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Declassified E.O. 12356 Section 3.3/NND

No. 785015

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DUPLICATE LETTERS, CMDRE STONE & STAFF
AUG. - DEC. 1944

DRAFT STATEMENT FOR THE CHIEF COMMISSIONER:

In dealing with the proposal for the recognition of the CLNAI as the agents of the Italian Government in Northern Italy it should be quite clearly realized where this step would lead us. In order to do so I would briefly recapitulate the history of the CLN movement.

2. The CLN began as the union of the main six parties engaged in underground resistance to the Germans and the Fascists in Rome. These parties have no sort of mandate from the people and are in fact self-appointed bodies. They range from the Communists and Christian-Democrats with undoubtedly a large following to the Action Party who are little more than a group of individuals.
3. By the time the Allies entered Rome, the CLN had become sufficiently powerful to reject the leadership of Marshal Badoglio and insist on the formation of a Government under Signor Bonomi consisting of their own representatives. Similar committees sprang up in other cities of Italy including Florence, Milan, Turin and Genoa. Owing to the complete elimination of the Germans from Florence, the CLN in that city found themselves to some extent in control of the town for several days, and on the establishment of Allied Military Government they expected to be allowed to retain a considerable share in the administration of the city and adjacent provinces.
4. In the cities of the North the CLN are playing an increasingly powerful role and through their access to funds and the support of Allied subversive organizations they have succeeded in acquiring control over the hands of patriots engaged in fighting the enemy. There is a considerable body of evidence to show that their ambition is to play an active role in the administration of Italian territory as and when it is freed from the Germans and Fascists. We have positive knowledge that they intended to assume legislative functions by means of issuing decrees and to exercise other attributes of Government such as the requisitioning of buildings and the arrest of Fascists.
5. In the month of August, the CLNAI put forward a request that they should be recognized as the representatives of the Italian Government in the North. The Allied Military authorities, at that time, did not consider it expedient to support this request since it was considered that such a step could not fail to increase the difficulties of establishing Allied Military Government when the time came. It was also felt that this step would give the Italian Government the right to direct policy in an area in which the orders of the Allied Command must be paramount. The CLNAI did however succeed in establishing contact with the Italian Government through the Italian Legation in Bern and a limited degree of recognition was in fact accorded to them as the co-ordinating body for Anti-Fascist activities in the North.

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6. I consider that the objections to which I have just referred apply even more strongly today. With the Allied armies headed in a North-Easterly direction it seems probable that in a large area of North-Western Italy on a German withdrawal there will for some considerable time, possibly a matter of several weeks, be no Allied troops. During that period the CLNAI must be expected to assume charge of the machinery of Government. Any formal step which may be taken to recognise the CLNAI as the representatives of the Government in the North would make it more difficult to instal Allied Military Government and to make the CLNAI carry out the undertakings given in the Bi-lateral Agreement of the 7th December to hand over their powers. It was for this reason that when that agreement was drafted the paragraph providing for the adherence of the Italian Government to the agreement was stated in such a way as to limit recognition of the CLNAI to that of the established body representing anti-Fascist parties in enemy occupied Italian territory.

7. At the same time the CLNAI were asked to concur in a clause in which they fully accepted the Italian Government as the sole legitimate Government in that part of Italy not under Allied Military Government. The draft was so worded as to bind them also to the acceptance of the terms of the Armistice. The CLNAI representatives indicated that they were unwilling to accept such an undertaking and I understand that that is their position today. The British Ambassador has informed me that the British Foreign Office have stated that if the CLNAI will not agree to any such provision it will be necessary to reconsider the whole of British policy towards them.

8. With the example of Greece before our eyes it would be idle to deny that the situation in the North contains the ingredients of the gravest dangers, which may not only have decisive effects on the political future of Italy but may also lead to conditions in which large numbers of Allied troops would have to be diverted from other purposes. Although the Head of the CLNAI is a non-party man it is a fact that the parties of the extreme Left enjoy a preponderating influence in the Committee and in the armed forces under its direction. If during the vacuum period disputes were to arise with the Government in Rome it might well lead to the repudiation of all the obligations into which the CLNAI have entered and even the establishment of an independent Government in open hostility to the Government in Rome.

9. For this reason it is my belief that it is essential that, while making use of the CLNAI at the present time for the strengthening of resistance and after the enemy withdraws for the maintenance of order, we cannot afford to give them a formal authority which would stiffen them in their attitude towards Allied Military Government or the Italian Government. Signor Bonomi in a speech on the 17th December stated that the Government has now granted full powers to the Committee of National Liberation to give it the necessary authority to carry on the struggle until the final victory. This vague phrase I consider must be made more precise in any document to which the Italian Government are to be a party. I therefore strongly urge that the CLNAI be accorded no political recognition whatever by the Allies and

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that such recognition as they may be given by the Italian Government should be limited to their acceptance as the co-ordinating body of the forces opposed to Fascism in the North. At the same time they must be required to sign an undertaking to recognise the authority of the Italian Government on the lines which I have already indicated.

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Prepared by Mr. H. L. d'A. Hopkinson
Political Section, Allied Commission

18 December 1944.

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EWS/dfc

29 November 1944

FROM: Chief Commissioner, Hq Allied Commission
TO : Chief of Staff, Allied Force Headquarters, APO 512

Following is the suggested program to comply with instructions in AFHQ Signal F-59731 of November 29th.

1. Chief Commissioner to see Lieutenant General of the Realm today and ask him to advise whoever he invites to form a Government that he will be expected to carry out certain requirements of the Allies as in the case of the previous Prime Ministers. For the information of the Prince, Chief Commissioner might state that these requirements are:

- a. Undertaking not to re-open the institutional question until after liberation.
- b. Acceptance of all obligations towards the Allies entered into by former Italian Governments beginning with the Armistice of September 3, 1943, and giving of declaration that every member of the Government has acquainted himself with the terms of such obligations including long Armistice terms. 3548
- c. Admiral de Courten and certain other key posts to be retained on military grounds.
- d. Full list of Ministers to be submitted to Chief Commissioner before announcement.

The Prince should not be asked to communicate details of these requirements to the new Prime Minister, but it should be left for Chief Commissioner to do once the latter has been selected.

2. When the Lieutenant General of the Realm has invited someone to form a new Government, Chief Commissioner should see the latter and advise him as in para 1 above. Copies of the letters required on (a) and (b) are attached. The requirements of the service authorities under (c) are as follows:

- (i) Admiral de Courten to be re-appointed Minister of Marine.
- (ii) Air Ministry to be kept separate from War Ministry and

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Minister of Air to be a civilian with General Piacentini as Chief of Staff.

(iii) If possible, Minister of War, Casati, to be retained.

(iv) Dr. Fano to be retained as Undersecretary for Posts and Telegraphs.

(v) General di Raimondo to be retained as Director General of Railroads.

Finally, the new Prime Minister should be requested to submit all names of members of his Government to Chief Commissioner under (d) on the completion of his Cabinet before announcement.

3. Once the Cabinet is formed, new Prime Minister to see Chief Commissioner and submit names of all members of his Cabinet.

4. Chief Commissioner to submit names of heads of military ministries of the Cabinet to AFHQ for approval, and all names to the U.S. and British Embassies and to AFHQ before announcement.

5. After approval of names, Prime Minister to be asked to sign letters under 1 (a) and (b) above. It is suggested that in the present instance it will not be necessary to ask Advisory Council to approve formation of new Cabinet since the conditions which they laid down in their resolution of the 17th July will already have been completed. It is also for consideration whether it is necessary to repeat the formal statement to the President of the Council made by the President of the Allied Control Commission in informing him of the terms of the Advisory Council's resolution, as follows:-

"I take the opportunity of reaffirming that under the Regime of the Armistice, the Italian Government is bound to carry out promptly and efficiently all orders given by the United Nations. It is, therefore, essential that prior agreement of myself as President of the Control Commission should be obtained and that the Governments concerned should be considered through the machinery established for this purpose before any important decisions of policy are put into effect."

/s/

Ellety W. Stone

ELLETY W. STONE
Commodore, USNR
Chief Commissioner

cc: Political Section
C of S Section
Sir Noel Charles
Hon. Alexander Kirk
'A' Files
Chief Commissioner

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IL PRESIDENTE DEL CONSIGLIO
DEI MINISTRI

Al Tenente Generale Sir Noel F. Mason MacFarlane, KCB, DSO, MC.
Capo delle Commissioni Alleate di Controllo.

Il Reale Governo Italiano si impegna a non
riaprire la questione istituzionale, senza il preven-
tivo consenso dei Governi Alleati, fino a che l'Ita-
lia non sarà stata liberata ed il popolo italiano
non avrà l'opportunità di scegliere da se la forma
di Governo.

MILANO, 12 giugno 1944.

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IL PRESIDENTE DEL CONSIGLIO
DEI MINISTRI.

/s/ Franco Scaszi

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6505/COS

17 November 1944

MEMORANDUM:

TO: Allied Force Headquarters
(Attention: General Sir Henry Maitland Wilson, GCB, GBE, DSO, ADC)

1. Reference is made to my letter A/CC 091.1 of 3 July 1944 with reference to the determination of the Italian institutional question through the medium of a Constituent Assembly or a referendum (plebiscite).

2. The question has arisen again through publication in the New York "Times" recently of an interview with the Lieutenant General of the Realm in which the Lieutenant General expressed the view that a more accurate expression of popular will could be secured through the medium of a referendum, rather than that of a Constituent Assembly.

3. When news of the publication in America was received in Rome, the Parties of the Left objected and proposed that a resolution be adopted by the Council of Ministers in which the Lieutenant General was severely criticized. The personal attack on the Lieutenant General was deleted and the following resolution adopted and issued as a communique:

"The Government, having considered the declarations which appeared in a report of an audience granted by the Lieutenant General of the Realm to a journalist, reaffirms that the political Parties, from which the Government is emanated, are the expression of the will and of the aspirations of the Italian people fighting for its freedom and reaffirms the solemn pledge to decide about the institutional issue through the vote of a Constituent Assembly, as it has been established by a State Law."

4. Since the communique appeared to be at variance with the assurances I had received from the President of the Council and the Undersecretary for Foreign Affairs, set forth in para 2 of my letter of 3 July--namely, that the question as to the means by which the Italian people might decide the institutional question would be left for future determination--I called on the President of the Council and the Undersecretary for Foreign Affairs on November 9 for an explanation.

5. They were frank in setting forth the strong resistance of the Parties of the Left to permitting a determination by referendum as to whether Italy should be a constitutional monarchy or a republic, particularly as it is believed universal suffrage will be in effect at the time. They stated that the parties of the Left desire a republic and feel that they are more certain to attain their objective if the determination is made through the medium of a Constituent Assembly.

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6. Notwithstanding the language of the communique, the President of the Council pointed out that the words in the communique "to decide about the institutional issue through the vote of a Constituent Assembly" were limited by the following words "as it has been established by a State law". The law in question, he argued, stated that the form of the Government would be determined by the Constituent Assembly and not the type of Government. In other words, he continued, the law still does not preclude the possibility that the type of Government--monarchy or republic--could be determined by referendum and the precise form of monarchy or republic, that is to say the Constitution, would be worked out by the Constituent Assembly.

7. He added that in any case there was nothing to prevent the adoption of a new decree which would clarify this point and he expressed the personal wish that the Allied Governments might ask that the institutional question be decided by referendum. I told him that I doubted that the Allied Governments would be inclined to take any position at this time, except to ask that the assurances previously given me and referred to in my letter of 3 July should be maintained.

8. Should the Allied Governments ultimately desire to take and enforce a position in this matter, it has been suggested that the particular means by which the Italian people should have the right to determine whether they desire a monarchical or republican type of government might be laid down as a clause in the final peace treaty.

2569

ELLERY W. STONE
Commodore, USNR
Chief Commissioner

cc: British Ambassador
U.S. Representative, A.C.I.
British Resident Minister
U.S. Political Adviser
Chief of Staff, AC
Political Section, AC
'A' Files

- 2 -

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EWS/hjp

28 November 1944

Dear Mr. Ambassador:

I am enclosing a copy of the draft agreement on Patriots. The insertion "(by the Italian Government)" in the second line has been made in accordance with your suggestion for the purpose of having this point discussed at Caserta. I agree with your suggestion. If the insertion is approved, the parentheses would of course be removed in the final text.

I am requesting General Gansell to postpone consideration of this agreement until next week's meeting in order that you and I may be able to take part in the discussion.

Sincerely,

EWS

/s/ Ellery W. Stone
ELLERY W. STONE
Commodore, USNR
Chief Commissioner

Encl.

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

cc: Chief of Staff
Political Section
'A' Files

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DRAFT MEMORANDUM OF AGREEMENT BETWEEN THE SUPREME ALLIED
COMMANDER MEDITERRANEAN THEATRE OF OPERATIONS, THE ITALIAN
GOVERNMENT AND THE COMMITTEE OF NATIONAL LIBERATION FOR
NORTHERN ITALY

1. The Committee of National Liberation for Northern Italy (C.L.N.A.I.) is recognised (by the Italian Government) as the established body representing anti-fascist parties in enemy occupied Italian territory. The C.L.N.A.I. for its part accepts the Italian Government, recognised by the Allied Governments as the successor to the Italian Government which signed the armistice terms, as the sole legitimate authority in that part of Italy which has now been and may hereafter be handed over to the Italian Government by the Allied Military Government.
2. The SUPREME ALLIED COMMANDER and the Italian Government wish the utmost co-operation to be established and maintained among the elements which are active in the resistance movement. The C.L.N.A.I. will establish and maintain such co-operation as will bring together all active elements in the resistance movement whether they belong to the C.L.N.A.I. anti-fascist parties or to other anti-fascist organisations.
3. During the period of enemy occupation the GENERAL COMMAND OF THE VOLUNTEERS OF LIBERTY (being the military command of the C.L.N.A.I.) will, on behalf of the C.L.N.A.I., carry out all instructions of the Commander-in-Chief, A.A.T. It is in general the wish of the SUPREME ALLIED COMMANDER and the Italian Government that particular care should be given to all measures which will safeguard the economic resources of the territory against scorching, demolitions and like depredation by the enemy.
4. When the enemy withdraws from territory occupied by them the C.L.N.A.I. will exercise its best endeavours to maintain law and order and to continue

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Governments as the successor to the Italian Government which signed the armistice terms, as the sole legitimate authority in that part of Italy which has now been and may hereafter be handed over to the Italian Government by the Allied Military Government.

2. The SUPREMACY ALLIED COMMANDER and the Italian Government wish the utmost co-operation to be established and maintained among the elements which are active in the resistance movement. The C.L.N.A.I. will establish and maintain such co-operation as will bring together all active elements in the resistance movement whether they belong to the C.L.N.A.I. anti-fascist parties or to other anti-fascist organisations.

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4. When the enemy withdraws from territory occupied by them the C.L.N.A.I. will exercise its best endeavours to maintain law and order and to continue the safeguarding of the economic resources of the country until such time as Allied Military Government is established. Immediately upon the establishment of Allied Military Government, C.L.N.A.I. will recognise Allied Military Government and will hand over to that Government all authority and powers of local government and administration previously assumed. As the enemy withdraws all components of the General Command of the Volunteers of Liberty in liberated territory will come under direct command of the Commander-in-Chief, A.A.I. and will obey any order issued by him or by Allied Military Government.

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on his behalf, including orders to disband and surrender their arms, when required to do so.

5. During the period of enemy occupation of Northern Italy the utmost assistance will be given to the C.L.N.A.I. in common with all other anti-fascist organisations, to meet the needs of their members who are engaged in opposing the enemy in occupied territory: a monthly contribution not exceeding 100 million lire will be made to meet the expenses of the C.L.N.A.I. and all other anti-fascist organisations.

Subject to the general control of the Commander-in-Chief, A.A.I. this sum will be apportioned to the following areas in the following ratio for the support of all anti-fascist organisations in those areas:

LIGURIA 12½
PIEMONTE 37½
LOMBARDIA 16
EMILIA 16
VENETO 18

2306

The above sum and allocations will be subject to variation according to the requirements of the military situation: the maximum sum will be reduced proportionately as and when Provinces are liberated.

6. Allied missions attached to the C.L.N.A.I., to the General Command of the Volunteers of Liberty, or any of their components, will be consulted in all matters connected with the execution of this agreement and in particular to matters relating to armed resistance, anti-scorch, and maintenance of order. Orders issued by the Commander-in-Chief, A.A.I. and transmitted through the missions concerned will be carried out by C.L.N.A.I., the General Command of the Volunteers of Liberty and their components.

SUPREMACY ALLIED COMMANDER,

other anti-fascist organizations.

Subject to the general control of the Commander-in-Chief, A.A.I. this sum will be apportioned to the following areas in the following ratio for the support of all anti-fascist organizations in those areas:

LIGURIA 12 1/2
PIEMONTE 37 1/2
LOMBARDIA 16
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SUPREME ALLIED COMMANDER,
MEDITERRANEAN THEATRE OF OPERATIONS

FOR THE ITALIAN GOVERNMENT

FOR THE COMMITTEE OF NATIONAL
LIBERATION FOR NORTHERN ITALY

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6505/COS

17 November 1944

MEMORANDUM:

To: Allied Force Headquarters
(Attention: General Sir Henry Maitland Wilson, GDB, GBE, DSO, ADC)

1. Reference is made to my letter A/CC 091.1 of 3 July 1944 with reference to the determination of the Italian institutional question through the medium of a Constituent Assembly or a referendum (plebiscite).

2. The question has arisen again through publication in the New York "Times" recently of an interview with the Lieutenant General of the Realm in which the Lieutenant General expressed the view that a more accurate expression of popular will could be secured through the medium of a referendum, rather than that of a Constituent Assembly.

3. When news of the publication in America was received in Rome, the Parties of the Left objected and proposed that a resolution be adopted by the Council of Ministers in which the Lieutenant General was severely criticized. The personal attack on the Lieutenant General was deleted and the following resolution adopted and issued as a communique:

"The Government, having considered the declarations which appeared in a report of an audience granted by the Lieutenant General of the Realm to a journalist, reaffirms that the political Parties, from which the Government is emanated, are the expression of the will and of the aspirations of the Italian people fighting for its freedom and reaffirms the solemn pledge to decide about the institutional issue through the vote of a Constituent Assembly, as it has been established by a State Law."

4. Since the communique appeared to be at variance with the assurances I had received from the President of the Council and the Undersecretary for Foreign Affairs, set forth in para 2 of my letter of 3 July--namely, that the question as to the means by which the Italian people might decide the institutional question would be left for future determination--I called on the President of the Council and the Undersecretary for Foreign Affairs on November 9 for an explanation.

5. They were frank in setting forth the strong resistance of the Parties of the Left to permitting a determination by referendum as to whether Italy should be a constitutional monarchy or a republic, particularly as it is believed universal suffrage will be in effect at the time. They stated that the parties of the Left desire a republic and feel that they are more certain to attain their objective if the determination is made through the medium of a Constituent Assembly.

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7. He added that in any case there was nothing to prevent the adoption of a new decree which would clarify this point and he expressed the personal wish that the Allied Governments might ask that the institutional question be decided by referendum. I told him that I doubted that the Allied Governments would be inclined to take any position at this time, except to ask that the assurances previously given me and referred to in my letter of 3 July should be maintained.

8. Should the Allied Governments ultimately desire to take and enforce a position in this matter, it has been suggested that the particular means by which the Italian people should have the right to determine whether they desire a monarchical or republican type of government might be laid down as a clause in the final peace treaty.

2504

ELLERY W. STONE
Commodore, USNR
Chief Commissioner

cc: British Ambassador
U.S. Representative, A.C.I.
British Resident Minister
U.S. Political Adviser
Chief of Staff, AC
Political Section, AC
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8. Should the Allied Governments ultimately desire to take and enforce a position in this matter, it has been suggested that the particular means by which the Italian people should have the right to determine whether they desire a monarchical or republican type of government might be laid down as a clause in the final peace treaty.

ELLERY W. STONE
Commodore, USNR
Chief Commissioner

2502

cc: British Ambassador
U.S. Representative, A.C.I.
British Resident Minister
U.S. Political Adviser
Chief of Staff, AC
Political Section, AC
'A' Files

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3. During the period of enemy occupation the GENERAL COMMAND OF THE MOVEMENT OF LIBERTY (being the military command of the C.L.N.A.I.) will, on behalf of the C.L.N.A.I., carry out all instructions of the Commander-in-Chief, A.A.I. It is in general the wish of the SUPREME ALLIED COMMANDER and the Italian Government that particular care should be given to all measures which will safeguard the economic resources of the territory against scorching, demolitions and like depredation by the enemy.
4. When the enemy withdraws from territory occupied by them the C.L.N.A.I. will exercise its best endeavours to maintain law and order and to continue

Governments as the successor to the Italian Government which signed the armistice terms, as the sole legitimate authority in that part of Italy which has now been and may hereafter be handed over to the Italian Government by the Allied Military Government.

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on his behalf, including orders to disband and surrender their arms, when required to do so.

5. During the period of enemy occupation of Northern Italy the utmost assistance will be given to the C.L.N.A.I. in common with all other anti-fascist organizations, to meet the needs of their members who are engaged in opposing the enemy in occupied territory: a monthly contribution not exceeding 100 million lire will be made to meet the expenses of the C.L.N.A.I. and all other anti-fascist organizations.

Subject to the general control of the Commander-in-Chief, A.A.I. this sum will be apportioned to the following areas in the following ratio for the support of all anti-fascist organizations in these areas:

LIGURIA	12 1/2
PIEMONTE	37 1/2
LOMBARDIA	16
EMILIA	16
VENETO	18

The above sum and allocations will be subject to variation according to the requirements of the military situation: the maximum sum will be reduced proportionately as and when Provinces are liberated.

6. Allied missions attached to the C.L.N.A.I., to the General Command of the Volunteers of Liberty, or any of their components, will be consulted in all matters connected with the execution of this agreement and in particular to matters relating to armed resistance, anti-scorch, and maintenance of order. Orders issued by the Commander-in-Chief, A.A.I. and transmitted through the missions concerned will be carried out by C.L.N.A.I., the General Command of the Volunteers of Liberty and their components.

SUPREME ALLIED COMMANDER,
MEDITERRANEAN THEATRE OF OPERATIONS

other anti-fascist organizations.

Subject to the general control of the Commander-in-Chief, A.A.I. this sum will be apportioned to the following areas in the following ratio for the support of all anti-fascist organizations in those areas:

LIGURIA	12 1/2
PIEMONTE	37 1/2
LOMBARDIA	16
EMILIA	16
VENETO	13

The above sum and allocations will be subject to variation according to the requirements of the military situation: the maximum sum will be reduced proportionately as and when Provinces are liberated.

6. Allied missions attached to the C.L.N.A.I., to the General Command of the Volunteers of Liberty, or any of their components, will be consulted in all matters connected with the execution of this agreement and in particular to matters relating to armed resistance, anti-spying, and maintenance of order. Orders issued by the Commander-in-Chief, A.A.I. and transmitted through the missions concerned will be carried out by C.L.N.A.I., the General Command of the Volunteers of Liberty and their components.

SUPREME ALLIED COMMANDER,
MEDITERRANEAN THEATRE OF OPERATIONS

FOR THE ITALIAN GOVERNMENT

FOR THE COMMITTEE OF NATIONAL
LIBERATION FOR NORTHERN ITALY

~~SECRET~~

DRAFT MEMORANDUM OF AGREEMENT BETWEEN THE SUPREME ALLIED
COMMANDER MEDITERRANEAN THEATRE OF OPERATIONS, THE ITALIAN
GOVERNMENT AND THE COMMITTEE OF NATIONAL LIBERATION FOR
NORTHERN ITALY

1. The Committee of National Liberation for Northern Italy (C.L.N.A.I.) is recognised (by the Italian Government) as the established body representing anti-fascist parties in enemy occupied Italian territory. The C.L.N.A.I. for its part accepts the Italian Government, recognised by the Allied Governments as the successor to the Italian Government which signed the armistice terms, as the sole legitimate authority in that part of Italy which has now been and may hereafter be handed over to the Italian Government by the Allied Military Government.
2. The SUPREME ALLIED COMMANDER and the Italian Government with the utmost co-operation to be established and maintained among the elements which are active in the resistance movement. The C.L.N.A.I. will establish and maintain such co-operation as will bring together all active elements in the resistance movement whether they belong to the C.L.N.A.I. anti-fascist parties or to other anti-fascist organisations.
3. During the period of enemy occupation the SUPREME ALLIED COMMANDER OF THE MEDITERRANEAN THEATRE OF OPERATIONS (being the military command of the C.L.N.A.I.) will, on behalf of the C.L.N.A.I., carry out all instructions of the Commander-in-Chief, A.A.F. It is in general the wish of the SUPREME ALLIED COMMANDER and the Italian Government that particular care should be given to all measures which will safeguard the economic resources of the territory against搜捕, despoliation and like depredation by the enemy.
4. When the enemy withdraws from territory occupied by them the C.L.N.A.I. will exercise its best endeavours to maintain law and order and to continue

tice terms, as the sole legitimate authority in that part of Italy which has now been and may hereafter be handed over to the Italian Government by the Allied Military Government.

2. The SUPREME ALLIED COMMANDER and the Italian Government wish the utmost co-operation to be established and maintained among the elements which are active in the resistance movement. The C.I.M.A.I. will establish and maintain such co-operation as will bring together all active elements in the resistance movement whether they belong to the C.I.M.A.I., anti-fascist parties or to other anti-fascist organizations.

3. During the period of enemy occupation the GENERAL COMMAND OF THE ~~LIBERATION~~ OF LIBERTY (being the military command of the C.I.M.A.I.) will, on behalf of the C.I.M.A.I., carry out all instructions of the Commander-in-Chief, A.A.I. It is in general the wish of the SUPREME ALLIED COMMANDER and the Italian Government that particular care should be given to all measures which will safeguard the economic resources of the territory against搜捕ing, demolition and like depredation by the enemy.

4. When the enemy withdraws from territory occupied by them the C.I.M.A.I. will exercise its best endeavours to maintain law and order and to continue the safeguarding of the economic resources of the country until such time as Allied Military Government is established. Immediately upon the establishment of Allied Military Government, C.I.M.A.I. will recognize Allied Military Government and will hand over to that Government all authority and powers of local government and administration previously assumed. As the enemy withdraws all components of the General Command of the Volunteers of Liberty in liberated territory will come under direct command of the Commander-in-Chief, A.A.I. and will obey any order issued by him or by Allied Military Government

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on his behalf, including orders to disband and surrender their arms, when required to do so.

5. During the period of enemy occupation of Northern Italy the utmost assistance will be given to the C.L.N.A.I. in common with all other anti-fascist organizations, to meet the needs of their members who are engaged in opposing the enemy in occupied territory: a monthly contribution not exceeding 100 million lire will be made to meet the expenses of the C.L.N.A.I. and all other anti-fascist organizations.

Subject to the general control of the Commander-in-Chief, A.A.I. this sum will be apportioned to the following areas in the following ratio for the support of all anti-fascist organizations in those areas:

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EMILIA	16
VENETO	18

The above sum and allocations will be subject to variation according to the requirements of the military situation: the maximum sum will be reduced proportionately as and when Provinces are liberated.

6. Allied missions attached to the C.L.N.A.I., to the General Command of the Volunteers of Liberty, or any of their components, will be consulted in all matters connected with the execution of this agreement and in particular to matters relating to armed resistance, anti-scorch, and maintenance of order. Orders issued by the Commander-in-Chief, A.A.I. and transmitted through the missions concerned will be carried out by C.L.N.A.I., the General Command of the Volunteers of Liberty and their components.

other anti-fascist organisations.

Subject to the general control of the Commander-in-Chief, A.A.I. this sum will be apportioned to the following areas in the following ratio for the support of all anti-fascist organisations in those areas:

LIGURIA	12½
PIEMONTE	37½
LOMBARDIA	16
EMILIA	16
VENETO	18

The above sum and allocations will be subject to variation according to the requirements of the military situation: the maximum sum will be reduced proportionately as and when Provinces are liberated.

6. Allied missions attached to the C.I.H.A.I., to the General Command of the Volunteers of Liberty, or any of their components, will be consulted in all matters connected with the execution of this agreement and in particular to matters relating to armed resistance, anti-scorch, and maintenance of order. Orders issued by the Commander-in-Chief, A.A.I. and transmitted through the missions concerned will be carried out by C.I.H.A.I., the General Command of the Volunteers of Liberty and their components.

SUPREME ALLIED COMMANDER,
MEDITERRANEAN THEATRE OF OPERATIONS

FOR THE ITALIAN GOVERNMENT

FOR THE COMMITTEE OF NATIONAL
LIBERATION FOR NORTHERN ITALY

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EWS/cfo

1/03 1010

3 November 1944

My dear Mr. Prime Minister:

The following extract of a confidential report emanating from the office of FNS in Sicily is forwarded for your information.

"This office is in possession of a confidential report from JICA about a meeting of Separatist leaders last week in the home of Antonio Varvaro, one of the leaders, in Palermo, at which Pinocchiaro-Aprile is reported to have given the "go ahead" to the Separatist elements to mobilize and, possibly, act toward seizing government buildings and, perhaps, even setting up an independent Sicilian government. It remains to be seen whether the Separatists will carry through these plans. The leaders reportedly took this decision following a conference with the Mayor of Palermo who is said to have told them that he was authorized to arrest them at any time for treasonable activities against the Italian state. They are reported to have decided that, since their arrest might be imminent, it would be well to take the bull by the horns and try to establish de facto independence before the unitarian forces could bring in additional armed forces. The Separatists are also said to be banking on the fact that there are virtually no Allied troops left in Sicily, and that the Allies are reported to be in no position to send troops to Sicily at present to keep order.

"It must be kept in mind that the Separatists sometimes deliberately spread false reports of their planned actions, in order to stir up public agitation and confuse the law enforcement agencies. Whether the foregoing is merely another example of these tactics or whether they really mean business this time remains to be seen."

(Foregoing report dated 30 October 1944)

Very truly yours, Ellery W. Stone

ELLEERY W. STONE
Commodore, USNR
Acting Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

cc: C of S, ACC
'A' Files
G-5, AFHQ

~~SECRET~~

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

TOP SECRET.

Ref: 504/83/COS.

29 October, 1944.

SUBJECT: Administration of Frontier Provinces - N.E. ITALY.

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

1. On 26 Sept 1944 under reference 808/20/CA - A/CC 321 I wrote you a letter setting forward certain aspects of the problem of applying military government in the Provinces of FIUME, POLA, TRIESTE and GORIZIA, forming together the area known as VENEZIA GIULIA.

2. Since the despatch of that letter further conferences have been held and it now appears desirable to put forward for your concurrence plans based on a series of possible eventualities. At the same time I shall ask your assistance in preliminary negotiations.

3. I consider myself bound by the terms of the Annexure to SAC(44), Special 5, memorandum of 13 Aug wherein was declared the policy of the Allied Governments to impose an Allied Military Government upon the four Provinces of VENEZIA GIULIA.

4. It is clear that Yugo Slav national aspirations cannot be left out of account. I am, however, assuming that I have your support in the view that it is not the policy of the Allied Governments to do anything which might encourage a de facto Yugo Slav annexation.

5. It is further clear that any Allied Military Government which is set up will have a very much better chance of success if it avoids machinery likely to exacerbate local feelings. The importation of either Italian or Yugo Slav officials might have such a result. The central and declared aim of the Allied administration should be impartial dealing to Italian and Slav alike.

6. Three different possibilities must be envisaged:-

Situation "A". "Allied Military Forces" - that is to say, forces under AAI or AFHQ - enter the country after a rapid advance, before any entry of organised Yugo Slav formations has taken place, and before there has been any crystallisation of partisan control. Local administration based on the Italian system continues to function to a greater or lesser degree.

Situation "B". "Allied Military Forces" enter the country after a period of vacuum during which local Yugo Slav partisans have assumed localised control.

Situation "C". A forward Yugo Slav military force enters the country in

Copy No. 13 Acc

1. On 26 Sept 1944 under reference 800/20/1 setting forward certain aspects of the problem of applying military government in the Provinces of FRIULI, POLA, TRIESTE and GORIZIA, forming together the area known as VENEZIA GIULIA.
2. Since the despatch of that letter further conferences have been held and it now appears desirable to put forward for your concurrence plans based on a series of possible eventualities. At the same time I shall ask your assistance in preliminary negotiations.
3. I consider myself bound by the terms of the Annexure to SAC(44), Special 5, memorandum of 13 Aug wherein was declared the policy of the Allied Governments to impose an Allied Military Government upon the four Provinces of VENEZIA GIULIA.
4. It is clear that Yugo Slav national aspirations cannot be left out of account. I am, however, assuming that I have your support in the view that it is not the policy of the Allied Governments to do anything which might encourage a *de facto* Yugo Slav annexation.
5. It is further clear that any Allied Military Government which is set up will have a very much better chance of success if it avoids machinery likely to exacerbate local feelings. The importation of either Italian or Yugo Slav officials might have such a result. The central and declared aim of the Allied administration should be impartial dealing to Italian and Slav alike.
6. Three different possibilities must be envisaged:-
 - Situation "A". "Allied Military Forces" - that is to say, forces under AAI or AFHQ - enter the country after a rapid advance, before any entry of organised Yugo Slav formations has taken place, and before there has been any crystallisation of partisan control. Local administration based on the Italian system continues to function to a greater or lesser degree.
 - Situation "B". "Allied Military Forces" enter the country after a period of vacuum during which local Yugo Slav partisans have assumed localised control.
 - Situation "C". A formed Yugo Slav military force enters the country in advance of any other "Allied Military Force".

It is clear that all three situations may exist at one time within the confines of VENEZIA GIULIA.
7. In the circumstances of Situation "A" it is proposed that Allied Military Government should generally follow normal lines with the following special features:-
 - (a) The continued operation of existing Italian administration would be subject to the non-introduction of officials from other parts of Italy, and would be dependent solely on those already found within the territory.
 - (b) No Italian troops will be used as such in the area. The use of CC.BR and GG.FF as such will be left to the discretion of the Regional Commissioner. Local municipal police will be used under direct orders of AMG.

-2-

- (c) Italian law would be applied, and local Courts would be re-opened under existing approved judges, but the Court of Appeal at TRIESTE and the detached section at FIUME would be final Courts. The right of recourse to the Court of Cassation in ROME would be suspended.
 - (d) Italian legislation since 8 September 1943 would not be implemented as is now done in other parts of Italy. Any legislation deemed necessary would be achieved by publication of General or Regional Orders. However, they might follow current Italian legislation.
 - (e) The Provinces would be financed entirely by AFA funds. Existing banks would be used but Italian Government funds would not be introduced from outside.
8. In the circumstances of Situation "B" a similar policy will be adopted with the difference that:-
- (a) No Italian police would be re-employed in partisan areas.
 - (b) That any working de facto administrative machinery whether using Italian or Yugo Slav officials or both would be kept in being.
 - (c) As with "A", importation of officials from outside would be avoided.
 - (d) Courts of law would be initially closed and re-opened at the discretion of the Regional Commissioner. Offences against Allied proclamations would be tried by AMG Courts. Any Courts permitted to re-open would, under International Law, have to apply the Italian Code, as being the law legally in force. As with "A", final appeal would be to the local Courts of Appeal, recourse to the Court of Cassation at Rome being suspended.

9. The essential consideration in Class "A" and Class "B" is that no doubt ^{both} should be left in the minds of the inhabitants, or of parties outside the territory that the only governing authority is the Allied Military Government. As a visible indication of this fact only American and British flags will be permitted to be flown from public buildings.

10. In the case of "C", a more difficult situation would arise inasmuch as the commander of any regularly constituted Yugo Slav invading army operating under the independent orders of his government, would automatically become the Military Governor of any territory occupied by his troops. In this case we should expect to find a Yugo Slav administration set up, with legal sanction under International Law, under Yugo Slav officers. It would be extremely difficult, if not wholly impolitic, for AMG officers on the spot to displace such an administration or locally to attempt to impose Allied Military Government on such an administration. Such a difficulty might be overcome if agreement could be secured in advance with the Yugo Slav Government that any Yugo Slav army crossing the 1939 frontier into Italy should be regarded as an expeditionary force joining the Allied troops under command of General Alexander. This formula would cover the legal position of the installation of an Anglo-American AMG under the authority of General Alexander. It is, however, clear that some agreement must be made with the Yugo Slav authorities which will include a clause to the effect that civil administration will be carried out by American Military Government officers, in order to avoid difficulties, and I would ask

the difference that:-

- (a) No Italian police would be re-employed in partisan areas.
- (b) That any working de facto administrative machinery whether using Italian or Yugo Slav officials or both would be kept in being.
- (c) As with "A", importation of officials from outside would be avoided.
- (d) Courts of law would be initially closed and re-opened at the discretion of the Regional Commissioner. Offences against Allied proclamations would be tried by AMG Courts. Any Courts permitted to re-open would, under International Law, have to apply the Italian Code, as being the law legally in force. As with "A", final appeal would be to the local Courts of Appeal, recourse to the Court of Cassation at Rome being suspended.

9. The essential consideration ^{both} in Class "A" and Class "B" is that no doubt should be left in the minds of the inhabitants, or of parties outside the territory that the only governing authority is the Allied Military Government. As a visible indication of this fact only American and British flags will be permitted to be flown from public buildings.

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11. It is evident that the imposition of Allied Military Government, whether under Conditions "A", "B" or "C", will require a considerably higher concentration of officers and men than has been available lately. Moreover, a fundamental prerequisite for the execution of this plan under "A", "B" or "C", is the provision of an adequate force of Allied Military Police to be placed at the disposal of the Provincial Commissioners. In any event it is proposed to concentrate available resources on three main centres:-

* The minimum numbers deemed necessary for this are shown in Annexure "A".

(a) The Port of TRIESTE.

(b) The port of POLA and the coal and bauxite mines of Southern ISTRIA.

(c) The port of FIUME.

It is felt that a fair, firm and consistent Allied administration in these three important centres will have a steady effect on the remainder of the area, much of which is sparsely populated and will be, under winter conditions, difficult of access.

12. It is further requested that, should circumstances permit, full opportunity be taken of Allied naval power to make rapid and demonstrative landings in the three ports of TRIESTE, FIUME and POLA.

13. The small Province of ZARA was not mentioned in the Chief of Staff's memorandum referred to in para 3. I should be glad of your instructions as to the policy to be adopted in respect of this port and of the islands off the Dalmatian Coast.

14. I have considered the desirability of setting up a separate Regional organisation for VENEZIA GIULIA. It is clear that the problem of all six Frontier Provinces, the four of VENEZIA GIULIA and the two of VENEZIA TRIDENTINA, react not only on each other but upon the neighbouring Provinces of UDINE and BELLUNO and upon the whole of N.E. ITALY. The over-emphasis upon the creation of separate administrative machinery may create upon the minds of both Yugo Slav and Italians precisely that impression of a fait accompli for the whole of VENEZIA GIULIA which it appears desirable to avoid. Moreover, having regard to our very limited establishment, I am anxious to avoid the additional overhead that must arise from the formation of new Regions. Therefore, without prejudice to any future installation of a separate Regional Headquarters at TRIESTE, I propose to handle the organisation of administration for VENEZIA GIULIA as for VENEZIA TRIDENTINA, through the one Regional HQ of Region XII with sub-Regions for VENEZIA GIULIA and VENEZIA TRIDENTINA if such be found necessary.

15. In view of the above considerations, I recommend an agreement be negotiated with the Yugo Slav authorities that in the event that any Yugo Slav troops cross the 1939 frontier into Italy they shall operate as an expeditionary force, and come immediately under orders of AAI.

16. I enclose letter containing views of Commander in Chief, Allied Armies in Italy.

WILFRY W. STONE
Commodore, USNR
Acting Chief Commissioner

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3/3/4

16. I enclose letter containing views of Commander in Chief, Allied Armies in Italy.

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner

Copy to: Chief of Staff, AFHQ.
The Hon. Alexander Kirk.
Sir Noel Charles, St, KONG, MC.
EC, Region XII.
SCAO AEF 8 Army
Pol Sec
CA Sec
Econ Sec
DCCAO AAI
CCS, AAI
"A" File
File
A/C

Annexure "A" to 504/83/COS dated 29 Oct 44.

It is considered that to carry out the above policy, the following additions to normal ACC strength would be required.

- (a) Military Police: For TRIESTE - 4 Provost Companies
For GORIZIA, POLA and FIUME - 1 Coy each
- (b) Additional AMG Legal Officers: For TRIESTE - 6
For GORIZIA, POLA and FIUME - 2 Each.

- (c) CAO's to be on the basis of:

TRIESTE Province	(30 Communes)	
City of TRIESTE		4
Remainder		5
GORIZIA Province.	(42 Communes)	7
POLA Province		2
City of POLA		7
Remainder		
FIUME Province		2
City of FIUME		3
Remainder		
Total...		30

- (d) Special requirements in the direction of additional officers for Public Safety, Public Health, Finance and other Commissions will be submitted at an early date.

COPY.

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CGS/459

Advanced Headquarters,
Allied Armies in Italy.

26th October, 1944.

Acting Chief Commissioner,
Allied Control Commission.

1. In reply to your letter No. 504/62/COS dated 18 Oct 44, regarding problems likely to be encountered in the administration of N.E. Italy, the C-in-C wishes to emphasise the following principles:

- (a) When TRIESTE and Fiume have been captured our troops will be maintained through these ports and the road and rail communications radiating from them. These ports and communications must therefore be under the direct operational and administrative control of the C-in-C. This was accepted by Marshal TITO when he visited the C-in-C in August.
 - (b) To provide the measure of control required to give full effect to the principle stated in (a) above, the Allied Military Government in the areas concerned must also be under the C-in-C's control. For continuity the system of government must be in extension of the A.M.G. for Italy, not a separate organisation superimposed to deal with those areas. The A.M.G. for Italy should therefore extend up to the 1939 Italian frontier, at any rate until final territorial adjustments in that area have been accepted by the Allied Governments.
 - (c) If any part of the area in question is occupied by Marshal TITO's forces before the arrival of A.A.I., control for purposes of military administration and government should pass to AAI on the arrival of our troops.
 - (d) If any of Marshal TITO's forces or Russian forces enter the tactical zone of A.A.I. they should automatically come under the operational control of General ALEXANDER.
2. The C-in-C considers that negotiations to secure agreement on the lines of para 1 above with Marshal TITO and the Russian Government should be taken in hand now, and completed as quickly as possible, to ensure that there are no unfortunate misunderstandings when the occasion rises.

(Sgd) Harding.

0 6 1 3

1. In reply to your letter No. 504/62/CQS dated 18 Oct 44, regarding problems likely to be encountered in the administration of M.E. Italy, the C-in-C wishes to emphasise the following principles:

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Copy to: CAC.
 BGS(Ops)
 BGS(I)

(Sgd) Harding.
Lieut. General.
C.G.S.

0614

File: --
Commodore, USN
Acting Chief Designer

CO-7

RS/af

A/OS 100-2

Subject: Report of the Allied Anti-Inflation Committee (Italy)

To: Allied Force Headquarters, AFU 512
(attention: G-5 Section)

1. Reference is made to the Report of the Allied Anti-Inflation Committee (Italy), dated 19 June 1944, copies of which were sent to you to be forwarded to the Combined Chiefs of Staff.
2. We have received no comments from the Combined Chiefs of Staff but since in the normal course of operations some of the recommendations have been implemented, although the report as a whole has not been laid before the Italian Government, it seemed appropriate at this time to forward a memorandum (attached), giving the present status to the various recommendations.
3. Since the situation has changed considerably in the period since 19 June 1944, it is suggested that it would be advisable to forward this memorandum both to the Combined Chiefs of Staff, to assist them in their consideration of the Report, and also to the other original recipients.

ELLEN W. STONE
Commodore, USN
Acting Chief Designer

2481

1 Incl.

- cc: Chief of Staff
V.P., Room Sec
C.S.O., Room Sec
Col. Graftoy-Smith, Fin 3/5
Comdr Lawler, Fin 3/5
Col. Fiske, Detab Sec
Col. Upjohn, C.A. Sec
"A" Files

~~SECRET~~

COPY

ZB/afe

A/CG 100-2

Subject: Report of the Allied Anti-Inflation Committee (Italy)

To: Allied Force Headquarters, APO 512
(Attention: G-5 Section)

1. Reference is made to the Report of the Allied Anti-Inflation Committee (Italy), dated 19 June 1944, copies of which were sent to you to be forwarded to the Combined Chiefs of Staff.
2. We have received no comments from the Combined Chiefs of Staff but since in the normal course of operations some of the recommendations have been implemented, although the report as a whole has not been laid before the Italian Government, it seemed appropriate at this time to forward a memorandum (attached), giving the present status to the various recommendations.
3. Since the situation has changed considerably in the period since 19 June 1944, it is suggested that it would be advisable to forward this memorandum both to the Combined Chiefs of Staff, to assist them in their consideration of the Report, and also to the other original recipients.

ELMER W. STONE
Commodore, USN
Acting Chief Commissioner

2456

1 Encl.

cc: Chief of Staff
V.P., Room Sec
C.S.O., Room Sec
Col. Graffey-Smith, Pin S/C
Cmdr Lawler, Pin S/C
Col. Flake, Rutab Sec
Col. Upjohn, C.A. Sec
"A" Files

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HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

24 October 1944

A/CC 100-2

MEMORANDUM: Status of Anti-Inflation Recommendations as of 22 October 1944.

StatusPage Recommendation

2-4 Present Situation

The degree of inflation has of course increased. The exact increase in the price index and in currency circulation will be found in the Monthly Reports of the Finance Sub-Commission for July, August and September. The Government deficit has increased as more territory has come under the jurisdiction of the Government. There is still Allied expenditure has also increased. There is still an extreme shortage of practically all goods. Public distrust of the currency is difficult to assess at this point; bank deposits have decreased in the past two months; bond sales were excellent in August but very poor in September. Black market premium on sterling and \$ exchange currency has increased steadily. Wages have increased throughout the period in the form of the payment of illegal wages. Legal wages have recently been increased on an average of approx. 60%. There is, as yet, no indication of a flight from the lire into real assets.

Change recommended has been made and in addition Transportation Sub-Commission is now represented.

Issued on 26 June, 1944.

No action on this recommendation.

2209

An Inter-Ministerial Committee has been established; it is not yet fully operating.

This recommendation was urged on the Italian Government in considering the wage increase to private employees. They did not, however, adopt the recommendation. The same recommendation was urged on the Italian Government in the new decree increasing the wages of State employees. Here we were successful and the plan adopted. It should be noted, however, that the general principles on wage policy had to be relaxed somewhat because of the failure to receive substantial imports of food and other civilian supplies resulting in heavy public

5. Price Group Representation

5. Price Directive

5. Price Group Representation on Local Resource Boards

5. Parallel action by Italian Government

6. Wage policy must include simplification of the wage structure.

The Government deficit has increased as has come under the jurisdiction of the Government. There is still Allied expenditure has also increased. There is still an extreme shortage of practically all goods. Public distrust of the currency is difficult to assess at this point; bank deposits have decreased in the past two months; bond values were excellent in August but very poor in September. Black market premium on sterling and \$ exchange currency has increased steadily. We have increased throughout the period in the form of the payment of illegal wages. Legal wages have recently been increased on an average of approx. 60%. There is, as yet, no indication of a flight from the lire into real assets.

Change recommended has been made and in addition Transportation Sub-Commission is now represented.

Issued on 26 June, 1944.

No action on this recommendation.

2489

An Inter-Ministerial Committee has been established; it is not yet fully operating.

This recommendation was urged on the Italian Government in considering the wage increase to private employees. They did not, however, adopt the recommendation. The same recommendation was urged on the Italian Government in the new decree increasing the wages of State employees. There were successful and the plan adopted. It should be noted, however, that the general principles on wage policy had to be relaxed somewhat because of the failure to receive substantial imports of food and other civilian supplies resulting in heavy public pressure in Italy.

No attempt has been made to carry out this recommendation.

No action has been taken to institute any new subsidies.

No action has been taken on this recommendation.

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SUMMARY

Page	Recommendation	Status
7.	Control of crops not assessed through control of transport.	All transport available is being used so transport assessed through rationed food supplies. There is not an excess of transport to enable any implementation of this recommendation.
8.	Enforcement of Price and Anti-Profitting legislation.	Enforcement in all areas is satisfactory in view of the limited personnel available. In areas restored to the Italian Government control is extremely unsatisfactory.
9.	Subsidies to maintain low bread price	Bread is still subsidized. There is at present no prospect of increasing the ration; therefore the Italian Government is pressing for withdrawal of the subsidy in view of the increase in wages.
10.	Introduction of clothing and footwear into the ration.	This has not been possible as supplies have not been received to enable implementation.
11.	Prices on imports.	It has not been possible to implement this since landed cost prices have not been received in time.
12.	Prices of industrial goods.	This has not been implemented since there has been little distribution of such goods and landed cost prices have not yet been furnished.
13.	Products of local industry.	No action as yet largely due to the fact that most products of local industry are being taken by the Armed Forces and are not being distributed.
14.	Increase in Utility Rates.	Action completed, except for telephone rates--action in which is being pressed by ACC.
15.	Stimulation of tax assessment and collection.	Progress is being made. The Italian Government has adopted the use of individual returns and has increased assessments, and is attempting to bring the rolls up to date. Decreases have been adopted spreading up the procedure to dispose of arrears.
16.	Increase in Monopoly prices.	Action completed.
17.	Increase in Tax on Real Property.	Decree adopted and action completed.
18.	Government revenue from price and distribution control.	Decree adopted which amends the "turnover tax" increasing rates and simplifying methods of collection.
19.	Increased Penalties on Illicit Gain	Decree adopted; the Italian Government is sequestering returns acquired under the Fascist regime preparatory to confiscatory methods.

view of the increase in wages.

5. Introduction of clothing and footwear into the nation.
This has not been possible as supplies have not been received to enable implementation.
6. Prices on imports.
It has not been possible to implement this since landed cost prices have not been received in time.
7. Prices of industrial goods.
This has not been implemented since there has been little distribution of such goods and landed cost prices have not yet been furnished.
8. Prices of local industry.
No action as yet largely due to the fact that most products of local industry are being taken by the Armed Forces and are not being distributed.
9. Increase in Utility Rates.
Action completed, except for telephone rates--action in which is being pressed by AGO.
10. Stimulation of Tax Assessment and collection.
Progress is being made. The Italian Government has adopted the use of individual returns and has increased assessments, and is attempting to bring the rolls up to date. Decrees have been adopted speeding up the procedure to dispose of arrears.
11. Increase in Monopoly prices.
Action completed.
12. Increase in Tax on Real Property.
Decree adopted and action completed.
13. Government Revenue from price and distribution controls.
Decree adopted which amends the "turnover tax" increasing rates and simplifying methods of collection.
14. Increased Penalties on Illicit Gain.
Decree adopted; the Italian Government is sequestering fortunes acquired under the Fascist regime preparatory to adoption of confiscatory methods.
15. Correction of basic weaknesses in Italian Revenue System.
Has been under considerable discussion by Finance Subcommittee and Italian Ministry of Finance. Some action has been taken although it is felt unwise to make a major change at the present time.
16. Income Taxes.
New decrees adopted providing for individual tax-payers' declarations. Heavier penalties and higher base rates; the new base rate is 30%. The new tax also provides for assessments in respect of illicit gains.

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- | Page | Recommendation | Status |
|------|---|---|
| 12. | Excess Profits Tax | Decree adopted which does not increase rates but tightens the administrative procedure and repeals two sections of the old statute which permitted many government contractors to use a false standard year. This should considerably increase the revenue of this tax. |
| 12. | Death Duties. | Draft decree which has not yet been adopted. |
| 12. | Improvement of collection system. | Under constant discussion. The Ministry of Treasury feels that this is not the appropriate time to completely abolish the system of collecting taxes through private contractors. We doubt that the Italian Government will agree to abolish this system. |
| 13. | Basic conditions of expenditure control. | Budget has been prepared and is in operation with provision for revision every three months to meet changing circumstances. A Corte dei Conti has been organized and is operating to control expenditures. |
| 13. | Policy toward payment of accumulated claims. | All three points have been adopted and implemented by administrative instructions. So far no adverse effect on government credit has been observed. |
| 14. | Payment of subsidies. | Subsidies are still in effect on several food items and transportation of food. The Italian Government is pressing to drop all subsidies from the budget since wages have risen so considerably it is believed that these subsidies do not at present serve any function in inflation control. |
| 14. | Service on Public Debt. | has been discussed at length with the Italian Government which proposed in its next loan to lower the interest rate. 2488 |
| 14. | Central Purchasing Agency | New in operation. |
| 14. | Emergency Committee of Economy. | Recently recommended to the Government together with specific recommendations for economies resulting from further study of the budget. |
| 15. | Sale of new bonds and reduction of interest rate. | Minister of Treasury has prepared and discussed with Finance Sub-Commission and with the principal Commercial Bankers a decree providing for a new issue of bonds as soon as substantially all of Italy is liberated. These bonds will bear 2 1/2% interest as opposed to 5% on most of the former new outstanding. |

Minister of Treasury states that the terms of the out-

13. Basic conditions of budget has been prepared and is in operation with provision for revision every three months to meet changing circumstances. A Carta dei Conti has been organized and is operating to control expenditures.
13. Policy toward payment of accumulated claims. All three points have been adopted and implemented by administrative instructions. So far no adverse effect on government credit has been observed.
14. Payment of subsidies. Subsidies are still in effect on several food items and transportation of food. The Italian Government is pressing to drop all subsidies from the budget since wages have risen so considerably it is believed that these subsidies do not at present serve any function in inflation control.
14. Service on Public Debt. Has been discussed at length with the Italian Government which proposes in its next loan to lower the interest rate. 2458
14. Central Purchasing Agency. Now in operation.
14. Emergency Committee of Economy. Recently recommended to the Government together with specific recommendations for economies resulting from further study of the budget.
15. Sale of new bonds and reduction of interest rate. Minister of Treasury has prepared and discussed with Finance Sub-Commission and with the principal Commercial Bankers a decree providing for a new issue of bonds as such as substantially all of Italy is liberated. These bonds will bear 3 1/2% interest as opposed to 5% on most of the issues now outstanding.
15. Refinancing of outstanding public debt to unify rates. Minister of Treasury states that the terms of the outstanding bonds are such that there cannot be a complete conversion on redemption. However he hopes in connection with the sale of the new issue mentioned above to obtain a substantial conversion.
16. Open market operations. In operation.
16. Formulation of financing through overdraft. The Minister of Treasury is in thorough agreement in principle but at present time there is no alternative.

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S. A. C. A. E. I.

Item	Recommendation	Status
10.	Timing of program.	Work started on new bonds. Open market operations started earlier than planned with the reopening of the stock market in Rome and in Naples. The Italian Government feels that the bond program and a conversion of the outstanding public debt should not be attempted until the industrial North has been substantially liberated.
16.	Prevention of speculative extension of credit.	Periodic instructions have been sent out to the Inspectorate. A weekly report of credit outstandings is in operation to enable the making of a constant check.
16.	Lower interest rates for commercial loans, bank, rates were reduced $\frac{1}{2}$ of 1% in September, and it is hoped to continue this practice in succeeding months until a normal rate is reached.	After discussion with commercial banks and the Central Bank, rates were reduced $\frac{1}{2}$ of 1% in September, and it is hoped to continue this practice in succeeding months until a normal rate is reached.
10.	Inspectorate is to be responsible to Ministry and not to Central Bank.	Completed.
16.	Banco d'Italia to be prohibited from engaging in commercial business.	Completed.
16.	Change in interest rates of the Banco d'Italia	This action is started by a reduction of $\frac{1}{2}$ of 1% as in the case of commercial loans and ordinary treasury bonds. Reserve provision has been discussed but no action has, as yet, been taken.
17.	Lower rediscount rate.	The first reduction of $\frac{1}{2}$ of 1% has been made as in the commercial rate. It is hoped gradually to bring it down to 2% within the next four months.
17.	Control extensions of credit other than by banks.	No action.
17.	Eliminate bearing securities and bearer pass-books.	No action.
17.	Conversion.	Steps have been taken to obtain the new currency. It is hoped to have sufficient currency of the new type at the end of six months.
17.	Blocking or restriction	There have been broad discussions in principle over the past ten months. The Minister of Treasury has now

16. Lower interest rates After discussion with commercial banks and the Central Bank, rates were reduced 1/2 of 1% in September, and it is hoped to continue this practice in succeeding months until a normal rate is reached.
16. Inspectorate is to be responsible to Ministry and not to Central Bank. Completed.
16. Banca d'Italia to be prohibited from engaging in commercial business. Completed.
16. Change in interest rates of the Banca d'Italia This action is started by a reduction of 1/2 of 1% as in the case of commercial banks and ordinary treasury bonds. Reserve provision has been discussed but no action has, as yet, been taken.
17. Lower rediscount rate. The first reduction of 1/2 of 1% has been made as in the commercial rate. It is hoped gradually to bring it down to 2% within the next four months.
17. Control extensions of credit other than by banks. No action.
17. Eliminate bearer securities and bearer pass-books. No action.
17. Conversion. Steps have been taken to obtain the new currency. It is hoped to have sufficient currency of the new type at the end of six months.
17. Blocking or taxation. There have been broad discussions in principle over the past ten months. The Minister of Treasury has now appointed a commission which is studying the problem. His personal proposal is for a program to take place as soon as possible after the liberation of substantially all of Italy. He would first block all currency holdings and all deposits and then impose a tax of 50% on all currency, bank deposits, public securities and private securities including corporate shares. Many of his advisers feel that this program is too radical. A compromise proposed by one of his advisers provides for 2 conversions, the first taking place by means of outstanding outstanding metropolitan lire, blocking on both conversions and the imposition of a 10% tax on each conversion.

19. Rate of exchange. No action necessary.

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Page	Recommendation	Status
21.	Armstrong and Broad location.	Italy has been increased in the South but is still at 200 farms in Central and Northern Italy. The future of this program depends on imports. As a result of the pressure of public opinion in Italy, wage increases, unaccompanied by an improvement in the supply situation, have been resorted to as a means of meeting the problem of rising living costs.
21.	olive oil refining.	Original requisitions filled; new requisitions of 420 tons caustic soda per month and 11 Jan. 1945 and 770 tons per month until 1 July 1945 have been filled.
22.	Food processing.	Program dropped for lack of materials. 4,000 tons only of tomato paste backed in wooden barrels.
22.	Food imports.	The Director of the Food Sub-Commission and the Vice-President of the Economic Section are currently discussing this program with GCS.
23.	Clothing and Footwear.	All that has been received to date is a supply of cotton thread, approximately 2,000,000 pairs of canvas shoes, 119 salvaged uniforms and 532 bales of raw cotton.
24.	Fertilizer and Insecticides.	Some fertilizers have been received, other requisitions are pending; insecticides have not been received and requisitions have been pending since March 1944.
24.	Mining Equipment.	There are numerous requisitions dating back to October 1943 but for the most part they have not been filled, though a few minor items have been received.
25.	Seeds.	Requisition for rice crop year filled. - 2487
25.	Farm machinery and accessories.	Some belting wire, some binder twine and some nails have been received. Other requisitions which have not been filled have been pending since April. New requisition filled recently.
25.	Industrial rehabilitation.	Changed situations due to the substantial destruction in central Italy have altered the possibilities of rehabilitation. No clear policy directive has as yet been received from GCS.
25.	Allocation of Coal.	This has been implemented and situation is much more satisfactory.
26.	Emergency Supplies.	Some of this material has been requisitioned and partial shipments have been received, but many of the requisitions for these emergency supplies have still not been filled.

22. Food processing.
Program ordered for lack of materials, 4,000 tons only of tomato paste packed in wooden barrels.
23. Food imports.
The Director of the Food and Nutrition Commission and the Vice-President of the Economic Section are currently discussing this program with CCS.
24. Clothing and Footwear.
All that has been received to date is a supply of cotton thread, approximately 240,000 pairs of canvas shoes, 119 oil-slick uniforms and 532 bales of raw cotton.
25. Fertilizer and Insecticides.
Some fertilizers have been received, other requisitions are pending. Insecticides have not been received and requisitions have been pending since March 1943.
26. Mining Equipment.
There are numerous requisitions dating back to October 1943 but in the main they have not been filled, though a few minor items have been received.
27. Seeds.
Requisition for new crop year filled. 2457
28. Farm machinery and accessories.
Some baling wire, some minor twine and some nails have been received. Other requisitions which have not been filled have been pending since April. New requisition filled recently.
29. Industrial rehabilitation.
Changed situations due to the substantial destruction in central Italy have altered the possibilities of rehabilitation. No clear policy directive has as yet been received from CCS.
30. Allocation of Coal.
This has been implemented and situation is much more satisfactory.
31. Emergency Supplies.
Some of this material has been requisitioned and partial shipments have been received, but many of the requisitions for these emergency supplies have still not been filled.
32. Allocation of products and facilities.
Action has been taken within the theatre as recommended, not by creating a new Allied Economic Council but by revising the organization of the Allied Forces Local Resources (Italian) Board, of which the Chief Commissioner is now a member.

COPY

EAS/afe

A/CC 100-2

Subject: Report of the Allied Anti-Inflation Committee (Italy)

To: Allied Force Headquarters, AFO 512
(Attention: Gv5 Section)

1. Reference is made to the Report of the Allied Anti-Inflation Committee (Italy), dated 19 June 1944, copies of which were sent to you to be forwarded to the Combined Chiefs of Staff.
2. We have received no comments from the Combined Chiefs of Staff but since in the normal course of operations some of the recommendations have been implemented, although the report as a whole has not been laid before the Italian Government, it seemed appropriate at this time to forward a memorandum (attached), giving the present status to the various recommendations.
3. Since the situation has changed considerably in the period since 19 June 1944, it is suggested that it would be advisable to forward this memorandum both to the Combined Chiefs of Staff, to assist them in their consideration of the Report, and also to the other original recipients.

ELMER W. STONE
Commodore, USNH
Acting Chief Commissioner

2406

1 Encl.

cc: Chief of Staff
V.P., Econ Sec
C.S.O., Econ Sec
Col. Grafftey-Smith, Fin S/C
Cmdr Lawler, Fin S/C
Col. Pike, Estab Sec
Col. Upjohn, C.A. Sec
"A" Files~~SECRET~~

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HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

24 October 1944

A/CC 100-2

MEMORANDUM: Status of Anti-Inflation Recommendations as of 22 October 1944

Page	Recommendation	Status
2-4	Present situation	The degree of inflation has of course increased. The exact increase in the price index and in currency circulation will be found in the Monthly Reports of the Finance Sub-Commission for July, August and September. The Government's deficit has increased as more territory has come under the jurisdiction of the Government. Allied expenditure has also increased. There is still an extreme shortage of practically all goods. Public distrust of the currency is difficult to assess at this point; bank deposits have decreased in the past two months; bond sales were excellent in August but very poor in September. Black market premium on sterling and \$ exchange currency has increased steadily. Wages have increased throughout the period in the form of the payment of illegal wages. Legal wages have recently been increased at an average of approx. 60%. There is, as yet, no indication of a flight from the life into real assets. Change recommended has been made and in addition Transportation Sub-Commission is now represented. Issued on 24 June, 1944. No action on this recommendation. An Inter-Ministerial Committee has been established; it is not yet fully operating. This recommendation was urged on the Italian Government in considering the wage increase to private employees. They did not, however, adopt the recommendation. The same recommendation was urged on the Italian Government in the new decree increasing the wages of State employees. It was not successful and the plan adopted. It should be noted, however, that the general principles of wage policy had to be relaxed somewhat because of the failure to receive substantial imports of food and other necessities resulting in heavy public
5.	Price Group representation	
5.	Price Directive	
5.	Price Group representation on local resource boards	
5.	Parallel action by Italian Government	
6.	Wage policy must include simplification of the wage structure.	

2405

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Change recommended has been made and in addition Transportation Sub-Committee is now represented.

Issued on 26 June, 1944.

2403

No action on this recommendation.

An Inter-Ministerial Committee has been established; it is not yet fully operating.

This recommendation was urged on the Italian Government in considering the wage increases to private employees. They did not, however, adopt the recommendation. The same recommendation was urged on the Italian Government in the new decree increasing the wages of State employees. These were successful and the plan adopted. It should be noted, however, that the general principles of wage policy had to be relaxed somewhat because of the failure to receive substantial imports of food and other civilian supplies resulting in heavy public pressure in Italy.

No attempt has been made to carry out this recommendation.

No action has been taken to institute any new subsidies.

No action has been taken on this recommendation.

5. Price Group representation

6. Price Directive

7. Price Group representation on local resource boards

8. Parallel action by Italian Government

9. Wage policy must include simplification of the wage structure.

10. Policy of non-wage income.

11. Use of subsidies for food produced at cost in excess of sale price.

12. Extension of Amersing to all major crops.

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Page	Recommendation	Status
7.	Control of crops not amassed through control of transport.	All transport available is being used to transport amassed crops and rationed food supplies. There is not an excess of transport to enable any implementation of this recommendation.
8.	Enforcement of Price and Anti-Profititeering legislation.	Enforcement in all areas is satisfactory in view of the limited personnel available. In areas restored to the Italian Government control is extremely unsatisfactory.
9.	Subsidies to maintain low bread price	Bread is still subsidized. There is at present no prospect of increasing the ration; therefore the Italian Government is pressing for withdrawal of the subsidy in view of the increase in wages.
10.	Introduction of clothing and footwear into the ration.	This has not been possible as supplies have not been received to enable implementation.
11.	Prices on imports.	It has not been possible to implement this since landed cost prices have not been received in time.
12.	Prices of industrial goods.	This has not been implemented since there has been little distribution of such goods and landed cost prices have not yet been furnished.
13.	Products of local industry.	No action as yet largely due to the fact that most products of local industry are being taken by the Armed Forces and are not being distributed.
14.	Increase in Utility Rates.	Action completed, except for telephone rates-ration in which is being pressed by AGC.
15.	Stimulation of Expenditure and collection.	Progress is being made. The Italian Government has adopted the use of individual returns and has increased assessments, and is attempting to bring the rolls up to date. Decreases have been adopted speeding up the procedure to dispose of arrears.
16.	Decrease in Monopoly prices.	Action completed.
17.	Increase in Tax on Real Property.	Decree adopted and action completed.
18.	Government Revenue from price and distribution controls.	Decree adopted which amends the "turnover tax" increasing rates and simplifying methods of collection.
19.	Increased Penalties illicit gain	Decree adopted; the Italian Government is sequestering fortunes acquired under the Fascist regime preparatory to adoption of confiscatory methods.

price

Government is pressing for withdrawal of the view of the increase in wages.

8. Introduction of clothing and footwear into the ration.
This has not been possible as supplies have not been received to enable implementation.
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It has not been possible to implement this since landed cost prices have not been received in time.
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12. Increase in Utility Rates.
Action completed, except for telephone rates--action in which is being pressed by AGC.
13. Stimulation of Tax assessment and collection.
Progress is being made. The Italian Government has adopted the use of individual returns and has increased assessments, and is attempting to bring the rolls up to date. Decrees have been adopted speeding up the procedure to dispose of appeals.
Action completed.
14. Increase in Monopoly prices.
Decree adopted and action completed.
15. Increase in Tax on Real Property.
Decree adopted which amends the "turnover tax" increasing rates and simplifying methods of collection.
16. Government Revenue from price and distribution controls.
Decree adopted; the Italian Government is sequestering fortresses acquired under the Fascist regime preparatory to adoption of confiscatory methods.
17. Increased Penalties on illicit gain.
Has been under considerable discussion by Finance Sub-Commission and Italian Ministry of Finance. Some action has been taken although it is felt unwise to make a major change at the present time.
18. Correction of basic weaknesses in Italian Revenue System.
New terms adopted providing for individual tax-payers' declarations. Heavier penalties and higher base rates; the new base rate is 3%. The new tax also provides for assessments in respect of illicit gains.

SECRET

Page	Recommendation	Status
12.	Excess Profits Tax	Decree adopted which does not increase rates but tightens the administrative procedure and repeals two sections of the old statute which permitted many Government contractors to use a false standard year. This should considerably increase the revenue of this tax.
12.	Death Duties.	Draft decree which has not yet been adopted.
12.	Improvement of collection system.	Under constant discussion. The Ministry of Treasury feels that this is not the appropriate time to completely abolish the system of collecting taxes through private contractors. We doubt that the Italian Government will agree to abolish this system.
13.	Basic conditions of expenditure control.	Budget has been prepared and is in operation with provision for revision every three months to meet changing circumstances. A Corte dei Conti has been organized and is operating to control expenditures.
13.	Policy toward payment of accumulated claims.	All three points have been adopted and implemented by administrative instructions. So far no adverse effect on government credit has been observed.
14.	Payment of subsidies.	Subsidies are still in effect on several food items and transportation of food. The Italian Government is pressing to drop all subsidies from the budget since wages have risen so considerably it is believed that these subsidies do not at present serve any function in inflation control.
14.	Service on Public Debt.	Has been discussed at length with the Italian Government which proposes in its next loan to lower the interest rate. 2484
14.	Central Purchasing Agency	Now in operation.
14.	Emergency Committee of Economy.	Recently recommended to the Government together with specific recommendations for economies resulting from further study of the budget.
15.	Sale of new bonds and reduction of interest rate.	Minister of Treasury has prepared and discussed with Finance Sub-Commission and with the principal Commercial Bankers a decree providing for a new issue of bonds as soon as substantially all of Italy is liberated. These bonds will bear 3 1/2% interest as opposed to 5% on most of the issued new outstanding.
15.	Refinancing of outstanding public debt to unify rates.	Minister of Treasury states that the terms of the outstanding bonds are such that there cannot be a complete conversion on redemption. However he hopes in connection

13. Basic conditions of Budget has been prepared and is in operation with provision for revision every three months to meet changing circumstances. A Corte dei Conti has been organized and is operating to control expenditures.
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15. Refinancing of outstanding public debt to unify rates, conversion on redemption. Minister of Treasury states that the terms of the outstanding bonds are such that there cannot be a complete conversion on redemption. However he hopes in connection with the sale of the new issue mentioned above to obtain a substantial conversion.
15. Open Market operations. In operation.
15. Termination of financing through overdraft. The Minister of Treasury is in thorough agreement in principle but at present time there is no alternative.

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Page	Recommendation	Status
16.	Financing of program.	Work started on new bonds. Open market operations started earlier than planned with the reopening of the stock market in Rome and in Naples. The Italian Government feels that the bond program and a conversion of the outstanding public debt should not be attempted until the industrial North has been substantially liberated.
16.	Prevention of speculative extensions of credit.	Periodic instructions have been sent out to the Inspectorate. A weekly report of credit outstandings is in operation to enable the making of a constant check.
16.	Lower interest rates for commercial loans.	After discussion with commercial banks and the Central Bank, rates were reduced 2 of 1% in September, and it is hoped to continue this practice in succeeding months until a normal rate is reached.
16.	Inspectorate is to be responsible to Ministry and not to Central Bank.	Completed.
16.	Banca d'Italia to be prohibited from engaging in commercial business.	Completed.
16.	Change in interest rates of the Banca d'Italia	This action is started by a reduction of 1/2 of 1% in the case of commercial banks and ordinary treasury bonds. Reserve provision has been discussed but no action has, as yet, been taken.
17.	Lower rediscount rate.	The first reduction of 1/2 of 1% has been made in the commercial rate. It is hoped gradually to bring it down to 2% within the next four months.
17.	Control extensions of credit other than by banks.	No action.
17.	Eliminate bearer securities and bearer pass-books.	No action.
17.	Conversion.	Steps have been taken to obtain the new currency. It is hoped to have sufficient currency of the new type at the end of six months.
17.	Blocking or taxation.	There have been broad discussions in principle over the past ten months. The Minister of Treasury has now

- operation to enable the making of a constant check.
16. Lower interest rates After discussion with commercial banks and the Central Bank, rates were reduced $\frac{1}{2}$ of 1% in September, and it is hoped to continue this practice in succeeding months until a normal rate is reached.
Inspectorate is to be responsible to Ministry and not to Central Bank. Completed.
 16. Banca d'Italia to be prohibited from engaging in commercial business. Completed.
 16. Change in interest rates of the Banca d'Italia This action is started by a reduction of $\frac{1}{2}$ of 1% as in the case of commercial banks and ordinary treasury bonds. Reserve provision has been discussed but no action has, as yet, been taken.
 17. Lower rediscount rate. The first reduction of $\frac{1}{2}$ of 1% has been made as in the commercial rate. It is hoped gradually to bring it down to 2% within the next four months.
 17. Control extensions of credit other than by banks. No action.
 17. Eliminate bearer securities and bearer pass-books. No action.
 17. Conversion. Steps have been taken to obtain the new currency. It is hoped to have sufficient currency of the new type at the end of six months.
 17. Blocking or taxation. There have been broad discussions in principle over the past ten months. The Minister of Treasury has now appointed a commission which is studying the problem. His personal proposal is for a program to take place as soon as possible after the liberation of substantially all of Italy. He would first block all currency holdings and all deposits and then impose a tax of 50% on all currency, bank deposits, public securities and private securities including corporate shares. Many of his advisers feel that this program is too radical. A compromise proposed by one of his advisers provides for 2 conversions, the first taking place by means of over-stamping outstanding metropolitan lire, blocking on both conversions and the imposition of a 10% tax on each conversion.
 19. Rate of exchange. No action necessary.

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<u>Page</u>	<u>Recommendation</u>	<u>Status</u>
21.	Amusement and Bread ration.	Ration has been increased in the South but is still at 200 grams in Central and Northern Italy. The future of this program depends on imports. As a result of the pressure of public opinion in Italy, wage increases, unaccompanied by an improvement in the supply situation, have been resorted to as a means of meeting the problem of rising living costs.
21.	Olive oil refining.	Original requisitions filled; new requisitions of 420 tons caustic soda per month until 1 Jan. 1945 and 770 tons per month until 1 July 1945 have been filled.
22.	Food processing.	Program dropped for lack of materials, 4,000 tons only of tomato paste packed in wooden barrels.
22.	Food imports.	The Director of the Food Sub-Commission and the Vice-President of the Economic Section are currently discussing this program with CCS.
23.	Clothing and Footwear.	All that has been received to date is a supply of cotton thread, approximately 240,000 pairs of canvas shoes, 119 shirased uniforms and 532 bales of raw cotton.
24.	Fertilizer and Insecticides.	Some fertilizers have been received, other requisitions are pending; insecticides have not been received and requisitions have been pending since March 1944.
24.	Mining Equipment.	There are numerous requisitions dating back to October 1943 but in the main they have not been filled, though a few other items have been received.
25.	Seeds.	Requisition for new crop year filed. 2483
25.	Farm machinery and accessories.	Spare baling wire, some binder twine and some nails have been received. Other requisitions which have not been filled have been pending since April. New requisition filed recently.
25.	Industrial rehabilitation.	Changed situations due to the substantial destruction in Central Italy have altered the possibilities of rehabilitation. No clear policy directive has as yet been received from CCS.
26.	Allocation of Coal.	This has been implemented and situation is much more satisfactory.
26.	Emergency Supplies.	Some of this material has been requisitioned and partial shipments have been received, but many of the requisitions for these emergency supplies have still not been filled.

23. Food imports.
The Director of the Food Sub-Commission and the Vice President of the Economic Section are currently discussing this program with CCS.
24. Clothing and Foodstuffs.
All that has been received to date is a supply of cotton thread, approximately 240,000 pairs of canvas shoes, 114 salvaged uniforms and 132 bales of raw cotton.
25. Fertilizer and Insecticides.
Some fertilizers have been received. Other requisitions are pending. Insecticides have not been received and requisitions have been pending since March 1944.
26. Mining Equipment.
There are numerous requisitions dating back to October 1943 but to the date they have not been filled, though a few minor items have been received.
27. Seeds.
Requisition for next crop year filled.
28. Farm Machinery and Accessories.
Some balling wire, some binder twine and some nails have been received. Other requisitions which have not been filled have been pending since April. New requisition filed recently.
29. Industrial Rehabilitation.
Changed situation due to the substantial destruction in central Italy have altered the possibilities of rehabilitation. No clear policy directive has as yet been received from CCS.
30. Allocation of Coal.
This has been implemented and situation is much more satisfactory.
31. Emergency Supplies.
Some of this material has been requisitioned and partial shipments have been received, but many of the requisitions for these emergency supplies have still not been filled.
32. Allocation of Premises and Facilities.
Action has been taken within the theatre as recommended, not by creating a new Allied Economic Council but by revising the organization of the Allied Forces Board Resources (Italian) Board, of which the Chief Commissioner is now co-chairman.

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COPY

ERS/dfc

23 October 1944

A/CG 000.7-1

MEMORANDUM TO: G-5 Section, Allied Force Headquarters, APO 512.

1. The question has recently arisen of what the attitude of the ACC should be to various proposals which are being put forward on the Italian side as well as by PWs for the re-establishment of independent Italian agencies to operate a news agency or agencies, a system of broadcasting, and the film industry.

2. The scope of the Allied Control Commission is laid down in Article 27 of the Armistice in which it is "charged with regulating and executing the present Instrument" (i.e. the Armistice) "under the orders and general directions of the Allied Commander-in-Chief". Directly pertinent Articles of the Armistice are Articles 16 and 30 which read as follows:-

"ARTICLE 16: No radio or telecommunication installations or other forms of intercommunication ashore or afloat under Italian control, whether belonging to Italy or any nation other than the United Nations, will transmit until directions for the control of these installations have been prescribed by the Allied Commander-in-Chief. The Italian authorities will conform to such measures for control and censorship of press and of other publications, of theatrical and cinematograph performances, of broadcasting, and also of all forms of intercommunication as the Allied Commander-in-Chief may direct. The Allied Commander-in-Chief may, at his discretion, take over radio, cable and other communication stations."

"ARTICLE 30: All Fascist organisations, including all branches of the Fascist Militia (MVSA), the Secret Police (OVRA) and Fascist Youth Organisations will, in so far as this is not already accomplished, be disbanded in accordance with the directions of the Allied Commander-in-Chief. The Italian Government will comply with all such further directions as the United Nations may give for abolition of Fascist Institutions, the dismissal and internment of Fascist personnel, the control of Fascist funds, the suppression of Fascist ideology and teaching."

3. In applying these Articles to a news agency or agencies, a system of broadcasting, or the film industry, it is convenient to divide the problem into two parts:-

a. The control of output, whether of news, broadcast programs or films, to conform with the general propaganda requirements of the Allied

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A/CC 000.7-1, 23 Oct 44, to G-5, AFHQ (continued):

Commander-in-Chief. FWB and Censorship have under Article 16 dealt with this and other aspects and will no doubt continue to do so, so long as permitted by the Allied Commander-in-Chief.

b. The other side of the question is the structure of the machine by which news or programs or films are put over. At the moment, the actual position is that FWB run a monopolistic news service called the United Nations News Service; that they have taken over the EIAI Italian Broadcasting System but have come to an agreement with EIAI in June last to leave administration (excluding programs) in the hands of that Italian Corporation; that the Italian Film Industry is at present at a standstill as regards production and that all films shown are either approved old stock, importations from Allied sources, or films produced locally under FWB supervision.

4. The principal question that arises for the future is whether the Italians should be entirely free to set up or continue whatever types of institutions they elect for news agencies, a broadcasting system, or a film industry. Before taking each in turn, the legal opinion of the Allied Control Commission is that, aside from matters affecting the military, our rights under the Armistice to intervene are restricted to Article 30, that is, the abolition of Fascist Institutions. Provided that this is done we are advised by the Chief Legal Adviser that the Armistice does not of itself give us the right to require the establishment of any particular structure.

5. News Agencies. In this case, the only existing news agency being the Allied United Nations News Service, the application of Article 30 does not apply. The Italians are, therefore, free so far as the Armistice is concerned to set up any form of news agency or agencies that they think fit provided that they do not create a "Fascist Institution." In view of ²⁴⁸¹ composition of the present Government, this can presumably be ruled out and there is nothing in the Armistice to prevent the Italian Government from authorizing the establishment of Italian news agencies nor from deciding as they wish the question of how much, if any, of the mechanism or personnel of the United Nations News Service should be taken over as released by FWB. Irrespective of any Armistice right, the Allied Control Commission feel strongly that the Allies should resist any attempt to establish exclusive contracts by whatever agency is set up by the Italians or others. This applies not only to the gathering and dissemination of local news for local consumption but also to the gathering of local news for foreign consumption and dissemination of foreign news within Italy.

6. Broadcasting System. As the Charter of EIAI was granted by the Fascist Government in November 1927 the question of the applicability of Article 30 does arise. The personnel should not only be defascistized in accordance with the Government decree for defascistization, but also the question arises whether the Corporation is a "Fascist Institution" within the meaning of Article 30, and, if so, what shall be done. As to that, EIAI is itself a subsidiary of the Government-controlled holding company, IRI, for

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A/CC 000.7-1, 23 Oct 44, to G-5, AFHQ (continued):

both of which the Italian Government have already appointed commissari. The existence of one broadcasting organization controlled by the Government does not of itself make the organization a Fascist institution. It is rather the matter of its legal format and the manner in which it is conducted. It is the view of ACC that their role in this matter should be a negative one, i.e. to prevent the Italians from continuing or establishing a Fascist Institution. We understand this obligation in the following sense: If on examination the documents creating EIAI or IRI or regulating the activities or functions of these two organizations are found to contain politically undemocratic restrictions, such restrictions should be removed and likewise the documents if not sufficiently broad should be amended to give the greatest freedom from control by any particular party. Apart from this obligation it is not up to us to force any particular structure of broadcasting systems upon the Italian Authorities. No doubt they may seek, or PWB may offer, recommendations on what the structure should be, but these would be recommendations and not instructions.

7. Films. Much the same arguments apply to the future structure of the film industry since a large part of the film industry is run by various subsidiaries of governmentally controlled combines. In the opinion of the Control Commission our attitude should be the same as in the case of the broadcasting system, with the same protection against commercial monopolistic practices as was recommended in para 5 above.

8. I shall be grateful for instructions.

2480

ELIERY W. STONE
Commodore, USNR
Acting Chief Commissioner

cc: British Resident Minister, AFHQ
U.S. Political Adviser, AFHQ
U.S. Representative, ACI
British High Commissioner
PWB - Attention Mr. J. Rayner
Political Section, ACC
Chief of Staff Section, ACC
'A' File
R.R.C.

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RMS/dfe

N/CC 400.38

12 October 1944

MEMORANDUM FOR: Mr. Myron Taylor

EXTRACTS FROM A CABLE TO GENERAL WILSON

October 10, 1944

"As previously advised, to maintain a 300 gram bread ration would require 130,000 tons monthly as from July last or total of 520,000 tons up to November 1st. As total imports for this period will be 184,000 tons only, import tonnage necessary to maintain 300 gram ration through Italy from November 1st would be 165,000 tons monthly beginning November.

"We are presently faced with following facts relative to bread ration for all Italy. Receipt of wheat/flour shipments for November and December of 100,000 tons monthly. ANFO proposes to call forward January through June 100,000 tons each month. Bread ration beginning November 1st would have to be not more than 235 grams for all Italy unless imports are brought up to our July estimate or equivalent to 165,000 tons beginning November through June 1945.

"If bread ration is now to be reduced in those areas where it is now 300 grams this will be contrary to implications President's statement with serious consequences here and danger of collapse of balance of wheat amassing and olive oil amassing in South.

"Situation in regard other imported supplies follows:

"Due to discontinuance certain items and reduction of others from allowed import program, present daily ration scale is thirteen grams meat and veg stew, thirteen grams dried veg, eight grams de-hydrated soup but is now limited to towns with population of fifty thousand and above plus universal ration four grams sugar daily with provision for hospitals and other special classes. Even on above limited basis supplies of meat, soup, dried veg in hand with balance scheduled to arrive will last only four months for Italy up to line of Po.

"These facts coupled with possible reduction in bread ration south of Garigliano will present not only a grave feeding problem with attendant consequences but will impair rather than ensure even a minimum subsistence level. During coming winter months we would have to expect increase in diseases and disorders.

"May I have instructions as to whether (a) the present bread ration of 300 grams south and 200 grams north of Garigliano line is to be main-

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tained or (b) whether ration for all Italy is to be equalized through 235 grams involving cutback southern Italy; (c) whether ration for all Italy is to be equalized at 300 grams as recommended in your Airgram to CCS of September 24th."

SACRED has agreed to cable the CCS to point out that presently scheduled shipments are not sufficient to implement the President's statement.

ELMER W. STONE
Commodore, USNR
Acting Chief Commissioner

cc: C/S
A files
Bkg. Parkinson

-2478

~~SECRET~~

EWS/dfe

A/CC OCO.1-2

1 October 1944

My dear Mr. Prime Minister:

I acknowledge receipt of your letter of 30 September requesting in the name of your Government that Italy be enabled to participate actively in the Armistice to be imposed on Germany in the name of the United Nations.

Your request has been forwarded today to higher authority, and I shall communicate with you further as soon as a reply has been received.

Very truly yours,

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government

2487

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RSG/hjp

A/EE 000.1-2

1 October 1944

SUBJECT: Request by Italian Government for permission to participate in armistice to be imposed on Germany

TO : Supreme Allied Commander, Allied Force Headquarters

1. There is forwarded herewith copy of a letter received today from Prime Minister Mussolini requesting on behalf of his Government that Italy be permitted to participate actively in the armistice to be imposed on Germany in the name of the United Nations.
2. It is requested that I be given instructions on which to base a reply to this request.
3. Receipt of the Prime Minister's letter has been acknowledged with the statement that the matter has been referred to higher authorities.

WILLIAM S. STONE

Captain, MGSC

Acting Chief Commissioner 2436

1 Encl:
 Ltr from P.M. Mussolini
 D. 1/646, 30 Sept 44

cc: D.S. Political Advisor
 British Resident Minister
 Hon. Alexander Kirk
 Sir Basil Charles
 Political Section, HQ AFHQ

414

Hq ACC	Sec'y Gen.
DISPATCHED	
Date-Time	12 OCT 1944
Via	21st 1770
Initials	CM

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IL MINISTRE DES AFFAIRES
EXTÉRIEURES

N. 1/446

Rome, 3th September, 1944.

Dear Admiral,

I should like to draw your kind attention, in the name of my Government, on the advisability that Italy be enabled to participate actively in the armistice that undoubtedly will be imposed in the near future on Germany by the Allied High Command in the name of the United Nations.

The reasons on which our request is based appear to be evident: for one year Italy has been in a state of war with Germany, together and alongside the United Nations; Italian land, sea and air forces contribute to war operations against the common enemy in a manner which has been repeatedly appreciated by the Allied Command, under whose direction the Italian forces operate. The campaign which is being carried out by Italian patriots in occupied Italy and, on the other hand, against the proportions and the character of veritable war operations and the patriots themselves have consequently been included by the Allied Command in the forces that form the Allied Expeditionary Forces in Italy.

The most suitable practical way of previously specifying the position of Italy in respect of the conclusion of an armistice with Germany seems to us that of accepting our adherence to the Atlantic Charter and to the Declaration of the United Nations signed at Washington on January 1st, 1943. As a result of the adherence to this Declaration, the armistice with Germany would be concluded by the Allied High Command also in the name of Italy and, consequently the serious Italian interests connected with the state of war with Germany would be safeguarded.

I need hardly add that should Italy, on the conclusion of an armistice with Germany not find herself in a position corresponding to the legal and the facts conditions of her participation in the fight against the common enemy, the shock on Italian public opinion would be very strong and its probable effects detrimental to everybody.

Although I am certain that this is not the intention of the Allied Governments, however, I would ask you kindly to examine the advisability that an assurance in the above sense be given us, at the same time acquainting us with the form under which, bearing in mind the present situation, Italy also would be allowed to participate in the eventual armistice of the United Nations with Germany.

At a period particularly delicate as the one we shall be going through at the moment of the German retreat or collapse in Northern

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Italy. I should consider it absolutely necessary to give to the masses in the North the clear sensation that the United Nations are acting in a spirit of equity and justice: this would undoubtedly contribute to strengthen the elements of stability and order throughout the Country.

Believe me, dear Admiral,

Yours sincerely,

sgt. I. ROMANI

Admiral Ellery W. Stone, U.S.N.
Acting Chief Commissioner,
Allied Commission.
C.C.M.

2474

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TOP SECRET

Ref: 808/23/CA - A/CC 321.

30th September 1944

SUBJECT: Administration of Frontier Provinces.

TO : Allied Force Headquarters.
Attn: Chief of Staff.

1. Since writing my letter A/CC 321 - 808/13/CA of 11th September (to which I await a reply), further information has come to hand, which may also have reached you, regarding the present form of administration in the frontier Provinces of North Eastern Italy.
2. Reports have been received to the effect that the Provinces of BOLZANO, TRENTO and BELLUNO have been amalgamated by the German authorities, given the name of "Pre-Alpine Operational Area", and administered under German administration. The political, administrative and military authorities are all German. German ration cards have been issued and the quantity of rationed goods are the same as in Germany. German law is used and enforced.
3. The Provinces of UDINE, TRIESTE, GORIZIA, POLA and FRIEDE, are said to have been organised as the "Litorale Adriatico" group under the German command. It appears, however, probable that in these Provinces the assimilation of the German administration system is not so complete as in the case of the "Pre-Alpine Operational Area".
4. I should be glad to know if this information is confirmed.
5. In this connection it is to be remembered that the Provinces of BELLUNO and UDINE included by the Germans, one in the "Pre-Alpine Operational Area" and the other in "Litorale Adriatico", have been under Italian rule since 1866. They are not included in the six Provinces mentioned in your letter of 2nd September and it is therefore assumed that in the case of these two Provinces normal Allied Military Government practice will be followed of restoring them as quickly as possible to Italian administration. I should be glad of confirmation on this point.
6. In the case of the Provinces of BOLZANO and TRENTO, I request direction as to whether the existing German administration as may be found on our arrival is to be continued under AMG control, or if it is to be replaced by the administrative system of Metropolitan Italy. You will appreciate that the population is largely German-Austrian; the political implications which may arise from the introduction of Italian police and other administrative machinery: also the practical difficulties of doing anything else.

7. With regard to the four Provinces of VENEZIA GIULIA, it may be possible to continue the existing form of administration (whatever that may be) so long as we do not find that this in turn has been replaced, before our arrival, by some form of Yugo Slav authority. I should be glad of guidance as to whether this is desired.

8. Furthermore, I should be glad to know what steps are to be taken if it is found that in spite of the memorandum handed to Marshall Tito, a Yugo Slav form of administration has already been set up. I understand that the underground authority of the Yugo Slavs in this area is extremely strong and that, with any breakdown of the existing Government, they may be expected to come forward and take over authority very rapidly.

9. I am sure you will appreciate the administrative difficulties which will arise at once in the other six frontier Provinces. In addition to the points raised in my letter of 11th September, such matters as Post Offices, the hospitals and their staffs and the re-establishment of the service of Medico Provinciale, the re-establishment of SEPRAI and Consorzio Agrario, the organization of the Genio Civile, the re-opening of schools, and the distribution of C.I.P., all pressing problems which will be far more difficult to solve if the basic plan of administration is different from that in the rest of Italy.

10. I must again remind you that the number of officers estimated for the administration of these Provinces was based on the possibility of employing some kind of local administrative machinery and that if this does not exist or cannot be employed, many more officers and large forces of Allied police or troops will be necessary.

11. Whatever may be your decision the matter will need a great deal of detailed study and planning and for this reason I must ask you for a very early indication and if possible an early reply to the points raised in this letter and my communication of 11th September.

HILERY W. STONE
Captain, USNR
Acting Chief Commissioner

55 420

Hq A.C.C. Secy Gen.
DISPATCHED
Date Recd. 15 OCT 1944
Via AG. 1730
Initials CH

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

BRS/hd

24 September 1944

Dear Brigadier Upjohn:

1. I would be grateful if you could elucidate a point which is not clear to me.

2. Administrative Instruction No. 48 of 8 August 1944, - ASI/3064/
 A(0) - states in para 7:

"Use of Troops in Aid of the Civil Power."

"It may happen that the local Italian authorities may ask for the assistance of Allied troops in quelling civil disturbances.

10 "If such a request is made the local commander will point out that the quelling of civilian riots or disturbances is a matter for the Italian Administration and he will refuse such assistance, unless he is of the opinion that it is necessary for the protection of Allied Military interests. Furthermore, before rendering such assistance the local commander will warn the local official requesting his assistance that the territory in question will be made forthwith an Allied Military Zone. If time permits the local commander will consult the local AGC officer and seek instructions from his Superior Commander before giving assistance; in any event he will inform his Superior Commander of any request made to him and the action taken thereon without delay."

3. Para 5 of the same Administrative Instruction says: 3471

"Military Zones."

"The right is reserved by the Commander-in-Chief to declare specific areas in Italian Government Territory to be Military Zones. Upon the issue of such a declaration, the right to exercise the powers of military government in the Zone in question becomes once more vested in the Commander-in-Chief. It is hoped that the need for the establishment of such Zones will never arise, but should the situation in any area become such as to convince the District Commander that such action is necessary, he should, after consulting the Regional Commissioner, report accordingly to HQ ASI giving full reasons to justify his

- 1 -

Brigadier G. R. Upjohn
 Vice President
 Administrative Section

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views. The Allied Forces may also re-occupy any part of Italian territory, but the right to constitute a Military Zone will render it unnecessary to exercise this right in respect of any local disorders."

4. Now, I am clear from para 7 that with the calling out of Allied troops the territory in question is made forthwith an Allied Military Zone. When an area is declared a Military Zone, I would have expected the resumption of military government to be implied in the declaration, but para 5 quoted above does not make this quite clear. It says "the right to exercise the powers of military government in the Zone in question becomes once more vested in the Commander-in-Chief."

5. In short, may we take it that the Commander-in-Chief is certain to exercise this right, or is it possible that we may find ourselves in the ambiguous position of having declared an area an Allied Military Zone, yet not exercising Allied Military Government within it?

ELLERY W. STONE
Captain, USMT
Acting Chief Commissioner

cc: Executive Commissioner

25 372

HQ AFCE Secy Gen

DISPATCHED

Date Time 24 SEP 1944 1500

VIA Mission

initials CM

~~SECRET~~

EWS/drr

A/C 311.5

23 September 1944

MEMORANDUM TO: G-2, Allied Force Headquarters, APO 512

1. Receipt is acknowledged of your Memorandum CBI/GEN/10/44 of the 14 September 44 regarding the departure of a joint Anglo-American mission whose object will be to go into the question of Italian Government communications with their missions abroad and communications between such missions.

2. As this mission will presumably report in the first instance to Allied Force Headquarters at Caserta before coming on to Rome, we attach a copy of the latest revision of Executive Memorandum No. 46 which sets out the present procedure regarding Italian Government message traffic. We would suggest that this memorandum would repay study by the mission before proceeding to this Headquarters.

3. As commentary on the proposed terms of reference for the mission we should be grateful for some elucidation on point 1 which lays down that the mission shall watch Italian diplomatic communications and their security. As regards point 2, it is our understanding that the provision of suitable means of communications for the Italian Ministry for Foreign Affairs and Italian missions abroad is a military responsibility which in the past has been carried out by the Communications Sub-Commission through the Chief Signal Officer at AFHQ. We understand from your memorandum of the reference that this procedure should continue. As regards point 3, we would inquire by what means the mission intend to keep the Foreign Office and State Department informed of the contents of Italian telegrams. As the mission is to be set up within the framework of the Allied Control Commission, we presume that this reporting will be done through normal ACC channels to AFHQ and that it will be for AFHQ to arrange that these communications are forwarded to London and Washington. As regards the suggestion that the mission should also have the function of keeping the Allied Control Commission itself informed of the contents of Italian telegrams we must point out that these telegrams should, as at present, go at once to the Political Section who have to deal with the Italian authorities about all the subjects raised therein. It could only lead to delay if the Political Section did not receive these telegrams at least simultaneously with the mission. As regards point 4, the Communications Sub-Commission has already sent to Allied Force Headquarters full information regarding Italian ciphers in use and as requested in your memorandum, we confirm that these will continue to be forwarded to AFHQ for approval prior to their being brought into use. As regards lines of communications we should repeat that our understanding is that these are under military control and that all information on this subject should only be given by the Chief Signal Officer at AFHQ.

~~TOP SECRET~~

- 2 -

Letter A/CC 311.5 dated 23 Sept 44 (Cont'd).

4. Guidance on the above points would be appreciated before the arrival of the mission.

5. As billets and office accommodation will have to be provided for the mission we should be grateful if you can inform us as soon as possible of the exact number of the mission and the proposed date of arrival.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

Copies to: G-5, Allied Force Headquarters
U.S. Political Adviser
British Resident Minister
Chief Signal Officer, AFHQ
U.S. Representative to the Advisory
Council of Italy
British High Commissioner
Political Section
Communications Sub-Commission

Letter prepared by Mr. Caccia, Political Section

55 327

Ha ACC	Sec'y Gen.
DISPATCHED	
23 SEP 1944	
via	99 1710
initials	LM

~~TOP SECRET~~

COPYEXECUTIVE MEMORANDUM NUMBER 46ITALIAN GOVERNMENT MESSAGE TRAFFIC1. INTERNAL

(a) Italian Government messages within Government territory, except Sardinia, are not subject to censorship; messages may be in clear or in cipher. They may be subject to inspection, if required, to check the official nature of message.

(b) Italian Government messages to or from Sardinia are liable to censorship; cipher will therefore only be used on this channel that have been approved by Allied authorities and of which copies are held. The censorship exercised will be laid down by the Communications Sub-Commission from time to time, in accordance with instructions from the military authorities concerned.

2. EXTERNAL

(a) Italian Government messages may be passed over the commercial operated submarine cables from Naples to Malta or from Brindisi to Malta for Italian Missions, etc. abroad. Messages are subject to the approval of Political Section, A.C.C.; they may be in clear or in the codes and or ciphers approved by Allied Force Headquarters. The detailed procedure for dealing with this traffic is given in Attachment "A".

(b) Italia Government messages may be passed over the commercially operated radio circuits from Italy to the United States or the United Kingdom for any addresses dealt with by the operating companies. On these circuits, messages are subject to the approval of the Political Section and also to Field Press Censorship in case of Press messages; they may only be in clear and will be of an entirely non-secret nature such as press releases. The detailed procedure for dealing with this traffic is given in Attachment "B".

3. GENERAL

Italia Government messages may be passed over Allied operated circuits, telegraph, cable or radio, as arranged with the military authorities concerned from time to time. These arrangements will be made the subject of instructions issued as required.

1. INTERNAL

(a) Italian Government messages within Government territory, except Sardinia, are not subject to censorship; messages in clear or in cipher. They may be subject to inspection, if required, to check the official nature of message.

(b) Italian Government messages to or from Sardinia are liable to censorship; cipher will therefore only be used on this channel that have been approved by Allied authorities and of which copies are held. The censorship exercised will be laid down by the Communications Sub-Commission from time to time, in accordance with ~~instructions~~ ^{instructions} from the military authorities concerned.

2. EXTERNAL

(a) Italian Government messages may be passed over the commercial operated submarine cables from Naples to Malta or from Brindisi to Malta for Italian Missions, etc. abroad. Messages are subject to the approval of Political Section, A.C.C.; they may be in clear or in the codes and or ciphers approved by Allied Force Headquarters. The detailed procedure for dealing with this traffic is given in Attachment "A".

(b) Italia Government messages may be passed over the commercially operated radio circuits from Italy to the United States or the United Kingdom ~~for~~ any addresses dealt with by the operating companies. On these circuits, messages are subject to the approval of the Political Section and also to Field Press Censorship in case of Press messages; they may only be in clear and will be of an entirely non-secret nature such as press releases. The detailed procedure for dealing with this traffic is given in Attachment "B".

3. GENERAL

Italia Government messages may be passed over Allied operated circuits, telegraph, cable or radio, as arranged with the military authorities concerned from time to time. These arrangements will be made the subject of instructions issued as required.

/s/ M.S. LUSH
Brigadier
Executive Commissioner

ATTACHMENT 'A'

COPY

PROCEDURE FOR DEALING WITH ITALIAN GOVERNMENT TRAFFIC
OVER THE COMMERCIALY OPERATED CABLES, NAPLES-MALTA
AND BRINDISI - MALTA

1. All messages will bear the message instruction "FIL" (to be transmitted by landing or cable only) at the beginning.
2. Outgoing messages may only be addressed to Italian Embassies, Missions, etc. abroad.
3. Outgoing messages for transmission in clear. Messages will be handed in by the Italian Government to the Political Section, Headquarters, A.C.C. Rome. After approval they will be forwarded by the Political Section to the HQ Adjutant's office with an endorsement on one copy "Approved for transmission over commercial cables IN CLEAR" signed by the HQ Adjutant's office and passed to the A.C.C. Signal center for transmission to the military signal office controlling the cable office.
4. Outgoing messages for transmission in cipher. Cipher and clear text copies will be handed by the Italian Government to the Political Section, HQ's A.C.C. After approval they will be forwarded by the Political Section to the HQ Adjutant's office, with an endorsement on one cipher copy "Approved for transmission over commercial cables IN CIPHER" signed by the endorsing officer. A ciphered copy will then be authenticated by the HQ Adjutant's office and passed to the A.C.C. Signal Center for transmission to the military signal office controlling the cable office. A second cipher copy together with a clear copy will be sent by the HQ Adjutant's office to the A.C.C. Signal Center, for check; after check, both these copies will be returned to the Political Section with any necessary comment. It should be noted that cipher copies of approved messages may be passed for transmission without being delayed for the check by A.C.C. Signals for agreement of texts.
5. Incoming messages. Incoming messages, in clear or in cipher will be delivered without delay to the Italian Government. A clear copy of each message will also be delivered to the Political Section.

OVER THE COMMERCIALY OPERATED CABLES, NAPLES-MALTA
AND BRINDISI - MALTA

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2. Outgoing messages may only be addressed to Italian Embassies, Missions, etc. abroad.
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COPY

ATTACHMENT "B"

PROCEDURE FOR DEALING WITH ITALIAN GOVERNMENT TRAFFIC OVER
COMMERCIALY OPERATED RADIO CIRCUITS FROM ITALY TO THE U.S. AND

U.K.

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4. Incoming Press messages will be sent by the Field Press Censorship office to the Hq. Adjutant's office A.C.C. which will pass them without delay to the Italian Government, sending a copy to the Political Section.

5. All charges by the radio company will be met by *the* ~~the~~ Italian Government.

~~TOP SECRET~~

EWS/arr

A/CG 311.5

23 September 1944

MEMORANDUM TO: G-2, Allied Force Headquarters, APO 512

1. Receipt is acknowledged of your Memorandum CBI/GEN/10/44 of the 14 September 44 regarding the departure of a joint Anglo-American mission whose object will be to go into the question of Italian Government communications with their missions abroad and communications between such missions.
2. As this mission will presumably report in the first instance to Allied Force Headquarters at Caserta before coming on to Rome, we attach a copy of the latest revision of Executive Memorandum No. 46 which sets out the present procedure regarding Italian Government message traffic. We would suggest that this memorandum would repay study by the mission before proceeding to this Headquarters.
3. As commentary on the proposed terms of reference for the mission we should be grateful for some elucidation on point 1 which lays down that the mission shall watch Italian diplomatic communications and their security. As regards point 3, it is our understanding that the provision of suitable means of communications for the Italian Ministry for Foreign Affairs and Italian missions abroad is a military responsibility which in the past has been carried out by the Communications Sub-Commission through the Chief Signal Officer at AFHQ. We understand from your memorandum of the reference that this procedure should continue. As regards point 3, we would inquire by what means the mission intend to keep the Foreign Office and State Department informed of the contents of Italian telegrams. As the mission is to be set up within the framework of the Allied Control Commission, we presume that this reporting will be done through normal ACC channels to AFHQ and that it will be for AFHQ to arrange that these communications are forwarded to London and Washington. As regards the suggestion that the mission should also have the function of keeping the Allied Control Commission itself informed of the contents of Italian telegrams we must point out that these telegrams should, as at present, go at once to the Political Section who have to deal with the Italian authorities about all the subjects raised therein. It could only lead to delay if the Political Section did not receive these telegrams at least simultaneously with the mission. As regards point 4, the Communications Sub-Commission has already sent to Allied Force Headquarters full information regarding Italian ciphers in use and as requested in your memorandum, we confirm that these will continue to be forwarded to AFHQ for approval prior to their being brought into use. As regards lines of communications we should repeat that our understanding is that these are under military control and that all information on this subject should only be given by the Chief Signal Officer at AFHQ.

- 2 -

Letter A/CC 311.5 dated 23 Sept 44 (Cont'd).

4. Guidance on the above points would be appreciated before the arrival of the mission.

5. As billets and office accommodation will have to be provided for the mission we should be grateful if you can inform us as soon as possible of the exact number of the mission and the proposed date of arrival.

MILERY W. STONE
Captain, USNR
Acting Chief Commissioner

Copies to: G-5, Allied Force Headquarters
U.S. Political Adviser
British Resident Minister
Chief Signal Officer, AFHQ
U.S. Representative to the Advisory
Council of Italy
British High Commissioner
Political Section
Communications Sub-Commission

2403

Letter prepared by Mr. Caccia, Political Section

59 127

Hq ACC	Sec'y Gen.
DISPATCHED	
23 SEP 1944	
Via	AG 1710
Initials	CH

TOP SECRET

BSS/drr

A/CG 311.5

23 September 1944

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Council of Italy
British High Commissioner
Political Section
Communications Sub-Commission

Letter prepared by Mr. Gaccia, Political Section

2401

55 117

Hq ACC - Sec'y Gen.
DISPATCHED
Date Recd 23 SEP 1944
Via AG 1715
Initials CN

EXECUTIVE MEMORANDUM NUMBER 46ITALIAN GOVERNMENT MESSAGE TRAFFIC1. INTERNAL

(a) Italian Government messages within Government territory, except Sardinia, are not subject to censorship; messages may be in clear or in cipher. They may be subject to inspection, if required, to check the official nature of the message.

(b) Italian Government messages to or from Sardinia are liable to censorship; ciphers will therefore only be used on this channel that have been approved by Allied authorities and of which copies are held. The censorship exercised will be laid down by the Communications Sub-Commission from time to time, in accordance with instructions from the military authorities concerned.

2. EXTERNAL

(a) Italian Government messages may be passed over the commercially operated submarine cables from Naples to Malta or from Brindisi to Malta for Italian Missions, etc. abroad. Messages are subject to the approval of the Political Section, A.C.C.; they may be in clear or in the codes and or ciphers approved by Allied Force Headquarters. The detailed procedure for dealing with this traffic is given in Attachment "A".

(b) Italian Government messages may be passed over the commercially operated radio circuits from Italy to the United States or the United Kingdom for any addresses dealt with by the operating companies. On these circuits, messages are subject to the approval of the Political Section and also to Field Press Censorship in case of Press messages; they may only be in clear and will be of an entirely non-secret nature such as press releases. The detailed procedure for dealing with this traffic is given in Attachment "B".

3. GENERAL

Italian Government messages may be passed over Allied operated circuits, telegraph, cable or radio, as arranged with the military authorities concerned from time to time. These arrangements will be made the subject of instructions issued as required.

M. S. LUSH.
Brigadier.
Executive Commissioner.

ATTACHMENT "A"

PROCEDURE FOR DEALING WITH ITALIAN GOVERNMENT TRAFFIC
OVER THE COMMERCIALY OPERATED CABLES, NAPLES - MALTA
AND BRINDISI - MALTA.

1. All messages will bear the message instruction "FIL" (to be transmitted by landline or cable only) at the beginning.
2. Outgoing messages may only be addressed to Italian Embassies, Missions, etc. abroad.
3. Outgoing messages for transmission in clear. Messages will be handed in by the Italian Government to the Political Section, Headquarters, A.C.C. Rome. After approval they will be forwarded by the Political Section to the HQ Adjutant's office with an endorsement on one copy "Approved for transmission over commercial cables IN CLEAR" signed by the HQ Adjutant's office and passed to the A.C.C. Signal center for transmission to the military signal office controlling the cable office.
4. Outgoing messages for transmission in cipher. Cipher and clear text copies will be handed by the Italian Government to the Political Section, HQ's A.C.C. After approval they will be forwarded by the Political Section to the HQ Adjutant's office, with an endorsement on one cipher copy "Approved for transmission over commercial cables IN CIPHER" signed by the endorsing officer. A ciphered copy will then be authenticated by the HQ Adjutant's office and passed to the A.C.C. Signal Center for transmission to the military signal office controlling the cable office. A second cipher copy together with a clear copy will be sent by the HQ Adjutant's office to the A.C.C. Signal center, for check; after check, both these copies will be returned to the Political Section with any necessary comment. It should be noted that cipher copies of approved messages may be passed for transmission without being delayed for the check by A.C.C. Signals for agreement of texts.
5. Incoming messages. Incoming messages, in clear or in cipher, will be delivered without delay to the Italian Government. A clear copy of each message will also be delivered to the Political Section.
6. All charges by the cable company will be met by the Italian Government.

ATTACHMENT "B"PROCEDURE FOR DEALING WITH ITALIAN GOVERNMENT TRAFFIC OVER THE COMMERCIALY
OPERATED RADIO CIRCUITS FROM ITALY TO THE U.S. AND U.K.

1. Outgoing messages may be addressed to any address dealt with by the operating companies.
2. Messages will be in clear only, and will be of an entirely non-secret nature such as press releases.
3. Messages will be handed to the Political Section, HQ., A.C.C. After approval they will be sent to the HQ Adjutant's office with an endorsement on one copy "Approved for transmission over commercial radio IN CLEAR subject to Field Press Censorship approval" signed by the endorsing officer. The messages will then be authenticated by the HQ Adjutant's office and passed to the Field Press Censorship office, Rome. If approved they will be duly endorsed and forwarded by that office to the radio operating company for transmission.
4. Incoming Press messages will be sent by the Field Press Censorship office to the HQ. Adjutant's office A.C.C. which will pass them without delay to the Italian Government, sending a copy to the Political Section.
5. All charges by the radio company will be met by the Italian Government.

- 2458

SECRET

HEADQUARTERS,
ALLIED CONTROL COMMISSION
APO 394

Ref: 9/12.B/A.S.

23 September, 1944.

SUBJECT: CARABINIERI

TO : G-5 Section, A.F.H.Q.

1. The primary duty of this Commission is to maintain, or to ensure that the Italian Government maintains, order and law throughout the territory. The Carabinieri (CC.RR) form the principal force for the maintenance of law and order. Hitherto, with one notable exception in Rome, they have been moderately successful in achieving this object. The future, however, has filled me with great anxiety for some months. There are not sufficient Carabinieri in the country to ensure the maintenance of law and order in Italy after the occupation of the Northern Regions. In these Regions particularly we shall be faced with a situation in which security problems will be more difficult than any we have hitherto met.

2. Foreseeing this, I have for some time been in communication with AAI in an attempt to secure sufficient men for the Carabinieri in order that I may fulfil the responsibility for the maintenance of law and order which are properly mine.

3. I enclose copies of correspondence which has passed between my HQ and HQ AAI. I would summarise the position as follows:-

- a) In my opinion 65,000 is the absolute minimum strength of Carabinieri necessary for the maintenance of law and order for the whole of Italy. My reasons are set forth in my letter A/CC 014.13 of 1 Aug. (marked "A"), addressed to HQ AAI.
- b) HQ AAI has so far refused permission for this ceiling which accordingly remains at 55,000. This is insufficient. Of these 55,000 it has been found possible to recruit only 43,000. It seems unlikely that I shall be able to reach the ceiling of 65,000 by drawing upon the Carabinieri in the normal way, i.e. by finding them in liberated areas as the Armies progress northwards. The reasons for this are set out in my A/CC 014.13 A/CC 014.622/PS of 6 September addressed to HQ AAI, para 3 (marked "B"). It is hoped that the reports of scarcity of Carabinieri in the Northern Regions may be exaggerated; it is possible that we may be able to find as many as 10,000 - 15,000 but although I cannot possibly count on finding a single man North of the Rimini-Pisa Line, I am prepared to run a certain risk by anticipating picking up between 10,000 - 15,000

2437

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 - c) This still leaves me with the necessity of finding at once 8,000 - 13,000 carabinieri to police the area north of the Rimini-Pisa Line. This is an absolute minimum. I am prepared to plan on a basis of 11,000.
 - d) In the letter of 6th Sept referred to above (marked "B"), I accordingly suggested that 11,000 soldiers should be attached from the Regular Army by MIA to the Carabinieri as a temporary measure. Coo Army Sub-Commission has told my Public Safety Sub-Commission that clothed and equipped soldiers are not available but no reply has been received from AAI.

- 2 -

4. In view of this refusal I have had to strip the rest of Italy, particularly Sicily, Sardinia and Southern Italy to a dangerously low limit. I have already sent 4,000 Carabinieri to Florence where a holding centre for the North will be formed and am planning to send a further 2,000 making a total of 6,000 Carabinieri against 11,000 needed.
5. I must therefore repeat my request for an allocation of troops from Regular Army by MIA and I now formally ask that 5,000 soldiers should be released immediately for duty with the Carabinieri in Sicily, Sardinia and Southern Italy (an experiment which has worked very well as a temporary measure in connection with grain collection in Sicily) in order that I can release a further 5,000 highly trained Carabinieri from these areas for duty in the North. Such an arrangement would give me the minimum of 11,000 required as an initial nucleus to go forward to the Northern areas.
6. I would add that it is essential that such soldiers should be fully equipped and clothed.
7. I attach comments of the GOC, Army Sub-Commission on this request and I would ask that an immediate decision be made in order that plans can be made in order that plans can be formulated at once. I need not stress here the primary necessity for the maintenance of law and order and even at the expense of the planned organization of the MIA now proceeding. We have reached a stage when a decision must be made either to risk the occurrence of grave disorder in the North without the necessary force to control it or to accept a setback to the reorganization of the regular Army. I would remind you in this connection that it is the Commander-in-Chief's intention to send very small forces for the occupation of Western Italy and that he undoubtedly counts upon the Carabinieri for the bulk of the police work in those areas.
8. Without the Carabinieri I shall be compelled to ask for more Allied troops in newly liberated areas.
9. With a view to saving time I have shown a draft of the above letter to G.O.C., MIA and his comments are attached (marked "C"). I do not want to comment in detail on his letter but would point out
- a) valuable though his suggestion are for a reorganization of the CC.RR. they will take time. It takes far longer to train a good policeman than a good soldier.
 - b) we are already proposing to skin a further 2,000 Carabinieri from the South of Italy (see para 4 above).
 - c) it is the view of this HQ that the use of patriots who are completely untrained in police work would be extremely hazardous.
 - d) we must accept the fact that the best men must be taken for the Carabinieri. This has been the custom in the past with good reason. Having in view the future of the Italian Army consequent on the demilitarization of Italy which presumably must take place when hostilities have ceased it is now even more necessary that the Carabinieri should take

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It is precisely because of the above difficulties and because my problem is immediate (especially in view of the reported fall of Rimini) that I have asked for the allocation as a temporary measure of 5,000 soldiery so as to enable me to send 5,000 fully trained Carabinieri for duty in the North. I need hardly say that the suggestion made by G.C.C. MIA are being examined immediately in detail with a view to reorganization of the Carabinieri.

50 3187
Hq ACC Secy GenActing Chief Commissioner.
ELDER W. STONE
Captain, USNR

DISPATCHED

YME COPY.

Despatched
Via M54 1130
Initials CH.

COPY.

SUBJECT: Carabinieri Reali (CC.RR.)

RESTRICTED

Military Mission Italian Army.
ROME.

SD/28

22 Sept 44.

H.Q. ACC (2)

Ref your proposals re CC.RR., I have the following comments to offer:

1. QUALIFICATION FOR CC.RR.

- (a) Applications are voluntary. CC.RR. are not conscripted.
- (b) Men must have completed their voluntary school studies.
- (c) They must have passed all medical requirements.
- (d) They must be 1.65 metres in height for foot CC.RR. and 1.70 metres for mounted CC.RR.
- (e) If already in the Army, they must have C.O. recommendation.
- (f) They must pass tests for CC.RR. training.

Obviously a high class type of men is necessary.

2. TRANSFER OF SOLDIERS TO CC.RR.

(a) If this is permanent, it involves a vast selection project covering the whole Army, which would take weeks if not months. It would produce transport difficulties in getting the soldiers to some central depot or depots from all over Italy. It would skim the cream off an already indifferent Army, whose efficiency would in consequence suffer deplorably by the removal of 5000 of its superior personnel.

(b) If this is temporary I cannot see where it is to come from, except at the expense of some vital Army requirement. Vide Appx 'A' (latest ceiling proposals), there is no category or combination of categories which can transfer any soldiers, let alone 5000. Also, a transfer en bloc as formed units is useless, as CC.RR. work is individual and a large proportion of the personnel of such units would be quite unsuitable, if not a positive menace.

I would mention that the Allied Garrison in CERSICA is composed of men of Yugo-Slav origin; that ACC and M. of W. are pressing for the retention of both 2 Divs in SICILY owing to unrest; that Internal Security troops 4100' is already earmarked by AAI to be organised into essential guard battalions.

The figure of 18400 for reinforcements etc is illusory. A large proportion are not available, as this covers sick in hospital, men who are called up etc. It is the only 'cushion' (and in my

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I would mention that the Allied Garrison in CERSIDA is composed of men of Yugo-Slav origin; that AGC and M. of W. are pressing for the retention of both 2 Divs in SICILY owing to unrest; that Internal Security troops 4100' is already earmarked by AAA to be organized into essential guard battalions.

The figure of 18400 for reinforcements etc is illusory. A large proportion are not available, as this covers sick in hospital, men in transit men being called up etc. It is the only 'cushion' (and in my opinion too small a one) for the operation of the personnel side of the always changing Italian Army.

(c) From the above, it is obvious that NO transfers of soldiers from the Army proper to CC.RR. is possible. Some other solution must be sought.

#3 HOW TO INCREASE STRENGTH OF CC.RR.

(a) From para 2 it can be seen that the strength of CC.RR. can

2/..

Sheet 2.

3. HOW TO INCREASE STRENGTH OF CC.FR. (Contd)

a) contd. be increased ONLY by some new kind of organization, special call-up or tapping of some other (than the Army) existing organization.

(b) It would be possible to reinforce the Army conscription law and call back men from the older age groups. BUT -

(1) many would not answer the call. We are having great difficulty, as it is, in calling up men for the Army. Only a small proportion present themselves and if comprehensive action is taken to apprehend and punish delinquents, the trial and jail problem for this large number would produce another problem impossible of solution

(ii) those that did present themselves would for the most part come unwillingly (a wrong basis on which to accept guardians of law and order) or be unsuitable.

(c) It would be possible to extend the existing Army conscription law all over liberated ITALY and to 'screen' the resultant call-up for men suitable for CC.FR. BUT this would mean that -

(i) the cream would be skimmed to go to CC.FR and the Army would get the 'leavings'. This would have serious repercussions in the Army, particularly as regards the 57,000 Combat Force. The great problems for the latter is the getting of specialists without which the Combat Groups cannot be effective. If CC.FR had first pick, these specialists would not be forthcoming.

(ii) the whole process, to get 5000 suitable men, would take a considerable time.

(d) There are in Rome the 'Metropolitani' i.e. the local auxiliary police. They exist, I understand, under other names, in all big towns. Here is one solution. Auxiliary police could be enlisted locally on a voluntary basis in all big towns, under a national charter for (say) one year only, with attractive terms of service and pay, to ensure the necessary number of applicants. The CC.FR nucleus in any town would control this auxiliary police.

(e) Another solution is to use the ready-made patriot organization in any locality; using these as auxiliary police as in para 3 (d). This would have the great advantage of:

(1) using an existing organization which could be effective at once.

(ii) affording an outlet and recompense for patriot enthusiasm and good work.

Any political difference in the bands could be forbidden and negated by the terms of the national charter and a form of oath.

trial and jail problem for this large number would produce another problem impossible of solution

(ii) those that did present themselves would for the most part come unwillingly (a wrong basis on which to coopt guardians of law and order) or be unsuitable.

(c) It would be possible to extend the existing Army conscription law all over liberated ITALY and to 'screen' the resultant call-up for men suitable for CC.RR. BUT this would mean that -

(1) the cream would be skimmed to go to CC.RR and the Army would get the 'leavings'. This would have serious repercussions in the Army, particularly as regards the 17,000 Combat Force. The great problems for the latter is the getting of specialists without which the Combat Groups cannot be effective. If CC.RR had first pick, these specialists would not be forthcoming.

(ii) the whole process, to get 5000 suitable men, would take a considerable time.

(d) There are in Rome the 'Metropolitani', i.e. the local auxiliary police. They exist, I understand, under other names, in all big towns. Here is one solution. Auxiliary police could be enlisted locally on a basis in all big towns, under a national charter for (say) one year only, with attractive terms of service and pay, to ensure the necessary number of applicants. The CC.RR nucleus in any town would control this auxiliary police.

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(1) using an existing organisation which could be effective at once.

(ii) affording an outlet and recompense for patriot enthusiasm and good work.

Any political difference in the bands could be forbidden and negatived by the terms of the national charter and a form of oath.

(f) I do not know if any attempt has been made to recruit new CC.RR from the population as a whole. I think not. This is the obvious solution and should have been carried out by the CC.RR themselves long ago. A proclamation and appeals in the press, radio etc should even now bring forth applicant.

(g) Finally, it can be noted that any of the combat groups may be made available for I.S. control where necessary.

4. REORGANISATION OF CC.RR. ITSELF.

(a) I am not in a position to say whether a figure of 55,000 to ~~be~~ ~~figure of 55,000~~ (or 65,000) is really necessary. If the figure is put forward on the basis of pre-war it does NOT by any means follow that the figure need be so large. The Italians have always been extravagant in ~~war~~-power, which

Sheet 3.

4. REORGANISATION OF CC.FR. ITSELF. (Contd)

(a) (Contd) which was always in plentiful supply.

(b) I suggest that there should be such scope for reorganisation within CC.FR., so as to do the job with less men. This would involve an examination into :-

(1) the degree of danger of trouble in the various areas and allotment of priorities, "risking" quiet areas such as APULIA etc.

(ii) The subdivision of allotment in all areas to reduce the wide distribution of CC.FR and achieve greater concentration of forces with the necessary reserves.

(iii) the actual duties required under present circumstances including the hours of work, number of reliefs provided per man per job etc.

(c) This in effect means that the CC.FR would be cutting their coat according to their cloth, as the Army proper are doing. The whole 5000 required might be saved thereby.

5. TO SUM UP.

(a) The Army can NOT be tapped by either the temporary or permanent transfer of either personnel or units, without serious harm to the vital military effort.

Another solution must be found.

(b) The most likely solutions for exploration are:-

(i) for CC.FR to recruit fresh personnel themselves, launching a press and radio campaign to this end.

(ii) to extend the local "Metropolitani" or other auxiliary police in the towns, CC.FR retaining control. 2458

(iii) to use the existing patriot organization as auxiliary police, with national charter and attractive terms of service on a volunteer basis.

(iv) to reorganise the CC.FR itself, to enable fewer men to do the same job.

(v) to use Combat Groups as and where necessary. Should the war end within the next few months, these would certainly be available.

L. BROWNING.

Major General.

(ii) The subdivision of allotment in all areas to reduce the wide distribution of CC.FR and achieve greater concentration of forces with the necessary reserves.

(iii) the actual duties required under present circumstances including the hours of work, number of reliefs provided per man per job etc.

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Another solution must be found.

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(iv) to reorganise the CC.FR itself, to enable fewer men to do the same job.

(v) to use Combat Groups as and where necessary. Should the war end within the next few months, these would certainly be available.

L. BROWNING.

Major General,
Military Mission ~~Algeria~~ Army.

trs. 12.
3. c.
encs. 1.

Appendix "A" to SP/28
dated 22 Sept 44.

ITALIAN ARMY

1.	Administrative Installations	27,000
2.	Combat formations, including C.I.L.	57,000
3.	Service Units under Allied Command	
	(e) P.B.S.	53,000
	(b) Fifth Army	12,000
	(c) Allied Garrison Sardinia	9,000
	(d) Allied Garrison CORSIKA	5,000
	(e) British Command	93,000
4.	A.A. & C.D.	600
5.	Internal Security troops, including	
	(a) A.C.C.	3,000
	(b) 18 Guard Battalion (800)	14,000
	(c) S.I.M.	1,500
	(d) 2 Divs SICILY	10,000
	(e) 1 Div SARDINIA	5,000
	(f) Internal Security troops	4,100
6.	Reinforcements, sick in hospital not assigned to units, and unassigned personnel including Liaison Officers, Interpreters, etc.	19,100
7.	CC.FF., including CC.FF assigned to Military formations	55,000
		<u>245,200</u>
		<u>368,000</u>

0675

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

785015

HEADQUARTERS
ALLIED CONTROL COMMISSION
AND 394.

~~TOP SECRET.~~

Ref: 805/19/CA.

17 September 44.

SUBJECT: Administration of AIRBORNE & EMBASSY.

TO: A.F.H. 2.

I refer to the Commander-in-Chief's letter of September 11th. (MA 536)

1. The general plan for establishment of Allied Military Government was outlined in my 805/14/CA of September 11th. In case B of the Commander-in-Chief's letter (para.1) I should assume that A.M.G. 5th Army would be occupied elsewhere and I should employ the Regional Staffs to set up the initial stages of A.M.G. they would then enter the areas with the light mobile columns and would come under the command of the task force commander.

2. Para. 8 of my letter of September 11th defines the action proposed in any vacuum period which may elapse between withdrawal of enemy forces and occupation by Allied troops. A copy of the proposed directive to Allied officers now or then in those areas was attached to my 805/12/CA of September 9th.

3. In the absence of any other instructions from you I would suggest that the attitude of A.M.G. officers to the various political parties or organizations in Western Italy (vide 7c of the Commander-in-Chief's letter) should be that followed in the past and in operations now, namely immediate contact with and use of Italian local government's administrative machine, taking the advice of the National Committee of Liberation in the appointment of temporary (Italian) officials wherever these committees are found to be satisfactory. Care will be taken, as is now done, to prevent these committees setting themselves up as alternative government and every effort will be made to preserve the structure and machinery of Italian local government.

2451

MILKRY W. STONE.
Captain, USNR.
Acting Chief Commissioner.

Copy to:

A.A.I.
Political Section.

Turin Coms.
Milan

3

11th light subar. 1744.

Supplies Allied Gear and In-Chief,
Allied Force Headquarters.

Attitudinal Component of Restroom Use

2. I appreciate that when it becomes clear to the enemy that he cannot hope any longer to hold the CHANGING position against the attack of the Eighth and Fifth Armies, he will endeavour to withdraw his forces including those at Hengshui II to the line of the ALPS, the ALPS and the PO. I hope to prevent this withdrawal by a rapid advance over the PO. In any case one of two situations would likely to develop, viz:-

College

We succeed in cutting off the enemy's withdrawal, in which case considerable damage forces will remain in Eastern IIIIX and will have to be wiped up.

Online

The enemy succeeds in concentrating his forces from Western Italy before our troops establish themselves across his in a line of retreat, and only weak German forces, and the Italian Marxist divisions remain in Western Italy.

In case "a" I should be expected to divert considerable forces to the Western Front, whereas in case "b" that task should be within the power of light mobile columns. In either case it is essential to divert the main German offensive with the task force, the much more important role of continuing the advance with the least possible delay and in the greatest possible strength into Austria and Germany.

2. Conflict between Partisans and Fascists, informal political factors, and economic dislocation caused by the German withdrawal will constitute, in my opinion, a fertile seed bed for serious disorder in Western Europe. As the military commitment can only be paid to the minimum by preventing disorders at shipping, those in the end, I have come to the conclusion that whatever the circumstances, military occupation of Belgium and Luxembourg and the setting up of Allied Military Government, at any rate in the first instance, will be necessary. At the same time I consider it most important that only the minimum armed forces should be left to support that government. However, it will be necessary to continue this military occupation except on the point, but it must not be prolonged. For this reason it is, I believe, desirable to instruct the British Land Forces immediately organized resistance has occurred so that the field commander H. G. M. troops which had been engaged in dealing with it, could be released to continue the action, all fighting with

2. I appreciate that when it becomes clear to the enemy that he cannot hope any longer to hold the Pafos position against the attacks of the Eighth and Fifth Armies, he will endeavour to withdraw his forces including those in Western Italy to the line of the Alps, the Middle and the Po. I hope to prevent this withdrawal by a rapid advance over the Po. In any case one of two situations seems likely to develop, viz:-

Case "A"

We succeed in cutting off the enemy's withdrawal, in which case considerable enemy forces will remain in Western Italy and will have to be mopped up.

Case "B"

The enemy succeeds in evacuating his forces from Western Italy before our troops establish themselves across his line in lines of retreat, and only some German forces, and the Italian Fascist divisions remain in Western Italy.

In case "A" I should be compelled to divert considerable forces to ^{Italy} Western Italy, whereas in case "B" that task should be within the power of light mobile columns. In either case it is essential to divert the main forces commensurate with the task from the much more important role of continuing the advance with the least possible delay and in the greatest possible strength into Austria and Germany.

2. Conflict between Partisans and Fascists, internal political factors, and economic dislocation consequent upon a German withdrawal will constitute, in my opinion, a fertile seed bed for serious disorder in Western Italy. As the military commitment can only be kept to the minimum by preventing disorders or mopping them in the bud, I have come to the conclusion that whatever the circumstances, military occupation of ^{Italy} Western Italy and the mopping up of Allied Military Government, at any rate in the first instance, will be necessary. At the same time I consider it most important that only the minimum armed forces should be left to support that government. How long it will be necessary to contain this military occupation cannot be foreseen, but it might well be prolonged. For this reason it is, I am sure, desirable to limit a static headquarters immediately organised. Resistance has ceased so that the Field Formation L. A. in troops which had been engaged in pushing it, could be released to contain the battle, all fighting units and formations being replaced as quickly as possible byarrison troops under the status B.

3. Consideration of these problems brings to light the need for an early decision for planning purposes as to the status of military administration eventually to be set up in Western Italy; whether it should be British, American or inter-allied, what form it should take, and how it should be controlled.

4. The country between Rome and the Swiss frontier is unsuitable for active operations, and the troops employed there would be the minimum required for blocking and reconnaissance purposes. The area east of the Po - Middle - Alps road would therefore be of no interest to Fifth Army from an operational point of view, other than for the need to supply points in the area. Responsibility for such a large non-operational area would in fact be an encumbrance to an Army in the field.

/s/ Responsibility for

5. Responsibility for organizing and meeting the port of Genoa will, I understand, be accepted by CG, 105 H.A.S., but I imagine that he is hardly likely to wish to extend his responsibilities for territorial administration beyond the actual port and the road and rail routes from it to Fifth Army area. The only alternative therefore appears to be to set up a British Administrative District to take over responsibility for Western ITALY as soon as it has been cleared of hostile forces, and to allot to the commander sufficient 1 of 2 and Italian troops for internal security duties in support of A.S.G., until such time as it is decided that the provinces concerned should be handed over to A.S.G. or the Italian Government.

6. There is one other matter which is connected with the question of the military Government and military administration of Western ITALY on which it seems to me that a decision on policy is required now if serious disorders are to be avoided. It is the question of the attitude to be adopted by officers of the Allied Military Government to the various Italian political parties in Western ITALY. According to my information there are three main parties, viz:- the Army Patriots (Monarchists), the Action Party (Republicans) and the Communists who are numerically the strongest and almost certainly the best organized. There is also the Committee of National Liberation to whom many thousands of armed patriots owe allegiance in greater or less degree. Naturally I have no wish to intervene in any way in local politics, but I am very much interested in their effect on the possibilities of disorders which, as I have already pointed out directly affect the military commitment. For that reason I consider that firm and clear instructions on this subject are required to make sure that disorders do not break out by reason of uncertainty on the part of the Italian people as to the attitude of the Allied Governments to their various political factions.

7. To summarize, I should be grateful for the earliest possible instructions and information on the following points:-

- (a) Your acceptance of my proposal that a stable R. should be set up to command and administer a garrison in PLEBANO and LUGLIANO as soon as possible after occupation.
- (b) Confirmation that, if my proposal under (a) above is accepted, the stable R. should take the form of a British District R., CG, 105 H.A.S. retaining in control of such zone of communications as he may require for the support of Fifth Army.
- (c) What should be my attitude and that of my A.S.G. officers to the various political parties and organizations in Western ITALY.

H.C. Alexander

General,
Commander-in-Chief.

Copy to: C.G., Fifth Army
Chief Commissioner A.S.G.

HEADQUARTERS
ALLIED MILITARY COMMISSION
AND 334

Ref: 800/19/00.

17 September 44

SUBJECT: Administration of MILITARY & COMMUNAL

TO: A.M.C.

I refer to the Commander-in-Chief's letter of September 11th. (MA 516)

1. The general plan for establishment of Allied Military Government was outlined in my 800/19/00 of September 11th. In para 3 of the Commander-in-Chief's letter (para. 1) I should advise that A.M.C. 5th Army would be occupied elsewhere and I should employ the Regional Staffs to set up the initial stages of A.M.C. They would then enter the Areas with the light white columns and would come under the control of the task force commander.

2. Para. 3 of my letter of September 11th defines the action proposed in any vacant period which may elapse between withdrawal of enemy forces and occupation by Allied troops. A copy of the proposed directive to Allied officers over or from in these areas was attached to my 800/19/00 of September 9th.

3. In the absence of any other instructions from you I would suggest that the attitude of A.M.C. officers to the various political parties or organizations in Western Italy (vide 7a of the Commander-in-Chief's letter) should be that followed in the past and in operations now, namely immediate contact with and use of Italian local government's administrative machine, taking the advice of the National Committee of Liberation in the appointment of temporary (Italian) officials wherever these committees are found to be satisfactory. Para 2448 taken, as is now done, to prevent these committees setting themselves up as alternative government and every effort will be made to preserve the structure and machinery of Italian local government.

THOMAS W. STONE
Captain, RMG
Acting Chief Commissioner

Copy to:

A.M.C.
Political Section.
Captain Stone
CA Branch (thru RC+MG Sec.)

HC 600	Secy Gen.
DISPATCHED	
Date Recd 19 Sept 1944	
By R.R.	
R.R.	

TOP SECRET

~~TOP SECRET~~

EAS/hjp

W/CC 691.711

17 September 1944

MEMORANDUM TO: Allied Force Headquarters, APO 512

1. As directed in your signal F-32845 of the 11th August detailed proposals for alleviating the situation of the Italian forces in Yugoslavia have been obtained from the Italian High Command, and these are attached.

2. It will be seen that the principal proposal put forward is that a small Italian mission should be sent, under a colonel, to Marshal Tito's Headquarters to arrange for the evacuation, when possible, of Italian forces. From the point of view of the A.C.C. we would support this proposal and Major General Browning, whom I have consulted, has pointed out in particular that large areas in the Balkans may very shortly be freed by the junction of Russian forces with those of Marshal Tito. In this event we would recommend that the whole of the Italian forces in Yugoslavia and in Greece should be evacuated immediately to Italy so as to:

a. Prevent their getting mixed up in any civil war in those localities.

b. Save these unfortunate people (though they never should have been there) from death by starvation or exposure, on the grounds of common humanity.

c. Give an Allied gesture of goodwill after a period when we have been unable to do much to help alleviate the state of affairs there.

2417

3. As regards the terms of reference proposed for the Italian mission to Tito in paragraph 3, we consider that they are in the main unobjectionable, but that it should be made clear that the mission has no competence to deal with any matters outside those specified.

4. As to other proposals contained in paragraphs 2 and 5 concerning supplies considered to be necessary for these forces while they remain in the Balkans, General Browning states that no clothing whatever can be supplied from the resources available to WHIA or the Italian Ministry of War.

5. As to paragraph 4, while we concur that the effort of these Italian troops should be considered as cooperation with Allied troops,

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~~TOP SECRET~~

they cannot, of course, be regarded as part of the Italian Army authorized by the Combined Chiefs of Staff. Immediately on their return to Italy they will therefore have to be demobilized and treated as if they had no military status.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

cc: NMIA
Political Section

2426

:::::::::::::::::::::::::::
Hq ACC Sec'y Gen :
DISPATCHED :
Date-Time 18 Sep 1945 :
Via AG M/C :
Initials DNR :
:::::::::::::::::::::::::::

- 2 -

TOP

~~SECRET~~

MINISTRY OF WAR

To: MIA

Ref. No. 435/OZ of 8 Sept 44

Subject: Italian Armed Forces in the Balkans

In reply to your letter ref 45/C/51 dated 29 Aug 44. I beg to inform you that:-

1. The Italian Armed Forces in Yugoslavia came under two categories.

(a) "Garibaldi" Division, whose original strength has been reduced, under the command of its own Italian officers and which has been fighting since 8 Sept 43 with Tito's partisans against German units and against local populace supporting them.

(b) Scattered units which, at the time of the Armistice did not surrender to the Germans.

In order to ease the situation of the above mentioned forces the first essential is to provide for their repatriation, giving priority to those mentioned in sub para (b) - that is to say scattered and abandoned units.

Actually, the progressive repatriation of the forces mentioned at sub para (b) could be carried out chiefly with airplanes from emergency landing strips at the disposal of Tito's troops in the Croatia, Bosnia, Herzegovina areas and eventually in Serbia; or, for those units which are located in the vicinity of the coast, repatriation by sea in ships which will eventually make for ports along the Adriatic coast.

The troops of the Garibaldi Division, owing to their actual position, can be repatriated only by air. But the emergency landing strips available in Montenegro (particularly Berane and Njeguza) are not available because they have been occupied by the Germans during the last offensive in Montenegro.

As soon as the above mentioned landing strips will be once more controlled by Tito's partisans and by the "Garibaldi" Division repatriation will be carried out according to the means available giving priority to the wounded and the sick.

Should however the trend of operations, by a withdrawal of annihilation of the German Forces in the Balkans lead to the opening up of routes leading to the coast, it would be necessary to ensure an early repatriation of the ~~majority~~ the men who would be concentrated along the coast.

2. While the scattered units or operating units remain in the Balkans, in order to ease their situation, it is necessary to carry on and intensify the supplies of food, clothing, medical stores, arms and ammunition by air as is actually being done by special forces of the Supreme Allied Command.

Amongst those supplies, boots and uniforms are of particular importance. As is known, this Ministry has no supply of boots which can be sent to Yugoslavia for the Italian Armed Forces dispersed there, and for this reason it is for the Allies to decide the degree of assistance to be given to Italian men who are in the hands of the enemy in operations. Necessary uniforms

(b) Scattered units which, at the time of the Apulstice did not surrender to the Germans.

In order to ease the situation of the above mentioned forces the first essential is to provide for their repatriation, giving priority to those mentioned in sub para (b) - that is to say scattered and abandoned units.

Actually, the progressive repatriation of the forces mentioned at sub para (b) could be carried out chiefly with airplanes from emergency landing strips at the disposal of Tito's troops in the Croatia, Bosnia, Herzegovina areas and eventually in Serbia; or, for those units which are located in the vicinity of the coast, repatriation by sea in ships which will eventually make for ports along the Adriatic Coast.

The troops of the Caribaldi Division, owing to their actual position, can be repatriated only by air. But the emergency landing strips available in Montenegro (particularly Berane and Rogoznica) are not available because they have been occupied by the Germans during the last offensive in Montenegro.

As soon as the above mentioned landing strips will be once more controlled by Tito's partisans and by the "Caribaldi" Division repatriation will be carried out according to the means available giving priority to the wounded and the sick.

Should however the trend of operations, by a withdrawal of annihilation of the German Forces in the Balkans lead to the opening up of routes leading to the coast, it would be necessary to ensure an early repatriation of the ~~forces~~ of the men who would be concentrated along the coast.

2. While the scattered units or operating units remain in the Balkans, in order to ease their situation, it is necessary to carry on and intensify the supplies of food, clothing, medical stores, arms and ammunition by air as is actually being done by special forces of the Supreme Allied Command.

Amongst these supplies, boots and uniforms are of particular importance. As is known, this Ministry has no supply of boots which can be sent to Yugoslavia for the Italian Armed Forces dispersed there, and for this reason it is for the Allies to decide the degree of assistance to be given to Italian troops in order to enable them to carry on operations. Regarding uniforms, we suggest, subject MHA approval, sending uniforms in worst condition which could not be issued to the Italian troops in the mainland and the islands.

MHA is also sufficiently familiar with the ration and food situation in Italy to understand that the Ministry has to rely entirely on the initiative taken by the Supreme Allied authorities for the Italian troops fighting in the Balkans.

3. In order to:-

(a) settle the questions concerning the gradual repatriation of the scattered military personnel and those belonging to the Caribaldi Division.

(b) assemble and forward the scattered military to the emergency landing strips or to the coast at the right time.

(c) acquaint MHA with the supply requirements for the Italian Forces and control the supply and issue of items which will eventually be sent

0 6 8 4

this Ministry agrees with the Allied authorities that it is vitally important to attach a small Italian Mission to Marshal Tito's HQ.

The Head of this Mission, as requested by MIA, would be a Colonel who is fully in the picture as regards the local situation as he had been formerly attached to the "Garibaldi" Division and could therefore carry out good liaison with Marshal Tito's HQ. (Strength of Mission 4 - 5 all ranks).

This Ministry will form a small mission which will be sent over to Marshal Tito's HQ when the Allied Authorities give authorization and arrange transport.

4. This Ministry fully understands the matter contained in para (3) of your letter under reference, that is that MIA does not consider the "Garibaldi" Division as a part of the Italian Army officially authorized by the Allies. This Ministry wishes to point out that the "Garibaldi" Division is the old Italian Regular Division "Venezia" which was a part of the old Italian Army and which, at the time of the Armistice, obeyed the orders issued by H.E. Badoglio, at that time Head of the Government, joined Tito's partisans with all its units to fight the common German enemy and was given a new name on being reinforced with units of another regular Division of the old Italian Army - the "Taurinense" Division - which had already fought the common enemy. Operations have not been carried out by single units but by a higher formation which can be compared with the other higher formations in the mainland.

Therefore the activities of the "Garibaldi" Division in the Balkans in favour of the Allied cause are to be considered as part and parcel of the operation of Italian Units on the mainland alongside Allied Units.

The above is stated in order that the Allies may give it special consideration, so that, while in the Balkans the Division may receive regular supplies, and its effort and sacrifice may be considered as co-operation of Italians with Allied troops.

5. Lastly, regarding Italian soldiers who are in Greece, be they in formed bodies and under the control of a British Mission, be they scattered in other parts of Greece and particularly in Thessaly, verbal agreement has already been reached with Major Werrall in the presence of Major Baumann, MIA. Briefly Major Werrall has put forward a proposal for this Ministry to send monthly to the Italian troops a number of 2 tons of mail, newspapers and magazines, clothing and material for the welfare of the troops.

With regard to clothing sub para 2 should be borne in mind - that is, only clothing in bad repair and not serviceable for Italian troops on the mainland would be sent.

I would be grateful to MIA if approval could be granted to the proposals as set out in this letter, and as soon as possible authority for the despatch of the Mission to Marshal Tito's HQ to establish the necessary contacts for implementing of the contents of this letter.

THE MINISTER
GASATI

C O P Y

TOP SECRET

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Chief Commissioner
APO 394

Ref: SO5/14/CA11th September 1944

SUBJECT: Administration of PIEMONTE and LOMBARDY.

TO : Advance Headquarters,
Allied Armies in Italy.
Attn: C.G.S.

1. I have to acknowledge your 16/1/G(Ops) dated 6. Sept. 44 and note the principles laid down for the conduct of civil affairs in PIEMONTE and LOMBARDY.
2. Plans will be made to meet, so far as is possible, the varying conditions which may be found in these areas. I would point out, however, that the number of troops to be employed must be closely related, in inverse proportion, to the amount of food for the civil population which can be made available in those areas.
3. It is intended to carry out the initial stages of Allied Military Government in the same manner as has been done throughout this campaign. That is to say, civil affairs officers will accompany the occupying troops and set up the preliminary stages of government. These civil affairs officers would normally be drawn from AMG 5 Army if the occupying troops are to be found from that Army. If, however, 5 Army is fully occupied operationally and light mobile columns only are used, it will be appreciated that the AMG staff of 5 Army will also be fully occupied with the Army and that only a small number of advanced civil affairs officers will be available from that source. I should be grateful, therefore, for the earliest information possible as to the composition of the occupying force to be employed and the sources from which it will be drawn.
4. Following up the spearhead forces, three Regional organizations are in process of formation. These will be employed in place of 5 Army AMG if those officers are not available.
5. These organizations or AMG task forces will be directed towards GENOA the center of LIGURIA, TURIN the center of PIEMONTE, and MILAN the center of LOMBARDY. Their total strength will amount to approximately 250 officers.
6. Steps have already been taken to furnish the minimum amount of food required for the urgent operations but so far as is known at present no transport will be available to move this food into the areas. For this purpose it will be

necessary for the AMG task forces to be provided with:-

120	3-ton trucks for	LEIGURIA
360	"	"
360	"	"
		PIEDMONTE
		LEMBARDY

This fact has already been brought to the notice of G-5 AFHQ with the suggestion that in the event of the employment of mobile columns entering the country in the face of weak and comparatively docile enemy forces, certain units with their transport should be allotted to the task of carrying food for civilian needs.

7. The mobility of the AMG task forces is by no means assured. Requests for extra personnel vehicles have not yet been met and I have been advised that in the event of rapid occupation, I should request your Headquarters to provide personnel vehicles.

8. In consultation with BGS(Ops), plans have been made to send directions to Allied Officers now operating in these areas with the patriot forces with the object of ensuring that during any period which may elapse between the withdrawal of enemy forces and the arrival of Allied forces, law and order should be preserved by the National Committee of Liberation. In accordance with these plans it is proposed to infiltrate into the area three officers from ACC and three officers from PWB who, under the authority of the Allied officers now operating, will advise both these officers and the National Committee of Liberation, during any such period. It is not intended to set up Allied Military Government through the means of these officers who will have no executive powers. Allied Military Government will not be set up until the arrival of Allied troops with their accompanying civil affairs officers.

9. I trust these plans have your approval in principle. A copy of this letter is being sent to AFHQ.

34123
DMSR
12 Sept 1940
H.E.
DMSR

2412
ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

Copies to: G-5 AFHQ
British Resident Minister, AFHQ
US Political Adviser, AFHQ
British High Commissioner to Allied Advisory Council
Political Section
RC & MG Section

C O P Y

TOP SECRET

HEADQUARTERS ALLIED CONTROL COMMISSION
Office of the Chief Commissioner
APO 394

Ref: 805/14/CA

11th September 1944

SUBJECT: Administration of PIEMONTE and LOMBARDY.

TO : Advance Headquarters,
Allied Armies in Italy.
Attn: C.G.S.

1. I have to acknowledge your 16/1/G(Ops) dated 6. Sept. 44 and note the principles laid down for the conduct of civil affairs in PIEMONTE and LOMBARDY.
2. Plans will be made to meet, so far as is possible, the varying conditions which may be found in these areas. I would point out, however, that the number of troops to be employed must be closely related, in inverse proportion, to the amount of food for the civil population which can be made available in those areas.
3. It is intended to carry out the initial stages of Allied Military Government in the same manner as has been done throughout this campaign. That is to say, civil affairs officers will accompany the occupying troops and set up the preliminary stages of government. These civil affairs officers would normally be drawn from AMG 5 Army if the occupying troops are to be found from that Army. If, however, 5 Army is fully occupied operationally and light mobile columns only are used, it will be appreciated that the AMG staff of 5 Army will also be fully occupied with the Army and that only a small number of advanced civil affairs officers will be available from that source. I should be grateful, therefore, for the earliest information possible as to the composition of the occupying force to be employed and the sources from which it will be drawn.
4. Following up the spearhead forces, three regional organizations are in process of formation. These will be employed in place of 5 Army AMG if those officers are not available.
5. These organizations or AMG task forces will be directed towards GENOA the center of LIGURIA, TURIN the center of PIEMONTE, and MILAN the center of LOMBARDY. Their total strength will amount to approximately 250 officers.
6. Steps have already been taken to furnish the minimum amount of food required for the urgent operations but so far as is known at present no transport will be available to move this food into the areas. For this purpose it will be

necessary for the AMG task forces to be provided with:-

120	3-ton trucks for	LIGURIA
360	"	"
360	"	"
360	"	"
		PIEMONTE
		LOMBARDY

This fact has already been brought to the notice of G-5 AFHQ with the suggestion that in the event of the employment of mobile columns entering the country in the face of weak and comparatively docile enemy forces, certain units with their transport should be allotted to the task of carrying food for civilian needs.

7. The mobility of the AMG task forces is by no means assured. Requests for extra personnel vehicles have not yet been met and I have been advised that in the event of rapid occupation, I should request your Headquarters to provide personnel vehicles.

8. In consultation with BGS(Ops), plans have been made to send directions to Allied Officers now operating in those areas with the patriot forces with the object of ensuring that during any period which may elapse between the withdrawal of enemy forces and the arrival of Allied forces, law and order should be preserved by the National Committee of Liberation. In accordance with these plans it is proposed to infiltrate into the area three officers from ACC and three officers from PWB who, under the authority of the Allied officers now operating, will advise both these officers and the National Committee of Liberation, during any such period. It is not intended to set up Allied Military Government through the means of these officers who will have no executive powers. Allied Military Government will not be set up until the arrival of Allied troops with their accompanying civil affairs officers.

9. I trust these plans have your approval in principle. A copy of this letter is being sent to AFHQ.

50183
HQ AFHQ
DISP
Date: 12 Sept 1940
184
initials: DPK

2410
ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

Copies to: G-5 AFHQ
British Resident Minister, AFHQ
US Political Adviser, AFHQ
British High Commissioner to Allied Advisory Council
Political Section
RC & MG Section

SECRET.

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

Ref: 805/14/CA.

11th September 1944.

SUBJECT: Administration of PIEMONTE and LOMBARDY.

TO : Advance Headquarters,
Allied Armies in Italy.
Attn: C.G.S.

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2. Plans will be made to meet, so far as is possible, the varying conditions which may be found in these areas. I would point out, however, that the number of troops to be employed must be closely related, in inverse proportion, to the amount of food for the civil population which can be made available in these areas.

3. It is intended to carry out the initial stages of Allied Military Government in the same manner as has been done throughout this campaign. That is to say, civil affairs officers will accompany the occupying troops and set up the preliminary stages of government. These civil affairs officers would normally be drawn from AMG 5 Army if the occupying troops are to be found from that Army. If, however, 5 Army is fully occupied operationally and light mobile columns only are used, it will be appreciated that the AMG staff of 5 Army will also be fully occupied with the Army and that only a small number of advanced civil affairs officers will be available from that source. I should be grateful, therefore, for the earliest information possible as to the composition of the occupying force to be employed and the sources from which it will be drawn.

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2439

5. These organisations or AMG task forces will be directed towards GENOA the centre of LIGURIA, TURIN the centre of PIEMONTE, and MILAN the centre of LOMBARDY. Their total strength will amount to approximately 250 officers.

-2-

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360	"	"
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		LOMBARDY.

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9. I trust these plans have your approval in principle. A copy of this letter is being sent to AFHQ.

MILVY W. STONE
Captain, USMC
Acting Chief Commissioner

2438

Copy to: G-5 AFHQ
British Resident Minister, AFHQ
US Political Adviser, AFHQ
British High Commissioner to Allied Advisory Council.
Political Section.

~~SECRET~~

EAS/hjp

A/CC 014.13
ACC/11,622/PS

6 September 1944

SUBJECT: Carabinieri Reali

TO : Commander-in-Chief, Allied Armies in Italy

1. Reference 1603/50/44/G (SDI), dated 13 Aug 44.
2. A communication, giving the data requested paragraph 1 and stating our view of the proposals made in paragraph 3 of the above reference, is being forwarded under separate cover.
3. However, since my letter to you of 1 August, which dealt with the ceiling strength of the Carabinieri, new circumstances have arisen which present an acute problem of immediate importance insofar as policing of the industrial north of Italy is concerned. The fact of outstanding importance is that it has recently been reported that 14,000 of the Carabinieri north of the Pisa - Rimini line have been sent away to Germany, and will therefore not be available for duty. This eliminates one of the principal sources of manpower upon which this Commission relied for the proper policing of the civil community in that area.
4. At the moment the actual strength of the Carabinieri is 43,954 men. A ceiling of 55,000 is authorized and for the above reason it may be impossible even to fill this ceiling. Since the Carabinieri is a part of the Italian Army, it follows that the overall strength of the Italian Army is short at least 11,000 men. It is accordingly proposed that the Ministry of War in conjunction with the EMIA be authorized to arrange for the immediate transfer of 11,000 qualified men from other elements of the Army to the Carabinieri Reali. The deficit thus created in the other elements could be compensated for by calling up a new class. This would fill up the CCRI to its presently authorized strength, and would form a nucleus for policing the North.
5. Furthermore if no CCRI are found in the North it may be necessary to go further and ask that in order to make up the balance of 23,000, which in my opinion is the minimum necessary for policing the North (see my A/CC 014.13 of 1 Aug paras 5 and 6), part of the Italian Army be temporarily attached to the CCRI to work with them on police duties. Such an attachment has been arranged in Sicily in connection with the grain system and is working well.

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6. This Commission is still of the view that a Carabinieri strength of 65,000 is necessary. The need therefore was set forth in my letter of 1 August. But since the prospect of reaching the present authorized ceiling is made virtually impossible by the action of the Germans, it is urgently requested that favorable consideration be given to the proposal made above, while the question of ceiling is still being considered.

ELBERT W. STONE
Captain, USMC
Acting Chief Commissioner

cc: Army Sub-Commission

Draft submitted by:
Brig. Upjohn, Admin Section

2408

50105

Hq ACC - Sec'y Gen.
DISPATCHED
Date-Time 6 Sept 1915
Via Hb.
Initials DRR

~~SECRET~~

~~SECRET~~HEADQUARTERS
ALLIED CONTROL COMMISSION
AFO 394

EWS/hjp

4 September 1944

MEMORANDUM:

I had a conference with Premier Bonomi from 4:35 to 5:45 P.M. today. Dr. Montanari was present as interpreter.

I first mentioned for his secret information that the Greek Government was being brought to Italy beginning September 7th, stating that I imagined their residence here would be but temporary. I stated that since the question of requisitioning a villa near Cava had been raised in this connection, I imagined that the Greek Government would be located at Salerno or Cava. The Premier stated that he would welcome the presence of the Greek Government here and could only wish that they might have been brought to Rome which would have facilitated resuming their past friendly relations with that country. I replied that I believed the reason for not bringing them here was because of the housing and food problem in Rome.

I raised the question of the case of the frozen bank account of the Marchese Giacomo Medici del Vascello, stating that Marchese Visconti Venosta had raised it with the Political Section. Bonomi stated that he was not very familiar with the matter but that he did not have much sympathy for Marchese Medici del Vascello. I said that the Commission had no interest in the matter and would be guided by his views. He stated that he would like to discuss the situation with Sfroza and would advise me further.

I then had a long discussion with Bonomi, presenting in detail to him General O'Dwyer's program of August 16th recommending the appointment of a commission to bring forward as quickly as possible a concrete and detailed program of relief and rehabilitation, as set forth in para 3 of General O'Dwyer's letter of 16 August. Based on my discussions with General O'Dwyer of this morning, I stated that the Commission felt that emphasis on relief should be placed on food and clothing (to be supplied by the Allies if necessary), rather than on increasing monetary payments which would do little good to alleviate distress but could do a great deal of harm in speeding up inflation. Bonomi agreed unreservedly with this viewpoint. He said that he would proceed with this problem and hoped to have a commission appointed within the next two weeks. I advised that the commission should be composed of industrial, medical and relief experts rather than politicians, and he agreed. I stated that the preparation of such a comprehensive program might well be helpful in supporting his government's request for external aid such as Lend-Lease. I stated that the program could well be divided into two parts--that which is necessary to see the country through the winter,

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and a separate program directed toward long-term rehabilitation, but the emphasis should be on the first part of the program.

I asked his reaction to my personal views as to the most effective help which the Allies could give Italy after the ACC is dissolved, listing my preferences in the following order:

1. A group of say five U.S. and 5 U.K. experts in the industrial and financial fields to be made available by the U.S. and British Governments who would be hired by the Italian Government as advisors to the ten more important ministries. With such men on the payroll of the Italian Government, the government would not feel that they were being controlled or supervised by outsiders as is now the case. On the other hand, the presence of such experts in the Italian ministries would lend confidence to the Allies that any money or supplies furnished post-war would be effectively used. Thus we could hope to avoid our experience in Germany after the last war, and our experience in certain South American republics, where money supplied from the U.S. had not been employed in the best interest of either the local country or the U.S.

2. A joint economic mission of U.S. and U.K. personnel, similar to the North African Economic Joint Mission (NAJEM), which would look after imports and exports and the general economic needs of the country, similar to the agencies functioning in North Africa, Mideast, and French West Africa. Italian technicians should be included on the mission.

3. Either FEA or UNRA. I stated that speaking purely unofficially, one could not be certain of continuity of operation in the case of FEA for political reasons in the U.S., and that as to UNRA, I felt the reaction of the Italians would apt to be similar to that of the French--i.e., they would prefer not to receive relief in the form of charity.

Bonomi expressed himself as being in complete accord with my thinking which I stressed repeatedly as being purely personal and not official. I added that I had stated my preferences to General O'Dwyer this morning and informed Bonomi that he expected to see the President late this week. Bonomi asked if I could communicate to General O'Dwyer before he left the country that he was in complete accord with my views and I promised to do so.

I asked Bonomi's reaction to the proposal that the Regional ²⁴³⁴ missioner and his staff be withdrawn from Sicily, leaving only a handful of specialists and liaison officers, and giving Colonel Spefford's arguments for and Brigadier Lush's objections. He agreed emphatically with Colonel Spefford's point of view and said he would welcome it as an experiment.

[Signature]
 HENRY W. RONE
 Captain, USNR
 Acting Chief Commissioner

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50/138

A/CC 000.7

27 August 1944

MEMORANDUM TO: Colonel Charles M. Spofford, G.S.C.
 Asst. Chief of Staff, G-3
 Allied Force Headquarters

1. I enclose copies of a message which was filed by the Associated Press yesterday, reporting an interview given by the two American labor leaders, Mr. George Balderson and Mr. Luigi Antonini.

2. In view of the open criticism of probable Soviet Army conduct in Berlin included in the first paragraph and of the strong anti-British statements contained later in this report, the Censorship Branch of AFHQ referred it to the AGF for advice before dispatch. After consultation with Mr. Alexander Kirk and Sir Noel Charles, Censorship were advised that for military reasons this report should not be dispatched. These military reasons were that such anti-Soviet and anti-British remarks would undoubtedly find their way back to Soviet representatives in Italy as well as to British forces in this area. In that case they could but prejudice good relations between soldiers which were vital in an operational theatre.

3. This morning I was informed that, despite this advice, Col. Scott-Sailey and Col. Raydon had both reached the decision that they could not hold this report in view of the repercussions such censorship would involve. It was consequently dispatched last night.

4. This incident raises two questions. In the first place it is for decision whether the Censorship in AFHQ should not be instructed that in these matters they must follow the advice given by the Head of AGF, acting in agreement with the British and American Representatives on the Advisory Council. An alternative arrangement would be to instruct the Censorship that, in the event of their disagreeing with the advice proffered by the Head of AGF, acting in agreement with the British and U.S. Representatives on the Advisory Council, they must refer the matter to A.F.H.Q. before any such report is dispatched. The obvious objection to this latter course is the question of time.

5. The second question that arises is whether civilian visitors to Italy of such standing as these two American labor leaders should not be informed before leaving their country of origin that on entering a theatre of war they automatically assume certain grave responsibilities. The first of these must be that in any public utterances they

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should be most careful not to say anything that is likely to hinder the war effort in the area, and of course unmeasured criticism of allies is bound to be prejudicial. It would probably be helpful if a warning of a similar kind could be given to such civilian visitors immediately on their arrival.

6. I am sending copies of this memorandum to Sir Noel Charles and Mr. Alexander Kirk, as well as to Col. Scott-Sailley.

MAINT H. STONE
Captain, USMC
Acting Chief Commissioner

1 Incl:
AF Press Dispatch

cc: Political Section
British Resident Minister
U.S. Political Advisor
Sir Noel Charles
Mr. Alexander Kirk
Col. Scott-Sailley

50 976

Hq AOC - Secy Gen.
DISPATCHED
Date Time 27 Aug 1940
Via Hq.
Incls BPA.

2402

- 2 -

~~TOP SECRET~~

26 August 1944

VIA RCA

PRESS ASSOCIATED NEW YORK

Brian 11430 Rome 26/8 quote Eye hope Red Army reaches Berlin before we do dash otherwise we will have another hotel room full of people like these unquote George Baldanzi trim bespectacled representative of CIO said motioning to well-dressed occupants Grand Hotel salon paragraph

Thirtyseven yearold Baldanzi who arrived here yesterday with Luigi Antonini of AFL for survey Italian labor situation was identifying prosperouslooking Italian civilians as Fascists dash survivors of eye purge which he said Allies failed carry out in complete disregard ideological aspects of war paragraph

quote There will be blood bath as soon as Allies leave stop requote You cant stop revolution by inaction unquote predicted Baldanzi differing sharply in views on Communism from Antonini who expressed strong fear that Allied policy would lead Italy into arms quote Soviet totalitarian dictatorship unquote

Brian

2401

VIA RCA

Press Associated New York

Brias 21/30 Both men agreed however that Britains policy was to make Italy eye quote colony unquote and Antonini appealed United States take greater interest Italian economic political & affairs paragraph

Quote Control of Italy is so top heavy British it isnt even funny unquote Baldanzi said paragraph

Quote If United States leaves Italy to Britain Russia dash unquote greyhaired sixtytwo year old Antonini made despairing motion with hands undash requote then American boys will have fought over here in vain unquote paragraph

Baldanzi said he not repeat not over here to quote tell Italian labor what to do unquote but to give advice if desired stop He added financial assistance also would be needed stop Delegation British labor leaders expected arrive soon for similar survey

Bria

2400

26 August 1944

VIA RCA

Press Associated New York

Bria Fourth 1430 Both men declared wages salaries in Italy must
be raised immediately cited example of Grand Hotel elevator operator
who earning six repeat six dollars monthly in face staggering living
costs paragraph

Quote Eye fail understand why workers earning less now than under
German Fascists unquote Baldani said Requote It fantastic situation
stop It indictment of democracy unquote

Bria

0700

785015

26 AUG 1945

File for reference

VIA RCA

PRESS ASSOCIATED NEW YORK

W
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Bria

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Pratt Associated New York

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18605
JUL 1944

VIA RCA

PRESS ASSOCIATED NEW YORK

Brias 31430 Antonini dash old school leftist with flowing black cravat undash said he distrustful Togliatti and Communist declarations of quote working for democracy in Italy stop Requete Eye know Communists from experience unquote said adding believed strong socialist party only way counterbalance communists paragraph

Baldanzi expressed keen desire meet Togliatti stop He asserted quote harmony unquote among workers only way frustrate Fascism stop He said had learned that quote socialization of entire economic life Northern Italy already accomplished fact unquote and wondered quote what we are going to do about that when we get there unquote

Bria

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20 JUL 1944

18605

VIA RCA

Press Associated New York

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Quote Bys fail understand why workers earning less now than under Germans Fascists unquote Baldassari said Requote It fantastic situation stop It indictment of democracy unquote

Brie.

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