

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

785015

ACC

10000/136/582

10000/136/582

CORRESPONDENCE, MISC.
NOV. 1942; JULY - NOV. 1945

Translation

From various rather reliable sources, it appears that the Finance Office of the A.M.G. of Trieste is making careful investigations in the offices of the two Trieste companies: 'Assicurazioni Generali' and 'Riunione Adriatica di Sicurtà'. On the occasion of such investigations, the officers in charge seem to have sequestered the books of both companies (book containing the minutes of the shareholder's general meetings, minutes of the meetings of the boards of managers, of the partners, etc.), and also all the restricted correspondence of the said companies. It appears that their inquiries are chiefly made to identify all the fund participations which both companies have in foreign companies.

trans. e/c

4239

Page 5 -
Held for reply
from C.F.A. -

Duplex

translation

From various rather reliable sources, it appears that the financial office of the A.M.C. of Trieste is making careful investigations in the offices of the two Trieste companies: 'Assicurazioni Generali' and 'Riunione Adriatica di Sicurtà'. On the occasion of such investigations, the officers in charge seem to have sequestered the books of both companies (book containing the minutes of the shareholders' general meetings, minutes of the meetings of the boards of managers, of the partners, etc.), and also all the restricted correspondence of the said companies. It appears that their inquiries are chiefly made to identify all the fund participations which both companies have in foreign companies.

trans. o/c

4238

3 November 1945

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

Dear Admiral Stone:

In anticipation of the day when Livorno and adjacent areas are turned back to Italian control and the AMG personnel is withdrawn, I find that within my organization there are no officers specifically conversant with the local civilian problems or qualified through experience to deal with the varied matters currently being handled by the AMG Commissioner.

As I mentioned to you in a letter a short time ago I have been very favorably impressed with the manner in which AMG matters have been taken care of by your Major Harold V. Peilly and Captain Stanley Beatty. I should deeply appreciate it if, at the appropriate time, these officers could be transferred to my staff so that I might use them as liaison officers between my headquarters and the Italian local governmental officials. Such a liaison, in view of the fact that my command will continue to function here for several more months, is necessary and in the best interests of both the service and the United States.

I trust that this suggestion will meet with your approval and that at the proper time arrangements can be effected.

Sincerely yours,

FRANCIS H. OXX
Brigadier General, U.S. Army
Commanding

Spore

UNIONE NAZIONALE FERROVIARI
COMITATO CENTRALETELEFONO 478651
Interno 31224ROMA
stazione Termini

Roma li 22 ottobre 1945

No di prot. 146/V/F

AMIRAGLIO STONE

OGGETTO

Capo della Commissione Alienta
di controllo.Carica di Direttore
Generale delle Ferrovie
dello Stato.ROMA
via Veneto

E' venuto a nostra conoscenza che elementi del Nord Italia brigano perche' l'attuale direttore Generale delle ferrovie dello Stato venga rimosso dall'incarico conferitogli.

I meriti e la competenza dell'ing. Giovanni DI RAIMONDO sono garanzia per l'Amministrazione.

Chiediamo l'intervento vostro, perche' si eviti questo abuso, che sarebbe di grave nocimento all'Amministrazione, alla ricostruzione morale e materiale di essa, ed al personale tutto, che segue il Di Raimondo con spirito di abnegazione e di patriottismo.

ossequi

233

IL COMITATO CENTRALE

SS: Unione Nazionale Ferroviari

ROMA

Suppl.

0140

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

785015

UNIONE NAZIONALE FERROVIERI
COMITATO CENTRALE

TELEFONO 178651
Interno 91224

ROMA
stazione Termini

Roma 11 22 ottobre 1945

No di prot. 146/V/F

ADMIRALIO STONE

OGGETTO

Capo della Commissione Alleata
di Controllo.

Carica di Direttore
Generale delle Ferrovie
dello Stato.

ROMA
Via Veneto

E' venuto a nostra conoscenza che elementi del Nord Italia brigano
perche' l'attuale Direttore Generale delle Ferrovie dello Stato venga rimosso
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e di patriottismo.

ossequi

IL COMITATO CENTRALE

1232

SS: Unione Nazionale Ferrovieri

ROMA

Suppl.

Translation

National Union of Railway Men

Rome, 22 October 1943

n. 119/v/f

Subject: Post of General Manager of the State Railways

To : Admiral Stone, Chief Commissioner of the Allied Commission

R O M E

We have been informed that elements from the North of Italy are taking action to have the present General Manager of the State Railways discharged from the post that was assigned to him.

The merits and competence of Ing. Giovanni DI RAIMONDO are a guarantee for the Administration.

We ask for your intervention for such abuse to be avoided, for it would be most prejudicial to the management, its moral and material reconstruction and also to all the staff that is following DI RAIMONDO in a spirit of self-denial and patriotism.

Sincerely yours,

S. THE CENTRAL COMMITTEE

1331

trans. e/c

Enrico

241

Translation

National Union of Railway Men

Rome, 22 October 1946

n. 116/V/2

Subject: Post of General Manager of the State Railways

To : Admiral Stone, Chief Commissioner of the Allied Commission

Rome

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We ask for your intervention for such abuse to be avoided, for it would be most prejudicial to the management, its moral and material reconstruction and also to all the staff that is following di Raimondo in a spirit of self-denial and patriotism.

Sincerely yours,

c. THE CENTRAL COMMITTEE

4230

Grand. 2/3

Sanfilippo

TranslationNote

It seems that following the abolition of the Alta Corte di Giustizia, lately decided by the Council of Ministers, a regulation giving the functions of the Alta Corte to a certain number of Corti d'Assise Straordinarie similar to those which are functioning in the North is being studied.

This plan means that central and southern Italy, which has up to now been spared from the partial action of the judges appointed by the C.L.N. and the Parties, would be submitted to terror, bloodshed and violence, thus increasing the exasperation of the population and sowing the seed of reaction and riots.

Such an institution would still further delay the pacification of the spirits without which Italian life cannot go back to order.

As it is well known, except for the presiding Magistrate, the Corti d'Assise Straordinarie are exclusively composed of men selected from the lists presented by the C.L.N., and the functions of public prosecutor can equally well be attributed to a Magistrate or an advocate appointed by the C.L.N.

trans. e/c

1229

Surplus

TranslationNote

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This plan means that central and southern Italy, which has up to now been spared from the partial action of the judges appointed by the G.L.N. and the Parties, would be submitted to terror, bloodshed and violence, thus increasing the exasperation of the population and sowing the seed of reaction and riots.

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TRANS. 9/3

4228

15 October 1945

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

Dear Admiral Stone:

I should like to take this occasion to express my appreciation and that of my staff for the splendid and effective manner in which Major Harold V. Reilly, AMC Commissioner for Livorno Zone, and Captain Stanley Beatty, Public Safety Officer for Livorno Zone, have cooperated with this headquarters in the Leghorn territory.

At no point in all that sector of Italy which lies within the boundaries of the Peninsular Base Section are the relationships between the civilians, the representatives of your organization and the personnel of my command on a more friendly basis or more conducive to the successful accomplishment of our respective missions. I am convinced that the attainment of this very gratifying situation is due in no small measure to the individual initiative, determination, devotion to duty and unusual cooperative spirit of Major Reilly and Captain Beatty.

Inasmuch as my headquarters and the center of gravity of the activities of my command will remain at Leghorn for several months longer, I trust that we shall be fortunate enough to have these two fine officers remain on duty in this vicinity, in whatever capacity is commensurate with the circumstances.

Sincerely yours,

FRANCIS H. OXX
Brigadier General, U.S. Army
Commanding

(14)

Signature

TRANSLATION

TO: MAJOR GENERAL L.L. LEMNITZER
CHIEF OF STAFF,
MEDITERRANEAN THEATER OF OPERATIONS

Dear General,

I have received your letter of 18.10. I regret that the minutes of our conversation of 11.10 which you sent to me, have not yet been translated so that at the moment I am unable to make comments.

I thank you for acceding to my request regarding my trip to Vienna.

I hope that you will give Colonel Iakovleff full cooperation in his repatriation work for the Soviet citizens in Italy.

With my best wishes to you

MAJOR GENERAL /s/ Basiloff

/t/ BASSILOFF

14 October 1945.

Rome.
#14

224

TRANSLATION

TO: Rear Admiral E.W. STONE
Chief Commissioner, Allied Commission.

Dear Admiral,

Your letter of 10 October has been received.

The time fixed for the visit to the Caserta Headquarters
is all right with us.

Yours sincerely

MAJOR GENERAL /s/ Bassiloff

/t/ BASSILOFF

10 October 1955.

243

See file

TRANSLATION

TO: Rear Admiral E.W. STONE
Chief Commissioner, Allied Commission.

Dear Admiral,

Your letter of 10 October has been received.

The time fixed for the visit to the Caserta Headquarters
is all right with us.

Yours sincerely

MAJOR GENERAL /s/ Basiloff

/t/ BASSILOFF

10 October 1955.

4222

TRANSLATION

TO: Major General L.L. DEMSITZER
Chief of Staff, MTO

Reference your letter of 9 October 1945 replying to mine
of 29 September.

I should prefer to meet the Supreme Commander on 11 October;
however, any other day of this week will also be all right for me.

Looking very much forward to your reply.

MAJOR GENERAL /s/ Bassiloff
/t/ BASSILOFF

9 October 1945.
11

cc: Exec Commr.

TRANSLATION

TO: Major General L.L. LEMNITZER
Chief of Staff, MTO

Reference your letter of 9 October 1945 replying to mine
of 29 September.

I should prefer to meet the Supreme Commander on 11 October;
however, any other day of this week will also be all right for me.

Looking very much forward to your reply.

MAJOR GENERAL /s/ Bagalioff
/t/ HASSILOFF

9 October 1945.
11

cc: Exec Commr.

4247

TRANSLATIONURGENT

TO: Rear Admiral E.W. STONE
Chief Commissioner, Allied Commission

Dear Admiral,

I beg you to submit the attached letter to the Chief of
Staff of the Mediterranean Theater of Operations, General
LEMONITZER.

Yours sincerely

MAJOR GENERAL /s/ Basilloff
/t/ BASSILOFF

9 October 1945.
#11

cc: Exec Comm.

5214

COPY

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy,
October 8, 1945

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

My dear Admiral:

I have your letter dated September 25th concerning the desire of the Italian Government to facilitate the temporary visit to the United States of representatives of Fiat, S.A.

Since this proposal involves the issuance of visas and the providing of transportation facilities, which are primarily Consular functions, I suggest the Italian Government be advised that the representatives of Fiat should discuss this matter with the American Consulate General at Genoa, the Consular district in which they reside. The Consulate General will give their request the most prompt consideration possible.

Sincerely yours,

/s/ A. Kirk

4212

cc: Exec. Commissioner
Economic Section

Surplus

COPY

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy,
October 8, 1945

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

My dear Admiral:

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Sincerely yours.

/s/ A. Kirk

4211

CC: Exec. Commissioner
Economic Section

Surplus

ROME,
6 OCTOBER 1945.

To: Rear Admiral Ellery W. Stone, Chief Commissioner,
Allied Commission

Dear Admiral,

In answer to your letter of 6 October 1945, herewith are the main questions which I intend to discuss at my meeting with the Chief of Staff:

1. Providing the Soviet Repatriation Officers with documents allowing them free movement throughout Italy.
2. Concentration points for Soviet citizens.
3. Provision of a hospital for sick Soviet citizens.
4. Repatriation of Soviet citizens from Polish camps and permission for Soviet officers to have admittance to camps.
5. Permission for Soviet officers to enter prisons to take away Soviet citizens.
6. Handing over of those conducting propaganda against the return of Soviet repatriates.
7. Ameliorating the working conditions of the repatriation officers of the Representative of the Soviet Commissars of the USSR in Italy, Colonel Jakovlev.

Sincerely yours,

/s/ BASSILOFF
Major General

4210

Rough translation
7/10/45



ROME

6 October 1945.

To: Rear Admiral Ellery W. Stone, Chief Commissioner,
Allied Commission

Dear Admiral,

In answer to your letter of 6 October 1945, herewith are the main questions which I intend to discuss at my meeting with the Chief of Staff:

1. Providing the Soviet Repatriation Officers with documents allowing them free movement throughout Italy.
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5. Permission for Soviet officers to enter prisons to take away Soviet citizens.
6. Handing over of those conducting propaganda against the return of Soviet repatriates.
7. Ameliorating the working conditions of the repatriation officers of the Representative of the Soviet Commissars of the USSR in Italy, Colonel Jakovlev.

Sincerely yours,

4204

/s/ BASSILOFF
Major General

Rough translation
7/10/45

TRANSLATION

TO: Maj Gen L.L. Lemnitzer, Chief of Staff, MTO.

Reference your letter of 4 October 1945, I beg you to arrange as soon as possible my meeting with the Supreme Commander, as its urgency is quite obvious.

MAJOR GENERAL /s/ Bassiloff

/t/ BASSILOFF

6 October 1945.

Rome.

No 10.

Representative Plans - poster

4207

Wright

4 October 1945

Rear Admiral Ellery W. Stone, USNR,
Chief Commissioner,
Headquarters Allied Control Commission,
A.P.C. 394,
c/o Postmaster,
New York, New York.

Dear Admiral Stone:

Acknowledgment is made of your letter of 15 September 1945,
to General Surles introducing Lieutenant Colonel Thomas G. Bergin,
Deputy Director of Public Relations, Allied Commission.

Every possible cooperation was given to Lieutenant Colonel
Bergin in making copies of the review available to the press. I
am inclosing a copy of a press release which was issued by the War
Department Bureau of Public Relations in conjunction with the release
of the review. Copies of the review were given to representatives
of the three major wire services and to the representatives of those
newspapers maintaining Washington bureaus.

Please be assured that the War Department Bureau of Public
Relations is always ready to aid you in any way possible.

Sincerely yours.

LUTHER L. HILL,
Brigadier General, U.S.A.,
Director.

Incl.
Press Release.

4200

Surplus

Translation

Consulta Nazionale

2 October 1945

The summoned Consultrici ask for the commutation of the sentence against the three partisans of Schio, who, though they committed a great offence against the democratic legality of the country, still have attenuating circumstances in the present post-war situation which justify a supreme act of clemency.

They ask for the commutation of the sentence mostly because it could help to pacify the spirits and bring back social concord in work and reconstruction.

S. Gisella della Porta

Claudia Maffioli

Jole Lombardi

Giustina Minoletti

Maria Cingolani Guidi

Rosa Teresa

Gaia Ofelia

Elettra Pollastrini

Rina Pisolato

Laura Bianchini

4205

trans. e/c

S. J. 103

C O P Y
O
P
YTHE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICAAMERICAN EMBASSY
Rome, Italy.
September 28, 1945.

My dear Admiral Stone:

In view of the fact that the Air Transport Command and the Royal Air Force have ceased air service to Florence and the report that the Air Transport Command expects to terminate air service to Milan in the very near future, the Embassy would appreciate receiving an indication of the facilities the Allied Commission has to offer for the rapid transportation of State Department couriers and their diplomatic pouches between Naples, Rome, Florence, Milan, Genoa, and Trieste.

Believe me, my dear Admiral Stone,

Sincerely yours,

/s/ David McK. Key
David McK. Key
Counselor of EmbassyRear Admiral Ellery W. Stone,
Chief Commissioner of the Allied Commission,
Rome.

4204

JLG:wer

CC DIST:
Exec. Comm.
Air Forces S/C
CC

Affaire

128

Transition

Rome, 29 September 1945

Office of the Chief Commissioner
Headquarters Allied Commission - Via VenetoRome

The writer, eng. STANCO Angelo, living in Rome, Lungotevere Flaminio, n. 60, vainly sent claims to the Tyres & Tubes office of the A.C., to the Claims Service and to APO 512; he is now obliged to appeal to this office to have justice done:

A short time after the occupation of Rome by the Allied forces, in 1944, Major Philip Caporal, Provost Marshal of the 12th T.A.C., stationed in Naples, came to the house of the undersigned, asking to use his car (Bianchi Aprilia - registered Rome 56190) against a daily payment of Lira 260, and saying that if he refused to hand over the car, he would have it requisitioned at once.

The undersigned who even still has great sympathy for the Allies, knew that without his car he couldn't exercise his profession (engineer) for he has been disabled by war; however, he didn't hesitate in complying with the Major's wish. The Major went at once to the requisition office of Palazzo Venezia, where he had the particulars of the car registered, and told the undersigned that the car would be used by him only, and handled carefully, because of the comprehension he had shown, and that, as soon as he no longer needed the car, he would hand it back to the writer personally. In fact, true to his word, he handed back the car on February 27th, in perfect state, but for the tyres which had been replaced by Allied tyres as the tyres of the undersigned had worn out during this time. As for the payment of L. 260 a day, the Major said that, because of new regulations, he couldn't pay them. The undersigned was satisfied by this explanation, and pleased to have been able to cooperate with the Allied forces. He thanked the Major for handing back the car and for taking good care of it.

The writer used his car till April 28th, when Sergeant Bradford and Private Brandy, doing service in APO 512, via della Camilluccia, 86, asked to have the car for 500 Lira a day, adding that if he refused, they would have the car requisitioned. The undersigned said he was willing to let them have the car, and offered to drive the car personally. On the next day he took service with the said Allied Command. He did this service for a month, day and night, and finally, asked for the promised salary, for he had no other means to maintain his family. Lt. Salei told him to be quiet, for he would certainly be paid. The writer did service for another 13 days, and again asked the Lt. to be paid. Another evasive answer was given to him; the writer who didn't know how to cope with daily expenses told the Lt. that he wasn't coming with the car on the next day, for his work wasn't being paid, while other cars depending from the said Lt. were regularly paid. On the next day, as the writer hadn't gone to work, Private Brandy came, saying he had been ordered to take the tyres away; the said tyres, as it has been said before, had been given to him by Major Caporal, in compensation for his own tyres, no longer serviceable after the Major had used them for a while. However, Private Brandy wouldn't be convinced, and the writer handed him his five tyres.

The writer went several times to via della Camilluccia, 86, to protest for the taking of the tyres, and to obtain the 21,500 Lira owed to him for a month and 13 days work, but Lt. Salei would never receive him, and up to now, he hasn't received anything. In other words, the writer is now without tyres, and unable to work for having been friendly with the Allied forces.

- 2 -

The writer asked for the kind intervention of this office, to obtain the 21.000 lire that Lt. Halei owes him, and also 5 allied tyres size 6,00 - 16, for without his car, he cannot make a living for his family.

Trusting that this office will not put the head of a family in a position where he cannot support his children, the writer states he is willing to pay for the tyres, if this office cannot let him have them free; he is willing to take five unserviceable tyres.

yours sincerely,

s. Angelo Staneo

Lungotevere Flaminio, 60
R o m e

4202

178

Transition

Rome, 25 September 1945

Office of the Chief Commissioner
 Headquarters Allied Commission - via Veneto

R O M E

The writer, eng. FRANCO Angelo, living in Rome, Lungotevere Flaminio, n. 60, vainly sent claims to the Tyres & Tubes office of the A.C., to the Claims Service and to APO 912; he is now obliged to appeal to this office to have justice done:

A short time after the occupation of Rome by the Allied Forces, in 1944, Major Philip Caporal, Provost Marshal of the 12th F.A.S., stationed in Naples, came to the house of the undersigned, asking to use his car (Isotta Aprilia - registered Rome 56190) against a daily payment of lire 200, and saying that if he refused to hand over the car, he would have it requisitioned at once.

The undersigned who had and still has great sympathy for the Allies, knew that without his car he couldn't exercise his profession (engineer) for he has been disabled by war; however, he didn't hesitate in complying with the Major's wish. The Major went at once to the requisition office of Milano Venezia, where he had the particulars of the car registered, and told the undersigned that the car would be used by him only, and handled carefully, because of the comprehension he had shown, and that, as soon as he no longer needed the car, he would hand it back to the writer personally. In fact, true to his word, he handed back the car on February 27th, in perfect state, but for the tyres which had been replaced by allied tyres as the tyres of the undersigned had worn out during this time. As for the payment of L. 200 a day, the Major said that, because of new regulations, he couldn't pay them. The undersigned was satisfied by this explanation, and planned to have been able to cooperate with the Allied forces. He thanked the Major for handing back the car and for taking good care of it.

The writer used his car till April 28th, when Sergeant Bradford and Private Brandy, doing service in APO 912, via della Camilluccia, 26, asked to hire the car for 500 lire a day, adding that if he refused, they would have the car requisitioned. The undersigned said he was willing to let them have the car, and offered to drive the car personally. On the next day he took service with the said Allied Command. He did this service for a month, day and night, and finally, asked for the promised salary, for he had no other means to maintain his family. It was told him to be quiet, for he would certainly be paid. The writer did service for another 13 days, and again asked the Lt. to be paid. Another evasive answer was given to him; the writer who didn't know how to cope with daily expenses told the Lt. that he wasn't coming with the car on the next day, for his work wasn't being paid, while other cars belonging from the said Lt. were regularly paid. On the next day, as the writer hadn't gone to work, Private Brandy came, saying he had been ordered to take the tyres away; the said tyres, as it has been said before, had been given to him by Major Caporal, in compensation for his own tyres, no longer serviceable after the Major had used them for a while. However, Private Brandy wouldn't be convinced, and the writer handed him his five tyres.

The writer went several times to via della Camilluccia, 26, to protest for the taking of the tyres, and to obtain the 21,500 lire owed to him for a month and 13 days work, but Lt. Salei would never receive him, and up to now, he hasn't received anything. In other words, the writer is now without tyres, and unable to work for having been friendly with the Allied forces.

- 2 -

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Trusting that this office will not put the head of a family in a position where he cannot support his children, the writer states he is willing to pay for the tyres, if this office cannot let him have them free; he is willing to take five unserviceable tyres.

Yours sincerely,

S. Angelo Stanco

Lungotevere Flaminio, 60
R o m a

1200

SECRETARIAT
ADVISORY COUNCIL FOR ITALY

Rome, September 24, 1945

URGENT

Sir,

The Russian Delegation of the Advisory Council for Italy has expressed the desire to have presented at the next meeting of the Advisory Council for Italy a report on the "Background and Present Status of Plans for the Holding of Local and National Elections in Italy".

In view of the foregoing, it would be appreciated if you would make the necessary arrangements to have this report presented at the September 28, 1945 meeting of the Advisory Council for Italy, which will be held under the chairmanship of the Yugoslav Representative.

Respectfully yours,

/s/ JOHN L. COSHIE
Chief of Secretariat

4199

Admiral Ellery W. Stone

Chief Commissioner

Allied Commission

Rome.

SECRETARIAT
ADVISORY COUNCIL FOR ITALY

Rome, September 24, 1945

C
O
P
YURGENT

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Respectfully yours,

/s/ JOHN L. GOSHIE
Chief of Secretariat

4198

Admiral Ellery W. Stone

Chief Commissioner

Allied Commission

Rome.

Stone

Translation

To Admiral Stone
Chief Commissioner of the Allied Commission - Rome

and to the attention of:

Ambassador Kirk
American Embassy - Rome

Sir Noel Charles
British Embassy - Rome

His Holiness Pius XII
(Through the channel of the Substitute of State, Mgr. Montini) - Vatican City

H. E. Alcide De Gasperi
Foreign Office - Rome

Dr. Guglielmo Giannini
Editor of 'Uomo Qualunque' - Rome

Diplomatic Note

The writer, as from the documents in possession of the Embassy, is the man who foretold Mussolini's end in the place where he created the fascio.; he also foretold - unfortunately - Churchill's electoral defeat; he foresaw political events which did happen.

He is now making a general picture of the political situation which will lead to a European catastrophe if no action is taken.

Considering what is happening in Italy because of the ill-famed Menni and Togliatti, it is easy to see that an attempt is being made to blockadize Italy, to form an armed alliance under Stalin's orders, and against democratic and capitalistic countries.

Stalin aims at ruling the world and is therefore sending delegates all over Europe to prepare a favourable political situation.

Consequences can easily be deduced:

However, to return to Italy, Parri is an instrument that has been chosen only to prevent the collapse of the so called C.L.N.S., and make it possible to reach through them a republican dictatorship, which can be but social communist. To this end, the above mentioned party leaders receive plenty of weapons through the channel of Yugoslavia; by sending revolutionary agents they have organized a system of propaganda and boycotting among the ranks of the rebels; they hand over money and weapons and inspire them with hatred against the glorious Allies, England and America.

At present, thanks to a secret cipher brought by hand by the miserable Di Vittorio, undoubtedly being carried out,

(Through the channel of the Substitute of State, Mgr. Montini) - Vatican City

H. E. Alcide De Gasperi
Foreign Office - Rome

Dr. Guglielmo Giannini
Editor of 'Uomo Qualunque' - Rome

Diplomatic Note

The writer, as from the documents in possession of the Embassy, is the man who foretold Mussolini's end in the place where he created the fascio; he also foretold - unfortunately - Churchill's electoral defeat; he foresaw political events which did happen.

He is now making a general picture of the political situation which will lead to a European catastrophe if no action is taken.

Considering what is happening in Italy because of the ill-famed Menni and Fontini, it is easy to see that an attempt is being made to blockadize Italy, to form an armed alliance under Stalin's orders, and against democratic and capitalist countries.

Stalin aims at ruling the world and is therefore sending delegates all over Europe to prepare a favourable political situation.

Consequences can easily be deduced:

However, to return to Italy, Parri is an instrument that has been chosen only to prevent the collapse of the so called C.L.N.S., and make it possible to reach through them a republican dictatorship, which can be but social communist. To this end, the above mentioned party leaders receive plenty of weapons through the channel of Yugoslavia; by sending revolutionary agents they have organized a system of propaganda and boycotting among the ranks of the rebels; they hand over money and weapons and inspire them with hatred against the glorious allies, England and America.

At present, thanks to a secret cypher brought by hand by the miserable Di Vittorio, just back from Russia, Stalin's orders are clandestinely being carried out, chiefly regarding the following plans:

Organize a mass attack of all barracks, armaments depot, and police stations, and getting hold of the weapons and armaments to be found there; then get rid of the honest citizens of the opposition, invade the Quirinale, murder the Lieutenant of the Kingdom, and establish a social communist republic in the name of the people. There are also instructions for attacking at the same time all basilicas and churches to set the population against the Pope. This is to be done by a powerful crowd, amounting to about 100,000 armed rebels, generously paid, this for the sole town of Rome; 10 or 20,000 people are to take action at the same time in all the towns and villages of Italy. The date had been fixed for September 2nd; it has now been postponed to a later date not yet decided.

Meanwhile, they are making propaganda among the citizens, and setting them against the monarchy and the forces of order, by means of the leftist press.

The population is terrified, and shivers at the thought that liberation from fascism was but a dream, and that they have now a new and worse dictatorship.

The Government commits such crimes as make your hair stand on end: Cullo issues decrees on agriculture, and at the same time, denies them by ordering the rebels to invade the land.

Nenni drag's Attlee in the argument, says he is a comrade, leaves those who trusted him in a state of surprised indignation.

The true people, and the majority are fond of the Lieutenant of the kingdom and hopes for the liberation of Italy and the restoration of a monarchy.

His Holiness should tell De Gasperi that Italy will never have a Christian democrat republic. Nor a social communist or Mazzinian republic. In both cases, there would be an attack against religion, or a complete indifference towards it. Thus, even religion would come to an end in Italy.

It would be well to take a position; this could be done by De Gasperi; he might discuss the matter with Cattani (liberal) and Giannini, and form the following block: Christian democrats, Italian democrats (Selvaggi or Lucifero), liberals and monarchists, tending towards a monarchy. There is no other way out if Italy, Europe and religion are to be saved.

It isn't true that the people does not want the monarchy; it is only a false propaganda to install a dictatorship. The true Italian people wants a monarchy and likes America and England.

Action must be taken before it is too late; the C.L.N. must be dissolved.

No one wants the present self appointed government. Parri is a traitor.

Secret informer, initials F.X.

4195

TRANSLATION

CC 1153

SEP 13 1945

TO: Supreme Allied Commander, Field Marshal Sir Alexander

I received from your headquarters telegram number 1050/FX/42806 signed by Major Stearns couched in a text the tone of which is not very clear to me.

On 7 September I was informed that from the Soviet camp at Udine, where there are 300 Soviet nationals gathered awaiting transshipment into Russia, the local British authorities in the person of Major Bread referred to an order given by XIII Corps and allegedly with my concurrence given to you, intends, without consulting us, to ship the Soviet nationals in that camp to Riccione. Major Bread did not communicate to me the date of the intended shipment.

This action is a direct contravention of paragraph 2 of the agreement of 11 February 45 which reads: "The transfer of camps as well as the transfer from one camp to another of liberated Soviet citizens or nationals will be made with the express agreement between the competent Soviet and British authorities." I reminded Major Bread of this and explained that his reference to my concurrence is incorrect and is apparently a misunderstanding which took place in one of the headquarters. I asked him to immediately inform, accordingly, his higher authorities and to arrange a meeting with responsible representatives of XIII Corps in order to resolve this question in detail and to organize the transfer of Soviet citizens from the camp at Udine to Neuenkirchen to our reception center. The representative from XIII Corps did not arrive and I was forced to confine my talks with Major Bread.

In talking with Soviet citizens in the Udine camp I remarked that they are desirous of being repatriated to Russia as soon as possible and were unaware of the fact that they were to be shipped south to Riccione. From this it is evident that all of the Russian nationals in the Udine camp which the English authorities, without our knowledge, were planning to ship to Riccione on 4 September 45, were in the Russian camp in Udine and were not shipped by train to Riccione as it is stated in your telegram 150/FX/42806.

This fact refutes the statement made in the telegram. Of course, you know that in our conversations the question of transferring Soviet citizens from the camp in Udine to Riccione has not been raised while of those in Camp 218 I first ⁴ was informed in your telegram. In view of the above I consider that the camp at Udine is the most convenient place for the gathering, holding, and for accommodation in connection with the repatriation of Soviet citizens to USSR and for this reason I insist on retaining in Udine the camp for Soviet citizens where they can be continued to be sent for eventual transfer to our reception centers at Neuenkirchen. I also request that in accordance with paragraph 2 of the agreement of 11 February 45, without agreement of our representatives for repatriation, not to transfer the camps or Soviet citizens from one camp to another in the future. I protest against the fact that in Soviet camps, including the camp at Udine and the camp No. 218, English military personnel assumed the screening of persons for the purpose of ascertaining if they wished to be repatriated.

I strongly urge you, Sir, to issue appropriate instructions to your subordinates in connection with the necessity of complying with existing agreements on mutual repatriations.

Accept my sincere respects, Sir, I am

Maj or General BASILOV

TRANSLATION

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, September 17, 1945

My dear Admiral Stone,

I refer to your letter of September 7, 1945, to the Ambassador enclosing a draft letter to the Prime Minister with respect to Signor Nenni's interpretation of the responsibility of the High Commissioner for the punishment of Fascist Crimes to submit epuration legislation to the Allied Commission in the light of the MacMillan Aide Memoire of February 24, 1945. It is my understanding that you did not intend to address Professor Parri on this subject until after Brigadier Carr had received confirmation of Signor Nenni's views as expressed in the first paragraph of the draft letter. Meanwhile the Embassy has received the views of the United States Government with respect to the position of the Allied Commission as outlined in the draft letter, which I hasten to transmit to you.

In the view of the Department of State the Italian Government should not be required to submit legislation on epuration to the Allied Commission for prior approval. It is considered that the Italian Government is implementing Article 30 of the Instrument of Surrender which relates to defascistization and, as long as it carries out its obligations in this respect, no useful purpose would be served by the Allied Commission exercising direct control over details of this delicate task. In addition to the belief that such control would be contrary to general policy towards Italy and the spirit of existing directives, it is felt that to insist on the Italian Government submitting its epuration legislation to the Allied Commission for approval is to risk accusations of interference in Italian internal politics and unnecessary responsibility for methods of epuration.

With respect to your draft letter to Professor Parri, the Embassy has been instructed to suggest that the Allied Governments are following with interest the implementation of Article 30 of the Instrument of Surrender, that they wish to be kept fully informed through the Allied Commission of all action taken by the Italian Government in this respect, and that finally the right is reserved to intervene if it is apparent that the Government is not properly carrying out its obligations.

Sincerely yours,

/s/ David McK. Key
Charge d'Affaires a.i.

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

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OF THE
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Key

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UNITED STATES OF AMERICA

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Charge d'Affaires a.i.

COPY

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome September 10 - 45

My dear Admiral,

I am enclosing a copy of a memorandum submitted by a member of the Agricultural Section of the Embassy concerning the murder of a substantial number of farmore in Emilia Province over a five-month period. If this information has not come to your attention from another source it will be of interest to the appropriate authorities of the Commission.

Sincerely yours,

A. Kirk

Enclosure

Rear Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

Copy Ex Com
C A for Pub S S/C

4185

my plus

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OF THE
UNITED STATES OF AMERICA

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COPY

September 6 1945

TO : Ambassador Kirk
Mr. Livengood
Mr. Eifer

FROM : James Parker Wilson

SUBJECT : Murder of Farm Owners in the Province of Emilia

I regret to report that during the five-month period ending August 31, 1945, a total of 213 farm owners were murdered in the Province of Emilia according to information supplied to this officer on the occasion of a recent visit to the headquarters of the Farmers' Association of Emilia located at Bologna.

As I have pointed out in conversations with you since my return, this is a most deplorable situation, and is believed largely to be of a terroristic nature designed to force farm owners to comply with certain political and social aims allegedly for the benefit of farm workers.

Before presenting this statement I have consulted with Captain Koeller, A.C. Agricultural Officer assigned to Bologna, presently on duty at headquarters in Rome, and he states the information is substantially the same as that which he has been receiving.

4184

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, September 10, 1945.

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

cc-EX Com

C.A. for Pub S & S/C for ACTION (2)

4183

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5108

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UNITED STATES OF AMERICA

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Enclosure

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Allied Commission,
Rome.

cc-EX Com

C.A. for Pub S of S/C

for ACTION (2)

4181

affair

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4180

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

785015

Make a mental
note of these
and put in
spares file

E.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
FIFTH ARMY
APO 464

9 September 1945

SUBJECT: Recommendation for Award

TO : Commanding General, MTOUSA
THROUGH: Chief Commissioner, Allied Commission, APO 394

1. Under the provisions of AR 600-45, as amended, it is recommended that Captain Mathias F. Correa, O-280074, Captain, Field Artillery, chief of the Black Market Control Division, Allied Military Government, Fifth Army be awarded the Bronze Star Medal for meritorious services in support of combat operations, from 5 June to 6 July 1944.

2. Following more than five months of intensive planning and experience in the field in Naples with the Black Market Control Division, Captain Correa entered Rome with the advance party on 4 June 1944 and set up a network of undercover agents, a system of intelligence and information and methods for the apprehension and prosecution of black market offenders. With a civilian background as United States Attorney for the Southern District of New York and an investigator, Captain Correa courageously undertook one of the most difficult tasks of the military government forces which entered Rome. Because of the obvious source of black market supply of stolen military stores, members of the Italian Finance Guards were placed by Captain Correa in strategic zones with orders to protect Army supplies. This was followed through in the instance of protection over flour supplies by spot-checking 500 bakeries throughout the city of Rome several days following the first distribution from Allied Military Government stocks.

Working closely with the Allied Commission Economics and Supply Division, Captain Correa devised and set up price control scales to reduce the incidents of black market and to stabilize a standard of living. Members of the Merchants' Association of Rome submitted, at Captain Correa's request, statements based upon their records and reports of existing food stocks in Rome. These again were checked against proposed price lists for food and vegetables and the supplies which Allied Military Government was bringing in. All of this work, headed by Captain Correa, prevented much black market activity which otherwise would have hindered the progress of the Allied occupation of the first European capital to be captured.

On the side of enforcement of Allied Military Government proclamations against black market activities, Captain Correa employed women investigators who acted as housewives and thus were able to ascertain what foods were available and at what prices. A daily record of these

was maintained and severe punitive measures dealt to offenders. A complaint office was established by Captain Correa and publicity was circulated by him to the Psychological Warfare Branch and other public relations offices. Captain Correa himself was subjected to danger when he insisted on accompanying a Finance Guard who was posting proclamations in an area known to be populated by Fascists. In a series of small-arms fire exchanges which resulted during an attempt to post a proclamation, the Finance Guard was fatally injured and Captain Correa made a complete report to his superior officers.

The work of Captain Correa in throttling the outlet of Allied supplies through the black market, his intelligent and well-planned coordination of price scales and standards with Italian consumers' associations, and his personal supervision of a difficult task resulted in much favorable comment and the virtual elimination of black market activity in Rome during the period in which he served. Although the Fifth Army was in Rome only a short time, Captain Correa continued his activities under authority of Allied Force Headquarters and extended his organization into every field of Italian economic life.

In recognition for his brilliant work in Rome, Captain Correa was returned to the United States, discharged from the United States Army and at the personal request of Secretary of the Navy Forrestal, was employed by the Navy Department as a civilian expert. Later, again at the order of the Secretary of the Navy, he was commissioned a captain in the United States Marine Corps Reserve and assigned as personal assistant to the Secretary of the Navy. He has subsequently been promoted to the rank of major, which rank he is now holding in his assignment with the Secretary of the Navy. Captain Correa's former superior officer in Rome wished to recognize his excellent performance of duty but was relieved of his command before he could initiate the proper recommendation. Since that time, from his headquarters in the Pacific area, he has continually stressed the importance of an award for Captain Correa but due to existing formalities and difficulties in transmission of correspondence, has been unable to do so. It is thought that this recommendation includes both the wishes of the undersigned and of those under whom Captain Correa worked during his period of duty in Rome.

3. I have personal knowledge of the acts cited in paragraph 2.

4. a. Rank and Organization at the time of rendition of above-described services: Captain, Black Market Control Division, Allied Military Government under Rome Allied Area Command.

b. Rank and Organization at present time: Major, United States Marine Corps Reserve, Office of the Secretary of the Navy.

c. Previous awards: None.

5. The entire service of Captain Correa since performance of services described herein has been honorable.

6. Proposed Citation:

MATHIAS F. CORREA, O-280074, Captain, Field Artillery, Black Market Control Division, Allied Military Government, for meritorious services in support of combat operations from 5 June to 6 July 1944 in Italy. As Chief of the Black Market Control Division of Allied Military Government task force which entered Rome the first day, Captain Correa, thanks to careful advance planning and coordination of personnel, set up an extensive network of black market control functions and personally supervised the prevention of black market activity as well as enforcement of regulations and apprehension of offenders. He voluntarily exposed himself to fire which killed the Finance Guard which he was accompanying, to see that Allied Military Government anti-black market proclamations were posted in Rome. He worked closely with merchants' associations and consumers' cooperatives in Rome to regulate a price scale and a fair standard of living and thus actually prevented much suffering which would otherwise have resulted. His cool, methodical planning of a large-scale operation, his fulfillment of his duties at the time of the Allied entry into Rome and his high devotion to duty exemplify the best traditions of the military service. Entered the military service from New York, New York.

EDGAR ERSKINE HUME
Brigadier General, GSC
Senior Civil Affairs Officer

4177

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
FIFTH ARMY
APO 464

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5. The entire service of Captain Correa since performance of services described herein has been honorable.

6. Proposed Citations

MATHIAS F. CORREA, O-280074, Captain, Field Artillery, Black Market Control Division, Allied Military Government, for meritorious services in support of combat operations from 5 June to 6 July 1944 in Italy. As Chief of the Black Market Control Division of Allied Military Government task force which entered Rome the first day, Captain Correa, thanks to careful advance planning and coordination of personnel, set up an extensive network of black market control functions and personally supervised the prevention of black market activity as well as enforcement of regulations and apprehension of offenders. He voluntarily exposed himself to fire which killed the Finance Guard which he was accompanying, to see that Allied Military Government anti-black market proclamations were posted in Rome. He worked closely with merchants' associations and consumers' cooperatives in Rome to regulate a price scale and a fair standard of living and thus actually prevented much suffering which would otherwise have resulted. His cool, methodical planning of a large-scale operation, his fulfillment of his duties at the time of the Allied entry into Rome and his high devotion to duty exemplify the best traditions of the military service. Entered the military service from New York, New York.

EDGAR ERSKINE HUME
Brigadier General, GSC
Senior Civil Affairs Officer

4176

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, September 7, 1945

Dear Admiral Stone,

I have received official instructions from my Government concerning elections and electoral procedure in Italy which will be of interest to the Allied Commission.

On the assumption that the Italian Government will proceed with its plans for electoral lists for communal and provincial elections and will hold such elections at an early date, my Government is of the opinion that the Italian Government should be permitted to hold elections anywhere in Italy whenever it is ready, provided, however, that in those areas where Allied Military Government is to be maintained, pending the official settlement of frontier questions, local elections, must not be permitted to interfere with Allied Military Government administration.

My Government is of the opinion that the Allied Commission, operating through its Local Government Subcommittee, should continue its function of rendering advice to the Italian Government to ensure that the procedure in local elections is fair, free and democratic, and, furthermore, that the Allied Commission should renew to the present Government of Italy the suggestions made earlier to the former government that the basic electoral law of 1915 be so modified as to provide for 1) adequate provision for nomination of candidates prior to the voting; 2) control of the electioneering of the polling places; and 3) the supplying of official ballots. Within these recommendations, however, it is felt that the Allied Commission should not insist on changes so elaborate that they would tend to place an excessive burden on the smaller communes and that the Allied Commission should be receptive to such views as may be expressed by Italian officials regarding Italian experience in democratic procedures in local elections.

It is the desire of the Government of the United States that local elections be held as soon as possible and, although we must insist that the procedure be fair, free and democratic, technical objections to minor details should not be permitted to delay the calling of these elections. In any case it is probable that the procedure followed in the first elections in Italy will be subject to subsequent revision.

Sincerely yours,

CC DIST:
Executive Commissioner
Civil Affairs Section (2)
CC Files

/s/ A. Kirk

Amphibian

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, September 7, 1945

Dear Admiral Stone,

I have received official instructions from my Government concerning elections and electoral procedure in Italy which will be of interest to the Allied Commission.

On the assumption that the Italian Government will proceed with its plans for electoral lists for communal and provincial elections and will hold such elections at an early date, my Government is of the opinion that the Italian Government should be permitted to hold elections anywhere in Italy whenever it is ready, provided, however, that in those areas where Allied Military Government is to be maintained, pending the official settlement of frontier questions, local elections, must not be permitted to interfere with Allied Military Government administration.

My Government is of the opinion that the Allied Commission, operating through its Local Government Subcommittee, should continue its function of rendering advice to the Italian Government to ensure that the procedure in local elections is fair, free and democratic, and, furthermore, that the Allied Commission should refer to the present Government of Italy the suggestions made earlier to the former government that the basic electoral law of 1915 be so modified as to provide for 1) adequate provision for nomination of candidates prior to the voting; 2) control of the electioneering of the polling places; and 3) the supplying of official ballots. Within these recommendations, however, it is felt that the Allied Commission should not insist on changes so elaborate that they would tend to place an excessive burden on the smaller communes and that the Allied Commission should be receptive to such views as may be expressed by Italian officials regarding Italian experience in democratic procedures in local elections.

4169

It is the desire of the Government of the United States that local elections be held as soon as possible and, although we must insist that the procedure be fair, free and democratic, technical objections to minor details should not be permitted to delay the calling of these elections. In any case it is probable that the procedure followed in the first elections in Italy will be subject to subsequent revision.

Sincerely yours,

/s/ A. Kirk

CC DIST:
Executive Commissioner
Civil Affairs Section (2)
CC Files

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

PERSONAL AND CONFIDENTIAL

AMERICAN EMBASSY

Rome, September 5, 1945

Dear Admiral Stone,

The American Ambassador to Paris has repeated to me a telegram which he sent to the Department on September 1 regarding the desire of Pechelz, Secretary of Mr. Machek, leader of the Croat Peasant Party, to come to Rome to consult with Mr. Krek, former Yugoslav representative on the Advisory Council for Italy and President of the Slovenian Peasant Party, for the purpose of obtaining his concurrence to a petition from all "democratic parties" in Yugoslavia for presentation to the Council of Foreign Ministers meeting in London on September 10. After consulting with Mr. Krek, Pechelz desires to return to Paris via Salzburg. While I do not know the nature of the reply which the Department of State will make to Paris, my preliminary and personal view is that the journey to Rome for the purpose indicated should be facilitated by the Allied authorities. Do you have any comments?

Sincerely yours,

/s/ A. Kirk

P.S. Shouldn't the Italians be consulted if the requests materialize

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

cc: Exec. Comm.
CA Section.

4168

Sturges

0191

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

785015

TRANSLATION

3 September 1945

Chief Commissioner of Allied Commission
Rear Admiral Ellery Stone

Sir,

I have the honor to notify you that I am going to
Moscow to report to my Government and in the period of my
absence I am leaving in the Allied Commission as my Deputy
Colonel V. V. Savko.

Representative of the USSR
to the Allied Commission

/s/ A. Kislenko

cc-Exec. Commr.

4107

original

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, September 1, 1945.

CONFIDENTIAL

Dear Admiral Stone:

I received yesterday your letter dated August 25, 1945, with regard to the Italian Government coal negotiations with Poland and am pleased to learn that the Italian Mission will depart shortly for Warsaw.

With reference to the statement of policy expressed by the United Kingdom representative on the European Coal Organization, transmitted to you in the War Office message of August 22, you will recall that the somewhat similar views of the Department of State on this subject have already been brought to the attention of the Italian Government informally, as recorded in my letter to you dated August 7, 1945. I have reported the British viewpoint to Washington but assume that either the British Embassy or the Allied Commission will convey it to the Italian Government. In view of the imminent departure of the Italian Mission, I arranged to inform Colonel Densmore orally in the above sense today in order to avoid delay should you wish to take additional action promptly.

Sincerely yours,

/s/ A. KIRK.

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

436

cc: Exec. Commr.
Econ. Section (Col. Densmore (3))

myler

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, September 1, 1945.

CONFIDENTIAL

Dear Admiral Stone:

I received yesterday your letter dated August 25, 1945, with regard to the Italian Government coal negotiations with Poland and am pleased to learn that the Italian Mission will depart shortly for Warsaw.

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Sincerely yours,

/s/ A. KIRK.

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

1165

cc: Exec. Commr.
Econ. Section (Col. Denmore (3))

TRANSLATION

PLENIPOTENTIARY
THE UNION OF SOVIET SOCIALIST REPUBLICS
ADVISORY COUNCIL FOR ITALY

No. 309

30 August 1945

5 Via Gaeta, Rome - Tel 481389

TO: Admiral Ellery W. Stone
Chief Commissioner
Allied Commission

Enclosed herewith is copy of a letter sent by me to the
Supreme Allied Commander, Field Marshal Sir Alexander.

I would also ask you to send, through your channels, to
Field Marshal Alexander the copy of my letter No. 308.

(Signed) A. Vasiliev
Maj. Gen. - Red Army

234

myph

TRANSLATIONPLENIPOTENTIARY
THE UNION OF SOVIET SOCIALIST REPUBLICS
ADVISORY COUNCIL FOR ITALY

No. 308

30 August 1945

5 Via Gaeta, Rome - Tel 481-389

TO: Field Marshal Alexander

Returning to Rome the 29th of August 45 after a meeting with you along Route No. 7 at 1645 hours at a point marked 121.5 kilometers (location Fondi) I was unexpectedly shot at from a military police post and 6 revolver shots were directed at my car.

The occupants with me in the vehicle were General I. D. Basilov, Captain G. S. Bekrenov, Lieutenant M. A. Uraveski, and Driver E. E. Khrenov.

Colonel P. G. Iakovlev and Colonel A. E. Briukhanov, who were accompanying us and were following in another car, stopped at the police post from which we were fired upon and presented their documents, demanding an explanation from the police. The military police refused to give any explanation and even refused to give their names.

I wish to state that I, General I. D. Basilov, and the other officers accompanying me were completely uniformed in U.S.S.R. Army uniforms and my car had AC 2020 and diplomatic corps markings; it was also provided with a flag of the U.S.S.R. which should be easily recognizable to all the ranks of the Allied military police.

Communicating this to you, Sir, I also wish to express my indignation in connection with the above case, and I would appreciate it if you would let me know what measures you intend to take.

4163

(signed) A. Vasiliev
Maj Gen - Red Army

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY
Rome, August 29, 1945

Dear Admiral Stone,

I am enclosing a paraphrase of a message which I have received from the American Ambassador at Warsaw concerning the establishment of the Polish Embassy in Rome. As you may know, Professor Bolislao Kot has been designated Ambassador of the Polish Provisional Government to Rome and is expected to arrive shortly. The Charge d'Affaires of the Polish Embassy, who has recently presented his credentials, is Mr. Eugene Markowski.

I will be grateful for any information which the Allied Commission can furnish me on which to base a reply to the Embassy at Warsaw. I need not add that I have been instructed to enter into cordial and official relations with the new representative of the Polish Provisional Government and that my Government would appreciate whatever facilities may be possible in assisting in the establishment of the Polish diplomatic mission in Rome.

Sincerely yours,

/s/ A. Kirk

Enclosure

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

CC DISTRIBUTION

Exec. Commr.
Pol. Adviser (A)
Pol. Adviser (B)
CC Files

62

Wojcik

PARAPHRASE

The establishment of a Polish Embassy in Rome is contemplated. The Polish Foreign Office has enquired what arrangements might be made for a representative of the Polish Foreign Office to visit Rome to prepare the way and what facilities there are for obtaining food, housing and communications for the new Ambassador and his staff.

The Polish Government has also enquired:

- 1) In order to permit Foreign Office representatives to proceed from Warsaw to Rome, by whatever route may be necessary, can they travel on United States military planes?
- 2) Will Polish Embassy officials be offered, on loan, any automobiles and gasoline after their arrival here?

Your recommendations, and any assistance which can be extended, will be appreciated.

N° 2250.

ROME, le 28 AOUT 1945.

NOTE POUR LA SECTION DE LIAISON

Sujet: Enquête sur le matériel prélevé en France
par les occupants italiens.

1. - Le Gouvernement Français se préoccupe en ce moment de réunir la documentation nécessaire pour les négociations qui doivent s'ouvrir à Londres le 10 Septembre au sujet de la préparation du Traité de Paix avec l'Italie.

Ainsi ai-je été chargé de contribuer à une enquête menée auprès des services italiens afin de savoir exactement le sort qui a été réservé aux principaux matériels et stocks prélevés en France par les occupants italiens entre 1940 et 1943.

2. - Bien que cette enquête soit surtout une affaire franco-italienne, l'Ambassadeur de France à Rome et moi-même estimons qu'il serait plus conforme à l'esprit des accords interalliés que cette enquête fut entreprise sous le couvert de la Commission Alliée.

Les principales Sous-Commissions intéressées seraient celles de la Marine, de l'Armée de terre, de l'Air et de l'Industrie.

3. - Je demande l'accord des autorités de l'A.C. pour qu'un tel travail soit entrepris prochainement.

La procédure à suivre pourrait être la suivante :

a) Des réunions auraient lieu à l'A.C. auxquelles prendraient part :

- Le Chef de la Sous-Commission intéressée ou son délégué accompagné des adjoints qu'il voudrait bien désigner.

- Le Représentant français à l'A.C. accompagné d'un ou deux techniciens.

- Les délégués italiens du Ministère correspondant.

b) Les questions à poser aux italiens seraient contenues dans un programme fixé à l'avance.

c) Après cette première réunion, des contacts moins formels entre techniciens pourraient avoir lieu dans le but d'avancer le travail rapidement.

4. - Etant donné la date rapprochée à laquelle doivent commencer les négociations de Londres, je demande qu'une première réunion ait lieu dans le courant de la semaine prochaine pour traiter d'un des aspects les plus importants de l'enquête, celui de la Marine Marchande.

Si-joint un projet de note concernant cette réunion.

Le Capitaine de Vaisseau MOUTIER,
Représentant Français
à la Commission Alliée en Italie.

Moutier
—

PROJET DE NOTE

~~PROJET DE NOTE~~

OBJET: Enquête sur le matériel de la Marine Marchande
prélevé en France au cours de l'occupation italienne.

- 1^o- Une réunion aura lieu à l'A.C. le 6 (ou le 7) septembre
à heures dans les bureaux de la Navy Sub-Commission.
- 2^o. Prendront part à cette réunion:
 - Le Chef de la Navy Sub-Commission (ou son délégué)
accompagné de ... adjoints;
 - Le représentant Français à l'A.C. accompagné du Capitai
ne de Vaisseau Bonis, chargé de mission du Ministère
de la Marine Marchande, et de l'Ingénieur en Chef
du Génie Maritime Gandilhon;
 - Les délégués du Ministère de la Marine italienne
compétents en matière de Marine Marchande.
- 3^o. La réunion a pour but de réunir des informations sur
le sort du matériel prélevé en France au cours de
l'occupation italienne.
- 4^o) Les principales questions traitées seront celles énumé-
rées dans le programme ci-joint.

4138

Programme des questions posées

1. En Novembre 1942, après l'occupation totale de la France, les puissances de l'Axe ont pris en charge tout le matériel flottant trouvé dans les ports français, soit 634.685 tonnes de navires français, sur lesquels, d'après les renseignements incomplets que nous possédons, 400.000 Tonnes environ auraient passé sous pavillon italien.
 La liste de ce matériel a été dressée dans un texte connu sous le nom de "Accords Laval-Kauffmann".
 Quels sont les arrangements qui ont été faits entre Allemands et Italiens au sujet de l'utilisation de ces navires ?
 Que sont devenus les bâtiments français passés sous pavillon italien ? Quelles sont les mesures prises pour leur restitution ?
2. En Septembre 1942, les Puissances de l'Axe ont pris en charge tous les navires étrangers qui se trouvaient en France au moment de l'armistice. Cette réquisition effectuée sous la contrainte, a fait l'objet d'un texte dit "Accords de Nevers".
 Que sont devenus ceux de ces navires qui sont passés sous pavillon italien ? Fixation des responsabilités.
 Cas du navire yougoslave "Séraphine Topie" dont la remise à l'Italie a été exigée sous la contrainte.
3. Que sont devenus les navires français affrétés par le Gouvernement italien pendant la période 1941-43 ?
 Cas des deux remorqueurs "Raoul Venture" et "Michel Venture".
4. Les Gouvernements de l'Axe ont réquisitionné sous la contrainte un certain nombre de navires fluviaux tels que péniches, chalands, remorqueurs.
 Quelle part l'Italie a pris dans cette réquisition ?
 Sort réservé à ces bâtiments.
5. Mêmes questions concernant les yachts, les embarcations de plaisance et également le matériel flottant des ports commerciaux.
 Une liste des bâtiments en question pourra être fournie avec prière de nous renseigner sur leur sort.

6. Questions diverses. Cas du navire norvégien "Vigor".
Réquisition par les Italiens de navires de dragage.
Sort des marchandises et cargaisons françaises saisies par les Italiens.

7. Le 3 Avril 1940, avant l'entrée en guerre de l'Italie, le Gouvernement français avait passé un marché avec les chantiers de Monfalcone pour la construction de 4 pétroliers de 15.000 tonnes.

Renseignements sur le début d'exécution du contrat et sur les provisions versées par le Gouvernement français.

L'énumération des questions ainsi posées n'est pas limitative et pourra être complétée dans le courant de l'enquête.

No. 2250

Rome, 28 Aug 45

MEMORANDUM FOR THE LIAISON SECTION.

Subject: Enquiry concerning material removed from France by the Italian occupation forces.

1. At this moment the French Government is concerned to collect the necessary documents for the negotiations which are to commence in London on 10th September in preparation for a Peace Treaty with Italy.

To this end I have been instructed to assist in enquiring of the Italian Forces for precise information regarding the fate which befell the principle equipment and stocks which were carried away from France by the occupying Italians between 1940 and 1943.

2. Although this enquiry is above-all a Franco-Italian matter, the French Ambassador in Rome and I feel that it would be more in conformance with the spirit of relations between allies that it should be undertaken within the structure of the Allied Commission.

The principal Sub-Commissions involved would be those of the Navy, the Land forces, the Air, and of Industry.

3. I request the agreement of the A.C. authorities for this task to be undertaken in the near future.

The procedure to be followed might be as under :

a) Meetings to take place at the A.C. at which there would take part :

- The Chief of the Sub Commission concerned, or his delegate accompanied by any assistants he desires to nominate.
- The French Representative at the A.C., accompanied by one or two technical advisers.
- The Italian delegates from the corresponding Ministry.

b) The questions to be put to the Italian would be contained in an agenda previously decided.

c).....

4 33

- 2 -
- c) After this first meeting less formal contacts between the technical personnel could take place, in order to expedite the progress of the work.

4. Considering the early date at which the negotiations in London are to begin I request that an initial meeting may take place during the coming week to deal with one of the most important aspects of the enquiry, that of the Mercantile Marine.

Attached is a proposed memorandum with reference to this meeting.

(Sgd) Captain ROULLIER
French Representative, A.C.

GGE/P.

cc: Exe. Comm.

4104

PROPOSED MEMORANDUM

Subject: Enquiry concerning Mercantile Marine materials
taken away from France during the Italian occupation.

1. A meeting will take place at hours on 6 (or 7) September in the Offices of the Navy Sub Commission, A.C.
2. The following will take part in this meeting :
 - The Chief, Navy Sub Commission (or his delegate) accompanied by assistants;
 - The French Representative, A.C., accompanied by Capt. Denis, appointed by the Ministry of Mercantile Marine for special duties, and Engineer-in-Chief Candillon of the Engineering Department.
 - The delegates of the Italian Ministry of Marine, competent to deal with matters concerning the Mercantile Marine.
3. The object of the meeting is to collect information regarding the fate of the equipment removed from France during the Italian occupation.
4. The principal questions discussed will be those contained in the attached agenda.

Agenda of questions asked.

1. In November 1942, after the total occupation of France, the Axis powers assumed control of all floating equipment found in French ports, being 634, 685 tons of French ships of which, according to our incomplete records, about 400,000 tons were placed under the Italian flag.

The list of this material was contained in a text known as the "Laval - Kaufmann agreement".

What arrangements were made between the Germans and the Italians concerning the employment of these vessels?

What has become of French ships which passed under the Italian flag? What steps have been taken towards their restitution?

2. In September 1942, the Axis Powers assumed control of all foreign vessels which were in France at the time of the Armistice. This requisitioning, which was enforced, formed the subject of a paper called "Agreement of Nevers".

What has become of those ships which passed to the Italian flag? Establishment of responsibilities. Case of the Yugoslav ship "Serafine Topic", the return of which to Italy was enforced.

3. What has become of French ships by the Italian Government in the period 1941-43? Case of the two tugs "Raoul Venture" and "Michel Venture".

4. The Axis Governments requisitioned by force a certain number of river craft such as pinnaces, lighters and tugs.

What part did Italy take in this?
Fate of these vessels?

5. The same questions with regard to yachts, pleasure-boats, and similarly the floating equipment of commercial ports.

A list

- 2 -

A list of the boats concerned can be supplied with the request that we be informed as to their fate.

6. Various questions. Case of the Norwegian ship "Viger". Requisition by the Italians of dredgers. Fate of French merchandise and cargoes seized by the Italians.

7. On 3 April 1940, before the entry of Italy into the war, the French Government contracted with the Monfalcone ship-builders for the construction of 4 tankers of 15,000 tons.

Information concerning the commencement of fulfilment of the contract and concerning the advance deposit paid by the French Government.

This list of questions is in no way restricted to the above which may be supplemented in the course of the enquiry.

- 131

GGE/F.

No. 2250

Rome, 28 Aug 45

MEMORANDUM FOR THE LIAISON SECTION.

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The principal Sub-Commissions involved would be those of the Navy, the Land forces, the Air, and of Industry.

3. I request the agreement of the A.C. authorities for this task to be undertaken in the near future.

The procedure to be followed might be as under :

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- 2 -

- c) After this first meeting less formal contacts between the technical personnel could take place, in order to expedite the progress of the work.

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Attached is a proposed memorandum with reference to this meeting.

(Sgd) Captain FOURMIG
French Representative, I.C.

GGG/P.

4148

PROPOSED MEMORANDUM

Subject: Enquiry concerning Mercantile Marine materials
taken away from France during the Italian occupation.

1. A meeting will take place at hours on
6 (or 7) September in the Offices of the Navy Sub Commission,
A.C.
2. The following will take part in this meeting :
 - The Chief, Navy Sub Commission (or his delegate)
accompanied by assistants;
 - The French Representative, A.C., accompanied by Capt.
Benis, appointed by the Ministry of Mercantile Marine
for special duties, and Engineer-in-Chief Gaudillon
of the Engineering Department.
 - The delegates of the Italian Ministry of Marine,
competent to deal with matters concerning the Mercantile
Marine.
3. The object of the meeting is to collect information
regarding the fate of the equipment removed from France during
the Italian occupation. 4140
4. The principal questions discussed will be those
contained in the attached agenda.

Agenda of questions asked.

1. In November 1942, after the total occupation of France, the Axis powers assumed control of all floating equipment found in French ports, being 634, 685 tons of French ships of which, according to our incomplete records, about 400,000 tons were placed under the Italian flag.

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This list of questions is in no way restricted to the above which may be supplemented in the course of the enquiry.

4146

GGL/P.

PROPOSED MEMORANDUM

Subject: Matter concerning Mercantile Marine materials
taken away from France during the Italian occupation.

1. A meeting will take place at hours on 6 (or 7) September in the Offices of the Navy Sub Commission, A.S.
2. The following will take part in this meeting :
 - The Chief, Navy Sub Commission (or his delegate) accompanied by assistants;
 - The French Representative, A.S., accompanied by Capt. Benie, appointed by the Ministry of Mercantile Marine for special duties, and Engineer-in-Chief Gaudillon of the Engineering Department.
 - The delegates of the Italian Ministry of Marine, competent to deal with matters concerning the Mercantile Marine.
3. The object of the meeting is to collect information regarding the fate of the equipment removed from France during the Italian occupation.
4. The principal questions discussed will be those contained in the attached agenda.

x 143

reg. 115

TranslationRef. Letter AQ, 125/ PS of 21/12/1944
and previous ones

The Minister of the Royal Household

10367

SEP 1 RECD
CC 0946

CC FILES

Rome, 28 August 1945

Dear Admiral,

I hope you will forgive my speaking again about this matter; however, H.R.H. the Princess of Piedmont and the small princes usually go to Castel Porziano at this time of the year, and I cannot but see that the regulations agreed to to prevent the access of the Estate to outsiders are observed.

During a trip to the Royal Estate on the 26th current month, I had the opportunity of making a few observations, and remembering all you have already done to prevent any misunderstanding between our staff and the allied troops, I want to bring them at once to your knowledge.

First of all, I have been told that members of the Allied Forces enter the Estate without any permission to do so to bathe, passing through the secondary gates towards Castel Fusano. If our staff refuses to open the gate which offers practically no resistance, they threaten to throw it down; this is a cause of constant embarrassment for our personnel.

While I was paying my visit, allied soldiers accompanied by ladies were already in the Estate; they had come through the secondary gate of Castel Fusano, in the three following cars:

- Lancia Aprilia - AC Hq. 28
- Truck - R.A.A.C. M.4673112
- American car JICA Unit R 20133196 U.S.A.

As you certainly remember, on October 23rd, on your order, the Allied Police delivered to our Castel Porziano Farming Agency a certain number of wooden boards bearing the words 'Allied Police sign - off limits - by command of the Commanding General' to be posted at the various gates of the Royal Estate.

These boards were immediately placed at the appointed spots; however, as I have been able to see the day before yesterday, and according to the statements of our staff, the allied troops very often take little notice of them. Besides, a few of the boards have been torn off.

Such being the situation, I take the liberty of asking you to see what can be done to prevent these inconveniences from happening again and enforce the prohibition expressed by the boards. On its side, the Royal Administration is of course willing to collaborate in all possible ways, and will if necessary, make its personnel available; the said personnel is able to supply all the necessary informations about the places where it would be advisable to put up signs.

Admiral Ellery W. Stone
Chief Commissioner of the Allied Commission
R o m e

EC. Dist. Aug 31.

G. 7. (2)

G. 6

Ex Comm

Return to
Chief Commissioner
Supplies

- 2 -

However, the main thing is that the prohibition expressed by the boards shouldn't remain void of meaning, and I take the liberty of drawing your attention on this point, trusting once more in your kind courtesy and comprehension.

I hope you will forgive me, my dear Admiral, and thanking you for whatever action you will deem advisable to take and for whatever you will let me know on this matter, I remain,

Yours truly,

S. Lucifero

(Minister of the Royal Household)

trans. e/o

1138

AMERICAN EMBASSY

Rome, Italy
August 28, 1945Rear Admiral Ellery W. Stone,
Chief Commissioner,
Allied Commission,
Rome, Italy.

My dear Admiral Stone:

I take pleasure in sending you herewith for your information a copy of a further report on Sardinian coal mines prepared by Colonel G. A. Green following his second visit to Sardinia during the period August 6 - 11, 1945. A copy of Colonel Green's first report on the Sardinian mine situation (No. 105 dated June 30, 1945) was forwarded to you with my letter of July 2, 1945.

Yours sincerely,

/s/ A. Kirk

Enclosure:

Report on Sardinian Coal
Mines, August 6 - 11, 1945.DISTRIBUTION:Exec. Comm. (for Econ. Sec., Coal
Division) (3) (with only copy
of report)

CG Files

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myle

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, August 24, 1945

Dear Admiral Stone,

On August 6 the French Embassy presented a note to the State Department referring to unofficial reports that it had received that North Italy would be restored to Italian administration on September 1. The French note stated that the withdrawal of Allied Military Government from northwest Italy was of direct interest to France; that Allied Military Government replacement by Italian administration should under no circumstances "infringe on Morgan-Carpentier agreements" or upon local "Doyen Truscott agreements relating to demilitarization of zone of fifteen miles east of frontier" and agreements relating to "pasture lands of Mont Cenis and Haute Maurienne"; and that the representative of France in Rome had received instructions to make similar representations to the Allied Commission and to the Advisory Council for Italy.

The views of the Department of State on this note, which I am happy to pass on to you, are that representations on this point should be addressed to the Allied Commission; that the agreements cited in the French note of August 6 make no commitment on the duration of Allied Military Government nor contain any obligation extending beyond the AMG period; that these agreements are purely military and that they relate only to the establishment of AMG and the withdrawal of French forces. In the view of my Government Italian territory on the northwest border should be returned to Italian jurisdiction on the same terms and at the same time as the rest of the northern provinces.

Sincerely yours,

4147

s/ A.Kirk

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

CC DIST:
Executive Commr.
Civil Affairs Section
G-5, AFHQ
CC Files

C O P Y

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, August 24, 1945

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Sincerely yours,

s/ A.Kirk

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

CC DIST:
Executive Commr.
Civil Affairs Section
G-5, AFHQ
CC Files

C O P Y

THE FOREIGN SERVICE OF THE
UNITED STATES OF
AMERICA

AMERICAN EMBASSY

Rome, Italy,
August 23, 1945.

CONFIDENTIAL

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

My dear Admiral:

I refer to my letters dated August 1 and August 7, 1945, regarding the desire of the Italian Government to negotiate with Poland and Czechoslovakia concerning the possibility of obtaining coal in exchange for certain Italian exports.

As was stated in earlier communications, the United States Government views favorably the undertaking of these negotiations without unavoidable delay, provided that any arrangements reached would not conflict with the plans of the European Coal Organization for the orderly distribution of European coal resources and, consequently, that the recommendations of the ECO be sought before final arrangements are made. I understand that the Allied Commission has already requested ECO to express its observations on the subject.

I am now in receipt of a communication from Washington in which it is pointed out that the Italian Government sees advantage in commencing discussions with Poland at the earliest possible date, in view of recent Polish commitments to Sweden and Russia in respect of coal, and that the Department of State approves departure of the Italian mission for Poland as soon as possible. The department has conveyed this view to the Italian Embassy in Washington.

Specifically, the Department of State suggests that the Italian mission be permitted to leave immediately, inasmuch as the Italian negotiators could receive any recommendations which might be made by the European Coal Organization after the mission arrives in Poland or actually commences discussions.

In connection with the possible export of Italian products to Poland, and with reference to paragraph 2(b) of a letter dated August 4, 1945 addressed by the Commerce Sub-Commission to the Ministry of Foreign Affairs on this subject (Ref. AC/5127/P/Commerce), I should like to note my understanding that only essential food oils, as distinct from essential oils in general, are subject to allocation by the Combined Chiefs of Staff.

Sincerely yours,

/s/ A. Kirk

C O P Y

THE FOREIGN SERVICE OF THE
UNITED STATES OF
AMERICA

AMERICAN EMBASSY

Rome, Italy,
August 23, 1945.

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Allied Commission,
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Sincerely yours,

/s/ A. Kirk

C O P Y

THE FOREIGN SERVICE OF THE
UNITED STATES OF
AMERICA

AMERICAN EMBASSY

Rome, Italy,
August 23, 1945.

CONFIDENTIAL

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

My dear Admiral:

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As was stated in earlier communications, the United States Government views favorably the undertaking of these negotiations without unavoidable delay, provided that any arrangements reached would not conflict with the plans of the European Coal Organization for the orderly distribution of European coal resources and, consequently, that the recommendations of the ECO be sought before final arrangements are made. I understand that the Allied Commission has already requested ECO to express its observations on the subject.

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Sincerely yours,

CC DIST:
Economic Section (3)
Executive Commr
CC Files

/s/ A. Kirk

4133

THE FOREIGN SERVICE OF THE
UNITED STATES OF
AMERICA

AMERICAN EMBASSY

Rome, Italy.
August 23, 1945.

CONFIDENTIAL

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

My dear Admiral,

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Sincerely yours,

CC LIST:
Economic Section (3)
Executive Comm
CC Files

/s/ A. Kirk

TranslationC O P Y

Italian Communist Party

Macerata Provincial Federation

For some time, there have been unpleasant incidents between the civilian population and the Polish soldiers. We deeply regret such a state of things which is in contrast with the sympathetic feelings of the population for the brave Polish soldiers. The communists have been the greatest adversaries of fascism and fought against it ever since the beginning; therefore, more than anyone else, they appreciate the heroism of the Polish soldiers who generously shed their blood on all battlefields in the war against fascist barbarity. If we also consider that Poland and Italy knew the terrible and bloody torture of Nazi-fascist oppression, links of brotherhood between the Italian and Polish nations appear even more obviously.

It is obvious that the misunderstandings which took place are the work of enemies of the Italians and of the Poles, bent on placing the communists who are the most sincere expression of the Italian people in its fight against fascism in a difficult position.

Today, the Italian nation is working at the moral and material reconstruction of the country, work in which the communists are participating, as Party of order, legal party, Government party, and they therefore demand to exercise their activity without anyone trying to oppose them.

We want the soldiers of the Polish Corps to know of our feelings towards them, feelings of esteem and cordial hospitality, and we trust that their feelings towards us will be similar.

The Communist Federation

Macerata, 22 August 1945

4130

trans. o/c

4130
G. J. J. J.

T/hd

21 August 1945

MEMORANDUM:

SUBJECT: Status of Adoption of Proclaimed List by Italian Government.

FROM: Dr. Tasca, American Embassy, Rome.

1. For some time the Embassy has been negotiating with the Foreign Office with respect to the adoption of the proclaimed list by the Italian Government. During all these discussions the Italian Government appeared reluctant to adopt the list without qualification because it considered that such adoption would place it in the undesirable position of declaring Italian nationals enemies.

2. However, a formula has now been worked out between the Embassy and the Foreign Office. The formula, in effect, sets up three categories of individuals and nationals subject to the proclaimed list:

a. Nationals of countries against which the Italian Government has declared war;

b. Nationals of Italy;

c. All other nationals on the proclaimed list.

The proclaimed list will be applied to all three categories. However, for the second category, i.e., Italian nationals, the proclaimed list would be applied by the Italian Government, with the understanding that the United Nations would proceed as rapidly as possible with the deletion of such firms, excepting those for which special reasons make necessary their maintenance on the proclaimed list.

3. It is anticipated that this proposal will be cleared this morning by the Italian Government. It will then be telegraphed to Washington for approval. The British Embassy is being kept informed and will undoubtedly wish to follow the same procedure with respect to their government. Upon receipt of such approval, the Council of Ministers will pass the appropriate decrees.

4. It is believed that the proposal above will be approved by the British and American Governments, since the practical effect would be to adopt fully the proclaimed list insofar as Italy is concerned. The deletion proposal of the Italian Government appears to be in line with Allied policy in this connection.

C O P Y
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YTHE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, August 20, 1945

My dear Admiral Stone,

1/

I take pleasure in transmitting herewith, for your information, a copy of the resolution proposing the extension of further UNRRA relief to Italy, which was presented by the U.S. Member of the UNRRA Council at the August 13 session of the UNRRA Council meeting held in London.

Believe me, my dear Admiral,

Sincerely yours,

/s/ A. Kirk
Alexander Kirk

Enclosure:

Above stated

4128

REAR ADMIRAL ELLERY W. STONE
CHIEF COMMISSIONER
ALLIED COMMISSION
ROME

May 1946

RESOLUTION PRESENTED ON AUGUST 13, 1945 BY U.S. MEMBER OF UNRRACOUNCIL

"Whereas Italy, being the first of the Axis Powers to break with Hitler, made a material contribution to the defeat of Germany and thereafter joined with the Allies in the struggle against Japan; and whereas Italy has freed herself from the Fascist regime and is making good progress toward the reestablishment of democratic government and institutions; and whereas under Resolution No. 58 the United Nations Relief and Rehabilitation Administration has already undertaken certain operations in Italy confined to the provision of medical and sanitary aid and supplies, to assistance in the care and return to their homes of displaced persons and to the care of children and nursing and expectant mothers and the welfare services associated therewith; and whereas the urgent needs of the Italian people for basic imported relief and rehabilitation supplies are being met by the Combined Military Authorities only until the end of August, 1945, be it resolved: that the Administration is authorized and directed to initiate as soon as possible in Italy, and with respect to Italian nationals, a program of relief and rehabilitation assistance on the same standards and basis of priority as apply to liberated areas of the United Nations and their nationals, and that the limitations previously imposed on the Administration in Resolutions 1, Part 1 (3), and 58 are modified accordingly."

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

C O P Y

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AMERICAN EMBASSY

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Believe me, my dear Admiral,

Sincerely yours,

/s/ A. Kirk
Alexander Kirk

Enclosure:

Above stated

REAR ADMIRAL ELLERY W. STONE
CHIEF COMMISSIONER
ALLIED COMMISSION
ROME

4126
4126

RESOLUTION PRESENTED ON AUGUST 13, 1945 BY U.S. MEMBER OF UNRRACOUNCIL

"Whereas Italy, being the first of the Axis Powers to break with Hitler, made a material contribution to the defeat of Germany and thereafter joined with the Allies in the struggle against Japan; and whereas Italy has freed herself from the Fascist regime and is making good progress toward the reestablishment of democratic government and institutions; and whereas under Resolution No. 53 the United Nations Relief and Rehabilitation Administration has already undertaken certain operations in Italy confined to the provision of medical and sanitary aid and supplies, to assistance in the care and return to their homes of displaced persons and to the care of children and nursing and expectant mothers and the welfare services associated therewith; and whereas the urgent needs of the Italian people for basic imported relief and rehabilitation supplies are being met by the Combined Military Authorities only until the end of August, 1945, be it resolved: that the Administration is authorized and directed to initiate as soon as possible in Italy, and with respect to Italian nationals, a program of relief and rehabilitation assistance on the same standards and basis of priority as apply to liberated areas of the United Nations and their nationals, and that the limitations previously imposed on the Administration in Resolutions 1, Part 1 (3), and 53 are modified accordingly."

HEADQUARTERS
MEDITERRANEAN AIR TRANSPORT SERVICE
APO 528

15 August 1945

SUBJECT: Authorization for American Personnel for Duty With
Air Forces Sub-Commission.

TO: Commanding General
AAF/MTO, APO 650
US Army

1. It is recommended that the American complement for the Air Forces Sub-Commission in Rome, be increased to the following:

<u>No.</u>	<u>Rank</u>	<u>MOS</u>	<u>Duty</u>
1	BRIGADIER GENERAL	6002	Administrative Officer
1	LIEUTENANT COLONEL	2120	Air Transport Officer
1	LIEUTENANT COLONEL	0912	Operations Officer (Rated Pilot)
1	LIEUTENANT COLONEL	2161	Operations Officer (Rated Pilot)
3	MAJORS	2161	Operations Officer (Rated Pilot)
1	MAJOR	4902	Air Corps Supply Officer
1	MAJOR	4902	Air Corps Supply Officer
1	CAPTAIN	4823	Aircraft Maintenance Officer
1	CAPTAIN	2120	Administrative Officer
1	CAPTAIN	2120	Administrative Officer
1	Secretary	213	
1	Administrative Clerk	502	
1	Clerk-Typist	405	

2. This is an increase of ten (10) officers over the present actual strength now on duty with the Air Forces Sub-Commission.

LUCAS V. BEAU
Brigadier General, USA
Commanding

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

785015

COPY

ROME AREA ALLIED COMMAND
APO 794, Postmaster New York City
Office of the Commanding General

11 Aug 45

My dear Admiral:

For some time this Headquarters has been conducting a safety campaign under policies announced by the Theater Commander, Mediterranean Theater of Operations. This campaign has comprised unit instructions of all drivers, publicity, and a tightening up of Military Police control.

Accidents still occur and many times the fault lies with civilian drivers and pedestrians. As you have probably observed, civilian drivers exceed reasonable speeds, come into main thoroughfares from side streets without stopping, drive in the middle or on the wrong side of the road, and invariably take curves on the inside when they should be on the outside of the curve. Pedestrians appear to prefer the middle of the street to the sidewalks, cross streets indiscriminately without even looking in either direction for approaching cars, bicyclists hang onto the rear of trucks, invariably on the outside, etc.

I believe that drastic steps should be taken to correct this situation, and I am writing you hoping that you will be kind enough to bring the matter to the attention of the proper authorities.

Very sincerely yours,

THOMAS K. BROWN
Brigadier General, US Army

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

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AUG 9 RECD

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner
+++++

Ref: 212/194/LC.

9 August 1945.

SUBJECT: Office Hours.

TO : Distribution below.

1. The office hours of the Commission, both at Headquarters and in the Regions, are as follows:-

0630 hrs to 1800 hrs, with 1½ hrs for lunch.

2. On Sundays and scheduled holidays, offices will retain minimum skeleton staffs.

3. In order to provide time off for recreation and exercise, effective immediately, all Officers, LM/ORs and Civilian Personnel of this Headquarters and of the Regions will be allowed, in addition to Sundays and scheduled holidays, one day off per week.

For the Chief Commissioner:

[Signature]
Brigadier,
Executive Commissioner.

Distribution:

Dist 'A' less Gp III (1 copy each serial)

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4123

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy
August 7, 1945

RESTRICTED

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

My dear Admiral:

With reference to the matter of Italian-Polish coal negotiations, I am pleased to bring to your attention the following paraphrase of a cable received from the Department of State:

"Combined Boards have jurisdiction of Polish coal. Combined Boards have for the period September through December 1945, allocated to Italy 367,000 tons of coal a month, all to come from the United States. However, the amount may be reduced depending on availability of shipping. As indicated in a previous cable and in view of obvious desirability of early restoration of trade with European countries, the Department is favorable to the Italians negotiating to obtain additional coal from the Poles and Czechs. Whether Polish and Czechoslovakia exports to Italy would result in an equivalent reduction of allocations to Italy by Combined Boards after December can not now be determined. Any arrangements should be subject to recommendations of ECO in order to assure equitable distribution of European coal resources. The Department does not contemplate that ECO would be concerned unless it seemed likely that purchases would decrease the amount of Czech and Polish coal that could be shipped to other countries of Europe. It is hoped that Czechs and Poles will become members of ECO shortly."

In accordance with the Department's instructions, the foregoing information has been communicated orally to the Director General of Economic Affairs in the Italian Ministry of Foreign Affairs.

Sincerely yours,

A. Kirk.

CC-DISTRIBUTION:

Exec. Comm.
Econ. Sec. (2)

4148

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

C
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AMERICAN EMBASSY

Rome, August 6, 1945

Dear Admiral Stone,

In connection with current consideration in the Allied Commission and at Allied Force Headquarters concerning the maintenance of Allied Military Government in the Province of Udine for a temporary period after August 31, 1945, I have received instructions from my Government to the effect that if this is necessary for military reasons the Italian Government should be informed of the reasons which prevent Udine Province being returned to Italian Government administration with the other provinces of North Italy on August 31 (except those of the compartments of Venezia Giulia and Bolzano) and that a public announcement should likewise be made of the reasons.

Regarding the public announcement, I would suggest that in whatever release the Allied Commission may make to the press concerning the turn-back of North Italy on August 31, or whatever date may be agreed upon, some statement be included therein concerning the restoration of Udine Province to Italian administration at a later date, preferably a specific date if possible. I understand that the Regional Commissioner of Venezia Region has recommended December 1 as an appropriate turn-back date.

/ Sincerely yours,

/s/ A. WHEE

Rear Admiral Milery W. Stone,
Chief Commissioner,
Allied Commission,
Rome.

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Wheeler

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

C
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AMERICAN EMBASSY

Rome, August 6, 1945

Dear Admiral Stone,

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/ Sincerely yours,

/s/ A. KIRK

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

4120

495/5/45

The British Embassy.
Rome.

19th July, 1945.

Dear Admiral:

I am so sorry that there has been a delay in sending you the information about the Polish Government's coal effort. I enclose a copy of my telegram to the Foreign Office which contains the only information available to me.

/s/ Henry Hopkinson

The Chief Commissioner,
Allied Commission,
ROME.

cc: Exec. Commr.
VP, Econ. Sec.
Pol. Advis. (A)
~~Pol. Advis. (B)~~
Spare

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COPY

Signor Frunze informed me yesterday that Polish Ambassador in Moscow had approached Italian Ambassador with an offer to make commercial treaty with Italy and in particular to supply Polish coal. He mentioned a figure of 80,000 tons a month. He added that Polish Government were prepared to send an expert to Italy and that transportation would be the main problem. Italian Government have replied that they are prepared to receive the expert and have asked Polish Government to investigate urgently question of rail traffic from Poland to Innsbruck. Meanwhile Italian Government are sending official to the North to look into the question of transportation on Brenner route.

Signor Frunze added that Czech Minister had also mentioned possibility of sending coal to Italy from Czechoslovakia. Italian Government had again asked that transportation possibility should be investigated.

Signor de Gasperi told me this morning that he was sure that offer of Polish coal had been carefully timed so as to arrive at moment when problem of coal is being widely debated here. He thinks that it was probably inspired by Communist leaders in Italy.

Copied to Admiral Stone (Telegram to the Foreign Office dated 7th July, 1945)

4117

COPY

495/5/45

The British Embassy,
Rome.

19th July, 1945.

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/s/ Henry Hopkinson

The Chief Commissioner,
Allied Commission,
ROME.

cc: Exec. Comm.
VF, Econ. Sec.
Pol. Adv. (A)
Pol. Adv. (B)
Spurs

24216

COPY

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Copied to Admiral Stone (Telegram to the Foreign Office dated 7th July, 1945)

COPY

ROME AREA ALLIED COMMAND
REAL ESTATE SECTION
APO 794, US ARMY

REQ 306

JWP/np
15 July 1945

SUBJECT: Derequisitioning of property.

TO : HQ Allied Commission,
Office of the Chief Commissioner,
APO 394, US Army.

1. Reference your letter CC 590, LWS/ejj, dated 11 July 1945.

2. Authority has just recently been received from AFHQ to derequisition certain properties at Ostia (Lido di Roma), as a result of our many requests for such action. The authority received covered most of the requisitioned property in that area; however, certain specific property was ordered to be held for the time being. It happens that the property belonging to Iginio Ramazzotti is among the property ordered held, therefore it is impossible to derequisition in accordance with his request, at this time.

JOHN WATT PAGE, Jr
Major Inf
Administration Officer

44

Watt

Date 14/2/48

INTERNAL

EXTERNAL

Fr.	To.	Fr.	To.
✓ Vice President		✓ ECONOMIC SECTION	
Brig. Anderson	✓	Production Div.	
Col. Walton		Supply Div.	
Col. Densmore		Agriculture Sub-Comm.	
Lt. Col. Moore		Commerce	
Mr. Hughes		Finance	
Maj. Smith		Food	
Maj. Clark		Industry	
Maj. Tobby		Labor	
Capt. Atkins		P W & U	
Capt. Williams		Transportation	
Capt. Highland		Chief Commissioner	
Lt. DiLoreto		Executive Commissioner	
Lt. Morgan		Civil Affairs Section	
Lt. Lrensterg		Establishment Section	
Requisition Br.		Attention:	
Price Control Br.			
Message Center			

For appropriate Action	Note & Return
Remarks/Recommendations	Signature
Dispatch	Investigation & Report
Information	File
Circulation & Return	Note & Return

RELKIS:

Please let me know when
you are ready to see Admiral
Stone on this, as he requests

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CONDITION OF ITALIAN ECONOMY IN THE NORTH

The policy of the Italian fascist Government that in the beginning had saved Italy from the post-war chaos in 1919 and that had later reestablished order, and had begun wonderful public works helping agriculture - Industry and Commerce to normalise its activities, and obtaining at home and abroad recognition and approval (except a very low percentage of insignificant accidents, made important only from political propaganda), was transformed after a period of time, in a hateful tyranny, which in 1934/35 signed the beginning of Italy's own fall. With the useless Abyssinian war, made only to find a way out to a policy without chance of success, and resolved after in the alliance between Italy and Germany and in the war against Anglo-Saxons nations, two things which the 90% of the Italian population had accepted, against their will, ideals and traditions, obliged by violence, brutal force and organized against the unarmed people.-

From that moment the policy of the Government was directed only to the masses, with all sorts of political and economic concessions contrary to all possibilities for the natural economic of exchange

Abolishing all possibilities of honest work and creating a chaotic situation throughout the country, based on improvised anti-economic laws, made without any study or preparation, and by incompetent people, and applied only by force against all logical possibilities based on illegal laws and sanctions.-

And so in the country two disastrous conditions were created: amongst the intellectual class an unbelievable corruption that was encouraged by the necessity of finding the means to avoid laws that it was impossible to apply;-and amongst the working classes a complete disregard of the principle that every earning or security was to be the direct consequence of work done.-

With this bad preparation the downfall of Fascism began in April 1943 and the terrible period of the nazi-fascist republic in September of the same year.-

The Allied victory in 1945 found Northern Italy in a complete Chaos - workers were the bosses of socialized factories, and even without working were receiving their pay, and prizes with the conviction that all was to be given to them with the complete abolition of individual property and the governing class. And a period of terror and most cruel violence began and when the history of it will have been made, we shall realize that it surpassed the

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most tragic periods of past revolutions.-

PRESENT SITUATION

Today Italy (naturally a poor and overpopulated country) is semidestroyed materially by the war, and morally by the fascist example and the poisonous laws that have been propagandized to the people specially in Northern Italy by the Anarchical nazi-fascist republic.-

The conditions of Italian labour that has always been extremely low, is now reduced to such a state that it will take many years of hard work to bring it up again.- The policy that has been followed for years to make Italy a self supporting Nation, against any practical possibility, for the main purpose of making war, has brought Italian Industry and Agriculture to such a point of antieconomic organization that the only possibility for the Italian people to go back to the status that God had intended for them, is to shred all the artificial structure that has been imposed and to find in their natural resources a means of living. This cannot happen at once, for all Italian Economy as in a first period this artificial economy will be able to survive owing to world requirements for reconstruction. But certainly in a future more or less distant, these conditions will have to be taken into consideration, if complete chaos is to be avoided.-

At the present moment the conditions of Italy are the following:

- 1°- The intellectual class is more or less as a whole accused to have helped fascism, and it is continuously menaced, persecuted and hit. This enable those extremist factions to carry out a revolutionary propaganda, and enables them to carry out class retaliations, and to try and lead the country to a communist government that in other circumstances, could not exist in a country that is already worked up to the last acre by an excessive population.-

For this reason it is impossible to find men capable to governing and the country is left without a lead, and with no program in such a difficult moment, and the governing classes has no means to react to this banorupcy as every word they say may be used as a prosecution that inevitably ends in the loss of life or of liberty.-

- 2°- The working classes in Northern Italy, having been worked up by a studied nazi-fascist propaganda that wanted to punish Italy for having thrown out fascism has now adopted the methods of violence that the nazi-fascist used, and firmly believes that they can destroy property and the governing class

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assuming themselves the management of all the existing activities and dividing amongst themselves the fruits that in their ignorance they believe to come automatically from any concern, even if it is badly equipped and worsely directed, and naturally they believe they will be able to work little and earn a lot.-

At the present moment nobody works, continuing the policy followed during the period of the nazi-fascist republic, that was then used as sabotage against the government.- The fault is given to lack of raw materials, in most cases totally untrue, whilst the truth is that the workmen, no more compelled by the employer or by the top directive personnel that have been eliminated, prefers to be paid and fed by the compulsory firm messes, without working and without being tied to working hours.-

The factory Liberation Committee, that are practically real "Soviets") have abolished guards and controls with the excuse that the worker must be left to his conscience for carrying out his work.-

It may be that this situation is secretly directed by the Communist Party that has come from Moscow with 1.200 Italian members, trained in Russia, so as to provoke the total collapse of capitalistic economy, that, once ruined, it would never find again on its path in the future.-

POSSIBLE TEMPORARY SOLUTION

While all the world is anxious of reconstruction and the best agricultural and Industrial part of Italy has still its means of production intact, it seems incredible that the Allies do not wish to temporally profit of these conditions for the very difficult reconstruction of European peace.-

In our opinion a direct American intervention with a view to reestablishing temporarily and legally the agricultural and industrial production of the country would be of great advantage to everybody and would be approved of by at least 70% of the Italian population which sees itself in danger of being overwhelmed by an unreasonable minority.-

To achieve this purpose the American intervention ought to guarantee the application of labour laws as they exist in the U.S.A. firmly recognizing the right of ownership and the free contracting of labour, abolishing the present artificial bonds which do not allow dismissals and establish fixed wages for the workers without taking into consideration their real producing efficiency.-

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And above all legality ought to be safe-guarded by applying that order which should ensure all right of liberty to every citizen and not only to certain classes.-

This would be the first step for bringing Italy to a state of lawful productiveness and enabling her to joining the world forces which are working for peace. Italy could thus take part immediately if the Allies help by supplying the most vital raw materials, in the struggle for rebuilding what the war has destroyed, and in the struggle for the moral recovery of that psychology of order and work, to which a mass of 45 millions people could contribute considerably.-

POSSIBLE FUTURE PROGRAM FOR ITALIAN ECONOMY.

Taking for granted that in the near future that is to say as soon as the first period of post-war lack of goods and frenzied demand for those goods is over - the world will have to be organized, as far as possible on a basis of free exchanges, and Italy, particularly, because of her special characteristics, will have great interest desiring a very limited customs system which alone could bring about a decrease in the cost of living.-

AGRICULTURE

to make agriculture secure and prosperous it will be necessary to proceed gradually towards the abolition of those restriction which exist to day regarding the contracts for the occupation of the land and the use of labour, thus leaving the farmers free to grow what they want, and effectively protecting ownership in drawing up a program and carrying out new measures which ought to:

- a) eliminate gradually all uneconomical cultivations thereby freeing lands, which at present are totally unproductive owing to the ruinous self-supporting policy. If the s.m. liberty should come into existence, it will be made use of spontaneously by the farmers, who by comparing prices on the international market, will avoid uneconomic products and will gradually put the necessary alterations into practice;
- b) Encourage new cultivations which are suited to our country and to the various type of earth, by an intelligent propaganda in local farming newspaper or by means of local wireless station which would deal with agricultural problems, and other technical bodies which dispose of advisers and agricultural experts;

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- c) Assist the farmers by giving them easy terms, loans etc. or founding co-operative societies in the case of small holdings, to prepare the most suitable and efficient method of dealing with agricultural products. Taking as example the splendid organization already existing in Italy, such as Cirio - Arzoni - Polenghi, Lombardo - the Faenza experimental college etc. thus making Italian agriculture a producing and exporting organization of good quality products, suitable to our land, which is rich in high class vegetables and fruits, cheeses wines etc. and poor of mass products on account of the nature of its soil and climate.-
- d) Take as example Denmark and Portugal which have made a speciality in all the country of their typical products thus creating rich exportation trade.-
- e) Help with all possible means the technique of presenting and exporting products, by creating special, well informed offices at the consulates (particularly with local specialized staff) which could give useful indications as to the demands of the markets, the method of packing which is most in favour, the prices obtainable etc.-
- The change over to this type of cultivation, whilst putting to a better use, lands, which at present are not very productive and always subject to seasonal weather conditions because of their extensive cultivation, would involve a larger employment of manpower because the more specialized culture will require more care, and a further manpower employment will be necessary for the processing, preparation, packing and expeditions of these goods, and large availabilities of currency to purchase these mass products that are the basis of the national food and that would be cultivated in the poorer lands where the climate and irrigation system consent the cultivation of a second crop, therefore rendering possible the cultivation of poorer products.-

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The abolition, or more reduction to a fiscal system, of import customs would have the sure effect, provided that the two basic conditions for stabilisation of markets have been settled: i.e. cessation of spasmodic requests for the reconstruction and

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and stabilization of exchange rates, of a remarkable reduction of many Italian Industrial activities that up to now have only continued to exist because of the "self supporting" policy and protective custom barriers, and of a consequent importation of mass production goods that can be produced more cheaply in foreign countries.-

Probably more than half of the existing industrial plants would disappear, especially in the field of heavy industry, whilst a more development of medium and small industries, and of typical and artisan concerns would take place, in which the initiative and capacity of elements now employed in the big industrial concerns would bring a remarkable expansion and an augmented activity.-

Given that the international markets have been settled, certain industries, making spare and necessary part would be created, and their products, if convenient, could be used in foreign countries.-

These industries up to now have not been able to expand as their market was very limited owing to the high rates of costs imposed by an autarchic regime.-

The elimination of a certain type of antieconomic industries would be made possible by the fact that for many years the building industries will be working at full rate, with no competition from foreign countries, and absorbing large masses of workers.-

Commerce

Commerce will not undergo many changes from its present status, as organizations created for the exchanges of national products can be adapted for the commerce of imported goods.- At the very least there will be an increment in the personnel owing to a competition amongst a larger number of producers, and more work due to international trade in comparison of national market.-

Unemployment

As result of what above stated, the only sector in which a certain unemployment would occur will be in the industrial field.-

The statistics of the last census of the 12.4.1936 (in which year there was practically no unemployment) show that the personnel employed by industry in all Italy amounted to 3,500,000 (including building industries). We can suppose that about 2,000,000 of these workers would loose their jobs, if what stated in paragraph "Industry" were to come true. However taking into consideration that the transformation of agriculture would require a larger employment

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in this field, out of a total 2,000,000 agricultural workers of that period, let us suppose that this figure would be increased by 5% i.e. 500,000 unemployed worker would be absorbed, and very probably they originally were farmers but had passed to the industries during the past years.--

A further increase of 10% for commerce (1,500,000 employed) would give work to 150,000, as in the past years it was impossible to find domestic helpers owing to the industrial expansion.--

A certain amount, perhaps 500,000 workers, that were attached to industries, could find work with the building industries, and with the new industries for processing food products, and with the increased artisan and typical product producing industries; therefore the actual unemployed would amount to 7 or 800,000 that would have no capacity for specialization, and that could migrate (through controlled and cared policy) to other countries thus reopening in the Italian budget that most necessary credit represented by foreign remittance that has always been extremely useful for balancing international payments, and giving us a possibility of purchasing the raw material of which we have no availabilities and those finished goods that it is not convenient for us to fabricate.--

FINANCE

It would be an impermissible mistake and would cause irreparable loss to the country if we were to arrive at an immediate settlement of the public debt and of currency problems before the conditions of the renewal of production and therefore the return to normal conditions of the output of labour and the balancing of cost of living.--

If we take the figures of our public debt and compare them with the original currency, at the present free market exchanges, it will be seen that Italy has not more than 5 billion lire of internal debt, which amounts a little more than 100 lire per each inhabitant, while she is almost free from foreign debts. The present free exchanges do not correspond with the cost of living and therefore it would be necessary to let the markets settle themselves naturally,

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giving them possibilities of international exchanges which would rapidly balance prices of production with sale prices and would level out the real value of the different currencies.

A heavy demographic taxation to settle the public debts on its present basis, while the country, for a long time now, has been going through a serious productive crisis, would bring all kind of disasters.-

Nearly half of the public debt is made up of currency, which, owing to present conditions, has proved necessary and not at all superfluous for the needs of circulation; it is the psychological aspect of saving which it would be a serious mistake to up set.-

The rest, - can be transformed into consolidated debt, which if circumstances change, can, as always, reduce its rate of interest, bringing about a reduction of real expenses which is what really counts in the budget, while capital is only a fictitious figure.-

If, on the other hand capital is attacked, at a time when there is a great economic need of having capital available to repair the destruction caused by the war, the country would be economically ruined; the revenue from taxes and duties, continuity of which is much more important than a drawing of capital from time to time would suffer a serious loss which would prevent the balancing of income and expenses the only thing which a wise administration of the Treasury must try to achieve.-

To achieve this balance a strong reform of all our fiscal organization would be necessary, considering that the most necessary thing is to obtain an exact knowledge of all incomes, and then to proceed to enforce rigorous taxation, which can strike really heavily on the incomes which surpass certain limits.-

It ought to be easy to achieve this, if it were really desired, by copying the fiscal legislation of the economically most progressive democratic countries, and which, far from considering big profits a sin, up hold them as an example of productive capacity, and control them closely, obliging them to be known, and drawing from them subsequently that revenue which it will never be possible to calculate or exploit, while this revenue is obliged to be hidden in secret funds or other ways, and which furthermore prevents the forming of big incomes which alone can enable the application of such an advantageous income tax.-

The carrying out of this economic program, which we think is the only one which could enable Italy to live successfully in harmony with the great independent nations, would also have an even more important psychological effect.-

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The present agitated conditions of the masses of the people is essentially due to a mistaken economic policy.-

Take a labourer and oblige him to become a workman without any inclination or technical instruction, and you will create a dissatisfied man who, on account of the enormous effort which he must make to turn out, with great difficulty, a very badly done work, will be convinced that he has a right to a pay out of all proportion to his work, and will envy his mate or superior who performs much more delicate and well paid work without having to sustain so great effort.-

An envious bitterness against the more skilled classes, will grow in this man who will eventually demand indiscriminate social equality.-

Take an ignorant peasant who can only sow unscientifically and reap meagre harvest by primitive methods, and pay him three or four times more than the harvest is worth in countries which carry out agriculture on scientific lines, and he will believe that he has no more need of capital, of guidance or technical assistance and will claim the land for himself, without realizing that his work, performed without any artificial protection, would bring to misery and starvation.

This is the Psychological element which has brought the mass of the more ignorant and unskilled labourers to a state of revolutionary agitation, while without their overbearingness, the well behaved and intelligent workers, who make a continuous study of their work to improve their conditions and to achieve the well being of their families, would reason and act very differently.-

When we have eliminated fictitious economic activities and put the unskilled labourers in the place to which their ability entitles them, we shall certainly see the country calm again and every one trying to find his proper place in life according to his own abilities positions.-

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The present agitated conditions of the masses of the people is essentially due to a mistaken economic policy.-

Take a labourer and oblige him to become a workman without any inclination or technical instruction, and you will create a dissatisfied man who, on account of the enormous effort which he must make to turn out, with great difficulty, a very badly done work, will be convinced that he has a right to a pay out of all proportion to his work, and will envy his mate or superior who performs much more delicate and well paid work without having to sustain so great effort.-

An obvious bitterness against the more skilled classes, will grow in this man who will eventually demand indiscriminate social equality.-

Take an ignorant peasant who can only sow unscientifically and reap meagre harvest by primitive methods, and pay him three or four times more than the harvest is worth in countries which carry out agriculture on scientific lines, and he will believe that he has no more need of capital, of guidance or technical assistance and will claim the land for himself, without realizing that his work, performed without any artificial protection, would bring to misery and starvation.

This is the Psychological element which has brought the case of the unskilled and unskilled labourers to a state of revolutionary agitation, while without their overbearingness, the well behaved and intelligent workers, who make a continuous study of their work to improve their conditions and to achieve the well being of their families, would reason and act very differently.-

When we have eliminated vicious economic activities and put the unskilled labourers in the place to which their ability entitles them, we shall certainly see the country calm again and every one trying to find his proper place in life according to his own abilities and positions.-

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