in strength which should ultimately prove to be necessary could be provided either by extra permanent appointments, if possible from the personnel now with the A.C., or by the temporary attachment of experts in particular subjects. This staff under the Economic Adviser would be parallel to, but independent of, the staff under the Minister Commercial which would deal as heretofore, with questio of import and export trade and other more purely commercial problems including the longer term objective of the full restoration of private trade.

4832

11. It is therefore recommended that Ministers should be invited to consider whether:-

(a) The Economic Section of the Allied Commission can be wound up at the time when U.N.R.R.A. takes over;

(b) Immediate steps should be taken to discuss with the U.S Government the appointment of U.S. and U.K. civilian economic missions in Italy to advise the Italian Gov

53

on economic and reconstruction problems as in 5 (a) above.

(c) As soon as possible, and without awaiting the results of the conversations in (b), steps should be taken to designate a high-level expert to head the British team.

OUTWARD TELEGRAM

KO

VR2020.

[CYPHER]

SPECIAL (ECONOMIC SUPPLY AND RELIEF)

FROM FOREIGN OFFICE TO WASHINGTON

No. 6968. D. 8.45 p.m. 30th June, 1945.

30th June, 1945.

IMMEDIATE rrrrrr

COMPLY

Your telegram 5866 and related telegrams on the finance of relief.

The Chancellor of the Exchequer has now been able to review this question in the light of your telegrams and of the additional information which Harris brought and has decided that we should go forward on the basis which was discussed with Harris when he was here. You should therefore make the following points to the United States Government.

(1) We think that steps should be taken to get UNRRA to assume responsibility for the import of civil supplies to Italy at the earliest possible date. We should also like UNRRA to take a similar responsibility in Austria though we agree that it is premature to proceed with this at present.

(2) We agree that a further general contribution to UNRRA will be needed and that if the Council is to authorise UNRRA's taking on full responsibility in Italy a statement about the availability of further money will have to be made at the next Council meeting.

4831

(3) We consider that, in view of the difficulty of estimating now the rate at which supplies can be absorbed by the non-paying countries and the

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(2) We agree that a further general contribution to UNRRA will be needed and that if the Council is to authorise UNRRA's taking on full responsibility in Italy a statement about the availability of further money will have to be made at the next Council meeting.

(3) We consider that, in view of the difficulty of estimating now the rate at which supplies can be absorbed by the non-paying countries and the needs of such countries in 1946, it would be best to limit our horizon now to a general contribution of 1,000 million dollars. This would adequately cover the needs of the non-paying countries in Europe. When we can see the needs of the non-European countries more clearly we can judge how much they will need and in what form it should be provided. We do not rule out in principle a further contribution in order to provide more adequately for non-European countries but we shall have to judge our capacity with our liabilities for our own liberated territories well in mind.

(4) We think that it should be made clear that the contributing countries cannot be expected to go on subsidising the non-paying countries through UNRRA once the first post-liberation emergency is over. Moreover several of the non-paying countries will not make any real effort towards self-reliance while they believe that the widow's cruse of UNRRA is regularly filled.

/We.....

We believe therefore that the Director General should be requested to state at the next Council that he is taking certain dates as target dates for the closing down of his activities in the various European countries in which he is operating. We suggest that these dates should be 30th June 1946 for Czechoslovakia, Yugoslavia and Albania, 31st December for Poland and Greece, and one year after the assumption of responsibility in Italy. For the purposes of a general statement to be made in August, however, it might perhaps be better to avoid any suggestion of discrimination by referring to 30th June, 1946 as a target for all countries, though it should be made clear that exceptions may be necessary. Harris will remember that we were doubtful whether the programme of shipments during the rest of this year was well distributed among the recipient countries, especially as regards rehabilitation supplies. Yugoslavia is due to receive probably more than she can absorb and Poland less. It would be wise for UNRRA to consider some redistribution of the totals before the figures are made public. Such redistribution would not in our opinion make the supplies inadequate in relation to needs and absorbing capacity of any recipient.

(5) We believe that at some stage before the end of this present year the principal contributing countries should meet with UNRRA representatives to review the financial position of UNRRA once again in order to see how far the existing estimates of the rate of absorption of supplies have been realised and in the light of experience to determine more precisely than is now possible both the duration and scale of the programmes of operations to which UNRRA should work in the various countries.

(6) We are prepared to contribute our share to the new general contribution to UNRRA. As the State Department and United States Treasury know however, our general exchange position is such that every time we agree

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(6) We are prepared to contribute our share to the new general contribution to UNRRA. As the State Department and United States Treasury know however, our general exchange position is such that every time we agree to give free supplies or services to another country we are indirectly borrowing the means to do so from someone else. For these reasons ~~we do not consider that~~ we cannot subscribe as large a proportion of the new contribution as we did of the first. In view of our continued expenditure in Italy beyond the $400 million limit and the other rather similar calls such as the cost of maintaining Polish refugees outside UNRRA (which at present falls entirely upon us) we should have liked to restrict our contribution to $100 million but we recognise that this might make it difficult to secure sufficient money from the Americans and Canadians. We think that the furthest we can go to is 15% i.e., to the equivalent of $150 million and you should therefore inform the Americans and Canadians that this is what we are prepared to do if they agree to go with us for a contribution of $1,000 million.

(7) We realise that there must be some hiatus before

/UNRRA.....

OUTWARD TELEGRAM

UNRRA can take over financial responsibility for supplies to Italy. We consider that during this period the present programming procedure should be continued. As regards procurement responsibility we can accept for this period responsibility for supplies from the United Kingdom, British Colonies and for South African coal. You should accept the American offer to take responsibility in South America.

O.T.P.

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0230

SENIOR UNITED STATES NAVAL LIAISON OFFICER ITALY
ROME, ITALY

FROM: SENALUSLO, ITALY ACTION: COMNAVNAW

CLASSIFICATION: OPERATIONAL PRIORITY INFO:

PRECEDENCE:

ORIGINATED BY: 03

RELEASED BY: 03 DATE: 3 JULY 1945

0312392/JULY/1945.

RADM STONE REQUESTS COMNAVNAW PASS URGENT TO SECNAV MESSAGE FROM CONGRESSMAN QUOTE FOR FORRESTAL FROM PLOESER X WILL YOU PLEASE HAVE FOLLOWING MESSAGE DELIVERED TO THE PRESIDENT AS SOON AS POSSIBLE SUBQUOTE MR PRESIDNET X I BELIEVE IT IMPERATIVE THAT YOU PERSONALLY READ ORIGINAL REPORT OF REAR ADMIRAL STONE CHIEF COMMISSIONER ALLIED COMMISSION IN ITALY DATED TWO THREE JUNE AND FORWARDED TO STATE DEPARTMENT TWO SEVEN JUNE BY AMBASSADOR KIRK X THIS IS IMPORTANT TO YOUR FORTHCOMING EUROPEAN CONFERENCE X PERSONAL REGARDS X SIGNED WALTER CHARLIE PLOESER X MIKE CHARLIE SUBQUOTE UNQUOTE X

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DISTRIBUTION:

INTERNAL EXTERNAL: CH COMM AC

ACTION:

INFO : 00-03, 01-02.

TOR: ~~INCOMING~~ - OUTGOING: D/T GR. 0312392/JULY/1945
DISPATCH 1945.

0 2 3 1

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HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

URGENT

3 July 1945.

FROM: SENALUSLO ITALY FROM HQ ALCOM SIGNED STONE

TO : COMNAVNAM

SECRET URGENT

CONGRESSMAN PLOESER IN ROME WITH HOUSE NAVAL AFFAIRS SUBCOMMITTEE REQUESTS FOLLOWING MESSAGE BE FORWARDED URGENTLY TO SECNAV QUOTE FOR FORRESTAL FROM PLOESER X WILL YOU PLEASE HAVE FOLLOWING MESSAGE DELIVERED TO THE PRESIDENT AS SOON AS POSSIBLE SUBQUOTE MR PRESIDENT X I BELIEVE IT IMPERATIVE THAT YOU PERSONALLY READ ORIGINAL REPORT OF REAR ADMIRAL STONE CHIEF COMMISSIONER ALLIED COMMISSION IN ITALY DATED TWO THREE JUNE AND FORWARDED TO STATE DEPARTMENT TWO SEVEN JUNE BY AMBASSADOR KIRK X THIS IS IMPORTANT TO YOUR FORTHCOMING EUROPEAN CONFERENCE X PERSONAL REGARDS X SIGNED WALTER CHARLIE PLOESER X MIKE CHARLIE SUBQUOTE UNQUOTE

Signature of Originator:

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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See 57

51

SECRET

10 July 1945

Admiral Stone--

This message has been relayed by telephone to General Spofford's secretary who will pass it on to the General.

J.L.

CONFIRMATION COPY

Rome, 2 July 1945.

Mr. President:-

I believe it imperative that you personally read original report "Future Policy Toward Italy" of Rear Admiral Stone, Chief Commissioner, Allied Commission in Italy, dated 22 June and forwarded to State Department 27 June by Ambassador Kirk. This is important to your forthcoming European Conference.

Personal regards.

WALTER C. PLOESER, M.C.

File,

4827

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SECRET

CC 1001 26 June 1945.

SUBJECT: Future Policy Toward Italy.

TO : Allied Force Headquarters.
ATTENTION: G-5 Section.

(49)

1. As requested, I am forwarding herewith for the use of your Headquarters twenty (20) additional copies of my letter of 23 June, same file and subject, to the Supreme Allied Commander.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Encl.- ltr. CC 1001 of 23 June 1945 to
SACMED, Secret, Copies Nos. 34-53 incl.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 1001 23 June 1945.

SUBJECT: Future Policy Toward Italy.

TO : Supreme Allied Commander, Mediterranean Theater.

P-10570/ca 1. Italy is at the parting of the ways. Defeated in 1943, she has been fought over and occupied by Allies or Germans for two years; she has suffered civil war in the North where partisans have fought Fascists, and Republican troops have been in battle against the new Italian Army. She is split into eight conflicting political parties with membership of less than 10 per cent of the population and no outstanding leader has come to the fore; she has had five Governments since September 1943; a million of her men have been in exile either as slave labor or as prisoners of war; more than half a million of her people have suffered dislocation of home; her financial position is precarious; her economy has been totally disrupted; she has no merchant fleet and few foreign markets; without coal and raw materials she faces unemployment amounting to several millions; the country is full of arms illegally held. Like other European countries devastated by the war, the ground in Italy is fertile for the rapid growth of the seeds of an anarchical movement fostered by Moscow to bring Italy within the sphere of Russian influence. Already there are signs that, if present conditions long

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10011

cal parties with membership of less than 10 per cent of the population and no outstanding leader has come to the fore; she has had five Governments since September 1943; a million of her men have been in exile either as slave labor or as prisoners of war; more than half a million of her people have suffered dislocation of home; her financial position is precarious; her economy has been totally disrupted; she has no merchant fleet and few foreign markets; without coal and raw materials she faces unemployment amounting to several millions; the country is full of arms illegally held. Like other European countries devastated by the war, the ground in Italy is fertile for the rapid growth of the seeds of an anarchical movement fostered by Moscow to bring Italy within the sphere of Russian influence. Already there are signs that, if present conditions long continue, Communism will triumph -- possibly by force.

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1001/C

X-1050/a 2. Communistic growth cannot be blocked by restrictive or repressive measures. Since the conditions which engender it are both material and moral, the only hope of restraining it in Italy is to ameliorate these conditions -- to assist Italy economically, and to lift her morale by admitting her to a position of respectability in the family of nations.

X-1050/a 3. It can be argued that the expiation of Italy's crime of 1940 must rightly be prolonged: indeed, her defeat and the course of battle since 1943 have tended to ensure that. Circumstances, if

49

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See 56

not the will of the United Nations, will see to it that she will not revert again to the artificial position of a great power which Mussolini's regime achieved. But already her people have shown, by their profession and acts of co-belligerency with the Allies, not only in the armed forces of the post-Armistice Italian Government, but among the Partisans in the North, that they are willing to abandon totalitarianism and work for the same freedoms as the Allies who liberated them. The great majority of Italians desire to see a democratic Italy. They will only permit Communism to take hold because of fear -- since that party is the best organized and best armed in the country -- or because of apathy arising from a generation of non-participation in democratic political life, the shame of defeat, and the results of privation. Their efforts to attain democracy may be ineffective compared with others; they may appear self centered, and, like many liberated peoples, show scant gratitude to their liberators. But unless they receive help and guidance from the democracies, particularly the United States and the United Kingdom, they will inevitably turn to the USSR and join the group of "police" states, united by Communism, which is extending westward from Russia.

X-1850/Ca 4. It is in the material interests of the United States and Great Britain to prevent this. Nor can the historical and moral issues be disregarded. American and British influence, military, political and economic, have been predominant in Italy for nearly

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of defeat, and the results of privation. Their efforts to attain democracy may be ineffective compared with others; they may appear self centered, and, like many liberated peoples, show scant gratitude to their liberators. But unless they receive help and guidance from the democracies, particularly the United States and the United Kingdom, they will inevitably turn to the USSR and join the group of "police" states, united by Communism, which is extending westward from Russia.

4824

X-1056/Ca 4. It is in the material interests of the United States and Great Britain to prevent this. Nor can the historical and moral issues be disregarded. American and British influence, military, political and economic, have been predominant in Italy for nearly two years. They have brought freedom from the common enemy; they have ensured freedom from hunger; they have not yet provided freedom from fear. Posterity would judge harshly if the endeavors of two great democratic states were to result in the institution of a second dictatorship in the first European country to be liberated from Fascism and Nazism.

X-4075/L 5. An expression of positive policy towards Italy by the US and UK Governments is necessary. The policy should be one which,

49

[redacted]

by restoring confidence in herself and in the Allies, will assist Italy towards recovery as a healthy nation politically and economically. Moreover, it is in the interests of the Allies to make use of Italy. She is geographically important in any strategic plans for regional security in the Mediterranean. She owned a naval fleet (which still exists) which, if properly employed, would be an important addition to regional security. She has a small army which, reorganized under Allied guidance, has won merit and would improve greatly under further Allied help. The industries in Northern Italy lack only raw materials and coal to be employed immediately for Allied war production and to supplement in the Mediterranean the commodities necessary for the clothing and rehabilitation of Europe.

X-202/cc 6. But a change in relationship between the three nations must be effected. Having "worked her passage", Italy must be allowed to emerge from defeat through co-belligerency to the position of an active partner, however lowly, in the maintenance of post-war security. If she is to serve as a bastion of democracy in Southern Europe, such a recovery is essential and must be encouraged.

X-202/cc 7. The implementation of this policy would require certain positive steps, securances, and conditions. These might be included in the agreement between the Allies and Italy which would formally

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for Allied war production and to supplement in the meantime the commodities necessary for the clothing and rehabilitation of Europe.

6. But a change in relationship between the three nations must be effected. Having "worked her passage", Italy must be allowed to emerge from defeat through co-belligerency to the position of an active partner, however lowly, in the maintenance of post-war security. If she is to serve as a bastion of democracy in Southern Europe, such a recovery is essential and must be encouraged.

7. The implementation of this policy would require certain positive steps, assurances, and conditions. These might be included in the agreement between the Allies and Italy which would formally terminate the state of hostilities and replace the Terms of Surrender as a prelude to her joining the United Nations now or in the very near future. The agreement might include, among others, the following provisions:

(a) Italy to regain control of her naval fleet for employment under any regional security scheme which might be evolved for the Mediterranean.

The fleet consists of 5 battleships, 9 cruisers, 11 fleet destroyers, 40 small craft and 28 submarines. Two of the battleships are now in the Bitter Lakes.

SECRET

4823

three in Taranto. It is estimated that it would cost five hundred million lire each to make them fit for service. 13 Submarines are in Allied operations overseas. It would require a Navy of 50,000 to maintain the fleet without the battleships, and of 75,000 with them. Even having regard to the comparative ineffectiveness of the fleet, its physical presence would be an assurance towards regional security. But its retention would be a major contribution to Italian morale.

(b) The Italian Army to be maintained at a reasonable strength (say 200,000 or 250,000 men).

X-8253/c

In my memorandum 8251/180/EC of 7 June 1945 I have suggested the maintenance of the Italian Army at an interim strength of 140,000 men consisting of five combat groups and one reserve regiment (50,000), three internal security divisions for Sicily and Sardinia, and one internal security brigade for each of ten military regions (40,000), with the remainder to be control and administrative units. In addition, the present strength of 65,000 men of the Royal Carabinieri should be maintained. Such a strength would suffice so long as Allied troops, mentioned in subpara (f)

4822

X - 8243/c

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In my memorandum 8251/180/EC of 7 June 1945 I have suggested the maintenance of the Italian Army at an interim strength of 140,000 men consisting of five combat groups and one reserve regiment (50,000), three internal security divisions for Sicily and Sardinia, and one internal security brigade for each of ten military regions (40,000), with the remainder to be control and administrative units. In addition, the present strength of 65,000 men of the Royal Carabinieri should be maintained. Such a strength would suffice so long as Allied troops, mentioned in subpara (f) below, remained, but should be increased as these are withdrawn.

4822

(c) The Italian Air Force to be maintained at a token strength, or at present strength.

X-8503/c

It is presumed that no military air force will be maintained but it is suggested that sufficient aircraft be allocated to the Navy and Army for reconnaissance and spotting purposes. If, however, it were considered possible to permit an air force, then it is recommended that it be maintained at its present strength. Restor-

49

SECRET

ation of civil air transport domestically and in the Mediterranean should be encouraged.

X-102/cc

(d) To enable her to fill her role as a "junior partner" in the maintenance of Mediterranean security, the Allies would agree to furnish a military mission to assist in the training and organization of the Italian land, sea, and air forces, similar to the pre-war military and naval missions provided by the United States for certain South American republics.

X-3415/cc

(e) Similarly, an Allied Police Mission to assist the Italian Government in the reorganization and training of the Police Forces of Italy could be offered.

The introduction of an Allied Police Mission of high quality is essential. Although in two years of occupation the Allies have been compelled to employ the existing Italian Police Forces, they still lack the confidence of themselves, the public, or the Allies. With the difficulties of military occupation it may not have been possible to achieve this. It is essential, however, that immediate steps be taken to overhaul and possibly reconstitute the whole of the pub-

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Government in the [illegible]

Forces of Italy could be offered.

The introduction of an Allied Police Mission of high quality is essential. Although in two years of occupation the Allies have been compelled to employ the existing Italian Police Forces, they still lack the confidence of themselves, the public, or the Allies. With the difficulties of military occupation it may not have been possible to achieve this. It is essential, however, that immediate steps be taken to overhaul and possibly reconstitute the whole of the public security agencies in Italy, based on democratic principles.

4821

(f) The retention in Italy of an Allied Military Force of five Divisions (excluding Allied Forces in VENEZIA GIULIA) until such time as revitalized Italian civil and military services were in a position to ensure democratic security in Italy.

x-8570/c

The role of the Allied troops at all times would be as representatives of the democracies and it would be necessary to arrange for special instruction and even training to this end. Intervention in Italian affairs

49

SECRET

except in the gravest emergency would be avoided and the greatest care would be taken in the handling of such administrative problems as accommodation and requisitioning. The troops would be not so much forces of occupation in a defeated country but forces of assistance provided by the Allies in order to give confidence to the population and the Government: to strengthen merely by their presence the authority of the Italian machinery of law and order (but only in exceptional cases to supplant it) and to be used in a last resort to prevent the imposition of undemocratic methods by force.

(g) The establishment of an Allied economic organization (joint or separate) to assist Italy in correcting the basic defects of her former economy, in the procurement of raw materials and the rehabilitation of her commerce and industry; and

x-4025/cc

(h) The provision of an annual quota of coal sufficient to enable Italian industry to function.

x-4027/cc

A prerequisite for a healthy Italy is the immediate provision of sufficient coal and raw materials to maintain a modicum of the industries of Italy at work

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X-4025/CC

(h) The provision of an annual quota of coal sufficient to enable Italian industry to function.

X-4027/CC

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A prerequisite for a healthy Italy is the immediate provision of sufficient coal and raw materials to maintain a modicum of the industries of Italy at work and to prevent unemployment on such a vast scale that it must lead to disorder. Provision of raw materials and coal must be assured and equally the retention of an Allied economic organization (or separate U.S. and British missions) to ensure procurement and to advise the Italian Government on the proper use and distribution of such imports is essential. It would contain, of course, a financial section. Some such body as MAJEB or MESC is envisaged with strong Italian representation dependent from the Allied Commission, or

49

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its successor. Alternatively, separate U.S. and U.K. economic missions depending from the Embassies or the Governments could be provided. The economic problems of post-war Italy are immense and unless Allied assistance by means of imports and guidance is provided, all other measures to preserve the country may be discounted.

X-41027/cc
X-41025/cc

(i) The reassurance of credits in the U.S. and an increase in credits in the U.K. The latter might well take the form of financial assistance with regard to the import of coal.

X-1021/cc

(j) The replacement of the Allied Commission by a small Allied Mission to coordinate (d) to (h) above and to function as advisors to the Italian Government.

X-1011/cc

(k) Arrangements with respect to the Italian colonies to be considered with due regard to the interests of the inhabitants and to the assistance given by Italy as a co-belligerent and in no punitive sense.

Little perhaps can be said for the return of any of her colonies to Italy. But if she were to achieve the position of an active partner in regional security in the Mediterranean then it might be possible to allow her, under the same regional agreement, to administer the colony of Tripolitania. She might also be per-

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X-4027/cc
X-4025/cc

credits in the U.K. The latter might well take the form of financial assistance with regard to the import of coal.

X-122/cc

(j) The replacement of the Allied Commission by a small Allied Mission to coordinate (d) to (h) above and to function as advisors to the Italian Government.

X-1011/cc

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Little perhaps can be said for the return of any of her colonies to Italy. But if she were to achieve the position of an active partner in regional security in the Mediterranean then it might be possible to allow her, under the same regional agreement, to administer the colony of Tripolitania. She might also be permitted to be represented on any international body set up to administer Eritrea and Italian Somaliland.

4819

9. The first and last of these suggested conditions are of course the assurances that would create most satisfaction in Italy and restore the self respect of her people.

X-2401/cc

10. A further safeguard to preserve Italy among the free nations of democracy, and indeed a duty of the Allies, is the education of the minds of the Italians towards a democratic way of life. Not enough has been done in this direction. We have established freedom

SECRET

49

of speech and of the press -- but freedom without the self-imposed restraints of a democratically educated nation tends to become license. We have done much in the schools and universities. But the people, the Government, and the local authorities, after 20 years of Fascism, need advice on the interpretation of democracy. We cannot expect, nor should we try, to impose Anglo-American methods on a Latin country; but in the field of national and local government, of justice and police methods, of agriculture and labor, of electoral systems and social welfare, the Allies still have much to teach and the Italians much to learn. If the Italians are to become partners with the Allies they must be prepared to assimilate their national characteristics with the principles of democracy and take advice from the two democratic powers who are willing to help them materially.

11. Much can be done in this way by institutions such as the British Council, the interchange of American cultural representatives, and by sympathetic treatment of Italian problems in the Allied press. The Military mission and the Police Mission would represent direct forms of advice. The Allied Mission referred to in subpara 7(j) should contain a very small number of highly qualified men who, without semblance of control, would be accepted by the Italian Government and act to them as advisors in their task of

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X-107/44

12. The Allied Commission, therefore, should be succeeded by an Allied Mission for the following purposes: Except in VENEZIA GIULIA, and possibly in the Southern Tyrolean provinces, Allied Military Government should have disappeared by September 1945. In order to ensure free elections and a free referendum, it will be recommended that a number of Allied officers, under the direction of the Commission or its successor, remain in the provinces, and a considerable number may be required in connection with the rehabilitation of

49

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industry. But by the end of 1945 both the redeployment of Allied troops, except those recommended in para 7(f) above, and the removal of Allied Commission officers in the field, will probably have been completed. It is recommended that the Head of the Mission with access to the United States and British Governments should be charged with the following functions:

(a) As Chief Civil Affairs Officer, the administration of VENEZIA GIULIA and any other areas under AMG.

(b) As Head of the Allied Mission:

(i) To coordinate the work of the military missions or missions.

(ii) To supervise the Allied Police Mission.

(iii) To supervise the Economic Board or to coordinate independent economic missions.

(iv) To coordinate the work of the Displaced Persons and Refugees Sub-Commission with UNRRA, the Inter-Governmental Committee for Refugees, and other organizations until such time as UNRRA took over all such functions.

(v) To supervise the work of the Enemy War Materials Disposal Sub-Commission.

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(v) To supervise the work of the Enemy War Material Disposal Sub-Commission.

(vi) To interpret to the Italian Government the conditions of any agreement made, vide para 7, and to safeguard Allied interests under such an agreement.

(vii) To provide liaison between Allied Military Commander or Commanders and the Italian Government.

15. To sum up, in order to prevent Italy from leaning toward the USSR and succumbing to its influence, an expression of positive, non-vindictive policy by the US and UK Governments is necessary. This policy should make Italy a useful partner of the Allies in the Mediterranean and so create a healthy Italy. Important conditions are: the rebuilding of her morale by restoring to her the control

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SECRET

49

of her fleet and a non-punitive policy with regard to her colonies; the retention of 5 divisions of Allied troops and the establishment of Allied Military and Police Missions to enable her to regain internal security under a democracy; and practical economic assistance. More must be done to encourage the education of the Italians towards the democratic way of life: the Allied Commission should be replaced by an Allied Mission.

14. In short, neither a laissez-faire attitude toward Italy by the U.S. and the U.K. nor the imposition of a harsh peace is compatible with a policy of preserving Italy as a bastion of democracy in the Mediterranean area.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

4816

Copy to:
U.S. Ambassador
British Ambassador
U.S. POLAD, AFHQ
British RESMIN, AFHQ

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Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

4816

Copy to:
U.S. Ambassador
British Ambassador
U.S. POLAD, AFHQ
British RESIDENT, AFHQ
Gen Commission (3)
Chief Commissioner (2)
Pol Adv (A)
Pol Adv (B)
For Foreign Office (3)
CA Section
Econ Section

(49)

SECRET

Chief Cor.

UNITED STATES INFORMATION SERVICE

NEWS DIVISION

T.

45 Via San Basilio Telephone: 471474

USIS SPECIAL Friday, June 1

TEXT OF GREW STATEMENT ON ITALY

WASHINGTON, June 1 — Joseph C. Grew, United States Acting Secretary of State, yesterday made the following statement on U.S. policy toward Italy:

"Our policy toward Italy has from the beginning been based on the view that Italy should be given every possible opportunity consonant with Allied military requirements to regain the respect of the world by proving that she is a democratic, cooperative, constructive element in Europe.

"Since October, 1943, the Italian people, their government, and their armed forces and Patriot bands have cooperated fully with the forces of the United Nations against the common enemy. Wholly United again, they will be able to cooperate effectively in the common tasks that lie ahead. In the past 20 months the Italian people have given substantial evidence of their love of freedom, attachment to democratic principles, and ability to rise above the shambles of Fascism and ruins of war.

"All Italy is now freed of the German yoke. There is no longer a division between an enemy-held north and a free south.

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"All Italy is now freed of the German yoke. There is no longer a division between an enemy-held north and a free south. The leaders of the various anti-Fascist parties throughout the country have been consulting on the formation of a new government representative of the whole country. That new government, as it comes to grips with the tremendous responsibilities facing it, will be able to give us the measure of Italian ability and determination to work together in rebuilding the country's economic and political structure and to work with the United Nations in the cause of world peace."

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JUN 1 REC'D

Headquarters,

Venezia Region,

30th May 1945.

Ref: 6514/EC

My dear Admiral,

I enclose a memorandum which is an agreed document containing the views of Henry Hopkinson, Brigadiers Grafftey Smith, Wilenski, CD Page and myself.

Henry and I hope that you will find it possible to discuss it with the two Ambassadors at an early date. My recommendations for the Police Mission are not intended to be derogatory to the Public Safety Sub-Commission, but new circumstances need new measures.

I am having a most interesting and instructive tour and I think you can be satisfied that your eastern Regions are in good shape. Even the Province of BELLUNO under Colonel Farren is making great progress. But my impressions here are the same as those formed by Henry Hopkinson in the west. We both feel that the whole of our endeavour both as Allied Military Government and as the Allied Commission must be concentrated on effective stability in this country. We can still succeed. We must ensure that the coming elections are held as soon as possible and in an atmosphere of freedom from fear and we must prevent unemployment. If those two objectives can be accepted by our two governments and if they can be persuaded to give us all the help we meed, then I believe that we can do for Italy what we have always intended to do and what we are very nearly failing to achieve; that is to make her democratic.

I go to 8th Army today, then to 5th Army, Bolzano and the west and hope to be back on Monday.

I was delighted to hear that you were in 5th Army and Milan.

Yours sincerely

Mauro Cerf

4814

Rear-Admiral E.W. Stone, CBE., USNR.,
Chief Commissioner,
Allied Commission,
C.M.F.

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S. RET.

MEMORANDUM ON THE FUTURE OF ITALY.

1. There is at present a grave danger of Italy, the first country in Europe to be liberated from Fascism and Nazism, passing under the yoke of another form of tyranny, Communism.

2. It is in the interests of the United States and Great Britain to prevent this. Quite apart from the historical and moral issues involved, the US must consider her Italian speaking population and the effect of a Communist Italy on her political situation as influenced by them, while Great Britain, in spite of the present public apathy or even antipathy in respect of Italy, cannot lightly regard the emergence, after liberation, of a Communist Italy under Russian influence in the Mediterranean.

3. The historical and moral issues cannot be disregarded. American and British influence, military, political and economic, has been predominant in Italy for two years. Posterity will judge harshly if the endeavours of two great democratic states were to result in the institution of a second tyranny.

4. Hitherto the objectives of the Allies have been to prevent disease and unrest in Italy, to maintain it in an adequate state for the prosecution of the war, and to prepare for long term programmes of reconstruction on the economic side. As a corollary of these we have supported to the full the Government of the day and from time to time have attempted to minimise the policy of the extremists in that government. We have granted freedom of speech and writing: we have ensured freedom from hunger: we have not ensured freedom from fear.

5. Among the majority of the people the fear of Communism remains. Complete eradication of that fear may not be possible in the present political turmoil in men's minds. But it must be admitted that the two democratic Allies have stood by in this country and watched the spread of Communism and still more the spread of fear of Communism. We have failed adequately to present to the Italians the other alternative - a democratic way of life. Much has been done in the field by Provincial and other officers. But direction has been lacking. By distribution of literature, through the medium of films and radio, by visits of democratic leaders, more could and should have been done.

6. It is also maintained that after two years of occupation we have failed to produce in Italy a police force which has the confidence of itself, the public and the Allies. With the difficulties of military occupation it may not have been possible to do so. But now that hostilities have ceased we should, in conjunction with the Italian Govt., take immediate steps to overhaul and possibly reconstitute the whole of the public security agencies in this country. For this purpose the Public Safety Sub-Com is not suitable. It is most strongly recommended that we should secure the agreement of the Italian Govt. to set up a highly qualified Allied Police Mission charged with this task of reconstruction in the field of public security.

7. Another prerequisite towards lasting stability in this country is the reorganisation of the Italian Army on a peace time basis. This matter is already under discussion between the Italian Government and the Land Forces Sub-Com and a rapid decision is required by the CCS and the two Governments. This again demands the retention of a strong Military Mission.

8. In addition to these safeguards, much can and must be done to educate the minds of the Italians with regard to the democratic way of life. We cannot check the march of events but it is not too late to rectify past mistakes and we have our final opportunity in connection with the coming elections. These elections will probably take place before the end of this year. It is essential that they should be carried out on democratic lines and in an atmosphere free from physical fear. The average Italian, if he thinks that the Communists will win the election and will use physical violence against those who have not voted for Communism, will, through fear and with the tradition of 20 years of Fascism behind him, vote for Communism against his own conscience. It is the duty of the Allies and particularly of the Allied Commission to ensure that the first elections in this country are carried out with freedom and equity. We still have a great number of Allied troops in the country. There will be no need to demand the presence of more troops than will normally be maintained for lines of communication and ordinary military security and the time necessary for redeployment. We should maintain a number of officers of the Allied Commission.

9. We have handed over five-eighths of the country to the Italian Govt: the remainder is still under Allied Military Government and there will be pressure brought upon us to remove that control as soon as possible. The presence of AMG itself is not necessary to ensure free elections and we should not resist this pressure but be prepared to hand over N. Italy by Sept. 1st or any other date considered suitable thereafter (this excludes VENEZIA GIULIA, UDINE, BELLUNO, and BOLZANO). But we should retain after the removal of AMG a considerable number of officers throughout Italy, not only to deal with economic problems but to carry on by their advice and example the spread of the democractic faith, and in particular to ensure, even as observers, that free elections are held.

10. These officers in the field have already proved the best Ambassadors of democracy but directions are lacking. These directions must emanate from the two Governments, through the Embassies (MOI and OWI) to the Allied Commission. The PWB is not, now that hostilities have ceased, a suitable medium for such work and all its activities in Italy should cease. The Allied Governments might find it possible to send out speakers and certainly should assist in every way in the form of literature and films and broadcasts. It might be possible to point, we hope without complacency, to the elections recently held in the US and those about to be held in the UK.

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11. None of the above measures can be successful unless economic stability is assured. By stability is meant not prosperity but freedom from want and freedom from unemployment. As has already been represented, the import of raw materials and coal is a prerequisite to that stability.

12. To sum up, the long term policy of the Italian Communist Party is clear. With the example of Greece before them it is not their intention to secure power by other than constitutional means while Allied troops and Allied control in any forms remains in the country. Once, however, the Allies withdraw, the

Communist Party, which all evidence goes to show only represents the minority, will not hesitate (whether they form part of the Government or not) to adopt methods of terrorism and to use the large stocks of arms which have been hidden away, to impose their will upon the whole population. This threat can, I think, be met by:

(1) Freely held elections.

(2) The retention of AC officers in the field during and immediately after these elections.

(3) A strong and efficient police force.

(4) A re-organised standing Italian Army.

(5) Sufficient coal, raw materials and certain finished product to prevent general unemployment.

M. S. Clark

Brigadier,
Executive Commissioner.

CC 1132

HEAD QUARTERS IV CORPS

THE COMMANDING GENERAL

Ref: 501/IC

9 May 1945

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394, U. S. Army

My dear Admiral:

I wish to acknowledge your note enclosing the copy of the memorandum on AMG Policy in Northern Italy.

Will you be so kind as to inform the Supreme Allied Commander, should occaston offer, that I had given instructions to my staff before receipt of the memorandum that the general policy indicated therein would be followed in IV Corps territory.

Please be assured that we will continue to endeavor to institute Allied Military Government in IV Corps in the letter and the spirit indicated by the memorandum.

Sincerely yours,

WILLIS D. CRITTENBERGER
Major General, U. S. Army
Commanding

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

MESSAGE FROM THE CHIEF COMMISSIONER.

To all ranks in the Allied Commission:

On this memorable day let us in the Allied Commission face our task with even greater vigour and with the determination that our part in the reconstruction of Europe may be worthy of those who planned and fought and died to make Victory possible.

EILERY W. STONE
Rear Admiral, USNR
Chief Commissioner

8th May 1945.

0263

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

C.C.

Ref: 501/77/SD. 1 May 1945.

SUBJECT: AMG Policy - Northern Italy.

TO : DCCAO, 15th Army Group.
SCAO, AMG 5th Army.
SCAO, AMG 8th Army
Regional Commissioner, LIGURIA Region.
" " PIEMONTE Region.
" " LOMBARDIA Region.
" " VENEZIE Region.
" " EMILIA Region.
" " TOSCANA Region.

You should bring the attached memorandum to the attention of all officers under your command, informing them at the same time that I have great confidence in their ability to carry out the policy contained therein.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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See appendices

CONFIDENTIAL.

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

Ref: 501/76/EO.

1st May 1945.

SUBJECT: AMG Policy - Northern Italy.

TO : DCCAO, 15th Army Group. (2)
SCAO, AMG 5th Army. (10)
SCAO, AMG 8th Army. (10)
Regional Commissioner, LIGURIA Region. (23)
" " PIEMONTE Region. (43)
" " LOMBARDIA Region. (53)
" " VENEZIE Region. (73)
" " EMILIA Region. (43)
" " TOSCANA Region. (48)

1. I think it may be helpful to explain the policy of the Allied Commission with regard to Allied Military Government in newly liberated (Northern) Italy in the light of the conditions which we are finding at present.

2. While it is still the intention of the Supreme Allied Commander to set up Allied Military Government in the whole of Northern Italy, the application of Government must be regulated in accordance with circumstances.

3. The outstanding successes of the patriots in liberating their towns from Nazis and Fascists, the good administration, according to initial reports, set up by the CLN's, the execution of Mussolini and many of his accomplices, and the surrender, in some cases to the patriots, of a great bulk of the German forces, make a review of our policy necessary.

4. The greatest delegation possible should be made to the Italian authorities who will, in many cases, be members of the CLN's. At the same time every effort should be made to impress upon the people and the authorities that Allied Military Government is the temporary forerunner of the Italian Government, and that Allied Military Government is working in the closest cooperation with that Government at the Headquarters of this Commission.

5. We may well be approaching in Northern Italy a state of affairs somewhat similar to what was found in France, and it should be our endeavour to help the Italians to make of Italy one administrative entity, and to show

1. [illegible] Commission with regard to Allied Military Government in newly liberated (Northern) Italy in the light of the conditions which we are finding at present.

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5. We may well be approaching in Northern Italy a state of affairs somewhat similar to what was found in France, and it should be our endeavour to help the Italians to make of Italy one administrative entity, and to enable them to take over the management of their own affairs as early as possible.

6. The conditions at present prevailing, both political and economic, indicate the probability of a rapid transition from Allied Military Government to Italian Government.

7. The implementation of this policy will not be easy. The greatest tact, the greatest patience will be necessary. We should all remember that it is for the Italians to determine their own destiny, and that military government in circumstances prevailing now is necessary only for the protection of Allied troops and installations. A light rein with a firm hand should be the order of the day.

8. Above all, we must remember that it is our duty to administer rather than to intervene in the political future of Italy.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
A P O 394

30 April 1945.

MEMORANDUM TO: (1) U.S. Ambassador.
(2) British Ambassador.

Attached is a draft memorandum which I propose to send to my Regional Commissioners in the North.

I should be grateful if you would indicate any objections or modifications.

Elleary W. Stone
ELLEARY W. STONE
Rear Admiral, USNR
Chief Commissioner

- -

(45) APP

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome.
30 April 1945

Memorandum To: Admiral Stone.

I am in agreement with the draft memorandum to Regional Commissioners in the North, and the only suggestion I have to make is that you may care to add something to the effect that Regional Commissioners should be especially astute to keep you informed of all movements, conditions or activities relating to any problems which might affect the responsibilities eventually to be assumed by the Italian Government.

Kirk.

This is contained in previous instruction to RCs etc. Inclusion in this memo would, I submit, spoil the balance.

DR 3874

4803

BRITISH EMBASSY,
ROME.

30th April, 1945

Memorandum to: The Chief Commissioner,
Allied Commission.

I agree fully with the draft memorandum to the Regional Commissioners in Northern Italy. I agree also with the proposal of the United States Ambassador.

Noel Charles

British Ambassador

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

EWS/dfe

CC 1001

16 April 1945

From: Chief Commissioner

To: A/President

Referring to our conversation of yesterday, the communications in the attached file tabbed as 9, 13, 25 and 28 are the ones in which you will be interested.

EWS
E.W.S.

Seen by HM
HM

Rec'd 4/20/45

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RESTRICTED

EXTRACT

DCK/ar

ALLIED FORCE HEADQUARTERS
APO 512

ADMINISTRATIVE MEMORANDUM)
NUMBER 19) 31 March 1945

I -- ALLIED COMMISSION

1. Announcement of the establishment of the "Allied Control Commission" was made in AFHQ Administrative Memorandum Number 74, 1943, and its redesignation as "The Allied Commission" was announced in Section I, Administrative Memorandum Number 45, 1944.

2. The functions of the Allied Commission as set out in Administrative Memorandum Number 74, 1943, were defined as follows:

"1. To enforce and execute the instrument of surrender under the orders and general directives of the Allied-Commander-in-Chief.

"2. To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications.

"3. To be the organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled."

3. In accordance with the policy of the United Nations to afford Italy a greater degree of self-government, directives have been received from the Combined Chiefs of Staff that the control of the Italian Government under the Armistice and Surrender Instrument will be relaxed, and will only be exercised when military needs require it, thus developing in the Italian authorities a greater sense of responsibility. The rights under the Armistice and Surrender Instrument will thus be held in reserve in the matter of day to day administration subject always to overriding military needs and the requirements of the campaign in Italy.

4. Administrative Memorandum Number 74, 1943, will be interpreted accordingly. Detailed instructions, in accordance with those received from the Combined Chiefs of Staff in their telegram FAN 487 of 31 January 1945, have been communicated to the Acting President, Allied Commission.

4603

MARSHAL ALEXANDER:

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BY COMMAND OF FIELD MARSHAL ALEXANDER:

(37)

G. W. CHRISTENBERRY
Colonel, AGD
Adjutant General

RESTRICTED

(13)

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4. Administrative Memorandum Number 74, 1943, will be interpreted accordingly Detailed instructions, in accordance with those received from the Combined Chiefs of Staff in their telegram FAN 437 of 31 January 1945, have been communicated to the Acting President, Allied Commission.

4503

BY COMMAND OF FIELD MARSHAL ALEXANDER:

37

C. W. CHRISTENBERRY
Colonel, AGD
Adjutant General

RESTRICTED

43

EXTRACT:

24th February, 1945

AIDE MEMOIRE FOR COMMUNICATION TO THE ITALIAN GOVERNMENT BY THE ACTING PRESIDENT OF THE CONTENTS OF THE NEW DIRECTIVE ON THE FUNCTIONS OF THE ALLIED COMMISSION.

(37)

1. In accordance with the declaration of the President of the United States of AMERICA and the Prime Minister of the United Kingdom of GREAT BRITAIN, the Allied Governments propose to relax the control of the Italian Government under the Armistice in the matter of day to day administration and only to exercise such control when Allied military interests require.

* * *

For remainder of communication, see CC File 102, Folio 28

YALTA DECLARATION

12 February 1945

Text Of Statement

Following is the statement made by the President of the United States, the Prime Minister of Great Britain and the Chairman of the Council of Peoples' Commissars of the Union of Soviet Socialist Republics on the result of the Crimea conference:

We have considered and determined the military plans of the three Allied powers for the final defeat of the common enemy. The military staffs of the three Allied powers have met in daily meetings throughout the conference. These meetings have been most satisfactory from every point of view and have resulted in closer coordination of the military effort of the three Allies than ever before. Fullest information has been interchanged.

Timing, scope and coordination of new and even more powerful blows to be launched by our armies and air forces into the heart of Germany from east, west, north and south have been fully agreed and planned in detail. Our combined military plans will be made known only as we execute them, but we believe that the very close working partnership among the three staffs attained at this conference will result in the shortening of the war. Meetings of the three staffs will be continued in the future whenever the need arises.

Nazi Germany is doomed. The German people will only make the cost of these defeats heavier to themselves by attempting to continue hopeless resistance.

We have agreed on common policies and plans for enforcing unconditional surrender terms which we shall impose together on Nazi Germany after German armed resistance has been finally crushed. These terms will not be made known until the final defeat of Germany is accomplished.

Plans For Occupation

Under the agreed plans the forces of the three powers will each occupy separate zones of Germany. Coordinated administration and control has been provided for under the plan through a central control commission consisting of the supreme commanders of the three powers with headquarters in Berlin.

It has been agreed that France should be invited by the three powers, if she should so desire, to take a zone of occupation and to participate as a fourth member of the control commission. The limits of the French zone will be agreed by the four governments concerned through their representatives on the European advisory commission.

It is our inflexible purpose to destroy German militarism and Nazism and to ensure that Germany will never again be able to disturb the peace of the world.

We are determined to disarm and disband all German armed forces; break up for all time the German General Staff as a repeatedly contrived resurgent of German militarism; remove or destroy all German military equipment; eliminate or control all German industry that could be used for military pro-

closer coordination of the military effort of the [illegible] ever before. Fullest information has been interchanged.

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It has been agreed that France should be invited by the three powers, if she should so desire, to take a zone of occupation and to participate as a fourth member of the control commission. The limits of the French zone will be agreed by the four governments concerned through their representatives on the European advisory commission.

It is our inflexible purpose to destroy German militarism and Nazism and to ensure that Germany will never again be able to disturb the peace of the world.

We are determined to disarm and disband all German armed forces; break up for all time the German General Staff as a repeatedly contrived resurgent of German militarism; remove or destroy all German military equipment; eliminate or control all German industry that could be used for military production; bring all war criminals to justice and swift punishment and exact reparation in kind for the destruction wrought by the Germans; wipe out the Nazi party, Nazi laws, organizations and institutions; remove all Nazi and militarist influences from public offices and from the cultural and economic life of the German people; and take in harmony such other measures in Germany as may be necessary to the future peace and safety of the world.

It is not our purpose to destroy the people of Germany, but only when Nazism and militarism have been extirpated will there be hope for a decent life for the Germans and a place for them in the community of nations.

Reparations Commission

We have considered the question of damage by Germany to the Allied nations in this war and recognize it as just that Germany be obliged to make compensation for damage in kind to the greatest extent possible.

A commission for compensation of damage will be established. The commission will be instructed to consider the question of the extent and methods for compensating damage caused by Germany to the Allied countries. The commission will work in Moscow.

We are resolved upon the earliest possible establishment with our Allies of a general international organization to maintain peace and security. We believe that this is essential, both to prevent aggression and to remove political, economic and social causes of war through close and continuing collaboration of all peace-loving peoples. The foundations were laid at Dumbarton Oaks.

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On the important question of voting procedure, however, an agreement was not there reached. The present conference has been able to resolve the difficulty.

We have agreed that the conference of the United Nations should be called to meet at San Francisco in the United States on April 25, 1945, to prepare the charter of such an organization along the lines proposed in informal conversation at Dumbarton Oaks.

The government of China and the Provisional Government of France will be immediately consulted and invited to sponsor invitations to the conference jointly with the governments of the United States, Great Britain and the USSR. As soon as consultation with China and France has been completed, the text of the proposals on the voting procedure will be made public.

We have drawn up and subscribed to a declaration on liberated Europe. This declaration provides for concerting policies of the three powers and for joint action by them in meeting the political and economic problems of liberated Europe in accordance with Democratic principles.

We came to the Crimea Conference resolved to settle our differences about Poland. We discussed fully all aspects of the question. We reaffirmed our common desire to see established a strong, free, independent and democratic Poland. As a result of our discussion we have agreed on conditions in which the new Polish provisional government of national unity may be formed in such a manner as to command recognition by the three major powers. The agreement reached is as follows:

Polish Government

A new situation has been created in Poland as a result of her complete liberation by the Red Army. This calls for the establishment of a Polish provisional government which can be more broadly based than was possible before the recent liberation of western Poland.

The provisional government which is now functioning in Poland should, therefore, be reorganized on a broader democratic basis with the inclusion of democratic leaders from Poland itself and from Poles abroad. This new government should then be called the Polish Provisional Government of National Unity.

Molotov, Harriman and Sir Archibald Clark are authorized as a commission to consult in the first instance in Moscow with members of the present provisional government and with other Polish democratic leaders from within Poland and from abroad with a view to a reorganization of the present government along the above lines.

This Polish Provisional Government of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and the secret ballot. In these elections all democratic and anti-Nazi parties shall have the right to take part and put forward candidates.

When a Polish Provisional Government of National Unity has been properly formed in conformity with above, the government of the USSR which now maintains diplomatic relations with the present Provisional Government of Poland and the Government of the United Kingdom and the Government of the United States will establish diplomatic relations with the new Polish Provisional Government of National Unity and will exchange ambassadors by whose reports the respective governments will be kept informed about the situation in Poland.

The three heads of government consider that the eastern frontier of Poland should follow the Curzon line with digressions from it in some regions of five to eight kilometers in favor of Poland.

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The three heads of government consider that the eastern frontier of Poland should follow the Curzon line with digressions from it in some regions of five to eight kilometers in favor of Poland.

They recognize that Poland must receive substantial accessions of territory in the north and west. They feel that the opinion of the new Polish Provisional Government of National Unity should be sought in due course of the extent of these accessions and that final delineations of the western frontier of Poland should thereafter await a peace conference.

Yugoslavia: We have agreed to recommend to Marshal Tito and Doctor Subasic that the agreement between them should be put into effect immediately and that the new government should be formed on the basis of that agreement.

We also recommend that as soon as the new government has been formed it should declare that: Firstly, the Anti-Fascism Army of National Liberation (AVNOJ) should be extended to include the members of the last Yugoslav parliament (Skupshina) who have not compromised themselves by collaboration with the enemy, thus forming a body to be known as a temporary parliament, and, secondly, legislative acts passed by the Assembly of National Liberation will be subject to subsequent ratification by a constituent assembly. There was also a general review of other Balkan questions.

Meetings of Foreign Secretaries: Throughout the conference, besides the daily meetings of the heads of governments and foreign secretaries, separate meetings have also been held daily. These meetings have proved of the utmost value, and the conference agreed that permanent machinery should be set up for regular consultation between the three foreign secretaries. They will, therefore, meet as often as may be necessary, probably about every three or four months. These meetings will be held in rotation in the three capitals, the first meeting being held in London after the United Nations conference on world organizations.

Unity for peace as for war: Our meeting here in the Crimea has reaffirmed our common determination to maintain and strengthen in the peace to come that unity of purpose and of action which has made victory possible and certain for the

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United Nations in this war. We believe that this is a sacred obligation which our governments owe to our peoples and to the people of the world. Only with the continuing and growing cooperation and understanding among our three countries and among all peace loving nations can the highest aspiration of humanity be realized—a secure and lasting peace which will in the words of the Atlantic Charter 'afford assurance that all men in all lands may live out their lives in freedom from fear and want.'

It is considered that victory in this war and the establishment of the proposed international organization will provide the greatest opportunity in all to create in the years to come the essential conditions of such a peace.

Signed: Winston S. Churchill, Franklin D. Roosevelt, J. V. Stalin.

LIBERATED EUROPE

The text of the declaration on liberated Europe follows:

The Premier of the USSR, the Prime Minister of the United Kingdom and the President of the United States of America have consulted with each other in the common interests of the peoples of these countries and those of liberated Europe.

They jointly declare their mutual agreement to concert during the temporary period of instability in liberated Europe the policies of their three governments in assisting the peoples of Europe liberated from the domination of Axis Germany and the people of former Axis satellite states to solve by democratic means their pressing political and economic problem.

The establishment of order in Europe and the rebuilding of national economic life must be achieved by processes which will enable the liberated peoples to destroy the last vestiges of Nazism and Fascism and to create democratic institutions of their own choice.

This is the principle of the Atlantic Charter—the right of all peoples to choose the form of government under which they will live—the restoration of sovereign rights and self-government to those peoples who have been forcibly deprived of them by aggressor nations.

To foster conditions in which the liberated peoples may exercise these rights, their governments will jointly assist the people in any European liberated state or former Axis satellite state in Europe where, in their judgment, conditions require:

Firstly, to establish conditions of peace; secondly, to carry out emergency measures for relief of distressed people; thirdly, to form emergency measures for the relief of distressed people; fourthly, to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through free elections of governments responsible to the will of the people, and, fifthly, to facilitate where necessary the holding of such elections.

The three governments will consult other United Nations and provisional authority of other governments in Europe when matters of direct interest to themselves are under consideration.

When in the opinion of the three governments conditions in any European liberated state or former Axis satellite state in Europe make

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The three governments will consult other United Nations and provisional authority of other governments in Europe when matters of direct interest to themselves are under consideration.

When in the opinion of the three governments conditions in any European liberated state or former Axis satellite state in Europe make such action necessary they will immediately consult together on measures necessary to discharge the joint responsibilities set forth in this declaration.

By this declaration we reaffirm our faith in the principles of the Atlantic Charter, our pledge in declaration with other peace-loving nations for a world order under law, dedicated to the peace, security, freedom and general well-being of all mankind.

In issuing this declaration the three powers express the hope that the Provisional Government of the French Republic may be associated with themselves in the procedure suggested.

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C O P Y.

S E C R E T.

NEW DIRECTIVE FROM COMBINED CHIEFS OF STAFF ON THE ALLIED COMMISSION.

31 JAN 45

FAN 487.

Following is Directive from Combined Chiefs of Staff.

1. In order to implement the joint declaration of the President and the Prime Minister of 26 September, 1944, the US and UK Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when military needs require it, thus developing in the Italian Authorities a greater sense of responsibility. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in ITALY.

In the light of this agreed US-UK policy, you should take action as rapidly as possible in conformity with the following paragraphs:

POLITICAL SECTION.

2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in ROME. There is NO intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, as occasion requires, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activites of the Allied Commission.

(b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.

(c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the

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(b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.

(c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.

(d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine.

(e) The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it.

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See (42)

(Contd on reverse side)

(Air-Ref. [illegible])

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(f) The US and UK Governments have agreed that the Italian Government will be advised that it is the Allied desire to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit you will facilitate any arrangements for the flow of books and other publications of a scientific, political, philosophical and artistic nature between ITALY and the United Nations and for the movement of scholars, artists and professional men between ITALY and the United Nations.

(g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.

(h) The status of Italian Prisoners of War now or hereafter held in ITALY other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

ADMINISTRATIVE SECTION.

3. The internal organisation of the Allied Commission is primarily your responsibility. In the reorganisation of the Allied Commission it is desired that you give consideration to the following policies and objectives:

(a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.

(b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government [illegible] control should NOT be exercised in respect of territory under the jurisdiction of the Italian Government.

(c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under [illegible]

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(c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).

(d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION.

4. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured. The Italian Government should be advised that to this end and as a prerequisite to increased economic assistance it must formulate and implement appropriate economic controls and take all other steps possible. In the event that these conditions are NOT met the Allied authorities will NOT hesitate to impose the necessary controls or take other appropriate measures.

5. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

(a) Those quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to such operations.

(b) Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. As the time when combined military responsibility will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.

(c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.

To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply programme and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.

6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programmes when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programmes to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programmes as may be approved by the Combined Liberated Areas Committee. Procurement covering such programmes should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 8 below.

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7. The questions raised by you in Sub-paragraphs A, B and C of Paragraph 4 of NAF 778 are answered as follows: 4797

(a) The prime responsibility for the control of inflation in ITALY, including the imposition and administration of appropriate financial and economic controls and appropriate utilization of supplies, must rest with the Italian Government. Your responsibility in this connection, other than with respect to the importation of supplies, is, through the Allied Commission, to advise and assist the Italian Government.

(b) It is desired that industrial rehabilitation in ITALY be carried out by the Italian Government to the fullest extent permitted by the Italian resources and such supplies as you may be authorised to import, consistent with the discharge by you of your military mission, with the exception that industries for the production or repair of munitions or other implements of war shall be rehabilitated only to the extent required by you in discharge of your military mission and as will further the military effort in other theatres. Except

37

for those industries the rehabilitation of which is essential to the discharge of your military mission and in furtherance of the military effort in other Theatres, which rehabilitation should be given first priority, industries other than those excluded by the preceding sentence will be given such precedence in rehabilitation as may be determined by the Italian Government.

(c) The extent of your responsibility with respect to the importation of supplies into ITALY is defined in Paragraphs 5 and 6 hereof. Except as is so defined, you have NO responsibility for the importation of supplies into ITALY.

(d) Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects and as soon as decisions in this connection are reached, you will be advised with respect thereto.

8. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into ITALY must be transported within such shipping as may be allocated from time to time.

FINANCIAL SECTION.

9. The two Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters; a further directive on these matters will follow.

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PRIORITY

AFHQ SIGNED SACMED CITE FHGEG

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CONFIDENTIAL.

Information received from SPOFFORD, who plans to depart from U. S. approximately 30 January, that new Italian directive has cleared CCAC and issue of directive by CCS may be expected shortly. Also stated public announcement on directive in progress of clearance. Will keep you informed of further developments

AC DIST

Action Chief of Staff (2)

Info A/PResident
Chief Commissioner
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CONFIDENTIAL

36

Statement on Italy issued from Downing Street
on 22nd January 1945

The following was issued from 10 Downing Street tonight:

"Attention is drawn to the misquotation of a passage in the Prime Minister's speech of January 18 to which, wrested from its context, wrongful publicity has been given in Italy and elsewhere.

"The Prime Minister is quoted as saying 'We do not need Italy.' whereas what he actually said was 'Let me say once and for all that we have no political combinations in Europe or elsewhere in respect of which we need Italy as a party. We need Italy no more than we need Spain because we have no designs which require the support of such Powers'.

"These words were called for by and relate to the suggestion which had been widely made that Great Britain was embarking on a system of 'power politics' in Europe and especially in the Mediterranean.

"They in no way supersede or modify the Prime Minister's other statement last August about Italy, quoted below, nor do they imply that Italy now or in the future should be excluded from an honourable role in the European political system. Following are passages referred to:

" 'On leaving the shores of Italy after a profoundly interesting and instructive visit, I should like to send a few words of encouragement and hope to the Italian people. I was most deeply touched by the extraordinary kindness with which I was welcomed in all villages and small towns through which I have driven in travelling the entire front.

" 'There is no doubt that, in the zone of the armies, the relations of Italians with British, American and other Allies are of a most friendly and co-operative character. The same is true of all the rest of the liberated territories.

" 'Of course, owing to the hard conditions of war, disorganisation caused by demolitions of the enemy, shortage of shipping and transport, much hardship may arise in particular places. I have given directions to British representatives in various international bodies concerned to do their utmost, in harmony with their colleagues, to meet these difficulties, and I am sure these efforts will be warmly supported by our Allies.

" 'At the end of the war in Europe which may not be so far off as was formerly expected, there is one gift which will certainly be given to Italy when normal conditions are restored - the priceless gift of freedom. Hard work, strong resolve, high inspiration and, above

/all

all, true unity with all, will be needed if Italy is to nourish her people and resume her place among the leading Powers of Europe.

" 'Political excitement and clashes of many parties will not achieve those simple laws and rights which the mass of people so desire. There was an English statesman many years ago - a great commoner, as he was called, who made a famous exhortation to the classes and bitter factions of the British, when he exclaimed "Be one people". Seventy years later this was the theme which Mazzini preached and which Garibaldi accomplished.

" 'Italy must recapture the ideals of freedom which inspired Risorgimento. May this thought rest with you through your troubles, and may your many friends, both in England and across the ocean see their hopes rewarded. - Naples, August 18, 1944' ".

35

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FILE UNDER NO. 001/CC Policy

INDEX SHEET

SYNOPSIS

Memo MacMillan 4001/COS 5 Jan 45

Allied Policy Towards Italy

Circulated by Mr. MacMillan in London in connection with New Directive and New Deal for Italy

DOCUMENT FILED UNDER NO. 102/CC Reorganization AC

INSTRUCTIONS - Under «Synopsis» make brief entry showing date of communication and from whom received and synopsis sufficient to identify the papers. When these index sheets become numerous under a subject they will be entered on te consolidated index sheet and then destroyed.

4793

33

A.F.H.Q. PUBLIC RELATIONS
G.M.T.

Rt. Hon. Harold MACMILLAN's Press Conference - 3rd JANUARY, 1945.

NOT FOR PUBLICATION BEFORE 2000-hrs.G.M.T. 4 JAN,45.

I feel I owe some apologies to the Press for a certain elusiveness during recent months. When I was in Algiers I had direct authority as the sole British diplomatic and political representative in French North Africa. In my present field, covering the Central Mediterranean as a whole, my duty is to advise SACMED from the British angle. But of course in Rome the British Ambassador, Sir Noel Charles, and in Athens the British Ambassador, Mr. Leeper, have a direct responsibility. As regards executive action, the President of the Commission and the Chief Commissioner have been the officers to whom you would naturally look for information. Since I do not like interfering with other people, I have therefore not seen as much as I should have liked of my Press friends. I offer this as an explanation if not as an apology.

On November 10th the announcement of my appointment as Acting President of the Allied Commission was made in London and Washington. This of course gives me new and executive responsibilities. On that date I was actually in Greece. I returned to Italy on November 12th and at once began a series of detailed discussions with the officers at A.F.H.Q. and at A.C. on many of the problems of Italy, and especially having regard to the "New Deal" for Italy contained in the recent statements of the President and Mr. Churchill.

On November 22nd I left for London. Basing myself on the discussions which I had held in Naples and in Rome, I was able to submit a fairly comprehensive plan to my colleagues. Unfortunately I was delayed in my journey home by a forced descent at Dijon. Nevertheless, by Friday night, December 8th, after prolonged departmental discussions, I had obtained the consent of my colleagues in the British Cabinet to the proposals which I intended to put forward in Washington. It was my intention to leave by aeroplane for America on Saturday, December 9th, and all was ready for the journey. As already stated in the press, in addition to the political and supply questions affecting Italy, I was charged with the duty of discussing general questions of supply to the liberated countries of Europe, especially France, Belgium

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4792

Late on the night of December 8th Mr. Churchill asked me to change my plans and leave immediately for Athens. This, of course, I readily assented to do, and it certainly sounded an interesting and even exciting assignment. Field Marshal Sir Harold Alexander and I left London on the following day.

I was naturally very disappointed at having to put off my trip to Washington. I was anxious to pay this visit not merely to carry through this important business, but to make and renew contacts with many American friends. Like the Supreme Allied Commander, as Acting President of the Commission I regard myself as holding an Allied post. Although it may seem rather a strange thing for a British Cabinet Minister to become on one side of his functions an Allied Officer while on the other filling the position of British Political Adviser at A.F.H.Q., remaining a purely British figure, yet this war has made possible so close a co-operation and so complete an integration between Great Britain and the United States as to excuse what pedants might condemn. At any rate it follows the theme of Mr. Churchill when he said that Great Britain and America were getting "all mixed up together and the more the better".

32

The European supply problem is being handled by the Minister of State, Mr. Law, in my place, and this has of course included discussions on supply questions for Italy in general.

contd ... Sheet 2

The more detailed supply problems (and they are many and difficult) and the political questions are being handled on my behalf by General Spofford, United States Army, Head of G-5 at A.F.H.Q., and by the British representative on the Joint Staff Mission, to whom I telegraphed all the proposals in full before I left London. Colonel Bastion, Secretary General Staff, A.F.H.Q., who was to accompany me, has gone with all the necessary papers to Washington. I am happy to say that I can confidently look forward to a complete agreement. From the telegrams which have been passing from Washington through London to me on detailed points, I do not think that this will now take long to complete.

I hope that a suitable announcement may be made by the two Governments giving more precision to the President's various declarations regarding Italy and especially to the joint statement of the President and the Prime Minister.

Meanwhile, on returning from Athens last Friday, I have been addressing myself in Rome, with the help of my colleagues, to the study - and I hope towards the solution - of many urgent problems.

The work of the Chief Commissioner, whose promotion to the rank of Admiral in the United States Navy was so welcome to all Americans, British and Italians, is well known. When the full story is told of what he has done amidst immense difficulties, from those early days of Brindisi when he was a loyal adjutant to General Mason MacFarlane up till to-day, his work will be even more generously recognized. And in Brigadier Lush he has a Chief of Staff of outstanding quality. By such colleagues I feel buoyed up and sustained.

The problems facing Italy's present and future are formidable. The grim facts of destruction and danger of further destruction on a wide scale before the Germans are finally forced to evacuate the country are patent to all. Some of our critics who have not seen - or only cursorily visited - the liberated territories, may not wholly appreciate the difficulties. Had such ravages and such destruction of capital equipment of every kind taken place as the result of some natural phenomenon - earthquake or tidal wave - even a peaceful world with its full production available and all its shipping services at hand to bring remedial measures would have found it a long and laborious process to repair them. Not only is there the havoc of bombs and artillery, but, much more serious, of enemy demolition. But the resources of the Allied Nations are strained to the utmost for war needs. Shipping, however rapidly built on however great a scale, is devoured by the hungry jaws of war both in the East and in the West. At the same time the liberated areas of

4791

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4791

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50-1000

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: WX-66285
Date/Time of Origin: NOV 212117A

Message Centre No: C/2348
Date Time Rec'd: NOV 301645A
Precedence: PRIORITY

FROM: THE COMBINED CHIEFS OF STAFF

TO : AFHQ WILSON FOR ACTION, SHAEF VERSAILLES FOR EISENHOWER, TO CENTRAL DISTRICT UK BASE SECTION LONDON, TO BRITISH CHIEFS OF STAFF FOR INFORMATION

ACTION

HEADQUARTERS 30 NOV 1944 A. C.

SECRET.

FAN 455.

Paragraphs 1 and 2 of NAF 796 refer.

1. As announced in joint statement of President and Prime Minister on policy towards ITALY, the UK and US have decided to enter into direct relations with the Italian Government. They have communicated this decision to Italian Government through the UK High Commissioner and the US Representative respectively. SIR NOEL CHARLES will be the representative of the UK to the Italian Government, with the personal rank of ambassador. Mr. KIRK will be accredited formally to the Italian Government as US Ambassador. As to the other UNITED NATIONS, it is considered that the nature of their relations with the Italian Government is a matter to be worked out between the respective governments and the Italian Government. For your information in this connection, it is understood that the other American republics and the USSR are reestablishing formal diplomatic relations with ITALY.

2. It is, however, the intention of the US and UK Governments that, in general, their 2 representatives should for the time being handle only political questions of specific interest to their respective governments, while Allied Commission should continue to deal with economic and administrative matters as well as with questions arising out of the armistice terms.

4790

(31) FOR ACTION SEE "R" FILE

DIST

INFO-ACTION: SO to Chief Commissioner 2

INFO: C.o.S. Sir Noel Charles
Pol Sec Hon. Alex. Kirk
CA Sec
Econ Sec. File

~~SECRET~~

0297

ATH Q 602-27

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COPY R E S T R I C T E D DCK/ar

ALLIED FORCE HEADQUARTERS
APO 512

GENERAL ORDERS)
:
NUMBER 27) 18 November 1944

Announcement of President of Allied Commission.....I
Announcement of Deputy President Allied Commission Chief Commissioner and Chief Civil Affairs Officer.....II

I --- ANNOUNCEMENT OF PRESIDENT OF ALLIED COMMISSION

Announcement is made of the delegation by the Supreme Allied Commander Mediterranean Theater, of his functions as President of the Allied Commission to the Right Honorable HAROLD MACMILLAN, M.P., British Resident Minister, AFHQ, in addition to his other duties, effective 10 November 1944.

II -- ANNOUNCEMENT OF DEPUTY PRESIDENT ALLIED COMMISSION, CHIEF COMMISSIONER AND CHIEF CIVIL AFFAIRS OFFICER

Announcement is made of the appointment of Commodore ELLERY W. STONE, USNR, effective 10 November 1944, as Deputy President of the Allied Commission, and in addition to serve as Chief Commissioner of the Allied Commission and Chief Civil Affairs Officer of Occupied Territory under Allied Military Government in Italy, vice Lieutenant General FRANK N. MASON MACFARLANE, K.C.B., D.S.O., M.C. relieved.

By Command of General WILSON:

J.A.H. GAMMEL,
Lieutenant General, Chief of Staff

OFFICIAL;
/s/ H. V. Roberts,
/t/ H.V. ROBERTS,
Colonel, AGD,
Adjutant General

4789

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DISTRIBUTION:
"C"

~~R E S T R I C T E D~~

S E C R E T

AFHQ MESSAGE CENTER

INCOMING MESSAGE

WAR. AFSC N.915/09.

082300Z.

PRIORITY.

FROM: AGWAR FROM THE COMBINED CHIEFS OF STAFF.

TO: ACTION: AFHQ FOR WILSON.
INFORMATION: SHAEF VERSAILLES FOR EISENHOWER,
CENTRAL DISTRICT UK BASE SECTION
LONDON FOR BRITISH CHIEFS OF STAFF.

REF. NO. THIS MESSAGE: WX-59626, 8 NOV 44.

FAN-449.

An announcement of the appointment of MACMILLAN will shortly be made in the following terms:-

It is presently proposed that the announcement will be released at 12 noon Eastern War Time, 10 NOV 44.

2. "As already announced, the President of the UNITED STATES and the Prime Minister of GREAT BRITAIN recently reviewed the situation in ITALY and agreed on a general policy to meet the many economic and other difficulties of that country.

"In order to facilitate task, they have agreed that the Right Honourable HAROLD MACMILLAN, MP, British Resident Minister at Allied Force Headquarters, Mediterranean, should, in addition to his present post, become the responsible head of the Allied Commission. In order to effect this, General WILSON will delegate to Mr. MACMILLAN his functions as President of the Commission.

"Commodore STONE of the United States Navy, at present Acting Chief Commissioner, will be appointed Chief Commissioner. Mr. MACMILLAN as acting President will be specially charged with the duty of supervising development of new measures, together with any change in structure of the Commission necessary to carry them out".

3. A new directive is necessary and is being prepared. It will follow as soon as possible.

ACTION: INC.
INFO: SGC. IS&PS. PRO G3 Mr. MACMILLAN. US POLAD G-5
CCG. C/S MTS AG RECORDS.

4788

MC III 6463. 9 Nov 44. 1850A. Ref No. WX 59626. s/GB.

~~S E C R E T~~

SECRET

AFHQ

HQ ALLIED COMMISSION

S-358

4 NOV

SECRET

PRIORITY

A/CHIEF COMMISSIONER

SECRET PD

PARA ONE PD I NOTE YOUR FOX XRAY FOUR FIVE EIGHT SEVEN THREE CITE FIGHG AND THAT YOU WILL BE ASKED TO COMMENT ON OUR SUGGA THREE TWO EIGHT OF TWELFTH SEPTEMBER MOST OF WHICH REFERRED TO SITUATION AFTER HOSTILITIES HAVE CEASED PD

PARAS TO AFHQ FOX ONONE FIVE FOR ACTION CMA UNITED STATES POLITICAL ADVISER AND BRITISH RESIDENT MINISTER FOR INFO FROM HQ ALLIED COMMISSION FROM DRUMM PERSONAL

PARAGN

I HAVE NO OBJECTION TO THE ALTERNATIVE PROPOSAL OF PRESERVING THE ALLIED COMMISSION FRAMEWORK BY DEMILITARIZING SIMPLY THE LIMITS RESERVED IN MY SUGGA THREE TWO EIGHT AND YOUR FOX XRAY FOUR FIVE EIGHT SEVEN THREE AFTER HOSTILITIES IN ITALY HAVE CEASED PD I WOULD POINT OUT HOWEVER THAT AT PRESENT ONLY ABOUT HALF THE POPULATION OF ITALY HAS BEEN LIBERATED AND THAT WITH THE NEW DEVELOPMENTS OF WAR IT IS INCREASINGLY CLEAR THAT ALLIED MILITARY GOVERNMENT WILL HAVE TO ASSUME THE RESPONSIBILITY FOR THE INDUSTRIAL NORTH OF ITALY FOR A PERIOD THE LENGTH OF WHICH CANNOT BE FORESEEN PD THE ADMINISTRATIVE AND ECONOMIC PROBLEMS OF THAT AREA WILL BE FAR GREATER THAN THE ALLIED COMMISSION HAVE YET FACED PD FURTHER CMA I AM INSTRUCTED BY SACMED TO MAINTAIN MILITARY GOVERNMENT IN NORTHEASTERN PROVINCES UNTIL FRONTIERS ARE FIXED BY PEACE TREATY PD IN ORDER TO ADMINISTER AND A CONSIDERABLE NUMBER OF OFFICERS MUST BE MAINTAINED PD IT WOULD BE IMPRACTICABLE TO RUN A MILITARY ORGANIZATION IN THE FIELD BY A COMPLETELY CIVILIAN STAFF AT HEADQUARTERS PD

4787

4 Nov

SECRET

SECRET

(2)

QUOTED MESSAGE NO. S-358, 4 NOV 44, to AFHQ, CONT'D

PARA TWO FD BY MEMORANDUM OF JULY THE NINE RECOMMENDED GENERAL CIVILIAN INFILTRATION FD ON THE AMERICAN SIDE BY THE PROVISION OF FORTY OFFICIALS PARAN SEE BY THE FIVE ONE GRANT THREE EIGHT GRANT COS OF OCTOBER STATEMENT PARAN THIS HAS SHOWN FD STEPS ARE BEING TAKEN TO OBTAIN CIVILIAN OFFICIALS FROM THE UNITED KINGDOM IN ORDER TO GREATE SOME SENSE OF PARITY AND TO CARRY OUT THE POLICY SO FAR APPROVED PARAN SEE BY THE FIVE ONE GRANT ONE ZERO ONE GRANT COS OF OCTOBER TWO ZERO PARAN FD EVEN IF ACCELERATION OF INFILTRATION WERE ATTEMPTED CMA I AM CONVINCED FROM ALL SOURCES OF INFORMATION THAT FEW CIVILIANS OF SUFFICIENT CALIBRE ARE LIKELY TO BE MADE AVAILABLE FROM EITHER UNITED STATES OR UNITED KINGDOM FOR SEVERAL MONTHS FOR SUCH MEN ARE EITHER FILLING APPOINTMENTS IN SOME DEGREE OF WAR OR ARE IN KEY POSITIONS AT HOME FD

PARA THREE FD AS REGARDS TRANSFER OF EXISTING OFFICERS FROM MILITARY TO CIVILIAN STATUS I MUST POINT OUT THAT FROM A PRELIMINARY SURVEY THERE APPEARS LITTLE HOPE OF IMPLEMENTING SUCH A POLICY FD GENERALLY CMA THE TYPE OF OFFICERS RECRUITED FOR OR TRANSFERRED TO ALLIED COMMISSION CMA SEEM MS SHOULD WANT TO RETAIN CMA EXPECT TO REMAIN IN UNIFORM AS LONG AS THEIR MILITARY SERVICES ARE REQUIRED NOT THEREAFTER TO BE RELEGATED TO CANVAS REPLACEMENT POSSIBILITIES AT HOME RATHER THAN BE RETAINED AS CIVILIANS OVERSEAS FD FURTHER CMA NEITHER GOVERNMENT HAS PROPOSED TERMS OF EMPLOYMENT FOR SUCH OFFICIALS CLN MILITARY OFFICERS WOULD BE LOATH TO EXCHANGE MILITARY RANK AND ALL THE ADVANTAGES ACCRUING THERE FOR THE UNCERTAINTY OF CIVILIAN SERVICE IN A COMMISSION WHICH MEANWHILE AFTER THE CESSATION OF HOSTILITIES WILL BE DRASTICALLY REDUCED AND FOR EMPLOYMENT BY CIVIL DEPARTMENTS OF BOTH GOVERNMENTS WHOSE INTEREST IN THEM MUST NECESSARILY BE TEMPORARY FD

PARA FOUR FD NEVERTHELESS I WILL CONTINUE TO EXPLORE IN THE SECTIONS OF THE COMMISSION THE EXTENT TO WHICH MILITARY PERSONNEL ARE PREPARED TO BE DEMILITARIZED FD

4786

~~SECRET~~

SECRET

OUTGOING MESSAGE NO. S-358, 4 NOV 44, TO AFHQ, contd

PARA FIVE PD PLEASE REGARD FOREGOING AS REPLY TO FIRST PART OF YOUR QUESTION QUOTE ARE YOU UNQUOTE PD

PARA SIX PD AS REGARDS QUOTE BASE UNQUOTE IT IS CLEAR THAT THERE ARE SOME FUNCTIONS WHICH CAN CEASE BOTH AT HEADQUARTERS AND IN THE FIELD PD EDUCATION CAN BE HANDED OVER TO THE ITALIAN GOVERNMENT CMA PRESERVATION OF MONUMENTS AND FINE ARTS CAN BE DISTRIBUTED WITH PD WE COULD COMPLETE OUR WITHDRAWAL FROM SICILY AND SOUTHERN ITALY ALTHOUGH IN VIEW OF RECENT EVENTS I AM NOT YET CONVINCED OF THE WISDOM OF SUCH A STEP PD SINCE CMA HOWEVER CMA THE WISHES OF THE ITALIAN GOVERNMENT MUST BE TAKEN INTO ACCOUNT IN SUCH A WITHDRAWAL I PROPOSE TO DISCUSS THIS WITH THE PRIME MINISTER PD

PARA SEVEN PD WHILE HOSTILITIES ARE STILL IN PROGRESS IN ITALY I CAN ONLY ANTICIPATE GRADUAL INFILTRATION CMA WHICH WILL BE ACCELERATED WHEN WE BEGIN TO RECEIVE BRITISH CIVILIANS PD ANY DRASTIC REDUCTION IN AMERICAN OFFICERS SUCH AS SUGGESTED IN EUR FOR FIVE EIGHT SEVEN THREE WOULD NOT ONLY LEAVE THE COMMISSION PREDOMINANTLY BRITISH MILITARY IN CONTRAST TO PRESENT POLICY OF PARITY BUT WOULD WEAKEN IT AT A TIME WHEN EXPERIENCE AND ABILITY ARE BADLY NEEDED PD I TRUST THEREFORE THAT YOU WILL BE ABLE TO DISSUADE THE WAR DEPARTMENT FROM TAKING THE DRASTIC ACTION SUGGESTED IN EUR FOR FOUR SIX ZERO NINE SIX UNTIL THE SITUATION IS CLARIFIED AS TO PARA ABLE PARA END OF HOSTILITIES IN ITALY AND PARA BAKER PARA AVAILABILITY OF BRITISH CIVILIANS PD FOR DISCUSSION OF PARA BAKER PARA LUSH NON QUOTE R LONDON

AUTHENTICATION:

4785

MILTON H. STARR
Commodore, USNR
Acting Chief Commissioner

cc: Hon. Alexander Kirk
Sir Noel Charles
Chief of Staff
"A" Files

PRESIDENT ROOSEVELT ASKS FOR BREAD RATION RAISE IN FREED AREAS

Washington, Nov. 3 - President Roosevelt has asked military authorities to increase the bread ration throughout all of liberated Italy to 300 grams (12 ounces) daily, the War Department announced today.

In a communication sent to the War Department, President Roosevelt said that, after consideration of the shipping factor involved, he has assumed the responsibility for using now in southern Italy food reserves which were being built up for use when northern Italy is liberated. Accordingly he has asked an increase in bread rations for that section of Italy occupied by the Allied troops.

The President has also directed the War Department to provide additional trucks that can be spared from military operations to maintain a transport system for supplying food to the Italian people.

Mr. Roosevelt stated that every effort would be made to get additional relief supplies to Italy consistent with military operational needs. He emphasized that food is the most important and should take preference over other relief supplies.

In the first six months of the Allied liberation, food rations in Italy varied from area to area depending largely on local supplies, Brig.Gen. William O'Dwyer, vice-president in charge of the economic section of the Allied Commission for Italy, said in a statement released by the War Department yesterday.

Reviewing Allied progress in improving the food situation, General O'Dwyer said that last winter the bread ration everywhere was brought up to 200 grams and supplemental rations were assured to workers working directly and indirectly for the armed forces.

In July 1 of this year, while central Italy was on the 200-gram bread ration, the bulk of liberated was increased to 300 grams. As a result of this increases and the new harvest, the upward trend in the cost of living and in black market prices of food was halted, the report said.

The President's plan would extend the 300-gram ration to other portions of Italy which formerly received only 200 grams. All of liberated Italy is now receiving a greater bread ration than under German occupation.

(27)
3 mr.

0304

SECRET

1580

ACTION AC PERSONAL FOR LYONS

AFH, FROM SPOFFORD SIGNED SACMED 117/30

F 46096

OCT 30/2009

PRIORITY

GITS: FIGED

SECRET.

In recent discussion LONDON with General HILLDRING latter urged acceleration demilitarization ACC personnel at headquarters and in regions other than under ANC. HILLDRING stated that demilitarization could be achieved either by substitution of civilians or by decommissioning officers who desire to stay on and whose services are required. He requested early progress report and stated that substantially all US personnel in uniform with assignments as above should be withdrawn by end of this year. In absence of agreed plan in conformity with foregoing, orders may be expected from War Department relieving personnel by date indicated.

Para Two. Foregoing requires prompt compliance with our F 44611 of 27 October and F 39435 of 16 October and preparation of phase plan of demilitarization US personnel. APPROVED will discuss in Rome at earliest opportunity

(21)

(22)

DIST

Action: S. C. to A/CC (2)

Info: ACC

C.O.S.

Adm. Sec.

File

4108

HEADQUARTERS
31 OCT 1946
A.C.C.

SECRET

(26)

30 Oct

OCTOBER 32/0910

SECRET

M/C Log No. 9561

HEADQUARTERS ALLIED COMMISSION

Sig M/C No. 74/30

Incoming Message

To: ACTION AC

From: AFHQ SIGNED SACMED

PRIORITY

Ref No.: FX 45873

CITE: FHGEG

Date: OCT 30/1900A

SECRET.

Information has been received from Washington that in connection with implementation of New Policy towards Italy arising out of the Declaration on 26 Sept the position is that a reply has been drafted by UNITED STATES members of CCAC and is presently with UNITED KINGDOM members for concurrence or comment.

It is stated that the draft reply is based on realization that the implementation must take full cognizance of how much of an Allied Commission SACMED desires to retain to enable him to carry out the responsibilities which will still be his.

The draft reply envisages that before final directions are issued this Hq will be requested to comment on the proposals made by you in your S328 of 10 Sep, a copy of which has come in the possession of WASHINGTON through Ambassador KIRK. The draft then proceeds substantially as follows:

An alternative suggestion is that AC be demilitarized without changing its framework. This would be accomplished by an acceleration of the infiltration of Allied civilian officials into the AC and the simultaneous withdrawal of military personnel or their release from military status. Such demilitarization would not apply to the Establishment Section and the Independent Army, Navy, Air and War Material Disposal Sub-Commissions. This demilitarization would not involve any alteration in the line of authority from the Supreme Allied Commander who would continue to exercise authority through his Deputy, The Chief Commissioner in AC, until such time as military considerations no longer predominantly govern Allied policy in ITALY.

It is requested, although the alternative presented seems not materially inconsistent with your original plan, that you will urgently consider and submit your view on the above in the light of the proposals already made by you and of events subsequent to their preparation and that in doing so you cover the aspect of phasing of

(A) Withdrawal of military personnel or their release from military status,

(B) Functions which you now consider can be dispensed with entirely.

DISTRIBUTION:
Action - SO to A/CC (3)
Info - C o S
File

4782

25
30 OCT

0306

C O P Y

S E C R E T

ACC FOR STEARNS

96/27

AFHQ SIGNED SACMED

F 44611

PRIORITY

OCT 27/1610

CITE: FHCEG

SECRET. Unanswered is our F 39435 of 16 October. AGWAR urgently desires information. Memo left with you 1 October by CWO BURTON originally outlined request. ACC letter 16 October subject: Employment of civilians in ACC file 251/38/COS in no ways gave information on actual positions FEA personnel should all to release US Army Personnel from duty with ACC. Referred letter gave only information on US civilians present or enroute which FEA already knows. Must request no further delay.

DIST:

Act: G-1 (A)
Inf: A/CC
COS
Est Sec
CA Sec
Econ Sec
File (M)

4781

27 Sept.

[redacted]

C O P Y

ALLIED FORCE HEAD QUARTERS
G-5 Section
APO 512

CML-H/TBJ/cjm
24 October 1944

G-5: 387.4-1

SUBJECT: Change of name of Allied Control Commission.

TO : Headquarters, Allied Control Commission,
(For attention Chief Commissioner)
APO 394.

1. It is notified that by direction of CCS the Allied Control Commission will henceforth be addressed as the Allied Commission.

2. It is requested that this should be notified in these terms to the Italian Government by letter simply stating the fact without elaboration, explanation or implication. In order that the matter may not appear to be of outstanding importance it should be notified by a routine communication, not signed by yourself, to an official of the Italian Government such as the Secretary to the Council of Ministers.

3. CCS have promised to give full directions shortly on the declaration made 26 September by the President and Prime Minister and these will be forwarded to you immediately on receipt.

/s/ C. E. Lewin-Harris
/t/ C.E. LEWIN-HARRIS, Colonel
Deputy Asst. Chief of Staff, G-5.

Copies to:
Brit. Res. Min.
US Poland.
CAO.

24 Oct

SECRET

8168

ACC FOR STONE FOR STEARNS

N39/16

AFHQ SIGNED SACMED

F-39435

PRIORITY

Oct 161143A

CITE: FHGEG

SECRET. Needed immediately is information on actual positions FEA personnel ~~XXXX~~ should fill to release U.S. Army personnel from duty with ACC in order to enable FEA to select the necessary civilian personnel.

DISTRIBUTION:

Action: G-1 (A) (2)
Info: A/CC
Est Sect
File

4779

(22)

16 OCT

SECRET

Oct 161500 Recvd

0309

'A'

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Acting Chief Commissioner
APO 394

EWS/dfe

A/CC 321-1

10 October 1944

MEMORANDUM TO: Naval Sub-Commission
Army Sub-Commission
Air Forces Sub-Commission

1. For your information, SACMED has requested specific directives from Combined Chiefs of Staff as to what changes if any are to be made in the functions and organization of ACC, the possibility of which was suggested in the joint communique of President Roosevelt and Prime Minister Churchill.

2. Until such directives are received, there will be no change in either the name or functions of this Commission.

ELLERY W. STONE
Commodore
Acting Chief Commissioner

cc: Chief of Staff
"A" Files

4778

10 Oct

A/CC 543
8/10/44

"A"

HEADQUARTERS
ALLIED CONTROL COMMISSION
CMF
Office of the Chief of Staff
++++++++++++++++++++++++++++++

SECRET

Ref : 501/4/COS.

7 October 44.

SUBJECT : Anglo-American Declaration - ACC Policy.

TO : Political Section
Civil Affairs Section
Economic Section
Establishment Section
Navy Sub-Commission
Army Sub-Commission
Air Forces Sub-Commission
Communications Sub-Commission
War Materials Disposal & IPCU Sub-Com.
Public Relations Branch
Adv. Bd. ACC.

1. Attached for your information is copy of the reply received from AFHQ to an enquiry from the Acting Chief Commissioner concerning the policy to be followed by ACC following the recent joint Anglo-American declaration.

2. Kindly inform the Sub-Commissions in your Section accordingly.

321-1

INCL
F 34211

Wladislaus Radulovic
Brigadier,
Chief of Staff.

4777

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7 Oct

0311

space

SECRET

ALLIED CONTROL COMMISSION

INCOMING MESSAGE

ACTION ACC

AFHQ SIGNED SACMED

F 34211

OCT 041711A

110/04

PRIORITY

CITE FHMC

(18) (16)

SECRET . Instructions are being sought from combined Chiefs of Staff on action to be taken arising out of joint Anglo-American declaration and on points raised by you. Refer your S347 of 28 Sept. We are asking for opportunity to comment on any contemplated change in light of experience of AFHQ and ACC. Pending receipt of instructions ACC will make no change in title and take no action on the basis of the declaration.

(19)

4 Oct

0312

Alcc 5461 8/10/44 A' File

7162

SECRET

ALLIED CONTROL COMMISSION

INCOMING MESSAGE

TO: FOR ACTION: ACSAR FOR COMBINED CHIEFS OF STAFFS INFO: CENTRAL DISTRICT UK
BASE SECTION LONDON FOR BRITISH CHIEFS ***SIGNAL MESSAGE CENTER No:
FROM: AFHQ SIGNED WILSON CLASSIFICATION:
REFERENCE No: FX 34291 PRECEDENCE: PRIORITY
DATE AND TIME OF ORIGIN: 4 OCT 44 OFFICE OF ORIGIN:

(15)

***ADDRESS CONTINUED: OF STAFF HQ COMZONE ETOUSA SHAEF

SECRET. 1. Joint statement on ITALY by the President and the Prime Minister issued to the press on 26 Sept, which has been given wide publicity in ITALY, has naturally occasioned many enquiries from Allied as well as Italian sources. In the absence of Directives from you as to the time and manner of implementation of the policies laid down, I am instructing the Chief Commissioner that specific action is to withheld.

2. In order to enable me satisfactorily to answer these enquiries and to cut short the present period of speculation, I request that I may be given Directives as soon as practicable. I hope these may cover the matters directly raised by the announcement, most important of which is taken here to be the naming of direct Italian Representatives to the 2 Governments, as well as matters necessarily raised by implication, as for example, any modification in the relations between other United Nations and Italy.

3. In connection with the naming of direct Representatives I request that specific guidance be given on whether Italian Representatives are to be allowed secret communication with their Government. I also hope that character and scope of the functions of any representatives will be clearly defined. This I consider essential if there is to continue any satisfactory working relationship between the ACC and the Government. I wish that there may be avoided any situation such as recently arose through an important direct communication, the fact and contents of which were generally known in Italian circles but were unknown to the senior officers of ACC or AFHQ until reported by OSS on an Intelligence basis.

4. If there is implied in the statement a forth-coming reorientation of the functions of ACC, I request that the ACC and this Headquarters may be given an opportunity to comment. Considerable study hasbeen and is being given to the possible future reorganization of ACC, as a result of which and on basis of experience in the field, I believe we may be in a position to offer useful suggestions which may fit within the framework of whatever policies may be laid down.

1276

(16)

DISTRIBUTION:
Info-Action: C.O.S. Sect (3)
Info: A/CC
Pol Sec
File

(18)

HEADQUARTERS
6 OCT 1944
A. C. C.

SECRET
6 OCT 44

DATE and Time of RECEIPT

Send cc to Sec Nat Class
done

Distribution:

4 Cl

~~SECRET~~

ROOSEVELT ANNOUNCES ITALIAN AID PLANS

Washington, 4 October 1944.

Plans were announced today by President Roosevelt for the use of substantial Allied supplies for help to rebuild Italy.
The President summoned today a delegation of supply officers from Italy to review measures for preventing civilian "hunger", sickness, and fear, during the coming winter.
Steps have been taken, the President said, to enable the Italian People to throw their full weight of resources into the fight against Germany and Japan.
Mr. Roosevelt said:

"In accordance with the policies with respect to Italy which were outlined jointly by Prime Minister Churchill and me, in a statement issued to the press on September 26, measures are now being taken to provide Italy with supplies necessary to prevent civilian hunger, sickness, and fear during the forthcoming winter. Steps are also being taken to restore the damaged transportation and electrical generating facilities of Italy to the extent necessary to enable the Italian people to throw their full resources into the fight against Germany and Japan.

"A delegation of supply officers has been called from Italy to Washington to review the needs and requirements of the Italin civilian population.

"In addition to the substantial quantities of food and clothing which are now being shipped and have for some time been shipped ~~and have for some time been shipped~~ into Italy, 150,000 tons of wheat and flour are now scheduled for shipment.

"Steps are being taken to increase the bread ration in those areas of Italy where food supplies are below the standard necessary to maintain full health and efficiency.

1.700 Trucks to Italy

"The distribution of food and essential supplies within the country has been seriously impeded by the damage done to the transportation system and by the wholesale commandering of trucks by the enemy.

"To meet this emergency, it is planned to send 1.700 additional trucks to Italy.

"In addition, preparations are under way to supply substantial quantities of generating equipment, including temporary power facilities, to furnish electricity to essential industries and public utilities in central Italy which have been brought to a standstill by the almost complete destruction by the Germans of the power

4775

civilian population.

"In addition to the substantial quantities of food and clothing which are now being shipped and have for some time been shipped ~~and have for some time been shipped~~ into Italy, 150,000 tons of wheat and flour are now scheduled for shipment.

"Steps are being taken to increase the bread ration in those areas of Italy where food supplies are below the standard necessary to maintain full health and efficiency.

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"In addition, preparations are under way to supply substantial quantities of generating equipment, including temporary power facilities, to furnish electricity to essential industries and public utilities in central Italy which have been brought to a standstill by the almost complete destruction by the Germans of the power plants.

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" The aid which the Allies have already given to Italy has been substantial. Since the invasion of Sicily to the end of this year , 2,300,000 long tons of civilian supplies will have been shipped to Italy. Of this total, 1,107,000 tons were food, and the balance consisted of coal, fertilizer, seeds, medical and sanitary supplies, and clothing.

"As an integral part of military operations, the Army has done a great deal to repair roads and bridges and railroads, and to repair water and power systems and motor transport.

"Through these, and other measures of assistance which are now in preparation, the Italian People will be enabled to increase their already significant contribution toward the defeat of the enemy.

"By doing these things, this country is serving the military aims and objectives of the United Nations, which require the greatest possible contribution from the manpower and resources of every nation in the final overthrow of Germany and Japan."

(O.W.I.)

(17)

4 lot

0315

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

SECRET

AFHQ

ACC

S-347

28 SEP

SECRET
PRIORITY
ACTING CHIEF COMM.

(15)

IN VIEW OF MANY INQUIRIES FROM ALLIED AS WELL AS ITALIAN SOURCES CMA I SHALL BE GRATEFUL FOR INFORMATION WHETHER ANGLO DASH AMERICAN DECLARATION REGARDING ITALY IS NOW TO BE CONSIDERED IN FORCE CMA OR WHETHER IT IS INTENDED TO INSTRUCT THIS COMMISSION TO COMMUNICATE IT OFFICIALLY TO ITALIAN GOVERNMENT PD PARA TWO PD PAREN TO AFHQ FOR GEORGE FIVE CMA FOR INFO TO BRITISH RESIDENT MINISTER AND UNITED STATES POLITICAL ADVISER FROM ACC FROM STONE PERSONAL PAREN PARTICULAR POINTS ON WHICH QUESTIONS ARE ASKED ARE PAREN ABLE PAREN WHETHER THE STRUCTURE AND FUNCTIONS OF THE ALLIED COMMISSION WILL CONTINUE AS UNDER ALLIED CONTROL COMMISSION UNTIL SPECIFICALLY MODIFIED IN ANY SPECIAL INSTANCE SEMICLN PAREN BAKER PAREN WHAT WILL BE THE POSITION OF ITALIAN REPRESENTATIVES IN WASHINGTON AND LONDON AND WILL THEY CMA FOR INSTANCE CMA BE ALLOWED DIRECT CONFIDENTIAL COMMUNICATION WITH ITALIAN GOVERNMENT BY MEANS OF CODES AND CIPHERS NOT DEPOSITED WITH ALLIED COMMISSION PD PARA THREE PD I PRESUME THAT NO CHANGE OF TITLE OF COMMISSION IS TO BE MADE UNTIL SPECIFIC INSTRUCTIONS ARE RECEIVED

X-321-1

X-311.5

X-321

4774

ELLERY W. STONE, Captain, USNR, Acting Chief Comm.

Sir Noel Charles
Hon. Alexander Kirk

[redacted]

FILES (A)

(16)

Dispatched 1925, 28 Sep 44

28 Sep

Hq ACC Sec'y Gen.
DISPATCHED
Date - Time 28 SEP 1944
Via Signals: 1945
Initials CM

V

JOINT COMMUNIQUE
AMERICAN AND BRITISH GOVERNMENTS

The President and the Prime Minister held further discussions Monday and Tuesday, September 18th and 19th at Hyde Park on subjects dealing with postwar policies in Europe. The result of these discussions cannot be disclosed at this time for strategic military reasons and pending their consideration by our other Allies. The present problems in Italy also came under discussion and on this subject the President and the Prime Minister issued the following statement: "The Italian people freed of their Fascist and Nazi overlordship have in these last twelve months demonstrated their will to be free to fight on the side of the democracies and to take a place among the United Nations devoted to principles of peace and justice. We believe we should give encouragement to those Italians who are standing for a political rebirth in Italy and are completing the destruction of the evil Fascist system. We wish to afford the Italians a greater opportunity to aid in the defeat of our common enemies. The American and the British people are of course horrified by the recent mob action in Rome but feel that a greater responsibility placed on the Italian people and on their own government will most readily prevent a recurrence of such acts. An increasing measure of control will be gradually handed over to the Italian administration subject of course to that administration's proving that it can maintain law and order and the regular administration of justice. To mark this change the Allied Control Commission will be renamed the Allied Commission. The British High Commissioner in Italy will assume the additional title of Ambassador. The United States Representative in Rome already holds that rank. The Italian Government will be invited to appoint direct representatives to Washington and London. First and immediate considerations in Italy are the relief of hunger and sickness and fear. To this end we instructed our representatives at the UNRRA conference to declare for the sending of medical aids and other essential supplies to Italy. We are happy to know that this view commended itself to other members of the UNRRA Council. At the same time first steps should be taken toward the reconstruction of an Italian economy. An economy laid low under the years of the misrule of Mussolini and ravished by the German policy of vengeful destruction. These steps should be taken primarily as military aims to put the full resources of Italy and the Italian people into the struggle to defeat Germany and Japan. For military reasons we should assist the Italians in the restoration of such power systems, their railways, motor transport roads and other communications as enter into the war situation and for a short time send engineers, technicians and industrial experts into Italy to help them in their own rehabilitation. The application to Italy of the Trading With The Enemy Acts should be modified so as to enable business contacts between Italy and the outside world to be resumed for the benefit of the Italian people. We all wish to speed the day when the last vestiges of Fascism in Italy will have been wiped out and when the last German will have left Italian soil and when there will be no need of any Allied troops to remain, the day when free elections can be held throughout Italy and when Italy can earn her proper place in the great family of free nations."

4773

Reproduced at
Headquarters ACC
29 September 1944

File
Hal Cook

0317

AWK/wp

CONFIDENTIAL

C.S.O.

7832

ALLIED FORCE HEADQUARTERS
APO 512

17 September 1944

257 19 Sept 1045
By PHC

SUBJECT: Civil Affairs - Occupied Areas.

TO : Deputy President, Allied Control Commission, APO 394.

Attached for your information and file is one (1) copy of War Department letter, file AG 014.1 (21 Aug 44) OB-S-F-M, subject as above, dated 26 August 1944.

By command of General WILSON:

(12)

ALBERT W. KANT,
Captain, AGD,
Asst Adjutant General.

1 Incl
WD ltr, AG 014.1 (21 Aug 44)
OB-S-F-M, subject as above,
dtd 26 August 1944

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(14)

hwo
17 Sept

CONFIDENTIAL

Mr. Macmillan — To see

Tiny

Very usually / HM

22/1

COPY

FOREIGN ECONOMIC ADMINISTRATION
BUREAU OF AREAS
Washington, D. C.

In reply refer to:
BA-845-EGH

VIA DIPLOMATIC AIR POUCH

W-Italy 247

9 Jan 1945

Mr. Harlan Cleveland, Executive Director
Economic Section, Allied Commission
c/o U. S. Representative on Advisory Council for Italy
Rome, Italy

Subject: Our Letter No. 9

Dear Harlan:

I have you very much on my mind these days and probably shall not be able to put in a letter even a small part of what I wish I might hand on to you.

The negotiations on the Macmillan Proposals here with the Army and with the British are dragging along. In yesterday's New York Times there are three important stories headed, "Allies to Clarify Position on Italy", "Decide to Review Overseas Supplies," and "Stettinius Denies Rift on Italy's Aid." The Stettinius statement was in connection with a publication by Drew Pearson on a paper submitted in August by Lord Halifax, but which was made to appear a part of the current discussion of the Macmillan Proposals. In spite of the obvious misuse of the British paper, I think the general airing which the subject is getting may lead to good results. Needless to say, I think it is a shame that a columnist can publish secret papers and that a high officer such as the Secretary of State of theUnited States has to take public notice of the event.

Tony is still pretty tired and is in need of a real rest. General O'Dwyer is hitting on all six and is constantly helpful.

I know you will excuse this hurried note.

Sincerely,

4794

/s/ E. E. Hunt

E. E. Hunt, Chief
Italian Division
Liberated Areas Branch

31

CONFIDENTIAL

TO: NCSAR for Combined Chiefs of Staff

INFO: UK BASE SECTION for British Chiefs of Staff
H. COM ZONE MAIN
CHIEF

A 258
15 SEP 1944

THIS IS NAF_____

Subject is guidance on economic policy for Italy.

Para one. As battle line in Italy moves North and the operational phase in large portions of occupied territory is terminated, I feel that approach to problems of civilian supply and economic rehabilitation must be re-examined. While purely military considerations remain predominant in the forward areas, problems associated with civil administration, particularly of an economic character, raise general questions on which I, in my capacity as President of the Allied Control Commission require guidance.

Para two. During the active operational phase, activities of an economic character conducted by the Allied Control Commission and other agencies in Italy under my command of necessity have been directly related to support of military operations. Supplies have been imported and distributed to the civilian population in order to minimise disease and prevent unrest, and efforts toward economic rehabilitation have had the primary, if not the exclusive, purpose of utilising Italy's resources for the war effort and producing in Italy goods which would otherwise have had to be imported.

Para three. In the light of the changed operational situation the limited directives which have governed seem no longer to be adequate. [illegible] under which the Allied Control Commission

CONFIDENTIAL

TO: ACTAR for Combined Chiefs of Staff

INFO: UK BASE SECTION for British Chiefs of Staff
HQ COM ZONE MAIN
CMAEF

A 258
15 SEP 1944

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Para three. In the light of the changed operational situation the limited directives which have governed seem no longer to be adequate. The armistice agreement, under which the Allied Control Commission operates, contains no commitment to the Italian people as to any measure of material assistance. However there has arisen in Italy the expectation, if not the assumption, presumably by reason of the known humanitarian policies of the two governments, that an additional measure of assistance and relief to the civil population would be forthcoming. Public utterances in both countries have tended to support this view. Moreover, if the two Governments continue at this stage to consider only what is required in the interests of the war effort, they may lose the opportunity of ensuring one of their own long term interests, i.e. the establishment of a reasonably prosperous and contented Italy after the war. Notwithstanding

13a

15 Sept

this fact the standard of military necessity shall obtains and in the provision of supply is being strictly adhered to. For example, a clothing programme was submitted in June (LAC Airgram 32) based on the estimated essential needs of the population this winter, but also having regard to the anti-inflationary effects of an increased supply of consumer goods. I am now asked, however, (CAL 728) to certify that this clothing is the minimum requirement to prevent disease and unrest which would prejudice military operations. As another example, not of great importance in itself but indicating the type of question which is now arising, in response to a requisition of paper essential for proper keeping of Italian tax records, it is asked (CAL 566) whether the paper is necessary "to control and manage the civil population".

Para four. For the foregoing reasons I request that directives which govern the provision of civilian supply and economic rehabilitation be re-examined and that, if the policy of the governments is to furnish aid to Italy beyond that required by strict military necessity of the Allied Forces, the standards applicable to that aid be revised. In particular I request that I be informed:-

(a) to what extent, if any, I may take into account factors tending toward inflation, and to what degree I am responsible for measures to counter these tendencies

(b) to what extent, if any, is it desired that industrial rehabilitation in Italy be carried out and if any rehabilitation is intended what industries should be given precedence.

4770

[illegible] allocations of available shipping, to what extent,

is necessary #to control and manage the civil popu

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(b) to what extent, if any, is it desired that industrial rehabilitation in Italy be carried out and if any rehabilitation is intended what industries should be given precedence.

(c) Within the limitations of available shipping, to what extent, if any, are exports to be stimulated and machinery to handle export trade developed.

Para five. If my revised directive gives me responsibilities in the economic field broader than those now existing, I may require additional personnel of suitable technical training and experience, presumably drawn more from civil than military ranks. I am, as I have already indicated prepared to accept qualified civilian experts in major proportion in the Allied Control Commission as soon as they are available.

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~~CONFIDENTIAL~~

R E S T R I C T E D

COPY DCK/ar

ALLIED FORCE HEADQUARTERS
APO 512

GENERAL ORDERS) 11 Septmber 1944
:
NUMBER 21)

I ---- ANNOUNCEMENT OF CHIEF ENGINEER

Announcement is made of the appointment of Major General DAVID MC COACH, JR., 02833, USA, as Chief Engineer, Allied Force Headquarters, effective 6 September 1944, vice Brigadier General DABNEY O. ELLIOT, 03669, USA, relieved.

II --- RESCISSION OF GENERAL ORDERS

(5)

1. Section I, AFHQ General Orders Number 5, 1944 is rescinded. OK

2. So much of Section II, AFHQ General Orders Number 5, 1944, as reads: "His Headquarters will be Headquarters, Allied Control Commission and, in addition, it will be the Civil Affairs Branch of Headquarters Allied Control Mediterranean Force", is rescinded. OK

3. Current instructions will be found in AFHQ Administrative Memorandum Number 38, 1944.

By command of General WILSON:

J. A. H. GAMMEL
Lieutenant General, Chief of Staff.

4767

DAVID MC COACH, JR., 02699, USA, [illegible]
Headquarters, effective 6 September 1944, vice Brigadier General
DABNEY O. ELLIOT, 03669, USA, relieved.

(5)a

II --- RESCISSION OF GENERAL ORDERS

1. Section I, AFHQ General Orders Number 5, 1944 is rescinded. OK [illegible]

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3. Current instructions will be found in AFHQ Administrative Memorandum Number 38, 1944.

By command of General WILSON:

J. A. H. GAMMEL
Lieutenant General, Chief of Staff.

4767

OFFICIAL:

/s/ R. H. CHRISTIE,
Colonel, AGD,
Acting Adjutant General

DISTRUBITION:
"C"

(12)a

11 Sept

RESTRICTED

TOP SECRET

AFHQ

HQ ACC

S-328

12 SEPT

TOP SECRET

PRIORITY

ACTING CHIEF COMM.

IF FUTURE OF ALLIED CONTROL COMMISSION IS UNDER DISCUSSION REQUEST FOLLOWING POINTS CMA WHICH REPRESENT VIEWS OF MYSELF AND STAFF CMA BE CONSIDERED CLN PARA ONE PD SO LONG AS HOSTILITIES CONTINUE IN ITALY CMA ALLIED CONTROL COMMISSION REMAINS FUNDAMENTALLY UNCHANGED EXCEPT FOR CIVILIAN INFILTRATION MENTIONED IN MEMORANDUM ACCOMPANYING MY LETTER ABLE SLANT CHARLIE CHARLIE THREE TWO ONE OF FOUR AUGUST PD PARAN TO AFHQ PERSONAL FOR SACMED CMA UNCLE SUGAR POLITICAL ADVISOR AND BRITISH RESIDENT MINISTER FROM HQ ACC FROM STONE PERSONAL PARAN ACC CONTINUES POLICY GRADUAL DELEGATION RESPONSIBILITY TO ITALIAN GOVERNMENT PD PARA TWO PD PARAN ABLE PARAN AT END HOSTILITIES IN ITALY CMA IF ALLIED POLICY IS TO RETAIN CONTROL OF AFFAIRS HERE UNTIL PEACE TREATY CMA I ASSUME PRESENT ARMISTICE WOULD EITHER REMAIN IN FORCE OR ANY ALTERATION IN ITS TERMS WOULD PRESERVE PRESENT SAFEGUARDS TO ALLIES PD ALLIED CONTROL COMMISSION WOULD THEN REMAIN AS PROVIDED IN PRESENT ARTICLE THREE SEVEN BUT IN DIMINISHED FORM WITH EMPHASIS ON RECONSTRUCTION RATHER THAN ON CONTROL PD SERVICE SUBCOMMISSIONS CONTINUE AS PART OF ACC FOR OBVIOUS REASONS SEMCLN ECONOMIC BOARD ON LINES OF NAJEB AND NASC SET UP CMA DEPENDING FROM ACC SEMCLN REMAINING SECTIONS AND SUBCOMMISSIONS EXCEPT AFA AND POSSIBLY PROPERTY CONTROL LIQUIDATED PD THIS BOARD COULD ALSO CALL FORWARD AT REQUEST OF ITALIAN GOVERNMENT SPECIAL ALLIED MISSIONS TO DEAL WITH PARTICULAR INDUSTRIES CMA FACTORIES CMA ETC PD PARA PAREN MAKER PAREN IMPORTS AND EXPORTS OF ALL KINDS INITIALLY TO BE PLACED IN HANDS OF AGENCY SUCH AS

4769

(13)

12 Sep

TOP SECRET

FILES (A) B

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TOP SECRET

CONTINUING MESSAGE NO. S-328, 12 SEPT 44, continued:

UKCC AND USCC PD ECONOMIC BOARD WOULD HAVE CONTROL OVER THESE AGENCIES AND RIGHT OF SCRUTINY INTO PROPER DISTRIBUTION AND EMPLOYMENT OF IMPORTS PD PARA PAREN CHARLIE PAREN CHIEF COMMISSIONER WITH SMALL STAFF WOULD REMAIN AS DEPUTY PRESIDENT UNDER AUTHORITY SACMED AS PRESIDENT SPECIAL RELATIONS WITH ADVISORY COUNCIL UNCHANGED PD THE COMMISSION WOULD IN FACT REVERT TO SMALL MISSION FOR CONTROL OF ARMISTICE TERMS BUT WITH IMPORTANT ECONOMIC RESPONSIBILITIES PD IT IS ASSUMED THAT AT THIS TIME THE ITALIAN GOVERNMENT WOULD HAVE THE RIGHT TO COMMUNICATE WITH OTHER GOVERNMENTS THROUGH DIPLOMATIC CHANNELS ON MATTERS WHICH DO NOT FALL WITHIN THE SCOPE OF SACMED CMA ALTHOUGH USUAL DIPLOMATIC RELATIONS MIGHT NOT BE FULLY RESTORED PD PARA THREE PD AS COROLLARY TO ABOVE IT MIGHT BE DESIRABLE TO OFFER TO ITALIAN GOVERNMENT SERVICES OF FEW HIGHLY QUALIFIED ALLIED ADVISORS CMA ONE OR TWO TO EACH MINISTRY PD THESE ADVISORS WOULD BE NOMINATED BY ALLIED NATIONS AT REQUEST OF ITALIAN GOVERNMENT WHOSE SERVANTS THEY WOULD BE AND ON WHOSE PAY ROLL THEY WOULD COME PD THEY WOULD BE ADVISORS AND NOT CONTROLLERS

AUTHENTICATED:

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

DISTRIBUTION:
Hon. Alexander Kirk
Sir Noel Charles
V.P., Economic Section
V.P., Administrative Section
V.P., EC & MI Section
V.P., Political Section

4768

SAC 189 3

Hq AFC Secy Gen.
DISPATCHED
Date-Time 12 Sept
Via Sig
Remarks DKR

(13)

TOP SECRET

CONFIDENTIAL

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WAR DEPARTMENT
The Adjutant General's Office
Washington 25, D. C.

AG 014.1 (21 Aug 44)OB-S-F-M EM/res 2B-939 Pentagon

26 August 1944

SUBJECT: Civil Affairs - Occupied Areas.

TO: Commander-in-Chief, Southwest Pacific Area;
The Commanding Generals,
U.S. Army Forces, North African Theater of Operations;
U.S. Army Forces in the Middle East;
U.S. Army Forces, Pacific Ocean Areas;
U.S. Army Forces, China, Burma and India, Theater Headquarters;
U.S. Army Forces, European Theater of Operations.

H 1466

Supplementing letter AG 014.1 (23 Jun 44)OB-S-F-M, 24 June 1944, subject as above, there is digested below further developments in the Field of Civil Affairs, which it is believed will be of interest to Theater Commanders:

1. Initiate Post Hostility Planning

Pursuant to the recommendation of the Commanding General, U.S. Army Forces, European Theater of Operations, the U. S. Joint Chiefs of Staff, on 4 August 1944, concurred in the assignment, under the direct control of Commanding General, European Theater of Operations, of appropriate U. S. personnel to form a nucleus of a U. S. group of what it is ultimately contemplated will become a Control Council for the tripartite control of Germany after defeat or surrender. Steps have been taken to seek United Kingdom and Soviet participation in such a planning group.

2. Liberated Areas Committee Established

The War Department has been advised by the Secretary of State of the formation of a Liberated Areas Committee and a Combined Liberated Areas Committee, which would resolve, respectively, the views of the United States agencies and the combined views of the United States and United Kingdom agencies regarding policies for liberated areas during the post-military period. The membership of the LAC is composed of the State Department, Treasury Department, Foreign Economic Administration, War Department and Navy Department.

3. U.S. Military Participates in Relief and Rehabilitation in Greece, Yugoslavia and Albania.

4766

The Combined Chiefs of Staff have approved the establishment of Military Headquarters (Balkans) and three subordinate Military Liaison Headquarters for Greece, Yugoslavia and Albania. The several Headquarters will be combined Headquarters with respect to relief and rehabilitation essential to relief in the three countries.

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U. S. military participation will be limited to this function. Pursuant to arrangement with United Nations Relief and Rehabilitation Administration (UNRRA), the Administration will act as the agency of the combined military for relief and rehabilitation operations in Greece, Yugoslavia and Albania.

4. Relations of UNRRA and Military Authorities Defined.

In order to insure uniformity of policy among Theaters and to achieve maximum cooperation between UNRRA and the military on matters of mutual interest, the CCS have determined the following procedures in UNRRA-Military dealings:

a. The Combined Civil Affairs Committee will be the agency through which UNRRA contact with the CCS is to be maintained.

b. During the military period, military authorities will discuss and cooperate with UNRRA, as to any area, with respect to such matters within UNRRA's competence regarding which recognized indigenous authorities have signified either their desire for UNRRA's assistance in the post-military period, or their consent to UNRRA-Military discussions and cooperation on such subjects during the military period.

c. UNRRA will submit to the CCAC requests of indigenous authorities for UNRRA's assistance or their consent to military-UNRRA discussions as to any area. If any action is required to be performed by the Theater Commander, CCS shall advise the Theater Commander of the extent thereof.

d. Upon receipt of such requests from UNRRA, the CCS will advise the Theater Commander that he may, to the extent permitted by security and other military considerations, discuss and cooperate with UNRRA concerning his civil affairs plans during the military period with respect to matters covered by such requests, and that he may receive from UNRRA representatives such information as may assist him in carrying out his mission.

e. Other discussion and all negotiations and agreements between the military and UNRRA will be conducted on behalf of the military by CCAC, except as CCS, in appropriate cases, may authorize the Theater Commanders to deal with UNRRA representatives in the field.

f. UNRRA has submitted to the CCS letters from the Governments of the Netherlands, Yugoslavia, Luxembourg, Norway, and from the French Committee of National Liberation indicating the desires of these countries, in principle, to receive UNRRA assistance in matters of health, welfare and displaced persons.

5. Military Receives Civilian Supply Appropriations.

Section 5 of Military Appropriation Act, 1945, provides in part: "Appropriations for the Military Establishment for the fiscal year 1945 shall be available ********; for expenses in connection with the administration by the Army of occupied areas; for food, clothing, medicine and other items to meet urgent civilian needs in occupied and such other areas as may be determined by the Secretary of War to be important to military operations of the United States; *********."

6. Civil Affairs Staging Area (CASA) Activated.

A Civil Affairs Staging Area (CASA) has been activated as of 1 August 1944 at Fort Ord, California. Both Army and Navy officers who have completed the Far East training course at the Civil Affairs Training Schools will be assigned to this area while awaiting further assignment to the Theater of Operation. The primary mission of CASA is to conduct advanced planning, orientation and organization of Civil Affairs teams for those areas which are determined to be Army responsibility or for areas which at a later date may be determined to be the joint responsibility of the Army and Navy. The secondary mission of CASA is to process, complete, and keep in readiness, all officers assigned to the Area for immediate availability to the Theater Commander.

7. Prepare Accounting Manual.

A tentative draft (23 June 44) of a War Department Manual, "Accounting for Civilian Supplies", has been sent to all Theaters in order to inform them of current War Department thinking on this subject. 4765

8. Approve Voluntary Savings Program for U.S. Troops.

The War Department has approved an extensive promotional program to stimulate savings by troops in all overseas theaters. The purposes are to provide "nest eggs" for post war needs of soldiers and to prevent inflationary effects of soldiers' spending on the economics of countries in which U. S. troops operate or are stationed.

CONFIDENTIAL

AG 014.1 (21 Aug 44)OB-S-F-M (Cont'd) 26 August 1944.

9. Censorship Check Recommended.

The War Department has recommended that military censors refer newspaper and magazine articles on civil affairs to G-5 or the civil affairs staff section prior to release so as to verify facts and thus prevent publication of inaccurate and irresponsible stories in the U.S.

By order of the Secretary of War:

Robert H. Dunlop

ROBERT H. DUNLOP,
Brigadier General,
Acting The Adjutant General

COPIES FURNISHED:
Supreme Commander, Allied Expeditionary Forces (5)
Supreme Allied Commander, Mediterranean Theater (5)
Commanding General, U.S. Army Forces, China, Burma, & India, Forward Echelon (5)
Divisions of the War Department General Staff (1 ea)
The Inspector General (1)
Director, Civil Affairs Division, Administrative Office, Room 3B-933 (15)

CONFIDENTIAL

0332

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

ROUTING AND WORK SHEET

Each note must be numbered and each space completely filled in. THIS WORK SHEET MUST NOT BE REMOVED FROM THE CORRESPONDENCE TO WHICH ATTACHED UNTIL ACTION IS COMPLETED AND THEN FILED WITH FILE COPIES OF COMMUNICATION TO WHICH IT PERTAINS. A line will be drawn the full width of the page under each note.

SUBJECT: Civil Affairs - Occupied Areas.

NO.	DATE	FROM	TO	REMARKS
1	21/9/44	Acting Chief Commissioner	V.P. Admin. Section. V.P. Political Section. V.P. Economic Section. RC & MG Section. Acting Chief Comm.	IN TURN.

Please read & intial attached.

A. J. QUAYLE
Major, R. A.
Chief Staff Officer

F.4 4764

1300

Hq ACC Sec'y Gen.
DISPATCHED
Date-Time 21 SEP 1944
Via 1600
Initials

SECRET

7 August 1944

Col. Charles M. Spofford, G.S.C.
Asst. Chief of Staff, G-5 Section
Allied Force Headquarters

Dear Chuck:

Here is an advance copy for your information of a memorandum on the future of the Allied Control Commission. The original is proceeding through channels and will probably reach you in due course.

Sincerely,

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1 Incl:
Cy ltr, Hq ACC, A/CC 321
4 Aug 44, with 1 Incl.

0335

SECRET

Files (A) B

[illegible]/hjp

A/CC 321

4 August 1944

SUBJECT: Future Organization - Allied Control Commission

TO : G-5 Section, Allied Force Headquarters

VIA : Commander-in-Chief, Allied Armies in Italy

I forward herewith a memorandum prepared by my Executive Commissioner on the future of the Allied Control Commission. The opinions expressed therein represent my own views and those of my other Vice Presidents. The memorandum may be of use in consideration of future organization.

(9)

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

1 Incl:
as stated above

cc: Sir Noel Charles
Hon. Alexander Kirk
Political Section
Files (A) B ✓
cc Exec Comm 12/9

4762

(10)

Hq ACC · Sec'y Gen.
DISPATCHED
Date · Time 7 Aug 11.00
Via Mega 9 KG
Incl's 2 KR

4

[redacted]

Files A&B/400

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

MEMORANDUM: 29 July 1944

1. At this stage of the war it is natural to examine the future of the Allied Control Commission in its relations with the Italian Government, and with the Allied military forces, and its functions in Italy.

2. The objectives of Allied Military Government have been described as follows:

a. To relieve combat troops of the necessity of providing for civil administration.

b. To restore law and order and normal conditions among the civil population as soon as possible, procure the necessary food supplies for them and where necessary provide relief and maintenance for destitutes within available resources.

c. To assist in making available to the occupying forces the economic resources of the occupied territory.

d. To promote political and military objectives of the Allied Forces in connection with future operations through efficient government of the territory and the application of the policies toward the civil population laid down by the Commander in Chief.

3. The functions of the Allied Control Commission laid down in AFHQ Administrative Memorandum No. 74 dated 2 November 1943 were also defined as follows:

a. To enforce and execute the instrument of surrender under the orders and general directives of the Allied Commander-in-Chief.

b. To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications.

1161

c. To be the organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled.

4. On the amalgamation of the Allied Control Commission with the Allied Military Government which took place last February, the Allied Control Commission undertook all these responsibilities. Many of the

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4. On the amalgamation of the Allied Control Commission with the Allied Military Government which took place last February, the Allied Control Commission undertook all these responsibilities. Many of the objectives of Allied Military Government are applicable to advisory control maintained by the Allied Control Commission in territory handed over to the Italian Government, particularly with regard to maintenance of law and order and the economic resources of the territory.

5. The functions of the Allied Control Commission as regards both Allied Military Government and advisory control are governed primarily by the operational needs of the Allied Forces in Italy. The Italian Government is now in Rome and will shortly have under their administration a large portion of liberated Italy. But the most important industrial portion of Italy, densely populated, is still in German hands and the enemy shows no signs of evacuating the territory without continuous fighting. In any examination of problems in the near future, that is to say so long as hostilities continue in the territory, Italy must be regarded not as a political entity but as a threatre of war. Political aspirations, long range policies for rehabilitation, must take second place to the operational and post-operational needs of the Allied Forces.

(7)

24 July

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6. It may be necessary to divide this theatre of war into two military areas, eg., as between AAI and AFHQ, but on the ACC Administrative (including economic) side, no division should be made. This was the basic principle underlying the amalgamation of Allied Military Government and the Allied Control Commission: it ensured co-ordination of policy and procedure at the centre and continuity throughout the territory.

7. The policy of the Allied Control Commission in the last six months has been gradually to bridge the division between Allied Military Government territory and Italian Government territory. We have evolved a process by which legislation in many cases is identical and we have aimed at similarity of principles and procedure, diverging from that policy only in the case of operational necessity. There can be no doubt as to the beneficial results of this co-ordination to the military forces, the civil population, and the Italian Government when it comes to take over more territory. An Army in the field operating in a foreign country is inevitably sensitive to the economic and political situation in its rear however long the Lines of Communication may be. Even if there existed no Allied Forces or installations in Sicily, Sardinia, or Southern Italy, the state of affairs in these areas, however remote from the seat of operations, must be of concern to the Commander-in-Chief in the field. The fact that the Italian Army is under his command and that greater use will probably be made of units of this Army in the fighting zone, thereby reducing the number of security and defense divisions on the Lines of Communication, emphasizes this.

8. Suggestions have been made that the Allied Control Commission should divest itself of certain responsibilities and functions in specific areas of this territory which are no longer of military interest to the Allied Forces: that there should be a dividing line on one side of which civilian or other agencies should operate, leaving to the Allied Control Commission responsibility only in areas relatively close to the scene of operations.

9. From the point of view of distribution of military personnel these proposals are attractive but whatever the reasons may be outside this theatre they would appear to be unsound from the point of view of the proper administration, related always to military necessity, of the population in this theatre of war.

10. It is vitally necessary from the political point of view that the Italian Government should take the maximum responsibility in the government of the territory handed over to it. So long, however, as this is a theatre of war and so long as the Italians have the status of co-belligerents, the Government can look to but one Allied authority for [illegible] should be the Chief Com-

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10. It is vitally necessary from the political point of view that the Italian Government should take the maximum responsibility in the government of the territory handed over to it. So long, however, as this is a theatre of war and so long as the Italians have the status of co-belligerents, the Government can look to but one Allied authority for direction, control and advice. That authority should be the Chief Commissioner of the Allied Control Commission, the agency created by the long terms Armistice for this purpose. In order that the Chief Commissioner may be in a position to exercise direction and control and furnish advice he must have representatives, however thinly distributed, in all parts of the territory. He cannot in the present state of instability in this country rely on information furnished by the Italians alone, nor can he carry out his responsibilities by exercising remote control and by making use of "trouble shooters". Moreover, it is the experience not only in this country but also in other occupied territories that wherever Allied Forces or installations exist, the presence of resident Allied Civil Affairs Officers (either administrative, police or technical) is necessary to facilitate the functions of the military authorities and to promote good relations between the civilian population and military forces without which the maximum resources of the country cannot properly be employed. There still exist in Sicily, Sardinia, and many places in Southern Italy, Allied installations and Allied Forces.

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MEMORANDUM, 29 July 1944, (continued):

11. Again, reports from the Southern areas show that the country has not reached a stage of stability which would justify complete abandonment of large areas without the presence of a few Allied officers. The standard of administration shown by heads of local government, the numbers and degree of efficiency of the Carabinieri and other police agencies, are not sufficient to ensure that stability which is necessary, not only where Allied installations exist, but throughout the country, so long as this country is a threatre of war. However much we may wish to compel the Italian local government to stand on their own feet and to take full responsibility, it must be remembered that the presence of one Allied officer in an advisory capacity may make all the difference between order and disorder and is probably worth many hundreds of Carabinieri or troops in the enforcement of law and the maintenance of stability.

12. It is recommended, therefore, that there should be no change in the responsibilities and functions of the Allied Control Commission and that the time has not yet come for a total abandonment of say, Sicily or Southern Italy, to the Italian Government. On the other hand, both from the point of view and manpower and the reconstruction of Italy, we must clearly continue the process of allowing the Italian Government to take more responsibilities. This process has, of course, begun already: the number of Allied officers in Sicily has been reduced from 180 in February to 50 at the present time and the number will be approximately 27 by mid-August. Similar reductions have been made throughout the territory handed back to the Italian Government and it is proposed that the Compartimentos of Calabria, Lucana, Apulia, Campania, Campobasso and Foggia, should shortly be amalgamated into one Region and that resident Allied officers should be established in not more than six of the 14 Provinces of that area.

13. When hostilities in Italy cease, then, and then only, it would seem, should the constitution of the Allied Control Commission be changed. Although the resources of the country will still be needed for the war effort, from that moment this objective can be assimilated with long term reconstruction policy. Quite apart from any basic change that may then take place in the status of Italy, the country will no longer bea theatre of operations and the relations of the Allied Nations with the Italian Government may clearly have undergone a change which will render many of the functions of the Allied Control Commission unnecessary. In order to prepare for this change and in order to avoid a sudden disruptive re-organization, the infiltration of civilian elements into [illegible] to take the place of

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M. S. LUSH
Brigadier,
Executive Commissioner.

MSL/hjp

cc: The Hon. Alexander Kirk
Sir Noel Charles
Political Section
Col. Spofford, G-5 AFHQ (Advanced Copy)

SECRET

President Roosevelt delivered the following radio address last night:

"Yesterday, June 4th, 1944, Rome fell to American and Allied troops. The first of the Axis capitals is now in our hands. One up and two to go.

"It is perhaps significant that the first of these capitals to fall should have the longest history of all of them. The store of Rome goes back to the time of the foundations of our civilization. We can still see the monuments of the time when Rome and the Romans controlled the whole of the then-known world. That, too, is significant, for the United Nations are determined that in the future no one city and no one race will be able to control the whole of the world.

"In addition to the monuments of the oldest times, we also see in Rome the great symbol of Christianity, which has reached into almost every part of the world. There are other shrines and other churches in many places, but the churches and shrines of Rome are visible symbols of the faith and determination of the early saints and martyrs that Christianity should live and become universal. And now it will be a source of deep satisfaction that the freedom of the Pope and of the Vatican City is assured by the Armies of the United Nations.

"It is also significant that Rome has been liberated by the armed forces of many nations. The American and British armies--who bore the chief burdens of battle--found at their sides our own North American neighbors, the gallant Canadians. The fighting New Zealanders from the far South Pacific, the courageous French and the French Moroccans, the South Africans, the Poles and the East Indians--all of them fought with us on the bloody approaches to Rome.

"The Italians, too, forswearing a partnership in the Axis which they never desired, have sent their troops to join us in our battles against the German trespassers on their soil.

"The prospect of the liberation of Rome meant enough to Hitler and his generals to induce them to fight desperately at great cost of men and materials and with great sacrifice to their crumbling Eastern Line and to their Western Front. No thanks are due to them if Rome was spared the devastation which the Germans wreaked on Naples and other Italian cities. The Allied generals maneuvered so skillfully that the Nazis could only have stayed long enough to damage Rome at the risk of losing their armies.

"But Rome is of course more than a military objective. Ever since the days of the Caesars, Rome has stood as a symbol of authority. Rome was the Republic. Rome was the Empire. Rome was the Catholic Church, and Rome was the capital of a United Italy. Later, unfortunately, Rome became the seat of Fascism--one of the three capitals of the Axis.

"For a quarter century the Italian people were enslaved and degraded by the rule of Mussolini from Rome. They will mark its liberation with deep emotion. In the north of Italy, the people are still dominated and threatened by the Nazi overlords and their Fascist puppets.

"Our victory com at an excellent time, while our Allied forces are poised for another strike at Western Europe--and while Armies of other Nazi soldiers nervously await our assault. And our gallant Russian Allies continue to make their power felt more and more.

"From a strictly military standpoint, we had long ago accomplished certain of the main objectives of the whole Italian campaign--the control of the sea lanes of the Mediterranean to shorten our combat and supply lines and the capture of the airports of Foggia from which we have struck tell-tale blows on the Continent.

"It would be unwise to inflate in our own minds the military importance of the capture of Rome. We shall have to push through a long period of greater effort and fiercer fighting before we get into Germany itself. The Germans have retreated thousands of miles, all the way from the gates of Cairo, through Libya and Tunisia and Sicily and Southern Italy. They have suffered heavy losses, but not great enough yet to cause collapse.

"Germany has not yet been driven to surrender. Germany has not yet been driven to the point where she will be unable to recommence world conquest a generation hence.

"Therefore, the victory still lies some distance ahead. That distance will be covered in due time--have no fear of that. But it will be tough and it will be costly. In Italy the people had lived so long under the corrupt rule of Mussolini that, in spite of the tinsel at the top, their economic condition had grown steadily worse. Our troops have found starvation, malnutrition, disease, a deterioration in education and lowered public health--all by-products of the Fascist misrule.

"The task of the Allies in occupation has been stupenduous. We have had to start at the very bottom, assisting local governments to reform along democratic lines. We have had to give them bread to replace that which was stolen out of their mouths by the Germans. We have had to make it possible for the Italians to raise and use their own local crops. We have to help them cleanse their schools of Fascist trappings.

"The American people as a whole approve the salvation of the human beings who are only now learning to walk in a new atmosphere of freedom.

"Some of us may let our thoughts run to the financial cost of it. Essentially it is what we can call a form of relief. At the same time we hope that this relief will be an investment for the future--an investment that will pay dividents by eliminating Fascism and ending any Italian desires to start another war of agression in the future. They are dividents which justify such an investment, because they are additional supports for world peace.

"The Italian people are capable of self-government. We do not lose sight of their virtues as in independent nation. We remember that many centuries in which the Italians were leaders in the arts and sciences, enriching the lives of all mankind.

"We remember the great sons of the Italian people--Galileo and Marconi,

Michelangelo and Da Vinci--and that fearless discoverer who symbolized the courage of Italy--Christopher Columbus. Italy cannot grow in stature by seeking to build up a great militaristic empire. Italians have been overcrowded within their own territories, but they do not need to try to conquer the land of other peoples in order to find the breath of life. Other peoples may not want to be conquered. In the past, Italians have come by the millions to the United States. They have been welcomed, they have prospered, they have become good citizens, community and governmental leaders. They are not Italian-Americans, they are Americans--Americans of Italian descent--Italians have gone in great numbers to the other Americas--Brazil and the Argentine, for example--and to many other nations in every continent of the world, giving of their industry and their talents, and achieving success and the comfort of good living.

"Italy should go on as a great Mother Nation, contributing to the culture and progress and good will of all mankind--and developing her special talents in the arts, crafts and sciences, and preserving her historic and cultural heritage for the benefit of all peoples.

"We want and expect the help of the future Italy toward lasting peace. All the other nations opposed to Fascism and Nazism should help give Italy a chance.

"The Germans, after years of domination in Rome, left the people in the Eternal City on the verge of starvation. We and the British will do everything we can to bring them relief. Anticipating the fall of Rome, we made preparations to ship food supplies to the city, but it should be borne in mind that the needs are so great and the transportation requirements of our armies so heavy that improvement must be gradual. We have already begun to save the lives of the men, women and the children of Rome.

"This is an example of the efficiency of our machinery of war. The magnificent ability and energy of the American people in growing the crops, building the merchant ships, making the collecting the cargoes, getting the supplies over thousands of miles of water, and thinking ahead to meet emergencies--all this bespeaks, I think, an amazing efficiency on the part of our armed forces, all the various agencies working with them, and American industry and labor as a whole.

"No great effort like this can be a hundred percent perfect, but the batting average is very, very high. Extent the contratulations and thanks of the American people to General Alexander, who has been in command of the whole Italian operation; to General Clark and General Leese of the Fifth and Eighth Armies; to General Wilson, the Supreme Allied Commander of the Mediterranean Theater and General Devers, his American deputy; and to all their brave officers and men.

"May God bless them and watch over them and over all of our gallant, fighting men."

4756

CG 008 17 May 1944

Subject: Consultation with Regional Commissioners on Matters of Policy.

To : Vice Presidents of Administrative Section, Economic Section and Political Section.

1. When considering matters of policy which affect the whole territory, such as the price of crops, wages, food prices, legislation, I wish Vice Presidents to ensure that the views of the Regional Commissioners are sought. Regional Commissioners after consultation with their staffs, administrative and technical, are in a better position than anyone in the field to advise Vice Presidents for they have a comprehensive responsibility, can weigh the value of the opinions given by vairous specialist officers in their Regions, and should have a general and intimate knowledge of conditions in those Regions.

2. When for instance the price to be paid for a crop has to be fixed I should expect Regional Commissioners to be asked for their views in sufficient time for them to consult their Provincial Commissioners and technical officers. These views can then be considered by the Vice Presidents with their Sub-Commissions who will, of course, have obtained technical information from their representatives in the field.

3. The same procedure should be followed if important legislation is under consideration. Vice Presidents should not depend wholly on the technical advice of Sub-Commissions who are possibly not in a position to gauge the effect of their proposals in the Province.

4. Having obtained the Regional views and discussed them with their Sub-Commissions, Vice Presidents should submit their final recommendations in writing to me, with copies to other Vice Presidents, in order that the matter may, if I so rule, be discussed at a Vice Presidents' Meeting before my decision is made.

NOEL MASON MACFARLANE
Lieutenant General
Chief Commissioner

4755

cc: Brig Lush

COPY

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15 May

PSYCHOLOGICAL WARFARE BRANCH
PENINSULA BASE SECTION
A.P.O. 782

UNITED NATIONS NEWS SERVICE

DS % 240

5 MAR 1944

NOTE: For the convenience of editors and readers, those parts parts of Prime Minister Churchill's speech to the House of Commons on February 22 which deal with Italy, so far as received to date, are reproduced below. The complete text of the address is expected February 25 and will be distributed as soon as received. -- United Nations News Service

Turning to the Mediterranean theatre of war, Mr. Churchill said, "Our other great, joint Anglo-American offensive is in Italy. Many people have been disappointed in the progress made there since the capture of Naples in October. This has been due to the extremely bad weather which marks the winter in a supposedly 'sunshiny' land, and which this year has been worse than usual. Secondly, and far more, it is because the Germans, bit by bit, have been drawn into Italy and have decided to make extreme exertions for the retention of the city of Rome.

"General Alexander has probably seen more fighting against the Germans than any living British commander, unless it be General Freyberg, who is also in the fray. General Alexander said the bitterness and fierceness of the fighting now going on both in the beachhead and on the Cassino front surpass all his previous experience. He even used in one message to me the word 'terrific.' On the southern Cassino front, British, American, Dominion, French and Polish troops are fighting side by side in noble comradeship. Their leaders are confident of final success and

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"In October, the Germans began to move a number of divisions southwards from the valley of the Po, and to construct a winter line south of Rome, in order to confront and delay the advance of the Fifth and Eighth Armies and their commander, General Alexander.

"We were, therefore, committed to a frontal advance in extremely mountainous country which gave every advantage to the defence. All the rivers flow at right angles to our advance , and

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22 Feb

violent rains often turn these rivers in a few hours into raging torrents, thus sweeping away all military bridges drawn across them, and sometimes leaving part of the assaulting force committed to attack on the far side and beyond the reach of immediate support. In addition to these difficulties, there has been a need to build up large supplies of stores and vehicles of all kinds in Italy.

"Also, the Strategic Air Force, which is being developed for attack on southern Germany, has made extremely large priority inroads on our transportation, and especially on those forms of transportation which are most in demand. An immense amount of work has been done and the results will become apparent later on.

"Among the Allies, the British have the larger army in Italy. On the other hand, the American Air Force in the Mediterranean is larger than the British, and the two together possess enormous superiority, quantitatively, and also, we believe, qualitatively, over the enemy. We have also complete command of the seacoast, where an American squadron is actively working with the British Fleet.

"Many people wonder why it was not possible to make a large, amphibious turning movement, either on the western or the eastern side of Italy, to facilitate the forward march of our armies. The need for this was, of course, obvious to the [illegible]"

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"Many people wonder why it was not possible to make a large, amphibious turning movement, either on the western or the eastern side of Italy, to facilitate the forward march of our armies. The need for this was, of course, obvious to the commanders -- British and American -- but the practicability of carrying it into effect depended upon the fleet's being properly fitted in with the general Allied program of the year. This program comprises larger issues and forces than those with which we are concerned in Italy.

"Difficulties which hitherto had obstructed action were removed at the conferences at Carthage at Christmas, and at Marakesh in January. The plans drawn up were approved by the President of the

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United States and the Combined Chiefs of Staff, who carry out the supreme direction of the war; in the first week of January.

"Preparations had already been begun in anticipation of surmounting finally all difficulties, and January 22d was fixed as 'zero date' by General Alexander, upon whom rests the direct responsibility for fighting the battle.

"It was certainly no light matter to launch this large army of forty to fifty thousand men — with all the uncertainties of winter weather, and the unknowable strength of the enemy's fortifications — upon the seas.

"The operation itself was a model of combined working. The landing was virtually unopposed, but subsequent events did not take the course which had been hoped for or planned.

"In the upshot, we got a great army ashore, equipped with masses of artillery, tanks, and very many thousands of vehicles, and our troops, moving inland, came into contact with the enemy.

"The German reactions to this descent have been remarkable. Hitler has apparently resolved to defend Rome with the same obstinacy which he showed at Stalingrad, in Tunisia, and recently, in the Dnieper.

"On the broad grounds of strategy, Hitler's decision to send into the south of Italy as many as eighteen divisions,

weather, and the unknowable strength of the enemy's fortifications upon the seas.

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"On the broad grounds of strategy, Hitler's decision to send into the south of Italy as many as eighteen divisions, involving with their maintenance troops something like half a million Germans, and his decision there in Italy to make a large secondary front, is not unwelcome to the Allies. We must fight the Germans somewhere in this war, unless we are to stand still and watch the Russians. This wearing battle in Italy occupies troops which cannot be employed in other, greater operations, and it is an effective prelude to them. We have sufficient force at our disposal in Africa to nourish the struggle as fast as they can be transported across the Mediterranean."

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Mr. Churchill added: "I placed my confidence then in General Alexander (cheers), and in the British, American, and French troops engaged in battle. I placed my confidence in that leader and those troops, and that is how I fel about it now (cheers).

"I would turn for one moment to emphasize how perfect is the cooperation between the British and American armies.

"Nothing like it has ever been seen before between allies....

"The same unity and brotherhood is being instituted throughout the forces which are gathering in Britain. I cannot doubt that it will be found to be most serviceable, as well as unique in all the history of alliances....

"The Italian Navy, not without risk, surrendered to us punctually. All Italian troops which were not dominated by the Germans also obeyed the order from the Crown. Since then these Italian forces have cooperated with us to the best of their ability.

"The battle for Italy will be long and hard. I am not yet convinced that any other government could be formed in Italy which would command the same obedience from the Italian armed forces.

"Should we succeed in the present battle and enter Rome,—as I believe we shall — I believe we shall be free to review the whole Italian political position, and we shall do so with many advantages which we do not possess at present.

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It is from Rome that a more broadly based Italian government can best be formed.

"I should be sorry, however, to see an unsettling change made at this time when the battle is at its climax, swaying to and fro. The representatives of the various Italian parties have of course no electoral authority and no constitutional authority until the present King either abdicates or his successor invites them to take office. We shall see much more clearly how to proceed and have much more varied resources at our disposal, if and when we are in possession of the capital city.

"The policy, therefore, upon which His Majesty's Government has agreed provisionally with the Government of the United States, is to wage the battle for Rome and take a new view when we are there."

---C---

U. R E S T R I C T E D
(Equals British Restricted)

COPY

ALLIED FORCE HEADQUARTERS
APO 512

GENERAL ORDERS)
:
NUMBER 5)

24 January 1944

General Officer Commanding in Chief, Allied Central Mediterranean Force to Exercise Certain Functions of President of Allied Control Commission.....I
Deputy President, Allied Control Commission to be Chief Commissioner and Chief Civil Affairs Officer.....II
Disbandment of Headquarters Allied Military Government, 15th Army Group; Responsibilities of Allie Control Commission.....III

Rescinded PA 6021 11 Sept 44 (12) a

I GENERAL OFFICER COMMANDING IN CHIEF, ALLIED CENTRAL MEDITERRANEAN FORCE TO EXERCISE CERTAIN FUNCTIONS OF PRESIDENT OF ALLIED CONTROL COMMISSION.

General Sir HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., while serving as General Officer Commanding in Chief, Allied Central Mediterranean Force, will be the Representative in Italy of the President of the Allied Control Commission and act for and on his behalf carry out the functions of the President pf the Allied Control Commission in Italy in respect to such matters as shall be delegated to him from time to time by the President of the Allied Control Commission. General ALEXANDER will continue to be the Military Governor of such occupied territory in ITALY (including SICILY) as remains under Allied Military Government.

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II DEPUTY PRESIDENT, ALLIED CONTROL COMMISSION, TO BE CHIEF COMMISSIONER AND CHIEF CIVIL AFFAIRS OFFICER.

Lieutenan t General Sir FRANK N. MASON MACFARLANE, K.C.B., D.S.C., M.C., while serving as Deputy President of the Allied Control Commission will be the Chief Commissioner of the Allied

I GENERAL OFFICER COMMANDING IN CHIEF, ALLIED CENTRAL MEDITERRANEAN FORCE TO EXERCISE CERTAIN FUNCTIONS OF PRESIDENT OF ALLIED CONTROL COMMISSION.

Rescinded PA 6021 11 Sept 44

General Sir HAROLD R.L.G. ALEXANDER, G.C.B., C.S.I., D.S.O., M.C., while serving as General Officer Commanding in Chief, Allied Central Mediterranean Force, will be the Representative in Italy of the President of the Allied Control Commission and act for and on his behalf carry out the functions of the President of the Allied Control Commission in Italy in respect to such matters as shall be delegated to him from time to time by the President of the Allied Control Commission. General ALEXANDER will continue to be the Military Governor of such occupied territory in ITALY (including SICILY) as remains under Allied Military Government.

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II DEPUTY PRESIDENT, ALLIED CONTROL COMMISSION, TO BE CHIEF COMMISSIONER AND CHIEF CIVIL AFFAIRS OFFICER.

Lieutenan t General Sir FRANK N. MASON MACFARLANE, K.C.B., D.S.C., M.C., while serving as Deputy President of the Allied Control Commission will be the Chief Commissioner of the Allied Control Commissione, he will also be Chief Civil Affairs Officer of occupied territory under Allied Military Government. [His Headquarters will be Headquarters, Allied Control Commission and, in addition, it will be the Civil Affairs Branch of Headquarters Allied Central Mediterranean Force.]

Rescinded PA 6021 of 11 Sept

Rescinded

III DISBANDMENT OF HEADQUARTERS ALLIED MILITARY GOVERNMENT; 15TH ARMY GROUP; RESPONSIBILITIES OF ALLIED CONTROL COMMISSION.

1. Headquarters, Allied MilitaryGovernment, 15th Army Group (now Allied Central Mediterranean Force) is disbanded. Headquarters, Allied Military Government, Fifth and Eighth Armies, will operate under the operational command of Commanders Fifth and Eighth Armies and under the technical control of Headquarters, Allied Control Commission.

U.S. RESTRICTED
(Equals British Restricted)

U.S. RESTRICTED
(Equals British Restricted)

AFHQ GENERAL ORDERS NO. 5

2 All Italian territory not under Allied Military Government will be administered by the Italian Government, under the direction of the Allied Control Commission.

3. A Regional Organization on the present lines will be maintained until further orders. The responsibility for all territory now under Headquarters Allied Military Government passes to Headquarters, Allied Control Commission.

By command of General WILSON:

J. A. H. GAMMEL,
Lieutenant Genaral
Chief of Staff

OFFICIAL:

H. V. ROBERTS
Colonel, AGD,
Adjutant General

DISTRIBUTION:
"C"

4751

OFFICIAL:

H. V. ROBERTS
Colonel, AGD,
Adjutant General

DISTRIBUTION:
"C"

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U.S. RESTRICTED
(Equals British Restricted)

THE TEHRAN CONFERENCE

Premier Stalin, President Roosevelt and Prime Minister Churchill met in Tehran, Persia (Nov. 26-Dec. 2, 1943) and issued this declaration on the results of the conference:

We, the President of the United States of America, the Prime Minister of Great Britain, and the Premier of the Soviet Union, have met in these four days past in this the capital of our ally, Teheran, and have shaped and confirmed our common policy.

We express our determination that our nations shall work together in the war and in the peace that will follow.

As to the war, our military staffs have joined in our round-table discussions and we have concerted our plans for the destruction of the German forces. We have reached complete agreement as to the scope and timing of operations which will be undertaken from the east, west and south. The common understanding which we have here reached guarantees that victory will be ours.

And as to the peace, we are sure that our concord will make it an enduring peace. We recognize fully the supreme responsibility resting upon us and all the United Nations to make a peace which will command good will from the overwhelming masses of the peoples of the world and banish the scourge and terror of war for many generations.

With our diplomatic advisers we have surveyed the problems of the future. We shall seek the cooperation and active participation of all nations, large and small, whose peoples in heart and in mind are dedicated, as are our own peoples, to the elimination of tyranny and slavery, oppression and intolerance. We will welcome them as they may choose to come into the world family of democratic nations.

No power on earth can prevent our destroying the German armies by land, their U-boats by sea, and their war plants from the air. Our attacks will be relentless and increasing.

Emerging from these friendly conferences we look with confidence to the day when all the peoples of the world may live free lives untouched by tyranny and according to their varying desires and their own consciences.

We came here with hope and determination. We leave here friends in fact, in spirit, and in purpose.

Signed at Tehran, Dec. 1, 1943.

ROOSEVELT, STALIN, CHURCHILL

C O P Y

RESTRICTED

ALLIED FORCE HEADQUARTERS
APO 512

2 November 1943

ADMINISTRATIVE MEMORANDUM)
:
NUMBER 74)

I - ESTABLISHMENT OF THE ALLIEDD CONTROL COMMISSION

Announcement is made of the establishment of the Allied Control Commission for Italy, effective 10 November 1943.

II FUNCTIONS

The functions of the Allied Control Commission will be as follows:

1. To enforce and execute the instrument of surrender under the orders and general directive of the Allied Commander in Chief.

2. To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications.

3. To be the organ through which the policy of the United Nations towards the Italian Government conducted and the relations of the United Nations with the Italian Government are handled.

III PRESIDENT OF THE ALLIED CONTROL COMMISSION

1. The Allied Commander in Chief will be ex officio President of the Allied Control Commission.

2. A senior officer will be appointed to serve as his Deputy on the Commission.

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1. The Allied Commander in Chief will be ex officio President of the Allied Control Commission.

2. A senior officer will be appointed to serve as his Deputy on the Commission.

IV ORGANISATION OF THE ALLIED CONTROL COMMISSION

1. The Allied Control Commission will maintain a National Headquarters and will have such Regional, Provincial or other outlying offices as may be found convenient.

2. The Allied Control Commission will be organized into sections, each administered by a Vice-President. A Section will comprise a number of related Sub-Commissions, each charged with a special function.

V. RELATIONS WITH ALLIED MILITARY GOVERNMENT

1. The relations between the Allied Control Commission and Allied Military Government operating in the field will be coordinated by this Headquarters.

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2. Whenever it is decided that an area under Allied Military Government shall thereafter be administered by the Italian Government subject to the directions of the Allied Control Commission, the latter will extend its activities to include that area.

3. The decision when an area is to be transferred from one government to another will rest with the Allied Commander in Chief.

4. Personal both for the Allied Control Commission and for Allied Military Government will be provided and allocated by this Headquarters.

VI RELATION TO ALLIED FORCE HEADQUARTERS

1. The Allied Control Commission will operate under Allied Force Headquarters.

2. All communications between the Allied Control Commission and the governments of the United Nations will be transmitted through this Headquarters.

VII ASSIGNMENT OF ACTING DEPUTY PRESIDENT

Announcement is made of the assignment of Major General Kenyon A. Joyce as Acting Deputy President of the Allied Control Commission.

By command of General EISENHOWER:

/s/ T. J. Davis
T. J. Davis
Brigadier General, United States Army
Adjutant General

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By command of General EISENHOWER,

/s/ T. J. Davis
T. J. Davis
Brigadier General, United States Army
Adjutant General

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THE MOSCOW CONFERENCE

The conference of foreign secretaries of the United States of America, Mr. Cordell Hull; of the United Kingdom, Mr. Anthony Eden; and of the Soviet Union, Mr. V. M. Molotov; took place at Moscow from the 19th to 30th of October, 1943. There were twelve meetings. In addition to the foreign secretaries, the following took part in the conference:

For the United States of America; Mr. W. Averell Harriman, Ambassador of the United States; Major-General John R. Deane, United States Army; Mr. H. Hackworth, Mr. James C. Dunn and experts.

For the United Kingdom; Sir Archibald Clark Kerr, Ambassador; Mr. William Strang, Lieutenant General Sir Hastings Ismay and experts.

For the Soviet Union: Marshal K. E. Voroshilov, Marshal of the Soviet Union; Mr. A. Y. Vishinsky, Mr. M. M. Litvinov, Deputy People's Commissars for Foreign Affairs; Mr. V. A. Sergeyev, Deputy People's Commisar for Foreign Trade; Major General A. A. Gryzlov, of the general staff; Mr. G. F. Saksin, senior official for People's Commissariat for Foreign Affairs, and experts.

. . . . . .

DECLARATION ON ITALY

The foreign secretaries of the United States, United Kingdom and Soviet Union have established that their three governments are in complete agreement that Allied policy toward Italy must be based upon the fundamental principle that Fascism and all its evil influence and configuration shall be completely destroyed, and that the Italian people shall be given every opportunity to establish governmental and other institutions based upon democratic principles.

The foreign secretaries of the United States and United Kingdom declare that the action of their governments from the inception of the invasion of Italian territory, in so far as paramount military requirements have permitted, has been based upon this policy.

In furtherance of this policy in the future the foreign secretaries of the three governments are agreed that the following measures are important and should be put into effect.

1. It is essential that the Italian government should be made more democratic by inclusion of representatives of those sections of the Italian people who have always opposed Fascism.

2. Freedom of speech, of religious worship, of political belief, of press and of public meeting shall be restored in full measure to the Italian people, who shall also be entitled to form anti-Fascist political groups.

groups. x-210 Defascism

3. All institutions and organizations created by the Fascist regime shall be suppressed. x-210

4. All Fascist or pro-Fascist elements shall be removed from the administration and from institutions and organizations of a public character.

5. All political prisoners of the Fascist regime shall be released and accorded full amnesty. x-210

6. Democratic organs of local government shall be created. x-341.1

7. Fascist chiefs and army generals known as suspected to be war criminals shall be arrested and handed over to justice. x-210

In making this declaration the three foreign secretaries recognize that so long as active military operations continue in Italy the time at which it is possible to give full effect to the principles stated above will be determined by the commander in chief on the basis of instructions received through the combined chiefs of staff.

The three governments, parties to this declaration, will, at the request of any one of them, consult on this matter. It is further understood that nothing in this resolution is to operate against the right of the Italian people ultimately to choose their own form of government.

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COPY

ALLIED FORCE HEADQUARTERS

Military Government Section

JCH/HP/eg

MGS-387.4-1

26 October 1943.

SUBJECT: Directive for Allied Control Commission.

TO : As per distribution below.

1. For your information find enclosed consolidated directive, as revised and amended, from Combined Chiefs of Staff relative to Allied Control Commission.

2. Please acknowledge receipt on the attached form.

/s/ Henry Parkman, Jr.
Lt. Col. G.S.C.
for and in absence of
J. C. HOLMES
Brigadier General, G.S.C.
Chief, Military Government Section

(1)

1 Incl:-
copy of Directive

DISTRIBUTION:

Major General K. Joyce
Brigadier Gueterbock
Brig General F. McSherry
Brig General M. Taylor
Mr. Murphy
Mr. MacMillan
Lt. Col. Mason (ETOUSA)
MGS
JACS

4745

CERTIFIED A TRUE COPY:
Robert E. Doe
ROBERT E. DOE
Major, A.G.D.
Secretary General

(2)

SECRET

FILES

26 Oct 44

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C O P Y

DIRECTIVE FROM THE COMBINED CHIEFS OF STAFF FOR THE

CONTROL COMMISSION
(FAN 248 - MAT 53 - MAF 470 - FAN 253)

23 October 1943.

NOTE: By FAN 258, approved name of Commission is "Allied Control Commission".

1. It is of the utmost importance that the Control Commission for Italy set up under article 37 of the additional terms of surrender and AMG follow uniform policies and procedure and that their functions be completely coordinated under 1 supreme authority. It is contemplated that only Rear AMG responsibility for the control of civil affairs will be merged into the Control Commission for ITALY. In conformity with this, you will announce yourself as president of the Control Commission.

2. Allied Military Government. The directive for AMG for HISKY will serve as a basic for AMG in ITALY. As circumstances require, you will acquaint the Italians and Italian Government with area over which AMG has extended or will extend its jurisdiction. It is anticipated that those areas will be reduced to a minimum and that the responsibility for the control of Civil Affairs will be merged into the Control Commission as soon as practicable.

3. Control Commission.

A. Functions.

1. To enforce and execute the instrument of surrender under your orders and general directives.

2. To insure that the conduct of the Italian Government conforms to the requirements of an Allied Base of Operations, especially transportation and communications. 4744

3. To be the organ through which the policy of the UNITED NATIONS towards the Italian Government is conducted and the relations of the UNITED NATIONS with the Italian Government are handled.

B. Organization. The control commission will be divided into 4 sections: (1) Military, (2) Political, (3) economic and administrative, and (4) communications. Each section will be in charge of a

2. Allied Military Government. The directive for AMG for HUSKY will serve as a basic for AMG in ITALY. As circumstances require, you will acquaint the Italians and Italian Government with area over which AMG has extended or will extend its jurisdiction. It is anticipated that those areas will be reduced to a minimum and that the responsibility for the control of Civil Affairs will be merged into the Control Commission as soon as practicable.

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B. Organization. The control commission will be divided into 4 sections: (1) Military, (2) Political, (3) economic and administrative, and (4) communications. Each section will be in charge of a vice president, and will be divided into sub-commissions as indicated below:

C. The Military Section, 6 subcommissions: (1) Naval Forces, (2) Land Forces, (3) Air Forces, (4) Prisoners of War, (5) War Material Factories, and (6) Material Disposal.

D. The Political Section, 3 subcommissions: (1) Foreign and Internal Political Affairs, (2) Civilian Internees and Displaced Persons, and (3) Information, Press, censorship.

E. The Economic and Administrative Section, 2 subsections: (A) Economic and (B) administrative, each under a director.

(A) The Economic Sub-Section, 8 subcommissions: (1) Finance (2) Foreign Trade, (3) Industry and Commerce, (4) Public Works and Utilities, (5) Fuel, (6) Food, (7) Agriculture, Forests and Fisheries, and (8) Labor.

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(B) The administrative Sub-Section, 6 subcommissions: (1) Interior, (2) Legal, (3) Public Safety, (4) Education, Fine Arts and Archives, (5) Public Health and (6) Property Control.

F. The Communications Section, 3 subcommissions: (1) Shipping and Ports, (2) Inland and Civil Air Transportation, and (3) Posts and Tele-Communications.

G. Each Government will assume expenses of the personnel it furnishes.

H. The channel of communication for instructions and directives and all matters of policy will be to and from the Allied Commander in Chiefs, through the Combined Chiefs of Staff. This is not intended to prevent direct communication on routine matters between the commission and LONDON and WASHINGTON. All such direct communication would, of course, be authorized by the respective heads of sections and sub-commissions, and a copy of every such communication made a part of the records of the commission.

4. Personnel

A. Allocation of posts between US and UK. This commission will be organized generally on an ANGLO-AMERICAN basis, according to the most convenient alternation of posts and preserving the ratio in numbers of 50/50; at any rate, in the higher posts.

B. The allocation of the principal posts between US and UK is as follows: (Agreement not yet reached)

The Deputy Vice President of each section will be of opposite nationality to that of the Vice president.

The nationalities of heads of the subcommissions will be left to your decision and, in so far as possible, these posts will be distributed equally between the US and UK; the assistant heads will similarly be of opposite nationality.

5. Generall speaking the personnel of the military, Economic and Administrative, and Communications Sections should have military status and the personnel of the Political Section should have civilian status. Military personnel may at the outset be used in the Political Section, but should be replaced with civilian personnel as soon as practicable. Arrangements may be made where necessary to employ civilian experts within the control commission.

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6. It is contemplated that provision will be made for representatives of the dominions and the other interested UNITED NATIONS to have access to the control commission. Further instructions will be sent to you on this point.

CERTIFIED A TRUE COPY:

Robert E. Doe

ROBERT E. DOE
Major, A.G.D.
Secretary General

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Q. M. C. Form 353 (Old No. 490)
Revised July 20, 1918

LIST OF PAPERS

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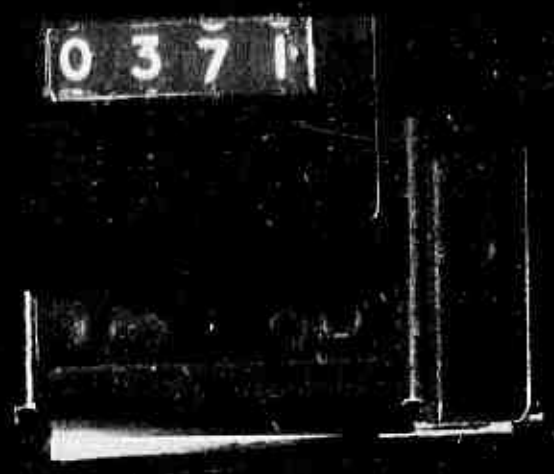
4142

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