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MINUTES OF MEETINGS
AUG. 1945 - DEC. 1946

MINUTES OF THE 60th MEETING
OF THE ADVISORY COUNCIL FOR ITALY

The meeting was held at Via Monti dei Parioli 24, on December 20, 1946 under the chairmanship of Dr. Sloven J. Smodlaka, the Yugoslav Representative a.i. on the Council. Present at the meeting were:

- | | |
|--------------------------|----------------|
| Dr. Sloven J. Smodlaka | Jugoslavia |
| M. Čedomil Veljačić | |
| M. Georges Balay | France |
| M. Pierre Sebilléau | |
| M. Constantin Vatikiotty | Greece |
| M. Constantin Himarios | |
| Colonel V.V. Savko | Soviet Union |
| Lt. N.A. Geegalin | |
| Mr. John G. Ward | United Kingdom |
| Mr. H.A.A. Hankey | |
| Mr. John L. Goshie | United States |

The agenda for the meeting included the following items:

- 1.) Discussion of Italian Political Events.
(The Chief Commissioner of the Allied Commission will be invited to attend).
- 2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".
- 4.) "Extradition to the Yugoslav Government of Italian War Criminals listed by the United Nations War Crimes Commission on Request of Jugoslavia".
- 5.) Miscellaneous.
6. Press Communique.

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The Chairman, Dr. Sloven J. Smodlaka, opened the meeting and thanked Admiral Stone for attending it. He then inquired whether any of the Representatives wished to ask any questions relating

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1. Discussion of Italian Political Events.

Colonel Savko asked whether the Admiral had any information on the status of the election of the mayor of Rome.

Admiral Stone replied that his information was limited to that which was published in the local press.

Dr.

Dr. Smodlaka referred to the December 9, 1946 bulletin of the Allied Commission, in which it was stated that, as of November 30, 1946 the number of displaced persons in camps under control of the Allied Commission, totalled 10,828, of which Jugoslavs constituted the largest number. He inquired whether he could obtain a breakdown by nationality of this total, together with an indication of the location and designation of the camps.

Admiral Stone said that he would be grateful if the Yugoslav Representative would let him have a memo on this subject so that he could transmit the request to AFHQ.

The Chairman inquired whether any of the other Representatives wished to ask any questions relating to Italian political events and after ascertaining that none did, he thanked Admiral Stone for his replies.

2. "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".

The Chairman inquired whether any Representative wished to make any comments.

Mr. Ward stated that he had reported to London that his Delegation had received a request for the reimbursement of funds advanced by the Allied Financial Agency and that he had recommended to the Foreign Office that authority be granted to make the requested reimbursement. He pointed out that the decision lies in London but that he felt that the account should be settled.

Dr. Smodlaka read the following statement:

"With reference to the Art. 23 and 38 of the Armistice Terms I have the honour to state that the Yugoslav Delegation stands firm on the unanimous decision of the Advisory Council for Italy, taken on April 2, 1944, on proposal of the U.S. Representative, that the administrative expenses of the Delegations and of the Secretariat have to be charged to the Italian Government.

All the money received by the Yugoslav Delegation from the Allied Financial Agency was spent on account of the administrative expenses of the Delegation made until November 1, 1945.

Since the Italian Government is bound to refund all administrative expenses, the Yugoslav Delegation considers to be entitled to the reimbursement of all administrative expenses made since Nov. 1, 1945 as well as of the expenses that will be made until the end of the work of the Advisory Council for Italy, and of such disbursements that the Yugoslav Delegation might still have to make in future for its administrative expenses due for the period prior to November 1, 1945.

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The Yugoslav Delegation, therefore, not only does not consider itself obliged to reimburse the received money but it reserves the right to request in due time the full reimbursement of all administrative expenses made since the beginning until the end of the work of the Advisory Council for Italy".

M. Balay made the following statement:

"Monsieur le Directeur de l'Agence Financière Alliée

Par

Par lettre PA 3.25 du 29 Octobre et comme suite à votre communication 13.005 du 3 Novembre 1945, vous avez bien voulu demander à la Délégation Française au Conseil Consultatif pour l'Italie, de rembourser à l'Agence Financière Alliée, une somme de 3.050.479 liras que celle-ci lui a consentie à titre d'avances au cours des années 1944 et 1945.

J'ai l'honneur de vous faire savoir, en réponse, que la Délégation Française ne croit pas pouvoir réserver à cette demande une suite favorable. La somme en question lui a été avancée en effet pour lui permettre d'assurer, pour une faible partie du reste, ses dépenses administratives de fonctionnement.

Or, il n'est pas douteux, si l'on se réfère aux textes, que le Conseil Consultatif lorsqu'il a, le 2 Avril 1944, au cours de sa 9ème séance, fixé les règles de son organisation financière en prenant pour base le mémorandum américain du 15 Mars précédent, s'est mis d'accord pour décider que l'Agence Financière Alliée avancerait, sous réserve d'un règlement final entre les Nations Unies et l'Italie, non seulement les fonds destinés à régler les dépenses administratives des organismes communs du Conseil, mais encore ceux qui étaient nécessaires aux dépenses administratives des diverses délégations, en un mot "the administrative cost of the Council's work". Il est évident, en effet, que cette décision constituait, dans la lettre du mémorandum américain et dans l'esprit du Conseil, la contrepartie de la décision antérieure qui mettait à la charge de chacun des Gouvernements représentés au Conseil les traitements et indemnités des membres de chaque délégation. La Délégation Française possède du reste des documents contemporains d'où il ressort clairement que telles furent alors les intentions du Conseil.

Dans ces conditions, la Délégation Française estime qu'il y a lieu de s'en tenir, pour le moment, aux dispositions arrêtées unanimement par le Conseil dans sa séance du 2 Avril 1944 et de différer le paiement des dépenses administratives du Conseil jusqu'à un règlement final entre les Nations Unies et le Gouvernement Italien."

Mr. Goshie stated that the position of the United States Delegation on the subject under discussion remained the same as outlined to the Council at the 50th meeting held on March 15, 1946.

M. Vatikioty stated that the position of his Delegation was indicated in the letter which the Greek Delegation sent to the Allied Financial Agency on December 18, 1946. (Copy of letter attached as Appendix #1) and that, briefly, the Greek Delegation holds the view that no reimbursement of advanced funds is due since the advances must be borne by the Italian Government pending final settlement of the matter between the United Nations and Italy.

Colonel Savko stated that he considered that all Allied funds advanced to his Delegation were for administrative expenses and that these they were not obliged to reimburse. He stated that the of-

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Colonel Savko stated that he considered that all Allied funds advanced to his Delegation were for administrative expenses and that these they were not obliged to reimburse. He stated that the official position of his Delegation had been expressed by General Vasiliev at previous meetings. He added that he thought the Italian Government was obliged to continue to advance funds to the Delegations of the Advisory Council and is liable for all administrative expenses of the Soviet Union Delegation not only for the period ending November 1, 1945 but also for the subsequent period up to the actual conclusion of the work of the Advisory Council for Italy.

There were no further comments and the Chairman ascertained that the Council wished to include this item on the agenda of the next meeting.

3. "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Jugoslav Sunken Ships which should be salvaged and repaired at the Expenses of the Italian Government".

Admiral Stone reported that the proposed reply of SACED regarding this item had been drafted and was now before SACED for signature. He stated that the reply would presumably be despatched during this week and should reach the Council sometime during the next week.

Dr. Smodlaka presented the following statement:

"1. With reference to our request for restitution of looted Yugoslav property by the Italians, I can inform the Council that recently the following vessels have been restituted to the Yugoslav authorities:

- (a) Trawler Br.2 (Arbe) (item no. 15, page 2 of our list submitted to the Council)
- (b) Trawler Br.4 (Juno) (item no. 16, page 2)
- (c) Tugboat BOJANA (Zara) (item no. 17, page 2)

All these three vessels were previously used by the Italian Ministry of Public Works.

Furthermore, the following two vessels are in course of being restituted:

- (d) Motor launch BUDIR (item no. 13, page 2)
- (e) Motor launch VILA (Ninfa) (item no. 14, page 2).

2. As other Yugoslav property is concerned, the restitution of the materials from the Yugoslav warships BEGRAD and LJUBLJANA is in course whereas, as far as other items are concerned, we have not received any definite positive reply. It is particularly considered that there should be no reason why Italy should not restate without delay the following items:

- (a) Machines from the Tobacco Factory in Ljubljana (item 1, page 4). In this case the Industries and Utilities Branch, H.A.C., refused any further liaison for us (Ref. AC/5622/ID of 30 July 46).
- (b) Valuable papers of the "Drzavna Hipotekarna Banka" (item no. 9, page 4).
- (c) Values taken from the "Crnogorska banka, Cetinje". Restitution requested in our letter Br.1151/46 of

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- (c) Values taken from the "Crnogorska banka, Cetinje". Restitution requested in our letter Br.1151/46 of 8 August 46.

3. I hope that the Allied authorities in Italy will take further steps for the restitution of all Yugoslav property and particularly of the items mentioned above under para 2, a-c."

Admiral Stone inquired whether the Yugoslav Representative drew a distinction between the terms "restituted" and "handed over".

Dr. Snodlaka stated that he did not understand the Admiral's question.

Admiral

Admiral Stone stated that, as the military used these terms, "restitution", for example, of ships, implied return in operating condition, after repairs when required, and that the strict interpretation of the term "handing over" was return in actual condition as found.

Dr. Smodlaka, with reference to his statement presented at today's meeting, pointed out that the 9 tobacco machines mentioned under paragraph 2 (a) of his statement, were in possession of the Italian Government which was using these machines and that he failed to understand why they refused to hand them back to the Yugoslav authorities.

There was no further discussion and the Council agreed to include this item on the agenda of the next meeting.

4. "Extradition to the Yugoslav Government of Italian War Criminals Listed by the United Nations War Crimes Commission on Request of Yugoslavia".

The Chairman inquired whether any Representative wished to make any comments.

Mr. Ward, with reference to the statement made previously by the Yugoslav Representative to the effect that the Allied authorities were currently arresting alleged war criminals, stated that he had made inquiries and understood that this was not the case. He said that in cases where the British authorities desired the apprehension of alleged war criminals, the British authorities requested the Italian authorities to arrest such persons. He stated that trials of some of such persons had taken place. In the case of those persons who had been sentenced, arrangements were being made for the prisoners to be handed over to the Italian Government, who had agreed to accept custody of them and to honour the sentences imposed on them.

Dr. Smodlaka made the following statement:

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 "In connection with the statement of the British Representative I would like to quote some examples of the Allied Military Courts having tried and sentenced recently, in October and November 1946, in Italy, on the territory under jurisdiction of the Italian Government, Italian citizens for war crimes committed against the Allies. Thus, the Allied Military Court in Florence tried on October 4, 1946 the Italian General Mario Carlone, Capt. Italo Simonetti and Pte Benedetto Pilon, and the first was absolved, the second was sentenced to death penalty and the third to lifelong prison. Furthermore, the same Military Court sentenced to imprisonment Pietro Maggi on 31 October 1946 and, on 7 November 1946, absolved Lt. Col. Giulio Oldani. If it is considered necessary to have more information on this subject, the Advisory Council for Italy may, with reference to para 5 of the Moscow Resolution, request detailed information from SACIED".

Mr. Ward noted that Dr. Smodlaka referred to Allied Military

authorities.

There was no further discussion and the Council agreed to include this item on the agenda of the next meeting.

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Mr. Ward noted that Dr. Smodlaka referred to Allied Military Courts and inquired whether Dr. Smodlaka knew the composition of the Courts involved.

Dr. Smodlaka stated that he did not but suggested that the Council could obtain this information from SACMED.

Admiral Stone remarked that he thought the particular Court mentioned was a U.S. Tribunal.

Dr. Smodlaka continued his statement as follows:

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"I therefore consider that SACMED could give hi assistance to Jugoslavia for punishing also the Italian War Criminals who committed their crimes against Jugoslavia. The Jugoslav Government requests that the Italian War Criminals be arrested and handed over. How it will be done is not its concern, SACMED may make arrangements through the Italian Government".

Mr. Vatikioty stated that he had not received any information from the Greek Government as to their views on this matter. He added that he felt, however, that if his Government should advance a claim regarding extradition of Italian war criminals (listed by the United Nations War Crimes Commission) the position of the Greek Delegation regarding the point of view held by ABHQ would be similar to that taken by the Jugoslav Representative.

Mr. Ward stated that the British Delegation could not support the proposal of a recommendation by the Advisory Council to SACMED along the lines suggested by the Jugoslav Representative. He pointed out that the procedure adopted by the British, namely, a direct approach to the Italian Government, was open to other interested parties.

Mr. Goshie stated that he could not support the Jugoslav proposal which involved a recommendation by ACI to SACMED. He pointed out that, as he had previously indicated, his Government considered that the question raised by the Jugoslav Representative was a matter to be properly taken up in direct negotiations between the Jugoslav Government and the Italian Government.

Colonel Savko expressed support of the Jugoslav proposal and stated that these war criminals must be handed over to Jugoslavia and that the Advisory Council for Italy should advise SACMED to enforce the Jugoslav request.

Mr. Goshie inquired whether the views expressed by Colonel Savko were official or personal views.

Colonel Savko replied that he had expressed the official position of the Soviet Union Government on this subject.

5748

Dr. Smodlaka stated that his Delegation had a right to expect and receive assistance from SACMED.

Mr. Goshie pointed out that SACMED could not handle this matter since the CCS directive precluded action by SACMED.

Dr. Smodlaka stated that apparently all Delegations, but the British and the U.S. Delegations, were in favor of acting on the Jugoslav proposal.

Mr. Goshie inquired for an indication of the French position.

M. Balay stated that his Delegation was free to take any action in the premises.

Mr. Ward stated that in view of the instruction which SACMED

taken by the Yugoslav Representative.

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Mr. Goshie inquired for an indication of the French position.

M. Balay stated that his Delegation was free to take any action in the premises.

Mr. Ward stated that in view of the instruction which SACEED received from CCS, it seemed to him that the matter should be pursued by the interested parties through diplomatic channels, and he expressed support of the position taken by the United States Representative and observed that he considered it useless for the Council to advise SACEED.

The Chairman stated that, since the opinion of the Council was not unanimous on this subject, he proposed that the minutes of the meeting should be sent to SACEED for information only and that the item remain on the agenda for the next meeting.

Colonel

Colonel Savko agreed to this proposal.

M. Balay agreed.

Mr. Ward stated that he had no objections.

Mr. Goshie agreed to the proposal presented by the Chairman and stated that he assumed that the minutes not only of this meeting but also of all previous meetings during which this item had been discussed would be forwarded to SACMED and that the covering note would make it clear that the minutes were being transmitted for information only.

M. Vatikiotty agreed.

The Chairman then stated that the Council was in agreement to send to SACMED copy of all minutes at which this item had been discussed, and that the minutes would be transmitted under cover of a letter stating that they were for information only, and that the item will remain on the agenda for the next meeting.

5. Miscellaneous

The Council had no miscellaneous business to discuss.

6. Press Communique

The Council agreed to release the following press communique:

"The 60th meeting of the Advisory Council for Italy was held on December 20, 1946, under the chairmanship of the Yugoslav Representative a.i., Dr. Sloven J. Smodlaka. Other members of the Council present were:

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| M. Georges Balay | France | 5745 |
| M. Constantin Vatikiotty | Greece | |
| Colonel V.V. Savko | Soviet Union | |
| Mr. John G. Ward | United Kingdom | |
| Mr. John L. Goshie | United States | |

Various questions were discussed.

Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, attended the meeting."

DATE OF NEXT MEETING

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M. Vatikioty agreed.

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Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, attended the meeting."

DATE OF NEXT MEETING

The Council agreed to hold the next meeting on January 17 under the chairmanship of the French Representative.

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Appendix #1:

Letter to Allied Financial Agency
from Greek Delegation No. 6619,
dated December 18, 1946.

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APPENDIX #1

TO MINUTES OF 60th MEETING OF THE ADVISORY COUNCIL FOR ITALY

GREEK DELEGATION
To the Advisory Council
for Italy

Ref. No. 6619

Subject : Advances to the Greek Delegation A.C.I.

To : Col. L.R. BATTENSBY
Director,
Allied Financial Agency,
R o m e .

1. Reference is made to communications No. FA/3.25 dated 29th October and 7 December 1946.
2. The Greek Delegation feel that they should maintain the point of view put forward in their letter No. 5497 of 27th November 1945 addressed to the Secretariat of the A.C.I. A copy of above letter which appeared in the minutes of the 47th meeting is herewith enclosed.
3. The Greek Delegation is of opinion (based on the following documents: Memorandum of April 1944 and Minutes of the 9th Meeting of the A.C.I.) that the Council have clearly stated that funds needed for administrative expenses of the various Delegations, would be advanced by the A.F.A. pending a final settlement between the United Nations and Italy. Otherwise, there would be no justification to the decision specifying that allowances and indemnities of the Members of the various Delegations, had to be borne by the various Delegations. 5744
4. The Greek Delegation hold therefore the view that no reimbursement of advanced funds is due since the above mentioned advances must be borne by the Italian Government pending the final settlement of the matter between the United Nations and Italy.

0760

for Italy

Ref. No. 6619

Subject : Advances to the Greek Delegation A.C.I.

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4. The Greek Delegation hold therefore the view that no reimbursement of advanced funds is due since the above mentioned advances must be borne by the Italian Government pending the final settlement of the matter between the United Nations and Italy.

The Greek Delegate,

C.C. VATIKIOTTY

Enclosure: Copy of letter
No. 5497 of 27.II.45

Rome, 18th December 1946

GREEK DELEGATION
To the Advisory Council
for Italy

Ref. No. 5497

The Greek Delegation to the Advisory Council for Italy have the honour to acknowledge receipt of the Secretariat's Note dated November 3, 1945, transmitting communication of the same date from the Finance Sub-commission, Allied Commission, regarding the discontinuance as from 1 November, 1945 of All Lire advances to the Advisory Council for Italy, following a directive issued by the Combined Chiefs of Staff, and would like to point out the following:

It is remembered that while the Combined Chiefs of Staff were studying the question of the provision of funds for the Advisory Council's use in Italy, the Council itself, at the invitation of the United States Representative, had expressed its views on this question, at its 8th and 9th meetings.

The Greek Delegation are therefore of the opinion that before the Combined Chiefs of Staff take measure such as the revoking of their previous authorization concerning All Lire advances, it would be helpful if this question were again discussed by the Council as a whole.

This Delegation do not see why the principle of the "differentiation of accounts", accepted by the Council at its 9th meeting should be parted from.

It is understood that from the beginning of the Council's functioning, the salaries and allowances of the members of the various national Delegations have been borne by their respective Governments while administrative costs including expenditures for quarters, office space for the Secretariat, utilities, salaries of local employees, office stationery and similar expenses were defrayed by All Lire advances in order that they may be charged to the Italian Government in the final settlement. **5743**

The Greek Delegation hold the view that as long as the Advisory Council operates in Italy, the administrative costs of the said Council as a whole and of the various Delegations should continue to be defrayed as up to 1 November 1945. Instead of lump sums being advanced to the various Delegations for this purpose, these administrative costs could, in the future, be paid only by a single accounting unit such as the Liaison & Administrative Office to the ACI.

Finally, as regards the question raised in para 3 of the Finance Sub-Commission's letter, this Delegation point out that the agreement reached at the Council's meeting on 2 April 1944 was that administrative costs of the Council's work should be postponed for final settlement between the United Nations and the Italian Government.

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It is remembered that while the Combined Chiefs of Staff were studying the question of the provision of funds for the Advisory Council's use in Italy, the Council itself, at the invitation of the United States Representative, had expressed its views on this question, at its 8th and 9th meetings.

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Finally, as regards the question raised in para 3 of the Finance Sub-Commission's letter, this Delegation point out that the agreement reached at the Council's meeting on 2 April 1944 was that administrative costs of the Council's work should be postponed for final settlement between the United Nations and the Italian Government.

Rome, November 27, 1945

SECRETARIAT
ADVISORY COUNCIL FOR ITALY
R O M E

MINUTES OF THE 59th MEETING
OF THE ADVISORY COUNCIL FOR ITALY

The meeting was held at Via Vittorio Veneto 119 on November 22, 1946 under the chairmanship of Mr. John L. Goshie, the United States Acting Representative on the Council. Present at the meeting were:

- | | |
|----------------------------|----------------|
| Mr. John L. Goshie | United States |
| M. Georges Balay | France |
| M. Pierre Sebilléau | |
| M. Constantin Vatikioty | Greece |
| M. Alexandre C. Argyropulo | |
| Colonel V. V. Savko | Soviet Union |
| Lt. N.M. Geegalin | |
| Mr. John G. Ward | United Kingdom |
| Mr. H.a.a. Hankey | |
| Dr. Sloven J. Smodlaka | Yugoslavia |
| M. Čedomil Veljačić | |

The agenda for the meeting included the following items:

- 1.) Discussion of Italian Political Events.
(The Chief Commissioner of the Allied Commission will be invited to attend).
- 2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".
- 4.) "Extradition to the Yugoslav Government of Italian War Criminals listed by the United Nations War Crimes Commission on Request of Yugoslavia".
- 5.) Miscellaneous.
- 6.) Press Communique.

The Chairman, Mr. John L. Goshie, opened the meeting and thanked Admiral Stone for attending it. He inquired whether any of the Representatives wished to ask any questions relating to Italian political events.

France

M. Georges Palay
M. Pierre Sebillé

Greece
M. Constantin Vatikioty
M. Alexandre C. Argyropulo

Soviet Union
Colonel V.V. Savko
Lt. N.M. Geegalin

United Kingdom
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Mr. H.a.a. Hankey

Yugoslavia
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- 5.) Miscellaneous.
- 6.) Press Communique.

The Chairman, Mr. John L. Goshie, opened the meeting and thanked Admiral Stone for attending it. He inquired whether any of the Representatives wished to ask any questions relating to Italian political events.

1. Discussion of Italian Political Events.

Dr. Smodlaka referred to an item published in the "Allied Commission Weekly Bulletin" of November 18, 1946 regarding the salvaging of American merchant ships sunk in Italian ports and inquired how many ships were involved.

Admiral Stone stated that he did not have the data on hand.

Dr.

Dr. Smodlaka further inquired as to who would advance the funds for salvaging the ships and how the financing would be handled.

Admiral Stone replied that the U.S. Maritime Commission was considering the matter and that the Allied Commission was not being consulted in the premises.

Dr. Smodlaka asked how the salvaging would be arranged.

Admiral Stone stated that he understood that this question was at present under consideration.

Dr. Smodlaka referred to another item published in the "Allied Commission Weekly Bulletin" of November 9, 1946 regarding the Navy Sub-Commission's work involving the salvaging of some United National's ships sunk in Italy, and inquired how the ownership of such ships was identified.

Admiral Stone replied that he assumed that this was being done on the basis of such identity marks as were available.

The Chairman inquired whether any of the other Representatives wished to ask any questions relating to Italian political events and after ascertaining that none did he thanked Admiral Stone for his courtesy in attending the meeting.

2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".

The Chairman inquired whether any of the Representatives wished to make any statement regarding this item. After noting that none of the other Representatives had any comment to make, he stated that he would like to incorporate into the record a copy of a memorandum, dated October 29, 1946, from the Allied Financial Agency, in which it is requested that the respective Delegations of A C I repay the lire advances they received from the Allied Financial Agency (see Appendix 1). The Chairman noted that he thought it would be helpful to the Council, if the individual replies to the Allied Financial Agency were routed through the Secretariat of the Council and copies thereof forwarded to the other Delegations.

Colonel Savko stated that, under date of November 18, the Soviet Union Delegation replied to the letter of the Allied Financial Agency and that his replying note to Mr. L.R. BATTENSBY, Director Allied Financial Agency, read as follows:

"Dear Colonel,

In reply to your letter No. FA/3.25 of October 29, 1946 I have the honor to inform you, on behalf of Colonel V.V. Savko, the Soviet Union Acting Representative on the Advisory Commission for Italy that on the basis of articles 23 and

5741

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"Dear Colonel,

In reply to your letter No. FA/3.25 of October 29, 1946 I have the honor to inform you, on behalf of Colonel V.V. Savko, the Soviet Union Acting Representative on the Advisory Council for Italy, that on the basis of articles 23 and 38-a of the Armistice terms with Italy, as well as of the memorandum agreed upon at the 9th meeting of the Advisory Council for Italy on April 2, 1944, the advances received by the Soviet Delegation on the A.C. for administrative expenses cannot be refunded but must be charged to the Italian Government.

N. Geegalin
Secretary of the Soviet Union
Delegation on the Advisory
Council for Italy

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The Chairman inquired whether the Soviet Union Representative considered that all the lire advances the Russian Delegation had received from the Allied Financial Agency were for common administrative disbursements.

Colonel Savko remarked that he had made his statement not for consideration by the Council at this time but merely in order to inform the other members of the action taken by the Soviet Union Delegation. He answered the Chairman's question and stated that all advances received by the Soviet Delegation had been received for administrative expenses, excluding expenses for payment of staff of the Soviet Delegation.

The Chairman inquired whether he could draw the implication from Colonel Savko's reply that the Soviet Union Delegation was prepared to reimburse to AFA all lire advances received by them for expenditures other than common administrative expenses.

M. Balay noted that the term "common administrative expenses" should be specified exactly.

The Chairman stated that the U.S. Government interpreted the term "common administrative expenses" to include only those expenses which were shared by the Advisory Council as a whole.

Colonel Savko remarked that he supported the statement made by General Vasiliev on January 18, 1946 at the 48th meeting of the Advisory Council and that the point of view of the Soviet Union Delegation remained the same, he quoted the last paragraph of this statement as follows:

"The advances received by the delegations on the Advisory Council for Italy for administrative expenses have not to be returned and those advances should be charged to the Italian Government in the final settlement. Only those advances have to be reimbursed which had been received for the payment of salaries and personal allowances of the respective delegations. These expenses should be borne by the respective governments represented on the Advisory Council as it was agreed at the 9th meeting of the Advisory Council".

M. Balay suggested that, in view of the different interpretations, it might be helpful for the Secretariat to again study this question with a view to examining the possibility of clarifying the issue.

The Chairman inquired whether the Council wished to take action on M. Balay's suggestion.

Dr. Smodlaka stated that, with due reservations for the point of view of the Yugoslav Government upon receipt of instructions, he personally felt that there could be no doubt that the Italian

57-0

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57-10

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The Chairman inquired whether the Council wished to take action on M. Balay's suggestion.

Dr. Smolaka stated that, with due reservations for the point of view of the Yugoslav Government upon receipt of instructions, he personally felt that there could be no doubt that the Italian Government was obliged to pay all administrative expenses of all the Delegations.

The Chairman suggested that it might be helpful to instruct the Secretariat to review the background of this question and to report briefly to the Council the current position of the respective Delegations.

Mr. Ward agreed that a committee could present the question in a clear form for further consideration by the Council.

Dr. Smolaka considered that this was not necessary, but if desirable that every Delegation may prepare its point of view for the next meeting.

M.

M. Vatiklotty noted that each Delegation had already made a statement in the premises.

Dr. Smodlaka stated that it was important that instructions should be received from the respective Governments.

Colonel Savko remarked that at the 9th meeting of the Advisory Council it was clearly stated that administrative costs were expenditures for quarters, office space, utilities, salaries of local employees and similar expenses and that these should be postponed for final settlement between the United Nations and the Italian Government.

The Chairman noted that the U.S. Government had indicated that the administrative costs mentioned in the statement under reference covered only common administrative expenses.

M. Balay remarked that he could not share this point of view.

Colonel Savko stated that he did not see the need for a study of this question by the Secretariat with a view to examining the possibility of clarifying this problem and he also could not share the point of view taken by Mr. Goshie on this issue since in the memorandum agreed upon at the 9th meeting of ACI there was no division of administrative expenses for common ones and administrative expenses of each delegation.

After further discussion, the Chairman ascertained that the Council wished to include the item on the agenda of the next meeting.

3. Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government.

The Chairman stated that the Council was waiting for a reply from AFHQ regarding this item and, as far as he knew, a reply had not yet been received. 5739

Dr. Smodlaka inquired whether Admiral Stone could say how far the matter had advanced.

Admiral Stone stated that he wished to remind the Yugoslav Representative that the Allied Commission was waiting for a reply from the Yugoslav Delegation itself regarding 5 of the 18 items of property and that in connection with the Yugoslav claim pressure was being brought on the Italian Government, but that an over-all complete reply could not be given until the Yugoslav Delegation itself responded to the inquiry regarding the remaining 8 items of

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The Chairman, upon ascertaining that there were no further comments on this subject, proposed that the item be included on the agenda of the next meeting.

4. "Extradition to the Yugoslav Government of Italian War Criminals listed by the United Nations War Crimes Commission on Request of Yugoslavia".

Dr. Smodlaka reverted that he would like to make an additional statement in connection with this item, as follows:

"The

"The reply of A.F.H.Q. communicated to the Yugoslav Delegation A.C.I. through Admiral Stone, stating that the Allied Military Authorities cannot deliver Italian war criminals to Jugoslavia since the Allied Military Government has been abolished throughout the whole of Italy, with the exception of Venezia Giulia and the Province of Udine, is apparently based on a misunderstanding of our request.

Having proposed that the Advisory Council for Italy may advise the Supreme Allied Commander, Mediterranean Theatre, to issue appropriate orders to his dependent authorities as well as to the Italian Government in order to: A. arrest without delay all Italian war criminals who have been listed by the United Nations War Crimes Commission on request of Jugoslavia, in order to prevent their escape; B. to hand them over to the Yugoslav authorities", I had in view that the greatest part of Italy was under Italian jurisdiction, but that the province of Udine and the zone 'A' of the Julian March were under the Allied Military Government.

I consequently requested that the Allied Military Authorities may directly take steps in order to arrest and to deliver the requested war criminals living on A.I.I.G. territory.

I further requested that SACIED make arrangements in order that the Italian Government should arrest and deliver themselves these requested war criminals who are living on the territory under its jurisdiction. As to the procedure which will be applied to this effect, it is of course up to A.F.H.Q. to elaborate the appropriate means. But it is the competence of SACIED to be the mediator in this case since it was requested that the Art. 29 of the Armistice be complied with in the interest of one of the United Nations claiming it. In the case that the Italian Government might refuse to comply with the request of AMM, the Allied Military Authorities have the right on the basis of the Armistice to effect themselves the arresting and delivery of the Italian war criminals to the Yugoslav authorities.

In order to show how justified the claim of the Yugoslav Government is, it may be sufficient to mention the fact notorious throughout Italy, included the territory under Italian jurisdiction, that the Allied Authorities are still arresting directly those Italian citizens alleged for war crimes against the interest of citizens and goods of Great Britain and the United States. These Italians are being sentenced by the Allied authorities who are also executing the sentences. When the Allied Military authorities, on basis of the Armistice, may do this directly when the interests of the United Kingdom and of the United States are in question, there is no reason why the same should not apply in the interest of other United Nations, Allies in the war against the Axis forces.

I therefore have the honour to propose that the Advisory Council

wise the Supreme Allied Commander, Mediterranean Theatre, to issue appropriate orders to his dependent authorities as well as to the Italian Government in order to: A. arrest without delay all Italian war criminals who have been listed by the United Nations War Crimes Commission on request of Yugoslavia, in order to prevent their escape; B. to hand them over to the Yugoslav authorities; I had in view that the greatest part of Italy was under Italian jurisdiction, but that the province of Udine and the zone 'A' of the Julian March were under the Allied Military Government.

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I therefore have the honour to propose that the Advisory Council for Italy may advise SACRED that necessary steps may be taken in order that all Italian war criminals listed by the United Nations War Crimes Commission on request of Yugoslavia, be arrested and delivered without delay to the Yugoslav authorities."

Mr. Ward, in connection with Dr. Smodlaka's statement that "the Allied authorities are still arresting directly Italian citizens" stated that he would like to ask Dr. Smodlaka for clarification.

Dr. Smodlaka mentioned the case of General Bellomo.

Admiral

Admiral Stone noted that Bellomo's case was quite an old one and that, as he recalled it, the death sentence had been commuted by Field Marshal Alexander.

Mr. Ward inquired whether the Yugoslav Representative, in making a positive statement, had any definite information in support of his statement that the Allied authorities are currently arresting Italian citizens.

Dr. Smodlaka replied he did not have any specific information but that the Political Adviser of the Allied Commission would know better than he and that the matter could be investigated and clarified through channels deemed convenient. Dr. Smodlaka then inquired what action could be taken to deliver Italian war criminals to Yugoslavia.

Admiral Stone noted that in accordance with the statement he made at the last meeting, under instructions from AFHQ, requests for delivery of Italians listed by the War Crimes Commission should be taken up directly with the Italian Government by the nation requesting the alleged criminals.

M. Balay noted that, in principle, the French Delegation agreed with Dr. Smodlaka's position.

Mr. Ward stated that, as this was a question of policy, he stood by the ruling of the CCS, and that he considered that the interested Governments should pursue the matter through diplomatic channels.

Dr. Smodlaka stated that Yugoslavia was asking for the arrest of Italian war criminals, how this would be done was not their concern, SACMED could make arrangements through the Italian Government, and the function of the Advisory Council was to make recommendations to SACMED.

Colonel Savko remarked that the Allied authorities controlled the fulfillment of Armistice Terms by Italy. He also stated that on the basis of the 29th article of the Additional Armistice Terms with Italy, which provided for extradition of war criminals on the request of the Allied powers, the Italian war criminals had to be handed over to the Yugoslav Government.

He stated that he supported the proposal of the Yugoslav Delegation that SACMED be advised to enforce the fulfillment of the 29th Article of the Additional Terms and to give assistance in delivery of war criminals to the Yugoslav Government.

Mr. Goshie stated that the U.S. Government considered that the question raised by the Yugoslav Delegation was a matter to be properly taken up in negotiations between the Yugoslav Government and the Italian Government.

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He stated that he supported the proposal of the Yugoslav Delegation that SACMED be advised to enforce the fulfillment of the 29th Article of the Additional Terms and to give assistance in delivery of war criminals to the Yugoslav Government.

Mr. Goshie stated that the U.S. Government considered that the question raised by the Yugoslav Delegation was a matter to be properly taken up in negotiations between the Yugoslav Government and the Italian Government.

Mr. Ward stated that he had been informed by the Foreign Office of the reply which they had made through the Yugoslav representative in London to the representations of the Yugoslav Government in this matter. This reply, dated October 31st, had been to the effect that the Italian armistice of September 1943 had been largely superseded by events and that its terms had become in part obsolete. Revised terms had in fact been agreed upon in May last in Paris. The procedure laid down by the Combined Chiefs of Staff was in keeping with the existing situation and was in no way inconsistent with that envisaged in the Revised Terms or in the relevant draft article of the Peace Treaty with Italy.

The Chairman stated that the Council had before it a specific proposal

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proposal presented by Dr. Smodlaka recommending that ACI advise SACRED to make necessary arrangements for the arrest and extradition of listed Italian war criminals. In this connection, he noted that the positions of the British and the U.S. Governments were that the question raised by Dr. Smodlaka should be taken up directly by the Yugoslav Government with the Italian Government in conformity with the CCS directive.

Dr. Smodlaka noted that he had the support of the Soviet Union and the French Delegations and inquired whether any of the other Delegations had received instructions from their respective Governments.

M. Balay stated that the French Government had approached London and Washington, but he had not yet received information as to developments along these lines. M. Balay suggested that pending receipt of an answer from London and Washington, further consideration of this similar question be postponed until the next meeting.

The Chairman ascertained that all Representatives were agreeable to this suggestion.

5. Miscellaneous

The Council had no miscellaneous business to discuss.

6. Press Communique

The Council agreed to release the following press communique:

"The 59th meeting of the Advisory Council for Italy was held on November 22, 1946 under the chairmanship of the United States Acting Representative, Mr. John L. Goshie. Other members of the Council present were:

- M. Georges Balay France
- M. Constantin Vatikiotty Greece
- Colonel V.V. Savko Soviet Union
- Mr. John G. Ward United Kingdom
- Dr. Sloven J. Saodlaka Yugoslavia

5736

Various questions were discussed.

Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, attended the meeting".

DATE OF NEXT MEETING

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| Dr. Sloven J. Snodlaka | Yugoslavia |

5736

Various questions were discussed.

Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, attended the meeting".

DATE OF NEXT MEETING

The Council agreed to hold the next meeting on December 20 under Jugoslav chairmanship.

Appendix A1:

Letter from the Allied Financial Agency addressed to The Chief of Secretariat ACI, dated October 29, 1946.

JLG:hp

APPENDIX #1

TO MINUTES OF 59th MEETING OF THE ADVISORY COUNCIL FOR ITALY

ALLIED FINANCIAL AGENCY

Branch of
Allied Force HQ
G-5 Section CIF

Postal Address:
APO 794 US Army

FA/3.25

29 Oct 46

SUBJECT: Advances to Advisory Council for Italy.

TO : The Chief of Secretariat
The Advisory Council for Italy
C. M. F.

Enclosed please find letters addressed to the U.S., British, Russian, Yugoslav, Greek and French Delegations with, attached to each, a statement of the respective advances made by this Agency and requesting repayment of the amount outstanding.

It will be appreciated if you will kindly deliver these to the addressees and ensure that a reply be given to us as quickly as possible.

(Note: Enclosures omitted since addressed to individual Delegations).

5735

L.R. BATTENSBY,
Colonel, G.I.,
Director
Allied Financial Agency.

Copy to: A.T.H., G-5
Asst Chief of Staff
(Ref G-5.905.06 dated 23 Oct 46)

Chief Comm

HEADQUARTERS ALLIED COMMISSION

APO 794

Office of the Executive Commissioner

007 8 1946

CONFIDENTIAL

October 1946

REF: 21C/10

MINUTES OF EXECUTIVE COMMISSIONER'S MEETING 1 OCTOBER 1946

1. Minutes of Last Meeting.

(a) - The nature of the Commission. A/EC informed the meeting that a conference had taken place on 2 September between Col. Hamblen, AFHQ and EC and A/EC on this subject. The physical set-up and the terms of reference for the new organization which would take over should the A.C. be abolished had been discussed fully. He said that as the new organization would be a branch of AFHQ all sections would have to start a new set of files, and this matter should be given thought. EC felt that if the change over to LACAS actually took place it should be possible to economize in administrative personnel, having regard to the fact that in the Commission now we have 2 Camp Commandants and 2 A/Q branches (AC and Land Forces S/C). Ex O (B) replied that this would be difficult to arrange, as there would be two separate units to administer. A/EC stated that it had been suggested by AFHQ that RAAC should take over the administration of A.C. Ex O (A) stated that on the American side RAAC would be unable to take over the administration of the American increment of AC owing to shortage of staff.

2. Executive Commissioner. Brig. Lush announced that this was the last Executive Commissioner's meeting over which he would preside as he expected to leave the Commission on Saturday, 5 October 1946, prior to leaving the Army and taking over a new appointment in a civilian capacity. He thanked all the members of the meeting for the support which they had always given to him. He said that the first Executive Commissioner's meeting had been held on 2 September 1944, and that since then many decisions had been reached in the meetings which had greatly assisted the work of the Commission. Brig. Carr in reply said that he was profoundly sorry that Brig. Lush was leaving the Commission.

3. Withdrawal of AFHQ FEMDA. A/EC stated that on instructions from AFHQ the AC Liaison Officer at FEMDA would be withdrawn by 15 October. Instruction had been issued and Ex O (B) was asked to discuss this matter with A/EC.

4. Extradition Laws. A discussion took place on the effect of Article 38 of the Draft Peace Treaty with Italy, and EC stated that this clause would have a wide effect on the present extradition policy now in force. Col. Pindley stated that if this clause remained in the Peace Treaty he did not know how it would affect his camps. He had 15,000 persons who might be effected at the moment in one camp. Field (B) stated that his Embassy

conference had taken place on 20 September between Col. Hamblen, A/EC and EC and A/EC on this subject. The physical set-up would take over should the A.C. be abolished, had been discussed fully. He said that as the new organization would be a branch of AFHQ all sections would have to start a new set of files, and this matter should be given thought. EC felt that if the change over to LACAF actually took place it should be possible to economize in administrative personnel, having regard to the fact that in the Commission we have 2 Camp Commandants and 2 A/Q branches (AC and Land Forces S/C). Ex O (B) replied that this would be difficult to arrange, as there would be two separate units to administer. A/EC stated that it had been suggested by AFHQ that RAAC should take over the administration of A.C. Ex.O (A) stated that on the American side RAAC would be unable to take over the administration of the American increment of AC owing to shortage of staff.

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3. Withdrawal of ACIO TENDA. A/EC stated that on instructions from AFHQ the AC Liaison Officer at TENDA would be withdrawn by 15 October. Instructions had been issued and Ex.O (B) was asked to discuss this matter with A/EC.

4. Extradition Laws. A discussion took place on the effect of Article 38 of the Draft Peace Treaty with Italy, and EC stated that this clause would have a wide effect on the present extradition policy now in force. Col. Finlay stated that if this clause remained in the peace treaty he did not know how it would affect his camps. He had 15,000 persons who might be effected at the moment in one camp. Col. (B) stated that his Embassy agreed to the action proposed by AFHQ i.e. that the Italian Govt. should be asked how it dealt with applications for the handover of alleged traitors but it was hoped that the position of refugees in Italy would be safeguarded until the actual task of looking after them in Italy was taken over by UNRRA or IRO. Col. Finlay stated that UNRRA could not accept the responsibility for looking after refugees at the present time. EC stated that in discussion with CC and Col. Hamblen it was decided that no representation would be made by AFHQ or AC

regarding article 38 but the matter would be dealt with by the Embassies. EC stated that he thought that the Embassies should take this matter up with the Peace Delegation in PARIS and that no refugees should be returned to their respective countries by force. Polad (B) stated that all these details were being discussed in the IRO Constitution but he did not know how long it would be before the Constitution came into effect or whether the matter was to be dealt with by the EC. EC asked Polad (A) if the US Embassy could not take a stand on this question together with the British Embassy. US Polad said he would discuss the matter with his Embassy. Polad (B) suggested that a small clause should be inserted with article 38 stating that the Italian Government will observe the law laid down by other documents, i.e. the IRO constitution etc. EC stated that he was afraid that during the interim period after the Peace Treaty had been approved and before the signing of that instrument, countries who required the extradition of war criminals and traitors now in Italy would bring pressure to bear on the Italian Government for extradition rights.

EC said that he understood that a signal had been sent to PARIS by Br. Political Adviser at AFHQ, and he felt that it would be useful if AC could have a copy of this. Polad (B) said that he would obtain a copy. A/EC stated that the Italian Government was placing undesirable officers of mixed nationalities in a camp at FOSSOLI and that a letter had been received from AFHQ stating that repatriation was a matter for diplomatic channels. AFHQ had overlooked many difficulties especially as regards AETHIOPIA and GERMANY and new instructions were awaited.

Economic Situation:

- (a) Food. A/VP Econ Sec stated that there was a further slight decline in food stocks which are now down to 5 days supplies of bread and pasta. Wheat stocks now in hand were sufficient for 99 days.
- (b) Fuel. Fuel situation has now improved with the arrival of coal from Poland. 632,000 tons had arrived in September and estimated arrival for October were 600,000 tons.
- (c) POL. The situation remained stationary with 60 days of fuel in hand.
- (d) Electricity. A/VP Econ Sec stated that the electricity situation is still serious in Southern Italy owing to the drought. In Central Italy the situation remains unchanged but the transformer which supplies ROMA has now been re-activated. In North Italy the electricity situation remains good.

6. Communications. Lt Col Lambert reported that the strike of telephone operators which was called last week has now been settled by a compromise agreement over the payment of wages.

A. E. Hand. Smith

Lt. Colonel,
Chief Staff Officer.

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A. E. Hand. Smith

- DISTRIBUTION:
- G-5 Section. 3. Camp Comdt. 1. Lt. Colonel.
 - Chief Commissioner. 1. Land Forces S/C. 2. ACLO 85 Area. Chief Staff Officer.
 - Executive Commissioner. 1. Archives Br. 1. AMG Udine. 1. ACLO Tordin.
 - Polad (A) 1. Public Relations. 1. AMG 13 Corps. 1. AMG Udine.
 - Polad (B) 1. Econ Adv to Br. 1. Spares.
 - CA Section. 4. Embassy. 1. Spares.
 - Econ Section. 5. Russian Rep. 1. Russian Rep.
 - Coal Division. 1. French Rep. 1. French Rep.
 - D.P. & R.S.C. 1. D.P. & R.S.C.
 - Communications S/C. 1. Communications S/C.
 - Ex Off (A). 1. Ex Off (A).
 - Ex. Off (B). 1. Ex. Off (B).

HEADQUARTERS ALLIED COMMISSION
AFO 794
Economic Section

1 October 1946

Ref.: ES/1.27

MINUTE OF THE ECONOMIC SECTION
STAFF MEETING HELD 30 SEPT. 1946

PRESENT:

Economic Section

Col. H.M. Walker
Lt. Col. C.G. Webster Jr.

CEM Branch

Lt. Col. F.G. Green

Food, Agriculture & A.M.G. Supply Branch

Capt. Gilbert Mellin
Capt. M.H. Cazal

Commerce (ET) Branch

Maj. G.A.F. Rothery

Meeting opened at 1600 hours. Col. Walker presided.

1. Lt. Col. Webster stated that he had heard from G-5 re. Capt. Vaughan's status and that he has been released from XIII Corps, therefore he is not under control of this Headquarters.

2. Col. Webster announced a further slight decline in the wheat situation within the last week, amounting to 5 days' supply of bread and pasta. The stocks on hand are now sufficient for ninety-nine days.

Stocks on hand in Udine are sufficient to last up to 30 January 1947 and the pasta ration through December. The S/S Cape Romano has arrived for Udine carrying 472 tons of flour. Trieste has loaned 400 tons of flour to the Italian Government for Padova. Venezia Giulia has not sent us a report on the wheat and flour situation. **5733**

The High Commission of Food has disposed a special allotment of evaporated milk to the SEPRAL of Rome (630 tons) and Frosinone (10 tons). Other allotments have been made to URR4, such as meat, evaporated milk, canned fish, dry vegetables, chocolate, biscuits, flour, powdered eggs, etc.

In about a week it is expected that the S/S Kerkyra will arrive carrying coal loaned by URR4 to Venezia Giulia and Udine to meet the present critical shortage. On 20 October it is expected the S/S Miguel De Larringa with another cargo of coal will arrive.

3. Lt. Col. Webster announced that the monthly reports are due in this office not later than 10 October.

4. Col. Walker reported that the arrivals of coal for the month of

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Economic Section

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CEM Branch

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3. Lt. Col. Webster announced that the monthly reports are due in this office not later than 10 October.

4. Col. Walker reported that the arrivals of coal for the month of September are better than previous estimates. While a firm figure cannot be given at this time, there have been approximately 682,000 tons arrive during the month. 12,000 tons of this came from Poland. The estimated arrivals for October are 600,000 tons, which indicates that the effect of the shipping strike in the U.S. will be felt more in October than it was in September.

Latest advices indicate that the production of Sardinian coal will be approximately 90,000 tons for September.

There is little change in the FOL situation. The stock position remains stable--at about 60 days' supply.

It is anticipated that crude oil will begin to arrive at Naples and Bari about 15 October, in which event the refineries at these two places will be started before the end of the month.

There were no immediate results obtained in our de-requisitioning program during the past week. We have, however, been informed by the military authorities in Naples that a warehouse and an apartment will be de-requisitioned in 3 or 4 weeks respectively.

In Southern Italy the electricity situation continues to be serious. The drought is persisting and the Sila reservoir is now down to 46 million KWH in storage. An extra allocation of 2,000 tons of fuel oil has been obtained for the Capuano steam plant at Naples. In Central Italy the situation is also serious as the drought still persists and the only good news is that the large transformer at Magliana sub-station, supplying Rome, has been reactivated. In Northern Italy the electricity supply is normally good.

5. Lt. Col. Green reported that efforts are being made to speed up the return of CEM materials and quite a large amount is being turned back to the Italians. Units have been instructed to turn in material in excess of their requirements.

6. Maj. Rothey reported that the Civil Affairs' authorities in Cairo had made arrangements through Allied Commission, with the Italian Government that compensation trade between Italy and areas under British Military Administration should be terminated and private trade on a merchant to merchant basis should take its place. Payment to be made in sterling through London. The prices quoted in Tripolitania, in view of the fact that Italian importers have to buy sterling available from exports at about 2,000 lire to the pound are so high that trade has come virtually to a standstill. The matter has been taken up with the Economic Directorate of the Ministry of Foreign Affairs, and the possibility of putting sterling at the disposal of importers discussed. This is being studied at the present moment. When this study is completed, any decisions taken will be passed to Civil Affairs, C.I.A., Cairo, for consideration.

7. Capt. Mellin reported that he had received a call from Venezia Giulia inquiring about their fuel supply in view of the fact that XIII Corps was going out of business. They have not been receiving what they wanted in the way of special oil and lubricants. With regard to the petroleum for the Casus organization that UNRRA furnished the trucks for, the C.I.P. has already made arrangements to furnish it to carry on the work. It was suggested that Capt. Mellin should contact Mr. Esom, Secretary at C.I.P. about this.

Col. Walker suggested that Capt. Mellin keep in close touch with the Coal Branch of UNRRA re. several ships coming carrying coal for Venezia Giulia/Udine. Trieste is afraid of receiving anthracite coal as they do not have many places to use this type of coal there.

Capt. Mellin reported that UNRRA is talking of raising the price of coal for the UNRRA.

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Capt. Mellin reported that URRM is talking of raising the per day caloric diet for the first half of 1947 and again for the second half and our food figures may need to be increased to keep up with Italy proper. We are importing only enough for 950 calories a day in Venezia Giulia.

8. Col. Walker brought up the question of whether the weekly Economic Section meetings should be continued and suggested that a short memorandum from each Branch might be turned in every Monday, which could be compiled for the meeting in the Executive Commissioner's office on Tuesday morning. He concluded by saying that we would have next week's meeting at the scheduled time.

The meeting adjourned at 1650 hours.

Carlos G. Webster

CARLOS G. WEBSTER JR.
Lt. Col., F4
Chief Staff Officer

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MINUTES OF THE 56th MEETING
OF THE ADVISORY COUNCIL FOR ITALY

The meeting was held at Via Romagna 42 on August 30, 1946 under the chairmanship of M. Constantin Vatiklotty, the Greek Acting Representative on the Council. Present at the meeting were:

- | | |
|--------------------------|----------------|
| M. Constantin Vatiklotty | Greece |
| M. Constantin Himarios | |
| M. Georges Balay | France |
| M. Pierre Sebilléau | |
| Colonel V.V. Savko | Soviet Union |
| Lt. N.M. Geegalin | |
| Sir Noel Charles | United Kingdom |
| Mr. H.A.A. Hankey | |
| Mr. John L. Goshie | United States |
| Dr. Sloven J. Smodlaka | Yugoslavia |
| M. Čedomil Veljačić | |

The agenda for the meeting included the following items:

- 1.) Political Review - by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission.
- 2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".
- 4.) Miscellaneous.
- 5.) Press Communique.

M. Constantin Vatiklotty, the Chairman, opened the meeting and called on Admiral Stone to present his report.

1. Political Review
 - (a) Report by Rear Admiral Ellery W. Stone:

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- Colonel V.V. Savko Soviet Union
- Lt. N.M. Geegalin
- Sir Noel Charles United Kingdom
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1. Political Review

(a) Report by Rear Admiral Ellery W. Stone:

"During the second half of August political interest has been mainly focussed on the activities of the Italian delegation to the Peace Conference at Paris and the reactions registered by the Communist and Socialist parties in Italy.

Intensive lobbying by the President of the Council and other members of the Italian delegation among the various foreign delegates at Paris resulted at first in excessive optimism on the part of the delegation and other Italian observers at Paris regarding their hopes of securing a revision of the treaty in Italy's favor. This impression was on the whole encouraged by Mr. Byrnes' and Mr. Alexander's speeches of August 16th made in reply to the Russian

delegate's

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delegate's charges against the Italian Government of three days before, (although their speeches were possibly too optimistically received by the Italians). On August 17th the Italian delegation issued a statement defining its attitude at the end of the first phase of the Conference's labor and affirming that the delegation must reserve judgment on the treaty as a whole "until the territorial, economic and military clauses are defined and until the Constituent Assembly is in a position to assume co-responsibility for the treaty." The statement also declared that the delegation's activities had "created an atmosphere of greater understanding regarding our country."

On the following day the delegation presented a bulky exposition of their case, raising sixty points on the economic aspects alone with about 20 pages of comment on each. The immediate reception of this document by the political commission deputed by the Conference to examine and report on the Italian treaty was unexpectedly severe. In a criticism of the preamble to the draft treaty intended to secure recognition of the part played by Italy in the war against Germany, it was pointed out that Holland and Belgium had never declared war on Italy. This incited the Belgian and Dutch representatives on whom the Italian delegation had been counting for support at least in securing minor concessions, to protest violently, on the grounds that the Italian statement implied a slur on the hundred per cent character of their war effort. The Italian amendment was defeated unanimously, and the delegation was generally regarded as having committed a first-class tactical blunder. Their depression was accentuated by the fact that no support had been received from the foreign delegates who had responded favorably to the delegation's advances during the preceding few days.

However, an alternative amendment recognizing in more explicit terms the assistance given by Italy in the war against Germany was subsequently introduced by the Dutch delegate, and accepted on August 26th with the agreement of all except Yugoslavia.

Up to date little progress has been made by the commission dealing with the economic aspects of the treaty.

On August 17th it was decided by the Peace Conference that Austria should be invited to state her views on the Italian peace treaty. Prominence was given in the Italian press to this decision and to the fact that it had been supported by the British and United States and opposed by the Soviet delegations.

These developments at Paris have been accompanied by an incipient governmental crisis at home. Signor Togliatti, the leader of the Communist party, returned on August 18th to Rome from Paris where he had seen M. Molotov. In an interview with Unita he attacked the Government's policy particularly as regards De Gasperi's proposal to postpone the peace conference.

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delegation on August 17th.

The press organs of the Christian democratic party responded to this broadside from the Communists by declaring that in her present difficulties Italy needed to show a united front, and that it was improper for the Communist party to indulge in such fierce opposition when it was itself represented in the Government. The tension was partly relieved however by Signor Togliatti's calming statement that although he reserved the right to criticize the government when necessary the development least desired at present was a governmental crisis.

As regards the position of the Socialist Party, in spite of Signor Nenni's asseverations that the Socialist party must pursue its own course and not act as mediator between the Communists and Christian Democrats a rift seems to have appeared in the party ranks between those who with Signor Nenni would like to renew the pact of unity of action with the Communists and the rest, who have come to regard continued partnership with the Communists as a course too dangerous to Italian interests to be justifiable in present circumstances.

Division of opinion also exists in the Christian Democratic party on the question whether the Communists are most dangerous to them inside or outside the government. Feeling on the subject is so strong that a fairly strong group within the party, led by the former deputy, Signor Martire, is reported to be ready to form a new "National Catholic Party" if an unsatisfactory reply is received to its insistent request for a clarification of the party policy.

The President of the Council, who returned to Rome on August 23rd, may have a somewhat difficult task before him if he intends to restore order and unity in the heterogeneous ranks of his government's supporters before returning to Paris in a week's time. He began the task by endeavoring to clear up misunderstandings and to answer his critics in a report to the Council of Ministers on August 24th. Among other things he emphasized that in proposing to postpone a settlement of the Venezia Giulia question for a year he in no way hoped for a similar postponement of the peace treaty itself. He had endeavored to reach a settlement of the question by direct discussion with the Yugoslav delegate, but the latter had refused to enter into contact with him. Although De Gasperi's statement was criticized at length by the Communist Minister of Finance, Signor Scocimarro, the meeting concluded by passing a unanimous resolution of approval for the work done by De Gasperi and the delegation at Paris.

During the fortnight the National Monarchist Party succeeded in securing the adherence to it of the "Democratic Liberal National Concentration", the monarchist movement "Rinascita Nazionale" and the delegation at Paris.

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During the fortnight the National Monarchist Party succeeded in securing the adherence to it of the "Democratic Liberal National Concentration", the monarchist movement "Rinascita Nazionale" and the "Monarchist Christian Democratic Center." In the world of the press the paper "Minuto" has disappeared and been replaced, under the same editor, by "Figaro." "Risorgimento Liberale" has revealed, as a part of the current polemic against the Communists, that the Communist paper "Unita" had undertaken for the Soviet Embassy the distribution of one of their bulletins containing the text of M. Molotov's speech on the Italian question at Paris.

Possibly as a result of the calm to be expected during and after the long Ferragosto holiday during which many factories were closed down altogether between August 10th and August 19th, the labor situation has generally been quiet. The Commission set up to discuss the question of the ban on the dismissal of workers,

following

following the negotiations between Confindustria and the C.G.I.L., met for the first time on August 22nd and divided up its work among seven subcommittees each dealing with a special industrial sector.

The question of the partisans has once more come to the fore. Following the developments at Asti where a band of partisans took to the hills as a protest partly against their unsatisfactory economic status, partly against the government's attitude in certain political questions, a delegation was received by Signor Nenni, who in the absence of Signor de Gasperi was acting President of the Council. The delegation presented a petition containing seven requests mainly of an economic character, which are at present under consideration by the government."

The Chairman thanked the Admiral for his report and invited discussion thereon.

(b) Discussion

Admiral Stone stated that he would like to suggest to the Council the desirability of discontinuing his presentation of a fortnightly political report. He stated that the practice of presenting such a report was started in the early days of the Advisory Council when his predecessor General McFarlane reported personally to the Council the current situation and political developments in liberated Italy. He noted that this practice was quite natural at the time especially since newspaper reporting was inadequate and none of the Governments represented on the Council, except the Soviet Union, had established diplomatic relations with the Italian Government. He added that since that time newspaper reporting had improved and all Governments represented on the Council, except Jugoslavia, had established diplomatic relations and that therefore there was little for him to report that was not already well known to the Delegations. He also pointed out that the abolition of the Political Section of the Allied Commission deprived him of the Section which had prepared the draft of these reports. He noted that all Governments represented on the Allied Commission are receiving the Allied Commission's weekly bulletin and suggested that if it would meet the Council's needs he would be happy to furnish regularly weekly bulletins to all Representatives in lieu of submitting his fortnightly political review. He added that, if the Council so desired, he would, of course, continue to attend the Council's meetings in order to answer any questions raised at these meetings or to give any information desired on the functioning of the Allied Commission. He concluded by stating that he wished to submit this suggestion to the Council for whatever consideration the Council may care to give to it.

Sir Noel Charles expressed support of Admiral Stone's suggestion.

M. Balay, M. Vatikiotty, and Mr. Goshie also supported the Admiral's suggestion.

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Sir Noel Charles expressed support of Admiral Stone's suggestion.

M. Balay, M. Vatikioty, and Mr. Goshie also supported the Admiral's suggestion.

Dr. Smodlaka inquired whether it could be considered that four weekly bulletins would constitute a substitute for the Admiral's regular report to the Advisory Council for Italy.

Admiral Stone replied affirmatively.

Colonel Savko associated himself with Dr. Smodlaka and agreed, in principle, to Admiral Stone's suggestion.

The Chairman noted that all Delegations were agreeable to accepting Admiral Stone's suggestion.

2. "Statement of the Soviet Union Representative regarding Discontin-
tinuance of Provision of Funds by the Combined Chiefs of Staff
to the Soviet Delegation and Reimbursement for past Advances".

The Chairman inquired whether any of the Representatives had received additional instructions and after ascertaining that none had he suggested that the item be included on the agenda of the next meeting.

This suggestion was agreeable to all Representatives.

3. "Restitution by the Italian Government of Yugoslav Property
taken by Italian Fascist Authorities, included the Yugoslav
Sunken Ships, which should be salvaged and repaired at the
Expenses of the Italian Government".

Dr. Snodlaka inquired whether any reply had been received by the Council to its last letter addressed to AFHQ in the premises.

The Chairman reported that no reply had been received.

Dr. Snodlaka inquired whether anybody had any information as to when a reply may be expected.

Admiral Stone stated that in anticipation of this question he had called AFHQ for information and that they reported they had received the communication of the Allied Commission on this subject and were corresponding further with the Allied Commission. Admiral Stone stated that he had been asked to assure the Advisory Council that the matter was under serious consideration and that as soon as AFHQ had all the necessary information a reply would be given.

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Dr. Snodlaka expressed the hope that the reply would be received before the next meeting.

The Chairman suggested that pending receipt of a reply from AFHQ the Council postpone further consideration of this subject until the next meeting.

The Council accepted this suggestion.

4. Miscellaneous

The Council had no miscellaneous business to discuss.

5. Press Communique

The Council agreed to release the following press communique:

"The 56th meeting of the Advisory Council for Italy was held in Rome on August 30, 1946 under the chairmanship of the Greek Acting Representative, Mr. Constantine Vatikioty. Other members

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cases by Italian Fascist authorities, included the Yugoslav
Sunken Ships, which should be salvaged and repaired at the
Expenses of the Italian Government".

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Dr. Smodlaka expressed the hope that the reply would be received before the next meeting. ⁵⁷²⁷

The Chairman suggested that pending receipt of a reply from AFHQ the Council postpone further consideration of this subject until the next meeting.

The Council accepted this suggestion.

4. Miscellaneous

The Council had no miscellaneous business to discuss.

5. Press Communiqué

The Council agreed to release the following press communiqué:

"The 56th meeting of the Advisory Council for Italy was held in Rome on August 30, 1946 under the chairmanship of the Greek Acting Representative, M. Constantin Vatikioty. Other members of the Council present were:

- M. Georges Balay France
- Colonel V. Savko Soviet Union
- Sir Noel Charles United Kingdom
- Mr. John L. Goshie United States
- Dr. Sloven J. Smodlaka Yugoslavia

Rear

- 6 -

Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, presented a report on current political developments in Italy to the Council".

DATE OF NEXT MEETING

The Council agreed to hold the next meeting on September 27 under the chairmanship of the Soviet Union Representative.

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

The Council agreed to hold the next meeting on September 27 under
the chairmanship of the Soviet Union Representative.

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MINUTES OF THE 56TH MEETING
OF THE ADVISORY COUNCIL FOR ITALY

The meeting was held at Via Romagna 42 on August 30, 1946 under the chairmanship of M. Constantin Vatikioty, the Greek Acting Representative on the Council. Present at the meeting were:

- | | |
|-------------------------|----------------|
| M. Constantin Vatikioty | Greece |
| M. Constantin Himarios | |
| M. Georges Balay | France |
| M. Pierre Sebilliau | |
| Colonel V.V. Savko | Soviet Union |
| Lt. N.M. Geegalin | |
| Sir Neel Charles | United Kingdom |
| Mr. H.A.A. Hankey | |
| Mr. John L. Goshie | United States |
| Dr. Sloven J. Smodlaka | |
| M. Čedomil Veljačić | Yugoslavia |

The agenda for the meeting included the following items:

- 1.) Political Review - by Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission.
- 2.) "Statement of the Soviet Union Representative regarding Discontinuance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".
- 3.) "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".
- 4.) Miscellaneous.
- 5.) Press Communiqué.

M. Constantin Vatikioty, the Chairman, opened the meeting and called on Admiral Stone to present his report.

1. Political Review
 - (a) Report by Rear Admiral Ellery W. Stone:

"During the second half of August political interest has been

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Colonel V.V. Savko	Soviet Union
Lt. N.M. Geegalin	
Sir Neel Charles	United Kingdom
Mr. H.A.A. Henkey	
Mr. John L. Goshie	United States
Dr. Sloven J. Smodlaka	
M. Čedomil Veljačić	Yugoslavia

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Commission.
- 2.) "Statement of the Soviet Union Representative regarding
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Chiefs of Staff to the Soviet Delegation and Reimburse-
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- 3.) "Restitution by the Italian Government of Yugoslav Proper-
ty taken by Italian Fascist Authorities, included the
Jugoslav Sunken Ships, which should be salvaged and re-
paired at the Expenses of the Italian Government".
- 4.) Miscellaneous.
- 5.) Press Communique.

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M. Constantin Vatikioty, the Chairman, opened the meeting and called on Admiral Stone to present his report.

1. Political Review

(a) Report by Rear Admiral Ellery W. Stone:

"During the second half of August political interest has been mainly focussed on the activities of the Italian delegation to the Peace Conference at Paris and the reactions registered by the Communist and Socialist parties in Italy.

Intensive lobbying by the President of the Council and other members of the Italian delegation among the various foreign delegates at Paris resulted at first in excessive optimism on the part of the delegation and other Italian observers at Paris regarding their hopes of securing a revision of the treaty in Italy's favor. This impression was on the whole encouraged by Mr. Byrnes' and Mr. Alexander's speeches of August 16th made in reply to the Russian

delegate's

- 2 -

delegate's charges against the Italian Government of three days before, (although their speeches were possibly too optimistically received by the Italians). On August 17th the Italian delegation issued a statement defining its attitude at the end of the first phase of the Conference's labor and affirming that the delegation must reserve judgment on the treaty as a whole "until the territorial, economic and military clauses are defined and until the Constituent Assembly is in a position to assume co-responsibility for the treaty." The statement also declared that the delegation's activities had "created an atmosphere of greater understanding regarding our country."

On the following day the delegation presented a bulky exposition of their case, raising sixty points on the economic aspects alone with about 20 pages of comment on each. The immediate reception of this document by the political commission deputed by the Conference to examine and report on the Italian treaty was unexpectedly severe. In a criticism of the preamble to the draft treaty intended to secure recognition of the part played by Italy in the war against Germany, it was pointed out that Holland and Belgium had never declared war on Italy. This incited the Belgian and Dutch representatives on whom the Italian delegation had been counting for support at least in securing minor concessions, to protest violently, on the grounds that the Italian statement implied a slur on the hundred per cent character of their war effort. The Italian amendment was defeated unanimously, and the delegation was generally regarded as having committed a first-class tactical blunder. Their depression was accentuated by the fact that no support had been received from the foreign delegates who had responded favorably to the delegation's advances during the preceding few days.

However, an alternative amendment recognizing in more explicit terms the assistance given by Italy in the war against Germany was subsequently introduced by the Dutch delegate, and accepted on August 26th with the agreement of all except Yugoslavia.

Up to date little progress has been made by the commission dealing with the economic aspects of the treaty.

On August 17th it was decided by the Peace Conference that Austria should be invited to state her views on the Italian peace treaty. Prominence was given in the Italian press to this decision and to the fact that it had been supported by the British and United States and opposed by the Soviet delegations.

These developments at Paris have been accompanied by an incipient governmental crisis at home. Signor Togliatti, the leader of the Communist party, returned on August 18th to Rome from Paris where he had seen M. Molotov. In an interview with Unita he attacked the Government's policy particularly as regards De Gasperi's

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These developments at Paris have been accompanied by an incipient governmental crisis at home. Signor Togliatti, the leader of the Communist party, returned on August 18th to Rome from Paris where he had seen M. Molotov. In an interview with Unita he attacked the Government's policy particularly as regards De Gasperi's proposal to postpone for a year the settlement of the Venezia Giulia question, which he declared would only prolong the Allied occupation and enable them to transform Trieste into another Malta or Gibraltar. These statements followed a week of tension during which the Communists had accused De Gasperi of acting without authority from the treaty commission of the Constituent Assembly, of secretly intending to align Italy on the side of the Anglo-Saxon powers and failing to emphasize sufficiently the complete break between the old Fascist regime and the present one. Another charge, that of becoming involved in negotiations for the formation of a Mediterranean bloc was the subject of a denial issued by the Italian

delegation

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delegation on August 17th.

The press organs of the Christian democratic party responded to this broadside from the Communists by declaring that in her present difficulties Italy needed to show a united front, and that it was improper for the Communist party to indulge in such fierce opposition when it was itself represented in the Government. The tension was partly relieved however by Signor Togliatti's calming statement that although he reserved the right to criticize the government when necessary the development least desired at present was a governmental crisis.

As regards the position of the Socialist Party, in spite of Signor Nenni's asseverations that the Socialist party must pursue its own course and not act as mediator between the Communists and Christian Democrats a rift seems to have appeared in the party ranks between those who with Signor Nenni would like to renew the pact of unity of action with the Communists and the rest, who have come to regard continued partnership with the Communists as a course too dangerous to Italian interests to be justifiable in present circumstances.

Division of opinion also exists in the Christian Democratic party on the question whether the Communists are most dangerous to them inside or outside the government. Feeling on the subject is so strong that a fairly strong group within the party, led by the former deputy, Signor Martire, is reported to be ready to form a new "National Catholic Party" if an unsatisfactory reply is received to its insistent request for a clarification of the party policy.

The President of the Council, who returned to Rome on August 23rd, may have a somewhat difficult task before him if he intends to restore order and unity in the heterogeneous ranks of his government's supporters before returning to Paris in a week's time. He began the task by endeavoring to clear up misunderstandings and to answer his critics in a report to the Council of Ministers on August 24th. Among other things he emphasized that in proposing to postpone a settlement of the Venezia Giulia question for a year he in no way hoped for a similar postponement of the peace treaty itself. He had endeavored to reach a settlement of the question by direct discussion with the Yugoslav delegate, but the latter had refused to enter into contact with him. Although De Gasperi's statement was criticized at length by the Communist Minister of Finance, Signor Scoccimarro, the meeting concluded by passing a unanimous resolution of approval for the work done by De Gasperi and the delegation at Paris.

During the fortnight the National Monarchist Party succeeded in securing the adherence to it of the "Democratic Liberal National Concentration", the monarchist movement "Rinascita Nazionale" and the monarchist Christian Democratic Center. In the world

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During the fortnight the National Monarchist Party succeeded in securing the adherence to it of the "Democratic Liberal National Concentration", the monarchist movement "Rinascita Nazionale" and the "Monarchist Christian Democratic Center." In the world of the press the paper "Minuto" has disappeared and been replaced, under the same editor, by "Figaro." "Risorgimento Liberale" has revealed, as a part of the current polemic against the Communists, that the Communist paper "Unita" had undertaken for the Soviet Embassy the distribution of one of their bulletins containing the text of M. Molotov's speech on the Italian question at Paris.

Possibly as a result of the calm to be expected during and after the long Ferragosto holiday during which many factories were closed down altogether between August 10th and August 19th, the labor situation has generally been quiet. The Commission set up to discuss the question of the ban on the dismissal of workers,

following

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following the negotiations between Confindustria and the C.G.I.L., met for the first time on August 22nd and divided up its work among seven subcommittees each dealing with a special industrial sector.

The question of the partisans has once more come to the fore. Following the developments at Asti where a band of partisans took to the hills as a protest partly against their unsatisfactory economic status, partly against the government's attitude in certain political questions, a delegation was received by Signor Nenni, who in the absence of Signor de Gasperi was acting President of the Council. The delegation presented a petition containing seven requests mainly of an economic character, which are at present under consideration by the government."

The Chairman thanked the Admiral for his report and invited discussion thereon.

(b) Discussion

Admiral Stone stated that he would like to suggest to the Council the desirability of discontinuing his presentation of a fortnightly political report. He stated that the practice of presenting such a report was started in the early days of the Advisory Council when his predecessor General McFarlane reported personally to the Council the current situation and political developments in liberated Italy. He noted that this practice was quite natural at the time especially since newspaper reporting was inadequate and none of the Governments represented on the Council, except the Soviet Union, had established diplomatic relations with the Italian Government. He added that since that time newspaper reporting had improved and all Governments represented on the Council, except Jugoslavia, had established diplomatic relations and that therefore there was little for him to report that was not already well known to the Delegations. He also pointed out that the abolition of the Political Section of the Allied Commission deprived him of the Section which had prepared the draft of these reports. He noted that all Governments represented on the Allied Commission are receiving the Allied Commission's weekly bulletin and suggested that if it would meet the Council's needs he would be happy to furnish regularly weekly bulletins to all Representatives in lieu of submitting his fortnightly political review. He added that, if the Council so desired, he would, of course, continue to attend the Council's meetings in order to answer any questions raised at these meetings or to give any information desired on the functioning of the Allied Commission. He concluded by stating that he wished to submit this suggestion to the Council for whatever consideration the Council may care to give to it.

Sir Noel Charles expressed support of Admiral Stone's suggestion.

M. Balay, M. Vatikioty, and Mr. Goshie also supported the Admiral's suggestion.

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M. Balay, H. Vatikioty, and Mr. Goshie also supported the Admiral's suggestion.

Dr. Smodlaka inquired whether it could be considered that four weekly bulletins would constitute a substitute for the Admiral's regular report to the Advisory Council for Italy.

Admiral Stone replied affirmatively.

Colonel Savko associated himself with Dr. Smodlaka and agreed, in principle, to Admiral Stone's suggestion.

The Chairman noted that all Delegations were agreeable to accepting Admiral Stone's suggestion.

2. "Statement of the Soviet Union Representative regarding Discontinance of Provision of Funds by the Combined Chiefs of Staff to the Soviet Delegation and Reimbursement for past Advances".

The Chairman inquired whether any of the Representatives had received additional instructions and after ascertaining that none had he suggested that the item be included on the agenda of the next meeting.

This suggestion was agreeable to all Representatives.

3. "Restitution by the Italian Government of Yugoslav Property taken by Italian Fascist Authorities, included the Yugoslav Sunken Ships, which should be salvaged and repaired at the Expenses of the Italian Government".

Dr. Snodlaka inquired whether any reply had been received by the Council to its last letter addressed to AFHQ in the premises.

The Chairman reported that no reply had been received.

Dr. Snodlaka inquired whether anybody had any information as to when a reply may be expected.

Admiral Stone stated that in anticipation of this question he had called AFHQ for information and that they reported they had received the communication of the Allied Commission on this subject and were corresponding further with the Allied Commission. Admiral Stone stated that he had been asked to assure the Advisory Council that the matter was under serious consideration and that as soon as AFHQ had all the necessary information a reply would be given.

Dr. Snodlaka expressed the hope that the reply would be received before the next meeting.

The Chairman suggested that pending receipt of a reply from AFHQ the Council postpone further consideration of this subject until the next meeting.

The Council accepted this suggestion.

4. Miscellaneous

The Council had no miscellaneous business to discuss.

5. Press Communique

The Council agreed to release the following press communique:

"The 56th meeting of the Advisory Council for Italy was held in Rome on August 30, 1946 under the chairmanship of the Greek Acting Representative, M. Constantin Vatikioty. Other members of the Council present were:

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4. Miscellaneous

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5. Press Communiqué

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- | | |
|------------------------|----------------|
| M. Georges Balay | France |
| Colonel V. Savko | Soviet Union |
| Sir Noel Charles | United Kingdom |
| Mr. John L. Goshie | United States |
| Dr. Sloven J. Smodlaka | Yugoslavia |

Rear

Rear Admiral Ellery W. Stone, Chief Commissioner of the Allied Commission, presented a report on current political developments in Italy to the Council".

DATE OF NEXT MEETING

The Council agreed to hold the next meeting on September 27 under the chairmanship of the Soviet Union Representative.

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HEADQUARTERS ALLIED COMMISSION

AFO 794

Economic Section

Ref.: ES/1.27

16 September 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 16 SEPT. 1946

PRESENT:

Economic Section

Col. H. M. Walker
Capt. Delos De John

CEM Branch

Lt. Col. F. G. Green

Food, Agriculture & A.M.G. Supply Branch

Lt. Col. Feui Graves

Transportation & Shipping

Lt. Col. A. H. Street

Meeting opened at 1600 hours. Col. Walker presided.

1. Col. Walker reported that Brig. Carr is no longer with this office since he has been appointed Acting Executive Commissioner in the absence of Brig. Lush who is on leave. Col. Walker stated that he had not been appointed as yet and he was acting in a temporary capacity. He also mentioned his time here is limited as he is due to return to the States possibly before the end of the year, but will attempt to hold the fort in the meantime. He stated that he will sign correspondence for Brig. Carr, Acting Vice Present for the present.

It was also stated that we should try to weed out as much paper work as is unnecessary.

2. Col. Walker reported that the coal situation shows no change from last week's report.

The FOL situation remains the same--at about a 60 day level. In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January 1946, the Italian Government and the UNRRA Italian Mission have agreed to the following recommendations of the Joint Price Committee on FOL Products.

	Old	New
Gasoline (motor)	(29.00)	27.00 lire per litre
Kerosene	(20.45)	28.50 " " kg.
Diesel Oil	(21.00)	24.00 " " litre

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All the above are retail prices and are effective as of 1 Sept. 1946.

On de-requisitioning, not much progress was made during the past week. Only the Magazzini Generali (General warehouses) at Arquate Scrivia (Province of Alessandria) have been de-requisitioned by 6 S.A.D. However, this is very important for the traffic between the port of Genoa and

Food, Agriculture & A.M.C. Supply Branch Lt. Col. Paul Graves

Transportation & Shipping

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The electricity situation is still grim. Droughts are still persisting in Southern Italy. The Sila reservoir storage is now 64 millions of KWH. 4,500 tons of fuel-oil have been allocated to Capuano steam plant for this month. An extra allocation of 2,000 more tons has not yet been received. The daily generation at Capuano is now about 500,000 KWH.

In Central Italy the drought situation is practically the same. Another 12,000 Kw natural steam unit has been reactivated at Castelnuovo. (The Larderello Group).

cc has copy [Signature]

Generation at Rome thermal plants has been increased from 90,000 to 170,000 KWH per day (average), and most of this output is provided by steam units. Diesel units are operated only during peak-load time.

3. Col. Walker announced that Maj. Ellicott is on leave and expects to depart for his home the end of the week.

4. Lt. Col. Graves reported that there was a slight decline in the wheat levels amounting to 14 days' supply of bread and pasta during the week ending 14 September--from 128 days to 114 days.

The wheat stocks for bread on 5 September were sufficient to last until 4 February in Udine and in Venezia Giulia until 3 October. Wheat and flour stocks on the same date were sufficient to furnish pasta through December for Udine and through August for Venezia Giulia.

The S.S. John Lykes arrived at Venice on 12 September carrying 7,436 tons of flour. Approximately 2,000 tons of this flour have been shipped to 6 BSD Mestre as repayment of a flour debt due by Udine Province to the Italian Government, which on its turn is applied against the Italian Government's debt towards the British Army on midshift meals and DP's account. The remaining approximately 5,000 tons are destined to Venezia Giulia.

5. Col. Walker reported that Capt. Vaughan is here today, and Lt. Col. Graves stated that he did not know Capt. Vaughan's status, but announced that his work is important.

6. Col. Walker reported that Capt. Saul, Public Works officer in Udine, and Capt. Murphy, Finance Officer, are here on the matter of Public Works projects in Udine Province. It has been agreed between the Ministry of Finance and the Ministry of Public Works that the funds for Public Works in Udine will be released in one block and it will be the responsibility of the Provincial Commissioner there to approve the projects and see that they get started. The unemployment situation is rather acute there and work should start immediately to help relieve the unemployment situation.

Capt. De John commented on the inefficiency of the Message Center, and Lt. Col. Graves mentioned that an officer is being assigned to the Regt. with no definite assignment. He is an expert on army administration and it was suggested that he be put in charge of the Message Center. Capt. De John also stated that he was displeased with some of the translations that were being done in the Section.

The meeting adjourned at 1630 hours.

Carl G. Webster Jr.

CARLOS G. WEBSTER JR.
Lt. Col., FA
Chief Staff Officer

HEADQUARTERS ALLIED COMMISSION
APO 794
ECONOMIC SECTION

REF: 1.27/ES.

1 July 1946

MINUTES OF THE ECONOMIC SECTION
STAFF MEETING HELD 1 JULY 1946

PRESENT:

Economic Section	Col.C.W.Walton Lt.Col.Carlos G.Webster, Jr. Lt.Col.R.E.Horn Capt.Delos De John
Industry & Utilities Branch	Major L.W.Laughlin Major T.G.Elliott
CEM Branch	Major Dates
Transportation & Shipping Branch	Lt.Col.W.P.Scoggins
Commerce (FT) Branch	Major G.A.F.Rothey
Food & Agriculture Branch	Lt.Col.R.R. Snapp
VG/Udine Sup.Opns.Branch	Lt. J.M. Arensberg Lt. Gilbert Mellin
Public Relations Office	Lt.Col. L.Montague

Meeting opened at 16:00 hours. Colonel Walton presided.

1. Colonel Walton stated that there were no announced changes in plans for future operations of Allied Commission.

2. Lt.Col.Snapp reported that the food situation in Italy at the present time is excellent. During the month of June some 300,000 to 400,000 tons of the new wheat crop had been delivered to the Ammassi. The price of wheat delivered to the Ammassi is much higher this year, and therefore much more effective insofar as obtaining early deliveries. The price with bonus, up to July 10 is about 3,000 lire per quintale for soft wheat and a little more for hard wheat. 9718

Decision has been made to restore the 2,000 grams pasta ration for July.

At the present time there is no thought of repaying diversions, since these diversions were made when the UNRRA import program fell considerably behind schedule.

Sugar shipments will be greatly delayed, according to the last reports, but the 100 gram sugar ration will be continued during July.

Col. Snapp reported that a study of the 10-day reports submitted by Venezia-Giulia/Udine over the last 120 day period indicate that the stocks of food on hand and being unloaded now will be enough, if they continue to issue at the same rate as during the last four months, to last nearly a year. This includes such items as meat, fish, milk, fats and oils, dried vegetables and powdered eggs. It is felt that some action should be taken to avoid spoilage of this food in the warehouses. Col. Walton directed that Lt. Col. Snapp give this matter his attention, and if necessary make an inspection trip to Venezia-Giulia/Udine.

Col. Snapp also reported that some food shipments marked for Allied Commission and stored in Naples were completely lost by spoilage. Col. Walton directed that Col. Snapp clear this situation up through UNRRA and the Italian Ministry of Food, since such food shipments have been turned over to UNRRA and the Italian Government and they should not be allowed to assume that the food is A.C. food and let it rot in the warehouses.

It was reported that prices have not changed much.

3. Major Laughlin stated the POL situation was about the same as last week.

Motor gas	60 days' supply
Kerosene	70 " "
Fuel Oil	60 " "
Gas oil	60 " "

There are some indications that the informal meetings held by CIP and the employees' association are making headway and it is hoped that complete settlement will be negotiated. 3877

The production of coal for Sardinia for the month of July will be approximately 73,000 tons. The actual arrivals of coal in June were 129,550 tons. Stock on hand as of 1 July is 370,000 tons, estimated arrivals during July, 450,000 tons; permitted allocations for July 475,000 tons.

Allied Commission has received information concerning the final agreement on power between France and Italy. The areas of Priga and Tenda Valleys which are reported to go to France will include the hydro plants situated in those areas. It is

- 3 -

reported that France, however, is to insure that a part of the power output from the plants involved will continue to go to Italy.

4. Major Elliott reported that a tobacco warehouse at Lecce has been derequisitioned during the past week. G-5, AFHQ has confirmed that the U.S. Navy is to take over the Ansaldo plant. Navy Sub-Commission is inquiring into this matter.

5. Capt. De John stated that his work on derequisitioning is limited to derequisitioning other than industrial properties. At the moment his work is largely that of liaison between the requesting party and the military authority. Col. Walton asked that Major Elliott and Captain De John review their activities to determine where, if possible, coordination and consolidation of their activities could be arranged.

6. Lt. Arensberg stated that two cereal ships are due to arrive in Venezia-Giulia/Udine this week. He is suggesting that they follow allocation's made on ship's manifest.

A coal ship is due to arrive from the U.S. about 6 July. No further reports have been received regarding coal shipments from the Ruhr. Notification has been received that loading of Ruhr coal would start about 4 July.

POL allocations have been made by the U.&T. for Venezia-Giulia XIII Corps for 1000 tons of fuel oil. AFHQ has instructed that AMG Udine get their supply from XIII Corps on loan pending reply from Washington. No answer has been received, but this will be followed up.

7. Col. Walton stated that Lt. Col. Scoggins, Director of the Transportation & Shipping Branch is to leave the Economic Section for duty in Trieste. He expressed appreciation to Col. Scoggins for his services. Col. Walton asked that Col. Scoggins and Col. Snapp try to make an arrangement whereby XIII Corps would supply its own man for the Port Liaison work, thus releasing Capt. Vaughan, Transportation Officer, A.C. for duty here.

8. Major Dates stated that Major Roworth. will be leaving the Milan Office of CEM shortly, and Major Strachen-Audas is going on leave to England sometime this week. Lt. Warren will

- 4 -

be in charge of the Milan Office. Inasmuch as the Milan Office is due to close within a few days Major Dates said he would like to send the Chief Clerk from Rome to Milan to assist in preparing the files for shipment to Rome. Col. Walton concurred.

9. Lt. Mellin submitted the charts showing status of the files of all Branches. Col. Walton enjoined all Directors make every effort to get their files ready for turn-over to Archives.

10. Major Rothery stated that the determination of the items for import into Venezia-Giulia is a major problem at the moment. Reserve Commodity Lists have again been furnished XIII Corps and it is hoped that within a short time this matter will be resolved.

Meeting adjourned at 16:45 hours.

Carlos G. Webster, Jr.
CARLOS G. WEBSTER, JR.
Lt. Col., P.A.
Chief Staff Officer.

5715

NOV 13 1945

ALLIED PUBLICATIONS BOARD.

Minutes of Meeting of the Central Allied Publications Board held in Rome at 3 p.m. on the 18th October, 1945.

PRESENT:	Major G.M. Sinclair Noble.	Chief Press Officer, APB,
	Mr. George W. Edman.	Deputy Director, PWB-AFHQ.
	Mr. Aubrey Halford.	Political Section, A.C.
	Mr. R. McBride.	" "
	Major S. L. Henderson.	G-2, AFHQ.
	Mr. G. Stewart Brown.	Director, Public Relations, A.C.
	Lt. Col. T. Burgin.	Dep. Dir. "
	Mr. Michael Stewart.	Press Attache, British Embassy.
	Major O.C. Anderson.	" " American Embassy.
	Mr. J.G. Barney.	Ministry of Information.

OBSERVERS: Marchese Cavalletti.
 Mr. C. Johnston.

1. Mr. Edman was invited to take the Chair.
2. The minutes of the previous meeting held on the 6th October were taken as read.
3. Chief Press Officer's Report on situation in Northern Italy:

a) Cases involving disciplinary action:

Major Noble reported on several incidents which had occurred during the past week, and stated that if action were to be taken it would have to be taken immediately.

AVANTI and UNITA, Milan. The Socialist daily AVANTI and the Communist daily UNITA had both published editions outside the terms of their authorisations on Monday 15th October, following a rally in Milan at which MENZI and TOGLIATTI had made speeches. AVANTI had published a "sporting" edition, although it was authorised as a party political daily and despite APB refusal of an application to publish a sports edition. UNITA, authorised along with other party newspapers to print two pages, and despite APB refusal of increase, had published a four page edition. The AVANTI edition, although labelled "sporting" was, in fact, mainly political and the sub-title "sporting" had been added to avoid breach of a Milan Journalists Association agreement. In each case terms of authorisation were clear and in each case the breach was committed with full knowledge of editors. Disciplinary action was necessary, otherwise continued control would be impossible.

Major Noble suggested three alternative courses for consideration by the Board:

5714

Mr. Michael Stewart.
Major O.C. Anderson.
Mr. J.G. Barney.

Press Attache, British Embassy,
" " American Embassy,
Ministry of Information.

OBSERVERS: Marchese Cavalletti,
Mr. C. Johnston.

Italian Press Commission,
Administration, PWB-AFHQ.

1. Mr. Edman was invited to take the Chair.
2. The minutes of the previous meeting held on the 8th October were taken as read.
3. Chief Press Officer's Report on situation in Northern Italy:

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Major Noble suggested three alternative courses for consideration by the Board:

- (a) Prosecution in AMG Court.
- (b) Suspension for one day, balancing the unauthorised editions.
- (c) Reduction in circulation by 10% for 10 days, thus balancing amount of newsprint irregularly expended.

He advised against the first as being likely to arouse popular feeling in support of the newspaper and liable to be turned into propaganda by the newspapers, and pointed out that the second might be unfortunate insofar as both newspapers were of the Left and would undoubtedly accentuate the persecution complex entertained by the Left parties. The third might not, however, be an adequate punishment insofar as it would not be made known to the public and would not therefore be a strong deterrent against further breaches. The Regional Commissioner Lombardy had expressed an opinion in favour of a one-day suspension.

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A motion was carried that publication of AVANTI and UNITA be suspended for one day, and that it be left to Major Noble and the Regional Commissioner to decide whether the suspension be effected for the newspapers on the same or on consecutive days".

ARTICLE CRITICISING AMG OFFICER IN CREMONA.

Major Noble drew to the attention of the Board Para.3 Page 2 in the minutes of the previous meeting, October 8th.

The Cremona Communist weekly, LOTTA DI POPOLO, had accused an AMG Public Safety officer of offering a bribe to, and on refusal threatening, a partisan during a search for arms with the hope of receiving information. Without consulting APB the Provincial Commissioner AMG had suspended the periodical. AMG Region, while in doubt as to the truth or untruth of the allegation, asked APB Lombardy to support the Provincial Commissioner and it was ruled that the newspaper be suspended for a period of three weeks unless evidence were produced supporting the allegation, in which case continued publication would be allowed pending consideration of such evidence. Evidence had been produced - on the one side statements alleging bribe and threat signed on oath by partisan concerned together with statement of a 12 years old girl to the effect that she had seen the money offered: on the other side statements by a Carabinieri corporal and a reporter that they had been with the officer during the six-hour search and had seen nothing of the incident. Major Noble pointed out that on neither side could the evidence be considered as conclusive, and in view of the fact that the paper had already been suspended for three numbers following the Provincial Commissioner's action, it was decided by the Board that the paper be allowed to continue publication immediately without further action, and that the case be dropped.

ARTICLE CRITICISING CREMONA PROVINCIAL COMMISSIONER IN GENOA SOCIALIST DAILY

The Genoa Socialist daily IL LAVORO NUOVO, commenting on an order of the Cremona Provincial Commissioner to the effect that the Cremona CLM had no executive powers, that CLMs issuing orders requiring action would be dissolved; and stating that civil servants obeying such orders should they be given would be dismissed, had commented:

"Italy is passing through a very painful and confused moment which was to be expected as a defeated nation, but at the same time we hoped not to have to go through it after the promises of alliance. How many sacrifices has she made to deserve recognition, this poor unhappy Italy. Thousands of our dead did not sacrifice their lives for such humiliating treatment. It is destiny: Cremona before, before, Farinacci, Now the AMG Provincial Commissioner the same thing."

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Major Noble expressed the opinion that to compare an Allied officer with Farinacci was an insult very damaging to the officer concerned and to Allied prestige, as Farinacci was one of the most notoriously unscrupulous of the Fascist leaders, and that action against the paper was called for. He said that action would be unfortunately late as, there being no press officer in Genoa, the article had been brought to the attention of APB almost a fortnight late. A published apology would therefore only accentuate bad propaganda when the incident had been generally forgotten. The Board decided that the editor of the newspaper be reprimanded and warned.

UNAUTHORISED PUBLICATION OF TURIN WEEKLY "EUROPA"

This political weekly had been published without authorisation. The promoter had applied for licence, had been refused as persona non grata, and had none the less published, admitting in leading article refusal

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but publicly defying refusal. Turin Press Officer and Regional AMG recommended prosecution of editor. The Board decided on prosecution.

INDEPENDENT PRESS - GAZZETTA D'ITALIA, TURIN.

Major Noble referred to the guarantees signed by all independent pre-Fascist dailies promising non-party, strictly informational policy. The administrator of GAZZETTA D'ITALIA had written to him asking for increased newsprint allocation in order to "intensify our campaign against the CLNs and the Communists".

At the previous meeting it had been inferred from extracts from the GAZZETTA D'ITALIA that a prejudiced political campaign was being followed, and the above-mentioned letter confirmed this. The Board instructed Major Noble to call in the editor and Commissario and inform them that continued similar activity might result in a decision that the newspaper was participating in the party-politics field and must therefore be excluded from allocation of newsprint as an independent.

OBSERVATIONS OF G.O.C. 2 DISTRICT ON PRESS CONTROL.

Major Noble quoted part of a letter written by G.O.C. 2 District as follows:

".....The maintenance of the prestige of the Allied occupational troops and the absolute necessity of not allowing the appearance of irresponsible newspaper articles calculated to disturb law and order will be just as important after AMG leave as they are now; and it is considered that an effective form of press control should be maintained".

Major Noble pointed out that when AMG closed in the North, even though occupational troops remained there would be no machinery with which to control the press and take action in the event of delinquency, Major Henderson stated that G-2 Branch AFHQ wished some form of continued control.

Major Noble suggested that some recommendation might be made to AFHQ by the Board but it was decided to leave the matter in abeyance for the time being.

A.P.B. ADMINISTRATION.

Mr. Johnston stated that APB personnel could no longer be paid by OAG through PWB and it was agreed that salaries etc. should be paid by Regional AMGs. A recommendation to this effect was made by the Board to the Chief Commissioner.

APPLICATIONS FOR LICENSES.

Major Noble referred the Board to page 7 of the minutes of the meeting of the Board held on 11/1/45.

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APPLICATIONS FOR LICENSES.

IL SECOLO. Major Noble referred the Board to page 3 of the minutes of the last meeting - IL SECOLO. Following the decision at the last meeting, the President of the CIMAI had written asking why the license had not been granted. The letter had been answered to the effect that although there was nothing against "IL SECOLO", neither was there anything particularly in favour of it and the CIMAI's original recommendation had been a negative one, merely stating that there was no objection to publication. The Board decided to maintain its previous ruling that consideration of this newspaper be held in abeyance until the passing over of control to the Italian authorities.

05722

ZANIBONI GROUP.

An application had been received for an independent daily newspaper by a group under the leadership of Zaniboni, who called themselves the Partito Sociale Democratico di Unione Nazionale. Major Noble stated that this group had told him they were anxious to have the newspaper authorized whilst the Allies were still in control as they were sure that the Italian authorities would not grant them a license. He was of the opinion that, particularly at this late stage, nothing should be done contrary to the wishes of the Italian authorities who would soon be taking over, and the Board decided against authorization.

PERRONE APPLICATION.

The Perrone Brothers, refused permission to re-publish IL SECOLO XIX in Genoa had now applied for a daily to be called IL SECOLO XX, stating that the Liberal Party were willing to close down their Genoa daily and be represented by the Perrone newspaper. Mr. Stewart Brown stated that in view of the fact that Mario Perrone had been acquitted on epuration charges, there was nothing against authorization of SECOLO XX but again the Board decided to hold the matter in abeyance for the Italian authorities.

LA PATRIA.

This daily newspaper, formerly published and given free of charge to Italian troops as the official Italian army newspaper, was now closed down. The Minister of War, Italian Government, had recommended that the journalists who had produced LA PATRIA be allowed to continue with an independent daily newspaper following the line of LA PATRIA. Four editions of LA PATRIA had been printed in Naples, Rome, Florence and Milan. The first three were in Italian Government territory and had been granted licenses. The Board decided to grant a license for the Milan Group. Major Noble stated that the proposed title for the new newspaper was IL GIORNO. Mr. Barney pointed out that a newspaper of this name already existed in Naples and it was recommended that the application be granted upon adoption of a new title.

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MEETING ADJOURNED.

AUG 18 1945

SECRET

HEADQUARTERS ALLIED COMMISSION

AFO 394

Office of the Executive Commissioner

Ref: 511/EC.

14 August 1945.

MINUTES OF REGIONAL COMMISSIONERS' MEETING - 13 AUGUST 1945.

1. Hand Over of the Northern Provinces to the Italian Government.

Executive Commissioner reminded the meeting that at the Regional Commissioners' meeting held approximately two months ago Chief Commissioner proposed 1 September 1945 as a possible date for the hand over of Northern ITALY to the Italian Government. This date had since been given a considerable amount of publicity. It was not a firm date, but a target fixed by the Chief Commissioner.

All the Provinces of the four Regions would be handed back, with the exception of the Province of UDINE. In this case the recommendations of the Commander XIII Corps and the Regional Commissioner had been followed and the Chief Commissioner had recommended to AFHQ, for submission to CCS, that AMG should continue in this Province until 1 December 1945.

The future of NAPLES was still uncertain, but AMG would be kept there for the time being. BOLZANO would be handed back with the other Provinces of Northern ITALY subject to approval of CCS. From the economic and local government point of view there was everything to be said for a speedy handback. There was one disturbing question - that of public safety. Although there was a period of tranquility at present, public safety was far from satisfactory, and Executive Commissioner said that we could not recommend to AFHQ that the North, from a public safety point of view, was administratively in a fit state to be handed back.

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Executive Commissioner said he understood that the general consensus of opinion of Regional Commissioners was that either the handback should take place quickly in spite of the unsatisfactory state of public safety or that AMG should be retained for at least six months. Regional Commissioners were asked for their views and all stressed the amount of publicity that had been given to the date of 1 September. Regional Commissioners FLEMMING and LICHTENBERG considered that we should either hand over on that date or remain until after the elections.

Regional Commissioner VILLAZZI said he was in favour of handing over in September and of keeping strong teams of Liaison Officers who, he believed, could do very useful work. Deputy Regional Commissioner LORENZINI was also in favour of handing back in September.

It was agreed by all that it was useless retaining AMG without having sufficient Allied troops to back it up. At present Military Government was being operated with the backing of the Italian Army, which had COL. NE

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Regional Commissioner VENTURI said he was in favour of handing over in September and of keeping strong teams of Liaison Officers who, he believed, could do very useful work. Deputy Regional Commissioner LOBARDI was also in favour of handing back in September.

It was agreed by all that it was useless retaining AMG without having sufficient Allied troops to back it up. At present Military Government was being operated with the backing of the Italian Army, which, as Col. NE Piker pointed out, was an undesirable situation.

AC Liaison Officer BARI said that in the MINERVINO and MAT-RA incidents the Italian Government had handled the situations very feebly. They had "suggested" that arms should be handed in but few results had been obtained and the ringleaders still had their arms. Troops had not been used.

Brigadier UPJOHN stated that all our experience was that the Italian Government had not tackled and were not tackling the public safety problem energetically. Reorganisation of the Carabinieri was desirable but this was not a short term policy, and would take months. As regards the date of the handover, he pointed out that unless approval could be obtained from AFHQ by 16 August 45 it would be administratively impossible to effect the handover on 1 September 45.

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Polad (B) agreed that unless sufficient troops were made available, it was useless trying to run AMG, and stressed that we should state the position very bluntly to the American and British Governments. Executive Commissioner concurred and said we must also have clearly laid down the exact responsibility of the Allied troops who would remain in regard to quelling of civil disturbances. Col. Hamilton said GOC No. 2 District required a directive from AFHQ to define his responsibility, and Executive Commissioner promised to take this up at AFHQ.

Col. Fiske said if it was not practicable to remain until after the elections we should hand over in September. He made the point that the transfer of the Italian Army should be concurrent with the transfer of Italian territory, and if it was not possible to hand over control of the Italian Army until 30 September it was desirable to postpone the hand back of territory until that date. Executive Commissioner stated that the date of 30 September had already gone forward as the date for the Italian Army to be handed over to the Italian Government and in the event of approval for the transfer being obtained he felt sure that Sacmed could be persuaded to give the Italian Government control of their army before that date.

Brigadier WATSON suggested the use of economic sanctions, i.e. the cutting off of supplies, in the event of serious disorder, but Executive Commissioner did not consider this to be practicable. He agreed, however, that the matter could be publicised.

Executive Commissioner stated we must also obtain a ruling from AFHQ on the French and Swiss frontier problems, and the powers of CIC and FSS must be defined.

With the Chief Commissioner's approval Executive Commissioner suggested 10 September as the hand over date and Executive Commissioner asked Regional Commissioners for their views on this. They said they could be ready by this date.

2. Proposed Liaison Groups in the North.

Establishment Section had prepared a draft summary of personnel and vehicles, which was distributed to members of the meeting. Executive Commissioner read a note put up to the Chief Commissioner, which formed a basis for discussion.

The Establishment Section summary was discussed group by group. Several amendments were requested by Regional Commissioners, and these were noted by Establishment Section, who would make the necessary adjustments.

Public Safety Officers. There was discussion on whether the Public Safety Liaison Officers should be called Public Safety Officers or Security Intelligence Officers. Opinion was divided and Executive Commissioner ruled that they should be called Public Safety Liaison Officers.

Col. Fiske stated that GOC No. 2 District said that he was short of Security Officers and would welcome the presence of

to postpone the hand back of territory until that date. Executive Commissioner stated that the date of 30 September had already gone forward as the date for the Italian Army to be handed over to the Italian Government and in the event of approval for the transfer being obtained he felt sure that Sacmed could be persuaded to give the Italian Government control of their army before that date.

Brigadier ANDERSON suggested the use of economic sanctions, i.e. the cutting off of supplies, in the event of serious disorder, but Executive Commissioner did not consider this to be practicable. He agreed, however, that the matter could be publicised.

Executive Commissioner stated we must also obtain a ruling from AFHQ on the French and Swiss frontier problems, and the powers of CIC and FSS must be defined.

With the Chief Commissioner's approval Executive Commissioner suggested 10 September as the hand over date and Executive Commissioner asked Regional Commissioners for their views on this. They said they could be ready by this date.

2. Proposed Liaison Groups in the North.

Establishment Section had prepared a draft summary of personnel and vehicles, which was distributed to members of the meeting. Executive Commissioner read a note put up to the Chief Commissioner, which formed a basis for discussion.

The Establishment Section summary was discussed group by group. Several amendments were requested by Regional Commissioners, and these were noted by Establishment Section, who would make the necessary adjustments.

Public Safety Officers. There was discussion on whether the Public Safety Liaison Officers should be called Public Safety Officers or Security Intelligence Officers. Opinion was divided and Executive Commissioner ruled that they should be called Public Safety Liaison Officers.

Col. Fiske stated that GOC No. 2 District said that he was short of Security Officers and would welcome the presence of Public Safety Officers in his area. Executive Commissioner mentioned an important suggestion that the Chief Commissioner had made, namely, that Public Safety Officers should be removed from their present location to another area when the hand over took place, so as to avoid changing their hats in the place they were now working.

Location of Liaison Groups. It was agreed that Liaison Groups should be stationed in the following towns.

- MILAN,
- TURIN (to include representation at AOSTA)
- GENOVA,
- V-MICL,
- BOLOGNA, and perhaps ANCONA.

/It was ...

- 3 -

It was also agreed that BOLZANO should have a Liaison Group and that the present Liaison Officer PES should be made the AC Liaison Officer at LIVORNO.

Executive Commissioner ruled that for the purposes of discipline and administration the Central Economic Liaison Group should be under Lombardia Liaison Group in MILAN.

Local Government Officers. There was considerable discussion on the functions of local government officers and Local Government Sub-Commission did not want any in the field. The Regional Commissioners were in agreement with this, stating that it would be impossible for the local government officers to perform any useful function. Brigadier UPJOHN said that the general consensus of opinion of the meeting was that special local government officers were not necessary.

DP & Medical Officers. It was agreed that medical officers were not necessary in the Liaison Groups and it was stressed that the Public Health Officers in the DP & R teams were only to be used for DP & R work. Civil Affairs Section were told to put up a recommendation to Establishment Section at an early date for an increase in Displaced Persons staff.

Vehicles. Establishment Section had put in for a number of WD vehicles, and had allowed for soldier drivers for these in their summary. There was discussion on the supply and maintenance of vehicles. Executive Commissioner said that the question of the maintenance of WD and US vehicles for the North should be taken up with AFHQ at a high level.

3. AMC Team for UDINE.

The list prepared by Establishment Section was studied and some alterations were made. Executive Commissioner stressed that the officers chosen must be good experienced men, and the team must be large enough to provide a pool for reassignment of AMC in other areas.

Brigadier DUNLOP wanted 40 officers for this Province as against 31 suggested by Establishment Section, the extra nine officers to be all Provincial Officers. After discussion this was agreed. Executive Commissioner stressed the importance of not duplicating officers as between UDINE and VALZIA GIULIA.

4. Ration Scales.

Col. Legg spoke of the endeavours of the Food Sub-Commission to inaugurate a uniform system of rationing throughout the whole of ITALY. A new scale had been planned and the views of the Regional Commissioners were invited.

From a political and administrative point of view it was desirable that uniformity be achieved at the earliest possible date. A meeting with the Italian Government at which all interests were represented

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From a political and administrative point of view it was desirable that uniformity be achieved at the earliest possible date. A meeting with the Italian Government at which all interests were represented took place recently. AC put forward recommendations, together with the lay out of the proposed new ration scale, and agreement was obtained.

The ration scale provided that the workers of the North received the same treatment as the workers in the South for a comparable job.

Regional Commissioners were in complete agreement with the proposed new ration scale. Executive Commissioner said it should be got through as quickly as possible. Col. Legg stated that he had still to clear it with Labour.

5. Archives.

Executive Commissioner emphasized the responsibility of Allied Commission to see that its Archives were handed over in good order, and this responsibility began with Regional Commissioners in the field. One officer was to be appointed at each Region to deal with Archives, and this officer would spend two or three days at Headquarters, Allied Commission with Capt. Collins. Uniformity was essential and the instructions issued by Archives must be followed.

A paper prepared by Capt. Collins was distributed to members of the meeting. Capt. Collins said the object in view was to prepare all files so that they would mean something to people looking at them for the first time, perhaps twenty years hence.

Executive Commissioner stressed the importance of this subject, which he said had not always had the attention it deserved.

F. M. A. U. L. A.

Chief Staff Officer,
To the Executive Commissioner.

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