

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

785021

ACC

10000/141/485

10000/141/485

NEW DEAL FOR ITALY
FEB. - JULY 1945

MINUTE SHEET NO. 1

DATE	①	PAGE
Nov. 8.	<u>Decision</u> 1. Please see interview with at p. 4. 2. As to the passage side-lined in para 10. of p. 4, Hapw, Temple's recollection of what was said diverges from mine & my notes. However, in any event we shall have to wait for the Quinlan's letter. 3. I have ascertained that the statement in the memo. about Quinlan is substantially correct, per Capt. Farrell of P.D. S.C. <i>CFH</i>	4
10 Mar.	<u>note -</u> The matter of earmarking prefects for particular provinces carrying with it the obligation of RCs to make such appointments were discussed between me and the U.S. who agreed that the idea was not good. The U.S. raised the point at the A/President's Conference Mar. 8. The RCs were unanimous in opposing any scheme which would hog the then actions. They preferred to retain the plan in effect, viz. a pool of prefects to be made available to RCs and a pool of U. Prefects to support a choice of a non-career Prefect	

Temple's recollection of what was said diverges from mine & my notes. However, in any event we shall have to wait for the Ministry's letter.

3.7 I am ascertained that the statement in the same para. about Question is substantially correct, per Capt. Powell of R.S. S/C. *E. G. H.*

note -

①

The matter of earmarking prospects for particular provinces, carrying with it the obligation of R.C. to make such appointments were discussed between me and the V.P. who agreed that the idea ³⁸¹⁴ was not good. The V.P. raised the point at the A/President's Conference mar. 8. The R.C. were unanimous in opposing any scheme which would hog the territories. They preferred to retain the plan in effect, viz. a pool of prospects to be made available to R.C. and a pool of V. Prospects to support a choice of a non-career prospect. The Pres Comm. & a President indicated support of the latter plan as outlined by me and rejection of the earmarking one.

E. G. H.

10 MAR.

MINUTE SHEET NO. 2

DATE	PAGE
Mar. 23. <u>Finance S/C</u> (Through Civ. Off. Sec.) (3) 1. Please see para. 2 of fo. 7 & para. 2+3 of fo. 8. 2. May this S/C be advised as to the necessary financial arrangements. R. R. Temple, Major for Director, L. G. S/C	7-8.
(4) To: Finance S/C Please refer to minute 3 and send your opinion to this Sec 23 Mar 45 W. G. S. Holland, Major C. H. Sec	
(5) To: Civil Office Section Finance S/C has already made arrangements to pay Indian employees of AC Liaising officers left in it Govt Territory. This was done at request of Establishment Section. R. R. Temple, Major	3813

arrangements.

K. K. Temple, Major
for. Director, L.G. S/C

(4)

To: Finance S/C

Please refer to minute 3 and send your findings
to this Sec

W.G.S. Holland, Major
C.A. Sec

23 Mar 45-

(5)

3813

To: Civil Affairs Section

Finance S/C has already
made arrangements to pay Indian
employees of AC Liaison officers
left in R. Govt Territory. This
was done at request of
Establishment Section.

B.H. Finerman

Major

~~for~~ Point Director
Finance S/C

(6)

To Local Govt

Please refer to minute (5).

W.G.S. Holland, Major
C.A. Sec

24 Mar 45-

DATE		PAGE
26 Mar	⑦ Mr. W. Please see Minutes 5. - Ascertain what these arrangements are. <i>RT</i> ⑧	
Mar 26	<u>Director</u> 1. Ref. minutes ⑤ - ⑦, I spoke this morning to Major Tammars, Finance SFC. 2. He told me that liaison officer in Ital. Govt. Treasury will be sub-accountant, operating pursuant accounts out of which they will pay their Italian civilian staff in the ordinary way. Instructions to this effect have already been sent out. 3. Their approach to be no need therefore, to pursue the suggestion of payment thro' the Prefect. 4. I suggest that: - (a) file be minutes to CA Section for them to see & approve; (b) CAMERA then be phoned & told we find we need not pursue the suggestion. <i>Lyons</i> ⑨	
26 Mar.	<u>CA Sect.</u> 1. Please refer minutes ③ - ⑧ and file for ③ & ⑧ 2. With your consent, I shall, with view to red-face tell the Ministry of Interior to forget the whole thing. <i>R. R. Temple, Major</i>	

Director

Mar. 26

1. Ref. minutes ⑤-⑦, I spoke this morning to Major Turners, Finance SFC.
2. He told me that liaison officer in Ital. Govt. Territory will be sub-accountant, operating independent accounts out of which they will pay their Italian civilian staff in the ordinary way. Instructions to this effect have already been sent out.
3. Their approach to be no need therefore, to pursue the suggestion of payment thru' the Prefect.
4. I suggest that:-
- (a) file be minutes to CA Section for them to see & approve;
- (b) CAMERA then be 'phoned & told we find we need not pursue the suggestion.

G.H.

CA Sect.

26 Mar.

1. Please refer minutes ③-⑧ and folio page 12
2. With your consent, I shall, with red-face tell the Ministry of Interior to forget the whole thing.

R.R. Temple, Major
for Director by R.C.

Agreed. mention the point at the next V.P. meeting.
J. Ca. Section.
R.C.

Director

Mar. 26.

1. On my invitation, Mr. Nice spoke to Dr. Camera by phone this evening & gave him the message dictated in minute ⑧ - ⑩.
2. He also conveyed the message indicated in Major Temple's note at foot of p. 8. Camera said the circular had been drafted & the Ministry would certainly send us a copy before long.

G.H.
R.C.

MINUTES SHEET NO. 4

DATE	⑫	PAGE
Mar-27.	<u>Director</u> 1. Please see at p. 10 draft of the circular the Minister of the Interior proposes to send to his Prefects explaining the new deal. This comes from VP's instructions at p. 7. 2. I have compared the draft circular with the MacMillan Memo. at p. 3A et seq. The circular is a correct statement of those parts of the Memo. which it concerns Prefects to know. 3. The Ministry should however be requested to incorporate in their circular the following additional information: - (a) the Commune of Naples remains under AMG with a local Commissioner; (b) the location of the Liaison Officer & the premises within which they will function - see back of p. 9. <u>Director</u> ⑬	10 7. 3A + seq. 9. 11
Nov-28.	1. Ref. our conversation this morning on minute 12, at p. 11 is a draft of the amendments I think we might suggest in the Ministry's draft circular. 2. The para. about the Race Liaison Officer is an inference from the documents & it should be referred up to see if this is in fact the intention of higher authority. <u>Director</u>	

(14)

CAS

Nov-28

3A & seq.

2. I have compared the draft circular with the MacMillan Memo. at fo. 3A et seq. The circular is a correct statement of those parts of the Memo. which it concerns. Prefects to know.

3. The Ministry should however be requested to incorporate in their circular the following additional information:-

(a) the Commune of Naples remains under AMG with a Local Commissioner;

(b) the location of the Liaison Office & the premises within which they will function - see back of fo. 9.

(13)

Director

New 28.

1. Ref. now conversation this morning on minute 12, at fo. 11 is a draft of the amendments, 7 think we might suggest in the Ministry's draft circular.

2. The para. about the Rome Liaison Office is an inference from the documents & it should be referred up to see if this is in fact the intention of higher authority. *CLP*

(14)

New 28

CAS

Please refer to folios p 10, 11 and minutes

(12) and (13). Folio 11 contains suggested amendments to the Ministry's proposed circular which the V.P. wished to see.

R. B. Temple, May
for Director

(15)

May 19

I discussed the circular with the V.P. He approves the circular with the suggested amendments. He was not sure about the Lazio-Lombardia Liaison position. Some directive about this is out today - Col. Crippa may still have it. That is the

May 19

MINUTE SHEET NO. 5

DATE	PAGE
	only point that needs checking. otherwise the circular with changes is O.K. 2. Inform ministry by letter accordingly, please Rd Temple May
April 5	Director 1. Reference minute ⑮ no deviation as to the Lazio LO has come thru. I spoke to Col. Gripps on the subject on 3 April. It appears that the LO at RAAC will be a PS officer & concerned solely with the liaison between RAAC & the Italian police: & that no provision is made for liaison in Lazio as to matters other than police. 2. In the circumstances we had better omit any reference to the Lazio LO in the amendments we are going to suggest to the Ministry. Letter accordingly at p. 14 ⑪
April 14	Director Circular at p. 15 checked with draft at p. 10A & our suggestions at p. 14 & 14A, with which it is, substantially, in agreement. <u>Agree</u> 15. 10A 14 & 14A. ⑫
7 May 46	Elis. Dice. Contact Ministry and enquire if they intend to send out a circular to the Subjects in the short similar to that at p. 15 c. If so we will be glad to supply them with the necessary particulars of other known Officers and contacts etc. 15 c. ⑬

accordingly, please

RD Temple, NY

Director

April 5

(16)

1. Reference, minute (15) no direction as to the Lazio LO has come thru. I spoke to Col. Cripps on the subject on 3 April. It appears that the LO at RAAAC will be a PS officer & concerned solely with the liaison between RAAAC & the Italian police; & that no provision is made for liaison in Lazio as to matters other than police.

2. In the circumstances we had better omit any reference to the Lazio LO in the amendments we are going to suggest to the Ministry. Letter accordingly at p. 14

Director

April 14

Circular at p. 15 checked with draft at p. 10A

& our suggestions at p. 14 & 14A, with which it is, substantially in agreement. *TR*

Ch. Dice

17 Jan 46

contact electricity and engine if they intend to send out a courier to the Projects in the shorter similar to that at p. 15 c. If so we will be glad to supply them with the necessary protection of where Liaison Officer are located etc.

W. H.

15. 10A
14 & 14A.

15c

(Translation)

MINISTRY OF THE INTERIOR
Cabinet of His Excellency the Minister

File No. 12076 Gab.

Rome, 9 April 1945

SUBJECT: Allied Control in Italy

To : The Prefects of the Kingdom
The High Commissioners for Sicily and Sardinia
Copies : to General Directions

In compliance with the communication contained in the memorandum of the President of the Allied Commission, as from 1st March, in the territories under the Italian Government's jurisdiction Allied Commission will limit its mission to the tasks of consultation and advice with the competent Ministries of the Italian Government. Consequently the approval of the Allied Commission is no longer required for the appointments either for offices of the Government or for local offices in the territories under the jurisdiction of the Italian Government, except for duties of military nature.

The Italian Government is also entitled to modify nominations formerly made by the authorities of the Allied Military Government.

Beginning 1st April 1945 regional offices of the Allied Commission for Sicily, Sardinia, southern Region and Region Lazio Umbria and the officials of the Allied Commission displaced in the above mentioned territories will be withdrawn.

Representatives of Allied Commission will be sent, when necessary, in the territories under the jurisdiction of the Italian Government and, for a limited period some specialized officials with economic duties will also remain in such territories.

Allied Commission has also informed us that in some places liaison officers between the Allied Forces and the authorities will be left. These officers will have only the duty of regulating the relations between the Allied Forces located in the various provinces and the local Italian authorities, and will not have any interference in what is concerned with the Italian administration.

Said officers will be posted at: Cagliari for the provinces of Cagliari, Sassari and Nuoro; Palermo for the provinces of Palermo, Agrigento, Galtanissetta and Trapani; Bari for the provinces of Bari, Brindisi, Foggia, Lecce, Matera, Potenza and Taranto; Naples for the provinces of Naples, Avellino, Benevento, Campobasso, Catanzaro, Cosenza, Reggio Calabria. For the city of Naples which remains under the control of the Allied Military Government, the duties of the liaison officers will be carried out by the local Commissioner at the city of Naples, while for the provinces of Abruzzi the duties will be carried out by the Regional Commissioner of Umbria Marche Region with HQ at Perugia.

It is obvious that the reduction of the Allied control in Italy would be inefficient and inoperative if from the Italian authorities side the most complete measures of cooperation and initiative and the most conscious freedom of movement

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It is obvious that the reduction of the Allied control in Italy would be inefficient and inoperative if from the Italian authorities side the most complete sense of responsibility and initiative and the most conscious freedom of movement and action were not forthcoming.

The Government therefore trusts upon the most efficient cooperation of every governmental and local authorities in order that the advantages which originate from the initiative in the field both of public administration and of economics do not remain sterile and useless.

THE MINISTRY
Rome

DM/AN

FUNCTIONS OF ALLIED COMMISSION LIAISON OFFICERS.

1. The first duty of Allied Commission Liaison Officers will be to keep themselves, at all times informed of the situation in the areas with which they are concerned. This will involve the use of all available means of information: Press, Intelligence, Summaries, etc. They will inform HQ Allied Commission direct of any circumstances arising which may in their opinion adversely affect Allied interests or influence the general policy of the Commission. They will submit a monthly report to HQ which will include comment on the political situation.
 2. Liaison Officers will, by study of previous Regional monthly reports and other records, inform themselves of the present position of various Commission functions now being handed over to Italian agencies. They will specially watch those cases where previous difficulties have been encountered.
 3. Liaison Officers will bear in mind that HQ Allied Commission and AFHQ are interested in activities in all parts of the area with which Liaison Officers are concerned and not merely with the situation in the leading cities. Consequently Liaison Officers should make frequent trips to the smaller towns and country districts and acquaint themselves with the political and economic conditions in such districts. They must endeavour to be on the spot where trouble is expected and observe any incidents, strikes, demonstrations and the like in their areas. All Liaison Officers will remember, however, that their role is solely that of observers and reporters and they will not interfere in any way in such incidents, nor will they give any advice to the Italian authorities in the handling thereof. Liaison Officers have no authority to pledge the use of Allied troops in quelling any disturbance; this is a matter for the local Allied Commander. They should, however, keep Allied Commanders informed of the course of events. In cases where they consider safety of Allied property or nationals likely to become endangered, they must inform the Allied Commanders concerned, advising HQ AC of such action.
 3. Liaison Officers will keep close touch with the senior military formation, American and British, in their areas. They will endeavour at all times to assist military formations in their relations with Italian Government departments and agencies. They must, however, remember that they are Liaison Officers and not Executive Officers and will not be able to carry out in any sense the former functions of Provincial Commissioners.
- Points which require special attention are :-
- a) Disease and unrest.
 - b) Law cases affecting Allied personnel and property.
 - c) Requisitioning and cerequisitioning.
 - d) Relations between Allied forces and Italian police forces.
- Liaison Officers will also keep in touch with British and U.S. Consular Officers, as well as any U.S. Information Service and British Press Officials in their areas.
4. They will at all times avoid being involved in questions of Italian Local Government and, even if asked, they will NOT give official advice on behalf of the Allied Commission to Prefects or other state employees. They will, in all cases, refer the Italian local official to his Ministry in Rome. The Allied Governments are most anxious to promote free and secret elections and an essential preliminary is the preparation of a proper electoral list. Any points which affect these matters coming to the notice of Liaison officers should be included in their monthly reports.

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5. The officer in charge Liaison Group will be responsible for discipline and administration of all Allied Commission officers in his area.

LOCATION OF ALLIED COMMISSION
CHIEF LIAISON OFFICERS.

NAPLES (includes CAMPANIA and CALABRIA)
LIVORNO (includes P. B.S. LIVORNO and TOSCANA with an
officer for FIRENZE)
BOLOGNA (includes EMILIA)
LIGURIA (GENOA)
PIEMONTE (TURIN)
LOMBARDIA (MILAN)
BOLZANO
VENEZIA (TREVISO)
SICILY (PALERMO)
BARI (includes PUGLIA, LUCANIA and ABRUZZI)

A C LIAISON OFFICER (TRANSPORTATION) ANCONA.

6/14 16

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

13 July 1945

21 JUL 1945

13242/F

SUBJECT: Financial Directive for Italy.

TO : Distribution below.

1. Herewith, for your information, is copy of letter 13242/F dated 13 July 1945 addressed to the President of the Council of Ministers.

2. This communication is based on FAM 583 of 3 July, 1945, which supplements the directive contained in FAM 487 of 13 January 1945.

1 P 15
W. W. Stare

REAR ADMIRAL, USNR
Chief Commissioner

Distribution:

Office of the Chief Commissioner (2)
Office of the Executive Commissioner (2)
A/V.P. Economic Section (10)
V.P. Civil Affairs Section (10)
V.P. Establishment Section (10)
Director, P.R.B.
Director, Communications Sub-Comm. (2 - one for CCG)
Director, War Materials Disposal & EW Sub-Comm.
R.C. Emilia Region (20 of which 10 for RFO)
R.C. Piemonte Region " " " " " "
R.C. Liguria Region " " " " " "
R.C. Lombardia Region (23 " " 13 " " "
R.C. Venezia Region (27 " " 17 " " "
R.C. Venezia Giulia Region (16 " " 6 " " "
AGC Commissioner, Naples Command (7, of which 2 for
" " Livorno Zone) Finance Officer
" " Ancona Command (5)

Directly for 16A is purely
financial & does not
affect L. G. S/C

3803

6503

HEADQUARTERS ALLIED COMMISSION

OFFICE OF THE CHIEF COMMISSIONER

LTO 394

13212/P

18 July 1945

My dear Mr. Prime Minister:

1. I write with reference to the Aide-Memoire of 24 February, 1945, which was communicated by the Acting President and the Chief Commissioner of the Allied Commission to the President of the Council of Ministers, outlining certain steps taken by the Allied Governments to hand over an increasing measure of control to Italian administration.
2. In order to implement further the Declaration of 26 September, 1944, by the President of the United States and the Prime Minister of Great Britain regarding Italy, I am now directed by the Combined Chiefs of Staff to inform your Government that the intervention of the Allied Commission in Italian fiscal matters and other internal financial affairs will in future be confined to cases involving Allied military necessity. The Allied Commission will assist or advise your Government on financial matters in territory under your jurisdiction only when your Government specifically requests such advice or assistance, which will be given at a high level between the senior officers of this Commission and appropriate officials of your Government.

3. I am further directed by the Combined Chiefs of Staff to inform your Government that, subject to certain exceptions and conditions which are indicated below, it is no longer necessary to obtain the approval of the Allied Commission prior to the execution of Italian external financial transactions.

4. The exceptions to this general rule are as follows:

(a) The Italian Government is requested to consult with the Allied Commission before authorizing the use of Italian external assets for the purpose of paying claims arising prior to 8 September, 1943. Thus all questions relating to the settlement of Italian clearing accounts should be discussed with this Commission before any action is taken.

(b) The Italian Government is requested to direct its exchange control and other appropriate authorities to consult with the Allied Commission before authorizing any external financial transactions undertaken by Italian insurance companies or involving the foreign branches or subsidiaries of such companies.

5. The Combined Chiefs of Staff have stated that as a condition of the relaxation of Allied control over Italian external financial transactions, the Italian Government is required to keep the Allied Commission fully informed as to the status of Italian external assets and of Italian external financial transactions. It is

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communicated by the Acting President and the Chief Commissioner of the Allied Commission to the President of the Council of Ministers, outlining certain steps taken by the Allied Government to hand over an increasing measure of control to Italian administration.

2. In order to implement further the Declaration of 26 September, 1944, by the President of the United States and the Prime Minister of Great Britain regarding Italy, I am now directed by the Combined Chiefs of Staff to inform your Government that the intervention of the Allied Commission in Italian fiscal matters and other internal financial affairs will in future be confined to cases involving Allied military necessity. The Allied Commission will assist or advise your Government on financial matters in territory under your jurisdiction only when your Government specifically requests such advice or assistance, which will be given at a high level between the senior officers of this Commission and appropriate officials of your Government.

3. I am further directed by the Combined Chiefs of Staff to inform your Government that, subject to certain exceptions and conditions which are indicated below, it is no longer necessary to obtain the approval of the Allied Commission prior to the creation of Italian external financial transactions.

4. The exceptions to this general rule are as follows:

(a) the Italian Government is requested to consult with the Allied Commission before authorizing the use of Italian external assets for the purpose of paying claims arising prior to 8 September, 1943. Thus all questions relating to the settlement of Italian clearing accounts should be discussed with this Commission before any action is taken.

(b) the Italian Government is requested to direct its exchange control and other appropriate authorities to consult with the Allied Commission before authorizing any external financial transactions undertaken by Italian insurance companies or involving the foreign branches or subsidiaries of such companies.

5. The Combined Chiefs of Staff have stated that as a condition of the relaxation of Allied control over Italian external financial transactions, the Italian Government is required to keep the Allied Commission fully informed as to the status of Italian external assets and of Italian external financial transactions. It is therefore requested that your Government:

(a) keep the Allied Commission fully advised as to the policies that may be adopted by the Italian Government, or any agency or committee thereof (including the Banca d'Italia), regarding the utilization and control of Italian external assets. You may find it desirable to consult with the Allied Commission before authorizing new policies or types of transactions, in order that no conditions may arise that might be prejudicial to the interests of the United Nations.

(b) submit fortnightly reports in triplicate to the Allied Commission listing all external financial transactions permitted or undertaken by the Italian Government during the period covered by the report, including the names of all parties to the transactions, a detailed statement of the nature and purpose of the transaction, the amount thereof, the surpluses involved, the rates of exchange utilized, and any other relevant information.

- 2 -

6. In conjunction with the relaxation of control indicated in this letter, the Combined Chiefs of Staff have directed me to inform your Government that it will be expected to take the following steps:

- (a) to establish and maintain an effective foreign exchange control agency
- (b) to adopt measures in support of the economic warfare objectives of the Allied Governments.

The details of the economic warfare programs are to be submitted to your Government in the near future by the British and American Embassies in Rome, and it is expected that representatives of your Government will work with the two Embassies in the development and implementation of this program. I am further directed to inform your Government that failure to take the steps specified in (a) and (b) of this paragraph within a reasonable period of time will result in the repositioning of prior control of Italian external transactions by the Allied Governments through the instrumentality of the Allied Commission. I should be grateful if you would keep me as closely informed as possible of your progress in the development of the program requested by the Allied Governments.

7. I would also request that you give assurances that you assume responsibility for ensuring that remittance payments are not made to undesirable persons in Italy.

8. The Combined Chiefs of Staff have also instructed that remittances to Italy from neutral countries are to continue to be channelled through banks in the U.S. and U.K. until the measures in support of the economic warfare objectives of the Allied Governments are taken.

9. The Allied Commission has, as part of the general suspension outlined in the third paragraph of this letter, suspended the supervision and control of exchange rates concluded by the Italian Government with Allied and neutral countries concerning the financing of foreign trade, except that your Government is required to ensure that the proceeds of export sales will be made available for the purpose of making essential payments arising from urgent needs of Italy, Italian diplomatic, consular, or military expenditures, maintenance of the Italian merchant marine, and similar expenditures.

10. Finally, I am directed to state that the relaxation of control of Italian external assets is not to be construed as affecting the rights of the Allied Governments under the Armistice Term with respect to Italian foreign assets, nor to prejudice or affect the status of Italian property in Allied countries which has been subjected to exceptional war measures, such as requisitioning, vesting, and freezing.

11. Our supplementary financial directive from the Combined Chiefs of Staff deals with certain other matters relating to Allied military lire currency and other Allied financial operations in Italy. Circulation of certain points is invited and I shall communicate with you further as soon as possible.

Yours very truly,

Exposures in the development and implementation of this program. I am further directed to inform your Government that failure to take the steps specified in (a) and (b) of this paragraph within a reasonable period of time will result in the imposition of prior control of Italian external transactions by the Allied Governments through the instrumentality of the Allied Commission. I should be grateful if you would keep me as closely informed as possible of your progress in the development of the program requested by the Allied Governments.

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9. The Allied Commission has, as part of the general suspension outlined in the third paragraph of this letter, suspended the supervision and control of arrangements concluded by the Italian Government with Allied and neutral countries concerning the financing of foreign trade, except that your Government is required to ensure that the proceeds of export sales will be made available for the purpose of making essential payments arising from import needs of Italy, Italian diplomatic, consular, or military expenditure, maintenance of the Italian merchant marine, and similar expenditure.

10. Finally, I am directed to state that the relaxation of control of Italian external assets is not to be construed as affecting the rights of the Allied Governments under the Armistice Terms with respect to Italian foreign assets, nor to prejudice or affect the status of Italian property in Allied countries which has been subjected to exceptional war measures, such as sequestration, vesting, and freezing.

11. Our supplementary financial directive from the Combined Chiefs of Staff deals with certain other matters relating to Allied Military Lira currency and other Allied financial operations in Italy. Classification of certain points is omitted and I shall communicate with you further as soon as possible.

Yours very truly,

/s/ Henry C. Stone
Major General, USA
Rear Admiral, USN
Chief Commissioner

Professor Ferruccio Parri,
The President of the Council of Ministers,
Italian Government,
Rome.

Distribution:

Hon. Alexander Kirk, American Embassy, Rome
Sir Noel Charles, British Embassy, Rome
Executive Commissioner
Political Adviser (A)
Political Adviser (B)

Acting Vice President, Loan Section
C-5 Section (Financial Adv.), WFO.



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Mod. 866

Roma 10 aprile 1945

12 APR 1945

153

Ministero dell'Interno
GABINETTO DEL MINISTRO

Al la Commissione Alleata
Sottocommissione Governo
Locale ROMA

Prot. N° 12381-Gab. Allegati 1

Dispositivo di
Dir. Dir. N°

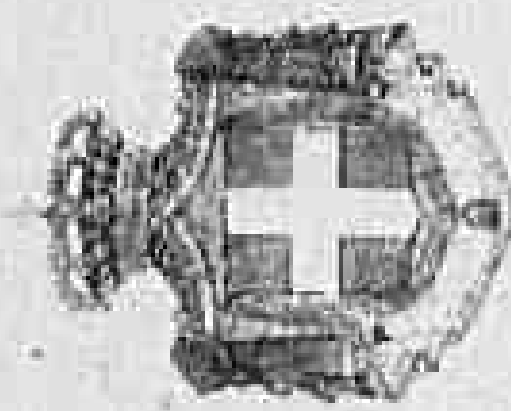
OGGETTO Ritiro della Commissione Alleata dal ter-
ritorio del Governo Italiano.

Con riferimento a nota 6/14 del
4 aprile, si trasmette copia del testo
definitivo della circolare diramata ai
prefetti in merito all'oggetto.

D'ORDINE DEL MINISTRO
IL CAPO DI GABINETTO

Perini

3804



Mod. 524

Ministero dell'Interno

GABINETTO DI S.E. IL MINISTRO

Prot. n° 12076-Gab.

9 Aprile 1945

OGGETTO: Controllo alleato in Italia.

*Roma*ALLE LL. SS. I PREFETTI DEL REGNO
ACCI ALTI SOTTINTENDENTI PER LA SICILIA E
PER LA SARDEGNA

P.O.:

ALLE DIREZIONI GENERALI

In applicazione delle comunicazioni contenute nel memorandum del Presidente della Commissione Alleata, e datate dal 1° marzo la Commissione Alleata, nell'ambito del territorio sotto la giurisdizione del Governo italiano, limiterà i propri compiti a quelli di consultazione e consulenza con i competenti Ministeri del Governo italiano. In conseguenza non è più richiesta l'approvazione della Commissione Alleata per la nomina sin ad ora richiesti governativi che ad uffici locali nel territorio sotto la giurisdizione del Governo italiano, salvo per le cariche di carattere militare.

Il Governo italiano ha altresì il diritto di modificare le nomine precedentemente fatte dalle autorità del Governo Militare Alleato.

A datate dal 1° aprile 1945 saranno soppressi gli Uffici Regionali della Commissione Alleata per la Sicilia, la Sardegna, la Regione Meridionale e la Regione Lazio-Umbria, ed i funzionari della Commissione Alleata distocati nell'ambito del predetto territorio verranno ritirati.

I rappresentanti della Commissione Alleata verranno inviati, quando necessario, nel territorio sotto la giurisdizione del Governo italiano e, per un periodo limitato, ricadranno pure in tale territorio funzionari specializzati con mansioni economiche. 3803

La Commissione Alleata ha comunicato altresì che in alcune località verranno inviati ufficiali di collegamento tra le forze alleate e le autorità italiane, i quali avranno soltanto il compito di recolare

Oggetto: Controllo alleato in Italia.

ALLE LL.22. I PROPRIETARI DEL REGNO
ACQUA ALTRI COMITATI PER LA SICILIA E
PER LA SARDEGNA

P.C.:

DIREZIONE GENERALE

In applicazione delle comunicazioni contenute nel memorandum del Presidente della Commissione Alleata, e datate dal 1° marzo la Commissione Alleata, nell'ambito del territorio sotto la giurisdizione del Governo Italiano, limiterà i propri compiti a quelli di consultazione e consulenza con i competenti Ministeri del Governo Italiano. In conseguenza non è più richiesta l'approvazione della Commissione Alleata per la nomina sia ad incarichi governativi che ad uffici locali nel territorio sotto la giurisdizione del Governo Italiano, salvo per le cariche di carattere militare.

Il Governo Italiano ha altresì il diritto di modificare le nomine precedentemente fatte dalle autorità del Governo Militare Alleato.

A datate dal 1° aprile 1945 saranno soppressi gli Uffici Regionali della Commissione Alleata per la Sicilia, la Sardegna, la Regione Meridionale e la Regione Lazio-Umbria, ed i funzionari della Commissione Alleata dislocati nell'ambito del predetto territorio verranno ritirati.

I rappresentanti della Commissione Alleata verranno inviati, quando necessario, nel territorio sotto la giurisdizione del Governo Italiano e, per un periodo limitato, ricadranno pure in tale territorio funzionari specializzati con mansioni economiche. 3803

La Commissione Alleata ha comunicato altresì che in alcune località verranno lasciati ufficiali di collegamento tra le forze alleate e le autorità. [Detti ufficiali avranno soltanto il compito di regolare la relazione tra le forze armate alleate di stanza nelle varie province e le autorità locali italiane e non avranno nessuna ingerenza in quello che riguarda l'amministrazione italiana.

Detti ufficiali saranno dislocati a: Cagliari, per le provincie di Cagliari, Nuoro e Sassari; Palermo, per le provincie di Palermo, Agrigento, Caltanissetta e Trapani; Bari, per le provincie di Bari, Brindisi, Foggia, Lecce, Matera, Potenza e Taranto; Napoli, per le

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provincia di Napoli, Avellino, Benevento, Campobasso, Caserta, Caserta, Reggio Calabria, per la città di Napoli, che rimane sotto il controllo del Governo militare Alleato, i compiti degli ufficiali di collegamento saranno disimpegnati dal Commissario locale presso il Comune di Napoli, mentre per la provincia degli Abruzzi saranno disimpegnate dal Commissario Regionale della Regione Umbria-Marche con sede in Perugia.]

E' ovvio che l'alleggerimento del controllo alleato in Italia sarebbe inefficace ed inoperante se ad esso non corrispondesse da parte delle autorità italiane il più completo senso di responsabilità e di iniziativa e la più consapevole libertà di movimento e di azione.

Il Governo fa perciò affidamento sulla più efficace collaborazione da parte di tutte le autorità governative e locali, perchè i vantaggi derivanti dall'iniziativa nel campo della pubblica amministrazione che in quello economico non abbiano a restare sterili ed inutili.

IL MINISTRO



(Translation)

MINISTRY OF THE INTERIOR

Cabinet of His Excellency the Minister

File No. 12076-Sub.

Rome, April 9, 1945

SUBJECT : Allied Control in Italy.

TO : The Prefects of the Kingdom
The High Commissioners for the Sicily and Sardinia and
for Information :
To The General Directions.

For the application of the instructions contained in the Memorandum of the President of the Allied Commission, the Allied Commission as from the 1st of March, in the territories under the jurisdiction of the Italian Government, will limit its duties only to consultation and advice with the competent Ministries of the Italian Government.

In consequence the approval of the Allied Commission is no longer required for the appointments either for offices of the Government or for local offices in the territories under the jurisdiction of the Italian Government, except for the duties of a military nature.

The Italian Government has also the right of modifying the nominations made formerly by the authorities of the Allied Military Government.

As from 1st April 1945 the Regional Offices of the Allied Commission for Sicily, Sardinia, Southern Region and Region Lazio-Umbria and the officials of the Allied Commission displaced in the above mentioned territories will be withdrawn.

Representatives of Allied Commission will be sent, when necessary, in the territories under the jurisdiction of the Italian Government and, for a limited period some specialized officials with economic duties

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will also remain in such territories.

The Allied Commission has also informed us that in some places will be left liaison officers between the Allied forces and the authorities. These officers will have only the duty of regulating the relations between the Allied Forces located in the various provinces and the local Italian authorities, and will not have any interference in what is concerned with the Italian administration.

The said officers will be posted to : Cagliari for the provinces of Cagliari, Sassari and Nuoro; Palermo for the provinces of Palermo, Agrigento, Caltanissetta and Trapani; Bari for the Provinces of Bari, Brindisi, Foggia, Lecce, Matera, Potenza and Taranto; Naples for the provinces of Naples, Avellino, Benevento, Caserta, Salerno, Cosenza, Reggio Calabria. For the city of Naples, which remains under the control of the Allied Military Government, the duties of the liaison officers will be fulfilled by the *Special Commission at the city of Naples, which will be composed of the* Regional Commissioner of *Region Umbria-Marche* with Hq. at Perugia. It is obvious that the reduction of the allied control in Italy would be inefficient if from the Italian authorities side ~~is not to be expected~~ the most complete sense of responsibility and initiative and the most conscious freedom of movement and action. *more not forthcoming*

The Government therefore trusts upon the most efficient cooperation from every Governmental and local authorities, in order that the advantages which originate from the initiative in the fields both of the public administration and economic do not remain sterile and useless.

THE MINISTRY
ECONOMY

DM.

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HEADQUARTERS ALLIED COMMISSION
APO 394
LOCAL GOVERNMENT SUB COMMISSION

AO/6/14/16

Tel: 478706

SUBJECT: Withdrawal of Allied Commission from Italian
Government Territory.

4 April 1945

TO : His Excellency the Minister of the Interior.

Your Excellency:

1. Please accept the thanks of the Allied Commission for your courtesy in forwarding the circular to be sent by you to the Prefects of provinces under the jurisdiction of the Italian Government and expressing to them the effect of the memorandum presented to the Prime Minister by the Acting President of the Allied Commission on 24 February.
2. The Allied Commission have no observations to make upon this draft, except to suggest that it might be useful to include in it some further information as to the Liaison Officers who will remain in certain important centers.
3. I therefore annex a statement on this subject which you might think fit to include in the circular.

FOR THE DIRECTOR:

CGRW/pec
Encl. as in (3) above.

RALPH R. TEMPLE
Major
Deputy Director
Local Government Sub Commission

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SUGGESTED AMENDMENTS TO MINISTRY'S DRAFT CIRCULAR

1. In the 5th para. of the Ministry's draft circular, omit the words "and the Italian people".

2. After the 5th para, add the following :

"These officers remain only to assist in the relations between the
"Armed Forces of the Allies stationed in the various provinces and
"the local Italian authorities and will not advise or assist the Italian
"authorities on matters relating solely to Italian Administration :
"on all such matters, the Italian authorities will apply to the ap-
"propriate Ministry of the Italian Government.
"These Liaison Officers will be stationed at the following places
"and will exercise their functions within the provinces described : -

<u>Stations</u>	<u>Provinces</u>
"Cagliari	Cagliari, Nuoro, Sassari
"Palermo	Agrigento, Caltanissetta, Palermo, Trapani
"Catania	Catania, Enna, Messina, Ragusa, Siracusa
"Bari	Bari, Brindisi, Foggia, Lecce, Matera, Potenza, Taranto
"Naples	Avellino, Benevento, Campobasso, Catanzaro, Cosenza, Naples, Reggio di Calabria, Napoli.

"The duties of Liaison Officer at Naples will be discharged by the Local
Commissioner of the Commune of Naples which remains under Allied Military
Government.

"For the provinces of Abruzzi, the duties of the Liaison Officer will be
discharged by the Regional Commissioner of Umbria - Marche Region, who
will have his seat at Perugia."

HEADQUARTERS ALLIED COMMISSION
APO 334
LOCAL GOVERNMENT SUB COMMISSION

AC/6/14/LG.

Tel: 478190.

SUBJECT: PAR. 427 - "New Deal" for Italy.

2nd April, 1945.

TO : Civil Affairs Section.

Reference your 4/32.1/34 of 2 April calling for a progress report in the matter of local elections for the period ended 1st March, 1945, this Sub-Commission reports as follows :-

ITALIAN GOVERNMENT TERRITORY.

1. A Decree-law of 23 September 1944 and a Ministerial Decree of 13 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists for registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed, is about 15 May. It is thought that in most cases the registers will not be ready until later in the summer.
2. The Italian Government are preparing a decree as to the conduct of local elections. An outline of their proposals has been communicated to AC: they intend to revive the pre-Fascist law. It already appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

MILITARY GOVERNMENT TERRITORY.

3. Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafe" or population registers. Secondly, the forms regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, AC providing the transport.
4. At the suggestion of AC, the Italian Government have agreed to amend the decrees referred to in para. 1 so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMC.
5. The desirability of permitting local elections to be held in any part of Military Government Territory has been deferred. This question is bound up with the problem referred to in para. 2.

FOR THE DIRECTOR:

RAULH R. TRENKLE, Major.

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1. A Decree-law of 23 September 1944 and a Ministerial Decree of 18 October 1944 have been made by the Italian Government and provide for the compilation of electoral lists for registers of voters. The preparation of the registers is proceeding. The Government state that the earliest date on which the registers can be completed, is about 15 May. It is thought that in most cases the registers will not be ready until later in the summer.

2. The Italian Government are preparing a decree as to the conduct of local elections. An outline of their proposals has been communicated to AG: they intend to revive the pre-fascist law. It already appears that the electoral procedure proposed to be re-introduced is in several respects not adapted to ensure freedom and secrecy of voting. It has been decided to tender advice to the Italian Government as to the improvements that might be made.

3. Consent has been given to the taking in Military Government Territory of two measures preliminary to the compilation of electoral lists. Firstly, instructions have been given for the revision of the "anagrafo" or population registers. Secondly, the forms regulations and other matter for use in compiling the lists have been distributed to Provincial Capitals, AG providing the transport.

4. At the suggestion of AC, the Italian Government have agreed to amend the decrees referred to in para. 1 so as to permit the preparation of electoral lists to be commenced on dates to be fixed by AMI.

5. The desirability of permitting local elections to be held in any part of Military Government Territory has been deferred. This question is bound up with the problem referred to in para. 2.

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RAULPH E. TOSKLE,
Deputy Director,
Local Government Sub-Com-

Outlets/panels:

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

4/32.A/CA

2 April 1945

2 APR 1945

SUBJECT: FAN.487 - "New Deal" for Italy.

TO: Local Government Sub-Commission

1. On instructions received from AFHQ the Chief Commissioner is preparing an interim report for the Combined Chiefs of Staff covering the period up to 31 March 1945 upon the steps which have been taken to implement the directive contained in FAN.487. — P 1A

2. In his written instructions to the Chief Commissioner, the Chief Administrative Officer makes the following comment :

P 1A — "Para 2 G (of FAN.487) It is requested that information as to the measures adopted by the Italian Government for the holding of local elections and any further measures planned be furnished."

3. You are requested to furnish to this Section a interim report on the progress made in this matter.

4. Your report should cover the period ended 31 March 1945.

R. R. Knipp
C. R. DEVOE, Brig.
for CA SECTION.

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SUGGESTED AMENDMENTS TO MILITARY'S DRAFT CIRCULAR

1. In the 5th para. of the Ministry's draft circular, omit the words "and the Italian people".

2. After the 5th para., add the following.

"These officers remain only to assist in the relations between the Armed Forces of the Allies stationed in the various provinces and the local Italian authorities and will not advise or assist the authorities on matters relating solely to Italian administration: on all such matters, the Italian authorities will apply to the appropriate Ministry of the Italian Government.
 "These Liaison Officers will be stationed at the following places and will exercise their functions within the provinces described:-

Stations.

"Cagliari

"Palermo.

"Catania.

"Bari

"Naples

Provinces.

Cagliari, Nuoro, Sassari.

Agrigento, Caltanissetta, Palermo, Trapani.

Catania, Enna, Mesina, Ragusa, Siracusa.

Bari, Brindisi, Foggia, Lecce, Matera, Potenza, Taranto.

Avellino, Benevento, Campobasso, Catanzaro, Cosenza, Naples, Reggio di Calabria, Napoli.

"The duties of Liaison Officer at Naples will be discharged by the Local Commissioner of the Comune of Naples which remains under Allied Military Government.

"A Liaison Officer will also be attached to the Headquarters of the (Rome Area Allied Command). For assistance (if required) in their relations with elements of the Armed Forces of the Allies stationed in their respective provinces, their Headquarters the Prefects of Provinces, Littorio, Berti, Rome and Vitorbo will refer to this Liaison Officer and to the Headquarters of the Allied Commission.

"For the provinces of the Abruzzi, the duties of the Liaison Officer will be discharged by the Regional Commissioner of Umbria-Marche Region, who will have his seat at Perugia."

See para. 5 (b).
 of para. 9.

See para. 5.
 of para. 9.

See para. 2 (d).
 of para. 6 (c).

See para. 2 (c).
 of para. 5.

"These officers remain only to assist in the relations between the Armed Forces of the Allies stationed in the various provinces and the local Italian authorities and will not advise or assist the Italian authorities on matters relating solely to Italian administration: or all such matters, the Italian authorities will apply to the appropriate Ministry of the Italian Government.
These Liaison Officers will be stationed at the following places and will exercise their functions within the provinces described:-

Stations.

"Cagliari

"Palermo.

"Catania.

"Bari

"Naples

Provinces.

Cagliari, Nuoro, Sassari.

Agrigento, Caltanissetta, Palermo, Trapani.

Catania, Enna, Messina, Ragusa, Siracusa.

Bari, Brindisi, Foggia, Lecce, Matera, Potenza, Taranto.

Avellino, Benevento, Campobasso, Catanzaro, Cosenza, Naples, Reggio di Calabria, Napoli.

"The duties of Liaison Officer at Naples will be discharged by the Local Commissioner of the Comune of Naples which remains under Allied Military Government.

"A Liaison Officer will also be attached to the Headquarters of the (Rome Area Allied Command). For assistance (if required) in their relations with elements of the Armed Forces of the Allies stationed in their respective provinces, their Excellencies the Prefects of Grosseto, Livorno, Pistoia, Rome and Viterbo will refer to this Liaison Officer and see to the Headquarters of the Allied Command.
For the provinces of the Abruzzi, the duties of the Liaison Officer will be discharged by the Regional Commissioner of Umbria-Marche Region, who will have his seat at Perugia."

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See Form 2 (b)
p. 10.9.

See Form 2 (b)
p. 10.9.

See Form 2 (b)
p. 10.9. (b) 1?

See Form 2 (b)
p. 10.9.

Translation an

Rome, 25 March 1945

DEPT OF DEFENSE

From: MINISTER OF THE INTERIOR
Cabinet of R.E. The Minister

27 MAR 1945

TO : ALL MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES
and for information to the President of the Senate

SUBJECT: Allied Control in Italy

Pursuant to the communications contained in the memorandum of the President of the Allied Commission, beginning 1st March the Allied Commission, within the territory under the jurisdiction of the Italian Government, will limit its tasks so as to act in a consultative and advisory capacity with the competent Ministries of the Italian Government. Consequently, the approval of the Allied Commission for the appointment either to governmental or local offices in the territory under the jurisdiction of the Italian Government, with the exception of offices having a military character, will no longer be required.

The Italian Government has furthermore the right to make changes in the appointments previously made by the authorities of the Allied Military Government.

As from 1st April 1945, the Regional Offices of the Allied Commission for Sicily, Calabria, Southern Region, Lazio-Umbria, will be closed, and the officials of the Allied Commission detached with the aforesaid territory will be withdrawn.

Representatives of the Allied Commission will be detached, when necessary, in the territory under the jurisdiction of the Italian Government and, for a limited period, specialized officials charged with economic tasks will remain in such territory.

Allied Commission has moreover informed that in some localities liaison officers to act between the Allied Forces, the Authorities and the Italian people will remain.

It is obvious that the softening up of the Allied control in Italy would be insufficient and without any result, is on their part the Italian Authorities would not show the most complete spirit of responsibility and initiative and a conscious freedom of movement and action.

The Government is relying therefore on the most efficient collaboration on the part of all governmental and local Authorities, so that the advantages resulting from the initiative both in the field of public administration and in the field of economy should not remain sterile and useless.

THE MINISTRY

3705

territory under the jurisdiction of the Italian Government, within the territory set in a consultative and advisory capacity with the competent Ministries of the Italian Government. Consequently, the approval of the Allied Commission for the appointment of either to Governmental or local offices in the territory under the jurisdiction of the Italian Government, with the exception of offices having a military character, will no longer be required.

The Italian Government has furthermore the right to make changes in the appointments previously made by the authorities of the Allied Military Government.

As from 1st April 1945, the Regional Offices of the Allied Commission for Sicily, Sardinia, Southern Tuscany, Lazio-Umbria, will be closed, and the officials of the Allied Commission detached within the aforesaid territory will be withdrawn.

Representatives of the Allied Commission will be detached, when necessary, in the territory under the jurisdiction of the Italian Government and, for a limited period, specialists or officials charged with economic tasks will remain in such territory.

Allied Commission has moreover informed that in some localities liaison officers to act between the Allied Forces, the Authorities and the Italian people, will remain.

It is obvious that the functioning of the Allied control in Italy would be inefficient and without any result, if on their part the Italian Authorities would not show the most complete spirit of responsibility and initiative and a conscious freedom of movement and action.

The Government is relying therefore on the most efficient collaboration on the part of all Governmental and local Authorities, so that the advantages resulting from the initiative both in the field of public administration and in the field of economy should not remain sterile and useless.

THE MINISTRY

3703

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B. Badochi

CIRCOLARE

Mod. 866

N

Roma 25 marzo

1945

Ministro dell'Interno

GABINETTO DI S. E. IL MINISTRO

ALLE LL. EE. I PREFETTI DEL REGNO
AGLI ALTI COMMISSARI PER LA SICILIA E PER
LA SARDEGNA
e p.c.

ALLE DIREZIONI GENERALI

Direzione

Se.

Prot. N. 2

Allegati

27 MAR 1945

Proposta al Togliatti del
Dir.

OGGETTO Controllo Alleato in Italia.

In applicazione delle comunicazioni contenute nel memorandum del Presidente della Commissione Alleata, a datare dal 1° marzo la Commissione Alleata, nell'ambito del territorio sotto la giurisdizione del Governo italiano, limiterà i propri compiti a quelli di consultazione e consulenza con i competenti Ministri del Governo italiano. In conseguenza non è più richiesta l'approvazione della Commissione Alleata per la nomina sia ad incarichi governativi che ad uffici locali nel territorio sotto la giurisdizione del Governo italiano, salvo per le cariche di carattere militare.

Il Governo Italiano ha altresì il diritto di modificare le nomine precedentemente fatte dalle autorità del Governo militare alleato.

A datare dal 1° aprile 1945 saranno soppressi gli Uffici Regionali della Commissione Alleata per la Sicilia, la Sardegna, la Regione Meridionale e la Regione Lazio-Umbria, ed i funzionari della Commissione Alleata dislocati nell'ambito del predetto territorio verranno ritirati.

I rappresentanti della Commissione Alleata verranno inviati, quando necessario, nel territorio sotto la giurisdizione del Governo Italiano e, per un periodo limitato, rimarranno pure in tale territorio funzionari specializzati con mansioni economiche.

La Commissione Alleata ha comunicato altresì che in alcune località verranno lasciati ufficiali di collegamento tra le forze alleate e le autorità e le popolazioni italiane.

È ovvio che l'alleggerimento del controllo alleato in Italia sarebbe inefficace ed inopportuno se ad esso non corrispondesse da parte delle autorità italiane il più completo senso di responsabilità e di iniziativa e la più consapevole libertà di movimento e di azione.

27 MAR 1945

Divisione

Int. N. 2

Allegato

Proposta al Capo del
Dip.

OGGETTO

Controllo Alleato in Italia.

In applicazione delle comunicazioni contenute nel memorandum del Presidente della Commissione Alleata, a datare dal 1° marzo la Commissione Alleata, nell'ambito del territorio sotto la giurisdizione del Governo italiano, limiterà i propri compiti a quelli di consultazione e consulenza con i competenti Ministri del Governo italiano. In conseguenza non è più richiesta l'approvazione della Commissione Alleata per le nomine sia ad incarichi governativi che ad uffici locali nel territorio sotto la giurisdizione del Governo italiano, salvo per le cariche di carattere militare.

Il Governo Italiano ha altresì il diritto di modificare le nomine precedentemente fatte dalle autorità del Governo militare alleato.

A datare dal 1° aprile 1945 saranno soppressi gli Uffici Regionali della Commissione Alleata per la Sicilia, la Sardegna, la Regione Meridionale e la Regione Lazio-Umbria, ed i funzionari della Commissione Alleata dislocati nell'ambito del predetto territorio verranno ritirati.

I rappresentanti della Commissione Alleata verranno inviati, quando necessario, nel territorio sotto la giurisdizione del Governo Italiano e, per un periodo limitato, rimarranno pure in tale territorio funzionari specializzati con mansioni economiche.

La Commissione Alleata ha comunicato altresì che in alcune località verranno lasciati ufficiali di collegamento tra le forze alleate e le autorità e le popolazioni italiane.

È ovvio che l'alleggerimento del controllo alleato in Italia sarebbe inefficace ed inopportuno se ad esso non corrispondesse da parte delle autorità italiane il più completo senso di responsabilità e di iniziativa e la più consapevole libertà di movimento e di azione.

Il Governo fa perciò affidamento sulla più efficace collaborazione da parte di tutte le autorità governative e locali, perchè i vantaggi derivanti dall'iniziativa nel campo della pubblica amministrazione che in quello economico non abbiano a restare sterili ed inutili.

IL MINISTRO

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HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

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Ref: 7002/EC.

Subject: Functions of Liaison Officers in
Italian Government Territory.

To:

VP Economic Section (15)
 VP Civil Affairs Section (10)
 VP Establishments Section (3)
 Navy Sub Commission
 Land Forces Sub Commission (MFA)
 Air Forces Sub Commission
 War Materials Disposal & Italian PW Sub Commission
 PRO
 Lt.Col. E.P. MORTON, LO Palermo (5)
 Maj. H. BENTLEY, LO Catania (5)
 Col. J.C. PANTYCUICK, Local Commissioner, Naples Commune (5)
 Lt.Col. L. DAWSON, LO Bari (5)

24 March 1945.

1. The first duty of Allied Commission liaison officers will be to keep themselves, at all times, informed of the situation in the areas with which they are concerned. This will involve the use of all available means of information, press, intelligence summaries, PW reports, etc. They will inform HQ AC direct of any circumstances arising which may in their opinion adversely affect the Allied war effort or influence the general policy of the Commission. They will submit a monthly report to HQ which will include comment on the political situation.

2. Liaison officers will, by study of previous Regional monthly reports and other records, inform themselves of the present position of various Commission functions now being handed over to Italian agencies. They will especially watch those cases where previous difficulties have been encountered.

3. Liaison officers will keep close touch with the senior military formation, American and British in their areas. They will endeavour at all times to assist military formations in their relations with Italian Government departments and agencies. They must, however, remember that they are liaison officers and not executive officers and will not be able to carry out many of the functions of Provincial Commissioners.

37 MAR 1945

b/14. lookout 9

24 March 1943.
Subject: Functions of Liaison Officers in
Italian Government Territory.

To:

VP Economic Section (15)
VP Civil Affairs Section (10)
VP Establishments Section (3)
Navy Sub Commission
Land Forces Sub Commission (12/1A)
Air Forces Sub Commission
War Materials Disposal & Italian PW Sub Commission
PRO
Lt. Col. E. P. MORTON, LO Palermo (5)
Maj. R. BENTLEY, LO Catania (5)
Col. J. C. PANNICHIK, Local Commissioner, Naples Comune (5)
Lt. Col. L. DAWSON, LO Bari (5)

1. The first duty of Allied Commission liaison officers will be to keep themselves, at all times, informed of the situation in the areas with which they are concerned. This will involve the use of all available means of information, press, intelligence summaries, PWB reports, etc. They will inform HQ AG direct of any circumstances arising which may in their opinion adversely affect the Allied war effort or influence the general policy of the Commission. They will submit a monthly report to HQ which will include comment on the political situation.

2. Liaison officers will, by study of previous Regional monthly reports and other records, inform themselves of the present position of various Commission functions now being handed over to Italian agencies. They will specially watch those cases where previous difficulties have been encountered.

3. Liaison officers will keep close touch with the senior military formation, American and British in their areas. They will endeavour at all times to assist military formations in their relations with Italian Government departments and agencies. They must, however, remember that they are liaison officers and not executive officers and will not be able to carry out many of the functions of Provincial Commissioners. 3

Points which may require special attention are:

- a. Law cases affecting Allied personnel or property.
- b. Epidemics endangering Allied personnel.
- c. Requisitioning and derequisitioning.
- d. Relations between Allied and Italian police forces.

4. Liaison officers will, in the absence of specialist AG officers, assist the Allied Forces Local Resources Board, or Allied Procuring Agencies, as may be necessary, in their relations with the Italian authorities.

5. Liaison officers will be stationed at centres of importance to Allied interests. They will assist, as necessary, relations between the Allied Services and the local Italian officials.

5856

yes

2.

In addition they will have a general duty as defined in para. 1 over wide areas as under:

SARDINIA: L.O. (MIA senior L.O.)

SICILY: L.O. Palermo

- Provinces of Palermo, Trapani, Agrigento, Caltanissetta,

L.O. Catania

- Provinces of Catania, Messina, Enna, Ragusa, Siracusa.

SOUTHERN ITALY:

L.O. Naples
(M.C. Commissioner, Naples)

- Provinces of Naples, Salerno, Benevento, Avellino, Campobasso, Cosenza, Catanzaro, Reggio.

L.O. Bari

- Provinces of Foggia, Bari, Brindisi, Lecce, Taranto, Matera, Potenza.

Liaison officers will normally confine their activities to the neighbourhood of the HQ in which they are located, but, in cases of necessity, they will of course deal with all matters arising from civil affairs affecting Allied interests within the Provinces as listed above.

6. They will at all times avoid being involved in questions of Italian local government, and, even if asked, they will not give official advice, on behalf of AC, to Prefects or other State employees. They will, in all cases, refer the Italian local official to his Ministry in Rome.

7. The AC liaison officer will be responsible for discipline and administration of all AC officers in his area.

Norman E. Piske

NORMAN E. PISKE,
Colonel,
Acting Executive Commissioner.

Copies to: Political Adviser (Mr.)
Political Adviser (A)
G-5 AFHQ (3)
RC Sicily Region
RC Sardinia Region
RC Lazio-Umbria Region
RC Umbria-Marche Region
SO to OC
Liaison Division

Director:

23 March 1945

1. Reference the VP's instructions at fo. 7, I saw H. B. Adalberto BERRUTI and Cav. Andrea CAMERA this morning at 1130 hours, Lt. MODIANO interpreting.

2. Payment of civilian employees of Liaison Officers

BERRUTI readily agreed in principle to such employees being paid through the local Prefettura. Dott. CAMERA indicated that the procedure would be for the employees to draw their pay from the Provincial Treasury (which is a bank, I understand) on an order from the Prefect.

3. BERRUTI asked, however, if these payments were to be charged against the Italian Government. I said I supposed naturally that some arrangement would have to be made about this: but this was a matter on which we ought to consult the Finance Sub Commission. BERRUTI suggested the Finance Sub Commission should agree on the procedure with the Minister of the Treasury. I said that no doubt they would do this, but I would mention the point to them.

4. Instructions to Prefects as to the "New Deal"

BERRUTI said no circular has been distributed. It was evident at first that he did not quite see the need. I explained it was desirable to give Prefects precise instructions as to what their position would be under the Macmillan memorandum, and what would be the functions of the AC Liaison officers. I said that AC felt it desirable that the Prefects should be informed definitely that the AC officers (except Liaison) would, in fact, be withdrawn by April 1.

5. BERRUTI said they would certainly issue a circular to this effect and agreed to send us a copy.

C.R.
C. G. R. WILLIAMS, Major
Local Government Sub Commission

*ing W - Please ask for copy of circular,
"as a matter of courtesy", before it
is issued.
24 Mar 45.*

RRT

3752

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

21 MAR 1945

1/25.1/CA

20 Mar 45

SUBJECT: Liaison Officers in Italian Government Territory.

MEMORANDUM TO: Local Government Sub-Commission.

1. Liaison Officers will remain at BARI, CATANIA and PALERMO, and possibly at CAGLIARI, and it is probable that they will desire to retain certain locally engaged civilian employees.
2. The pay and administration of such employees by the Allied Commission will give rise to administrative difficulties and it is therefore requested that you will consult the Ministry of the Interior and ask them in principle to agree that such employees (who will be small in numbers) be taken on to the pay roll of the Prefect and that the Prefect should be responsible for their general pay and administration.
3. It is also requested that you ascertain what instructions, if any, have been given by the Ministry of the Interior to Prefects in Italian Government Territory arising out of the aide memoire handed by the Acting President and Chief Commissioner to the Prime Minister on 21 Feb 45.

If no instructions have been sent out, it is desirable that some such should be sent out as soon as possible so that Prefects understand the position. These instructions should make it plain that apart from Liaison Officers at the places mentioned above, and certain experts required in the economic sphere, we are withdrawing entirely from Italian Government Territory. Such instructions should also make it plain that as a temporary measure an olive oil ammassi team is continuing to work in PUGLIA at the request of the Italian Government, but the duration of this work is not likely to be long.

G. R. Upjohn
G. R. UPJOHN, Brig.
VP CA SECTION.

3791

3313/AG

554

1. ITALIAN GOVERNMENT TERRITORY - PersonnelAMERICAN(a) SARDEGNA

2 Mining Officers

Lt. H. POLLARD (USN) Maj. G.F. HATCH
(Sicilia)(b) SICILIA

(i) 1 Property Control Officer

Capt. W.G. BOARD

(ii) 2 Liaison Officers (U.A.Os):-

Palermo

Lt. Col. E.B. MORTON

Catania

Maj. H. BENTLEY

(iii) 3 Transportation Officers:-

Palermo

Capt. A.H. IRVINE-DENCH

Reggio

Capt. S.W. BODDY

Catanzaro

Capt. R.E. COOK (Austria)

(iv) 1 Administrative Officer
Interned Diplomats at Taormina

Rotation

(c) BARI

1. Liaison Officer

Lt. Col. Lionel Dawson

1. Food Officer

Lt. P.M. O'LEARY

7. Transportation Officers:-

Maj. C.W.G. TAYLOR

Lt. I. FRIEDMAN

Capt. J.O. DODDS 3790

Capt. G.S. BILLINGHURST

Capt. S.C. HALL

Capt. R.J. WOODCOCK

17 MAR 1945

BRITISH

Capt. W.G. BOARD

(i) 1 Property Control Officer

(ii) 2 Liaison Officers (C.A.Os):-

Lt.Col. E.B. MORTON

Maj.H. HENTLEY

(iii) 3 Transportation Officers:-

Capt.A.H. IRVINE-LYNCH

Capt. S.W. BODDY

Capt. R.E. COOK (Austria)

Rotation

(iv) 1 Administrative Officer
Interned Diplomats at Taormina

(o) BARI

Lt.Col.Lionel Dawson

1. Liaison Officer

Lt.P.M.O'LEARY

1. Food Officer

7. Transportation Officers:-

Maj. C.W.G. TAYLOR

Lt. I. FRIEDMAN

3790

Capt. J.O. DODDS

Capt. G.S. BILLINGHURST

Capt. S.C. HALL

Capt. R.J. WOODCOCK

Capt. D.L. COLEMAN

Capt. E.V. FALK

1. Legal Officer

(a) LAZIO-UMERIA (Rome Liaison Sec)

Maj. F.J. GREEN

1. Public Safety Officer

Maj. L.G. HAWKER

2. Communications

5274

- 2 -

(a) LAZIO UMBRIA (Rome Liaison Sec)

3. Finance Officers

AMERICANMaj. S.L. ANDERSON
(A.F.H.)BRITISHMaj. R.W.M. WILSON
(Acct)(Prop. Control)

1. Public Works & Utilities Officer:

Lt. Col. G. de C. FINDLAY

4. Transportation Officers:

Rome

Capt. E.W. DEAN

Civitavecchia

Capt. J.N. BOWES

Aquila

Capt. M.C. MCCARTY

Capt. F.R. PRICE

2. ALLIED MILITARY GOVERNMENT TERRITORY(a) NAPLES COMUNITH.Q. Staff (5)

1. Commissioner

Col. J.A.C. PENNYQUICK

2. Executive Officer

Capt. L. KELARIN

3. C.A.O.

Lt. B.J. RICOVINI

4. C.A.O. (O.C. Br. Det.)

Capt. R. SAVILL

5. C.A.O. (Comd. Co "C")

1/Lt. S.A. CASALE

C.A.O.s

Lampedusa

Maj. A. WATTS

Pantelleria

Capt. G. PARKER

Legal (3)

1.

Maj. R. W. KERR (Austria)

4. Transportation Officers:

Rome

Capt. E.W. DEAN

Civitavecchia

Capt. J.N. BOWES

Aquila

Capt. M.C. MCCARTY

Capt. F.R. PRICE

2. ALLIED MILITARY GOVERNMENT TERRITORY(a) NAPLES COMBINEH.Q. Staff (5)

1. Commissioner
Col. J.A.C. PENNYQUICK
2. Executive Officer
Capt. L. KEARIN
3. C.A.O.
Lt. B.J. RIGOMINI
4. C.A.O. (O.C. Br.Det.)
Capt. R. SAVILL
5. C.A.O. (Comd. Co "C")
1/Lt. S.A. CLASIE

C.A.Os

Lampedusa

Maj. A. WATTS

Pantelleria

Capt. G. PARKER

Legal (3)

Maj. W. N. KERR (Austria)

1.

Maj. F.L. ZECCIOLA

2.

Lt. G.C. BANTO

3.

PUBLIC HEALTH (3)Lt. Col. D.C. MACDONALD
(Sicilia)

1.

Maj. G.E. GILL

2.

Lt. W.I. SAMPSON

3.

Public Safety (4)

- 1.
- 2.
- 3.
- 4.

Finance (5)

- 1.
- 2.
- 3.
- 4.
- 5.

Commerce (2)

- 1.
- 2.

Supplies (1)

- 1.

Industry (2 civilians)Public Works & Utilities (2)

- 1.
- 2.

AMERICAN

Capt. F.C. STILES

- + Capt.D.G. SWALE
(Prop. Contr.)
- + Capt.C. LOFISO
(Acct)

+ To be withdrawn by 1 May 45

BRITISH

Maj. G. RICHARDSON
Capt. R.N. HOBBS
Capt. H.F. STRAND

Lt. Col. L.R. RATTENSBY

Maj. A.E. SHAW
(Sups. Acct.)
Maj. C.F. RANDALL
(A.F.A.)

+ Lt.E.T. GRIFFIN
(Acct)

Maj. W.G. BIRT

Fl/Offr.S.H. LLOYD

Capt. L.F. PALMER

Capt. R.H. HIBBARD
3769

Mr.H.H. TOWNSEND

Finance (5)

1.
2.
3.
4.
5.

Lt. Col. L. R. RATTENSBY

Maj. A. E. SHAW
(Sups. Asst.)
Maj. C. F. RANDALL
(A. F. A.)

+ Capt. D. G. SWALE
(Prop. Contr.)
+ Capt. C. L. LOFISO
(Asst.)

+ Lt. E. T. GRIFFIN
(Asst.)

+ To be withdrawn by 1 May 45

Commerce (2)

1.
2.

Maj. W. G. BIRT

Pl/Offr. S. H. LLOYD

Supplies (1)

1.

Capt. L. F. PALMER

Industry (2 civilians)Public Works & Utilities (2)

1.
2.

Capt. R. H. HIBBARD
3789

Mr. H. H. TOWNSEND

Transportation (5)

1.
2.
3.
4.
5.

Maj. V. R. BOWERS

Maj. R. C. MARKS

Maj. W. T. MARTIN

Capt. T. E. RAISEY

Lt. A. M. CLARK

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commission

+++++

Ref: 7002/26/EC.

10 MAR 1945

7 March 1945

SUBJECT: Withdrawal of AC Officers from Italian Government Territory.

TO :	EC, Sicily Region	(10)
	EC, Southern Region.	(10)
	EC, Sardinia Region	(5)
	EC, Lazio-Umbria Region.	(10)
	EC, Abruzzi-Marche Region.	(5)
	Civil Affairs Section.	(10)
	Economic Section.	(14)
	Establishment Section.	(5)

1. The Combined Chiefs of Staff in their telegram REF 487 of 31 January 1945 transmitting the New Deal for Italy, directed that:

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

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a)

SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the output of the Sardinian coalmines, and shipping and working of the ports in connection with the output of coal.

(b)

SICILY. All Allied Commission officers will be withdrawn except:

- (i) Allied Commission Liaison Officer at PALERMO.
- (ii) Allied Commission Liaison Officer at CATANIA.
- (iii) CMO, LUGGERO.
- (iv) CMO, BARTOLICCI.

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TO : RC, Sicily Region (10)
 RC, Southern Region. (10)
 RC, Sardinia Region. (5)
 RC, Lazio-Umbria Region. (10)
 RC, Abruzzi-Marche Region. (5)
 Civil Affairs Section. (10)
 Economic Section. (4)
 Establishment Section. (3)

1. The Combined Chiefs of Staff in their telegram RUM 487 of 31 January 1945 transmitting the New Deal for Italy, directed that:

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

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

- (a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the output of the Sardinian coalmines, and shipping and working of the ports in connection with the output of coal.
- (b) SICILY. All Allied Commission officers will be withdrawn except:
- (i) Allied Commission Liaison Officer at PALERMO.
 - (ii) Allied Commission Liaison Officer at CATANIA.
 - (iii) GAO, LAMPEDUSA.
 - (iv) GAO, PANTHERIA.
 - (v) Certain technical officers.
- (c) SOUTHERN REGION. All Allied Commission officers will be withdrawn except:
- (i) Provincial Staff for NAPLES Commune in which Allied Military Government will continue.
 - (ii) Allied Commission Liaison Officer at PARI.
 - (iii) Certain technical officers.

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- 2 -

(2) LIVIO-UMBRIA REGION. All Allied Commission officers will be withdrawn from Regional HQ and the Provinces of LIVIO with the exception of:

(a) Allied Commission Liaison Officer (Public Safety) with Rome Allied Area Command.

(ia) Certain technical officers.

The Provinces of UMBRIA (TUSCANY and EMILIA) will continue under Allied Military Government; the Provincial staffs will remain and will pass to command of Regional HQ, MARCHI-UMBRIA (formerly BRUNZELI-MARCHI) Region.

(e) BRUNZELI-MARCHI REGION. All Allied Commission officers will be withdrawn from the Provinces of BRUNZELI (TERAMO, AQUILA, PESCARA, CHIETI), with the exception of a Transportation Officer (Truck pool.) at CHIETI. The Provinces of the MARCHI (AScoli, Macerata, BOLOGNA, VERONA) will remain under Allied Military Government with Provincial staffs. The Region, which in future will be known as MARCHI-UMBRIA Region, will absorb the Provinces of EMILIA and TUSCANY, under Allied Military Government, with their Provincial staffs. The Regional Commissioner will also act as Allied Commission Liaison Officer for the Provinces of BRUNZELI.

Details of officers to be retained will be found in

Appendix "A".

3. Duties of the Allied Commission Liaison Officers in Italian Government territory will be to watch over the Allied and Italian interests in furtherance of the Allied war effort, and to assist the Allied authorities in their relations with Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs, but will no longer be concerned with the assumption of advice or guidance to the Italian authorities. Neither will they assume functions which are properly those of military authorities. Personnel will normally confine their activities to the neighborhood of the HQ in which they are located, but in cases of necessity they will of course deal with all matters arising from civil affairs affecting Allied interests within the Regional boundaries.

4. Regional Commission staffs will take steps to complete those moves by 1 April 1945. Further instructions will be issued by the Establishment Section.

Brigadier,
Executive Commission.

- (c) ABRUZZI-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of ABRUZZI (TERAMO, AQUILA, PESCARA, CHIENTI), with the exception of a Transportation Officer (truck pool.) at ANCONA. The Provinces of the MARCHE (AScoli, Macerata, ANCONA, PESARO) will remain under Allied Military Government with Provincial staffs. The Region, which in future will be known as MARCHE-ABRUZZI Region, will absorb the Provinces of PERUGIA and TERNI, under Allied Military Government, with their Provincial staffs. The Regional Commissioner will also act as Allied Commission Liaison Officer for the Provinces of ABRUZZI.

Details of officers to be retained will be found in Appendix "A".

3. Duties of the Allied Commission Liaison Officers in Italian Government territory will be to watch over the Allied and Italian interests in furtherance of the Allied war effort, and to assist the Allied authorities in their relations with Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs, but will no longer be concerned with the assumption of advice or guidance to the Italian authorities. Neither will they assume functions which are properly those of military authorities. Personnel will normally confine their activities to the neighborhood of the HQ in which they are located, but in cases of necessity they will of course deal with all matters arising from civil affairs affecting Allied interests within the Regional boundaries.

4. Regional Commissioners will take steps to complete those moves by 1 April 1945. Further instructions will be issued by the Establishment Section.

Encl: Appendix "A".

Copy to:

Pa to Acting President
G-5 Section, Allied Force Headquarters
Navy Sub-Commission
Land Forces Sub-Commission (HQA)
Air Forces Sub-Commission
Office of the Political Advisors
Commanding Sub-Commission
WD & IPO / Sub-Commission
Public Relations Branch
DCMO, 15 Army Group

Handwritten signature
Brigadier,
Executive Commissioner.

APPENDIX "A".

OFFICERS TO BE LEFT IN ITALIAN GOVERNMENT TERRITORY AFTER 1 APRIL 1945.

Region.	Officers.
SARDEGNA.	2 Mining
SICILY	1 Liaison 1 Liaison 1 Civil Affairs 1 Civil Affairs 1 Supply Accountant 1 Property Control 1 Transportation } to be withdrawn about 1 May 1945
SOUTHERN	1 Transportation 1 Transportation 1 Local Commissioner 1 Executive Officer 1 Adjutant 1 Provincial Officer 1 Commander Coy. "C". 3 Legal 3 Public Health 4 Public Safety 2 Commerce 1 Food 2 Industry 5 Mines (2 to be withdrawn about 1 May 1945) 2 Public Works & Utilities 5 Transportation 1 Liaison 1 Asst. Liaison (Food) 7 Transportation 1 Public Safety 3 Finance 1 Transportation 2 Transportation 1 Public Works & Utilities) to be withdrawn about 1 June 1945
LAZIO-UMBRIA.	1 Public Safety 3 Finance 1 Transportation 2 Transportation 1 Public Works & Utilities) to be withdrawn about 1 June 1945
ABRUZZO-MARCHE.	1 Public Safety 3 Finance 1 Transportation 2 Transportation 1 Public Works & Utilities) to be withdrawn about 1 June 1945

-	Lampetusa	1	Civil Affairs		
		1	Supply Accountant	} to be withdrawn about 1 May 1945	
		1	Property Control		
		1	Transportation		
SOUTHERN	- Reggio	1	Transportation		
	- Catanzaro	1	Transportation		
	- Naples Comune	1	Local Commissioner		
		1	Executive Officer		
		1	Adjutant		
		1	Provincial Officer		
		1	Commander Coy. "C".		
		3	Legal		
		3	Public Health		
		4	Public Safety		
		2	Commerce		
		1	Food		
		2	Industry		
		5	Finance	(2 to be withdrawn about 1 May 1945)	
		2	Public Works & Utilities		
		5	Transportation		
	- Bari	1	Liaison		
		1	Asst. Liaison (Food)		
		7	Transportation		
LAZIO-UMBRIA	- Rome	1	Public Safety		
		3	Finance		
		1	Transportation		
	- Civitavecchia	2	Transportation	(to be withdrawn about 1 June 1945)	
		1	Public Works & Utilities		
ABRUZZI-MARCHE	- Aquila	1	Transportation		
		TOTAL..	61		

Five truck pool transportation officers will be withdrawn as soon as the vehicles are handed over to the Italian Government, and ~~transportation~~ ^{transportation} officers will be withdrawn ~~also~~ ^{also} after 1 July 1945.

Of the total number of 61 left in the South, it will be noted that 34 are in ASD territory (Naples Comune, Pantelleria and Lampedusa).

19 Transportation Officers

14 ~~clerked~~ ^{clerked}

5 Truck Pool Officers withdrawn

19

4

AC/6/14/LG

SUBJECT: Note of Interview - Ministry of the Interior.

DATE : 7 March 1945 - 1100 hours.

PRESENT: H. E. Adalberto BERRUTI, Chief of Cabinet, Ministry of Interior.
Cav. Andrea CAMERA, Consigliere di Gabinetto " " "
Major Ralph R. Temple)
Major C.G.R. Williams) Local Government Sub Commission
Lt. D. MODIANO, interpreting.

1. BERRUTI said he had asked for the interview in order to clarify with us the application of the MacMillan Memorandum as to the relations between the Ministry and this Sub Commission. Major Temple replied that there were four main points.

2. Firstly, the consent of the Sub Commission was no longer required to the appointment of Prefects and Vice Prefects in Italian Government territory. Accordingly, letters had recently been written stating that AC was no longer concerned to approve the appointment of Prefect RIZZA to Pescara, or the definitive appointment of Prefect VITELLI to Catania.

3. Secondly, he said that the consent of the Sub Commission is no longer required for the removal or demotion of any Italian official appointed or promoted by AMG in Italian Government territory. Accordingly, a letter had been written in reply to the Ministry's letter of 9 October 1944 about a number of promotions made by AMG at Palermo Prefecture in the early days, stating that the questions raised were now entirely for the Italian Government and ~~not~~ but it ~~was~~ ~~is~~ hoped that due consideration would be given those who had done such good work. BERRUTI said they hoped to deal with such cases on the lines they themselves had suggested in the Palermo letter of 9 October 1944; i.e. (a) where there was a real need of the official to continue to discharge the higher functions assigned to him, he would continue to do so; (b) where the promotion involved no change of functions, the official would be reduced to his proper grade. We agreed this was sound.

4. Thirdly, the consent of the Sub Commission was not required for the dismissal or removal of any AMG appointee, pending epuration proceedings, and a letter had been written to that effect in the case of TABURRO, Prefect Regent of Matera.

5. Fourthly, the Sub Commission would only tender advice ~~on information~~ to the Italian Government about matters arising in Italian Government territory if and when the Ministry asked them to do so.

6. BERRUTI said he had one or two points to raise. Firstly, when the promotion of an official to the rank of Prefect was under consideration, the Ministry propose first to inquire of the Sub Commission whether the official would be acceptable to us as a Prefect for the North. It was agreed that ~~this~~ ~~was~~ ~~was~~ was a sound practice, and that it should also apply in respect of promotions

- 2 -

to Vice Prefect Vicario and Vice Prefect Inspector. In replying to such requests, we should be expressing no opinion on the actual promotions, but only as to the official's suitability for our purposes in the North. The Government would be entirely free to promote the official and to use him in their territory, even if we rejected him for the North. This is a continuation of present practice.

7. BERRUTI also referred to the few cases of Prefects upon whom AG had definitely stated that they would not be welcome in any capacity anywhere. In the light of what they had read in the papers about the MacMillan Memorandum, these Prefects are now besieging the Ministry for re-employment.

8. Major Temple answered by referring to the Ministry's suggestion about utilizing in Italian Government territory officials dismissed by AMG. He said a reply to this was shortly to be sent to the effect that (a) the Italian Government are at liberty to employ whom they like in their own territory, but (b) the Allied Commission still have the strongest interest in a swift and genuine epuration, and in ensuring under the Armistice terms that the Fascists do not come back into the administration. BERRUTI said very well, in that case these Prefects will be kept at disposition until they have been epurated.

9. Major Temple also mentioned that revised instructions are about to be sent to AMG as to the suspension of officials and, among other things, they would again be asked to send in lists of those they had suspended. These lists would be forwarded to the Ministry with a view to the officials being epurated.

10. BERRUTI then made a suggestion which is noted very briefly here, as it will be subsequently sent to us in writing. He suggested that the Prefect should be nominated and specifically ear-marked for every one of the 41 (including Zara) unliberated provinces in Italy. Similar proposals have been made to Public Safety Sub Commission about Questore officials, and such officials have been designated to go to all of the provinces. BERRUTI said he did not suggest this ear-marking should be mandatory on AMG: he recognized that it would be necessary for AMG to appoint a local Prefect Regent. He seemed to think, however, that these instances would be exceptional and small in number. He added that even if a Prefect Regent was appointed, it was desirable to have a career official ready to replace him when the situation permits. This proposal emanates from the Prime Minister. We said that the proposals required careful reviewing and probably reference to higher authority, and would the Ministry put it into writing, which BERRUTI promised to do.

11. In the meantime, CAMERA and I are to agree upon a list of those Prefects and Vice Prefects who have been approved and are considered to be in the "pool" for the North.

C. G. R. WILLIAMS,
Major
Local Government Sub Commission

3765

CGRW/pec

HEADQUARTERS ALLIED COMMISSION
APC 394
Office of the Chief Commissioner

Local Govt

27 February 1945.

Ref: APC/155/39.

SUBJECT: New Deal for ITALY.

TO: Distribution below.

Pending issuance of a detailed directive to members of the Commission the attached copy of an Aide-Memoire communicated to the Italian Government by the Acting President and the Chief Commissioner on 24 February 1945 is sent to you for information and guidance.

Ellery W. Stone
ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Encl.

DISTRIBUTION:

S.C.A.C. Fifth Army
S.C.A.C. Eighth Army
All Regions
Sections
Sub-Commissions
Independent Sub-Commissions
(Less Service Sub-Commissions).

3784

5120

3A

24th February, 1945

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

1. In accordance with the declaration of the President of the United States of AMERICA and the Prime Minister of the United Kingdom of GREAT BRITAIN, the Allied Governments propose to relax the control of the Italian Government under the Armistice in the matter of day to day administration and only to exercise such control when Allied military interests require.
2. The Political Section of the Allied Commission is being abolished as of 1 March 1945. The Italian Ministry of Foreign Affairs will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to whatever Section (Economic or Civil Affairs) of the Commission may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the Executive Commissioner.
3. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. The Allied

Commission

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Commission should be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments. Facilities for the use of secret bags will be granted to the Italian Government for use in correspondence with their diplomatic representatives abroad. Undeposited cipher facilities cannot be allowed for the present.

Insofar as these negotiations have to do with economic and financial matters, the Economic Section and its Finance Sub-Commission should be kept informed of their progress.

It would be convenient if the Italian Government would furnish a periodic summary of all negotiations completed or pending with other Governments.

4. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

5. The advisory functions of the Sub-Commissions of Education, Monuments and Fine Arts, Local Government, Legal and Labour in territory under the jurisdiction of the Italian Government will be performed only when requested by the Italian Government.

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6. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

Nevertheless the Allied Commission should be informed of proposed decrees some time before their enactment, in order to enable the Chief Commissioner to consult with the Italian Government as to their application to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

7. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government except with regard to the attached list (Appendix "A") of positions having military significance. The Italian Government will have the right to alter appointments made previously by AMG authorities.

8. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn. As a first step it is intended to abolish by April 1, 1945, the Regional Offices

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Offices of the Allied Commission For Sicily, Sardinia, Southern and Lazio-Umbria Regions. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when necessary and certain specialist officers with economic functions will remain in such territory for a limited period.

9. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. Arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

10. The Allies welcome the decision to hold local elections in territory under the jurisdiction of the Italian Government as soon as may be.

11. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that arrangements can be made for the services of such persons to continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

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12. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

13. In the joint programme of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined United States-United Kingdom military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). A definition of the supplies which fall into Category "A" follows:

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

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as,

fertilizer,

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fertilizer, raw materials, machinery and equipment.

- (c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will directly further the Allied military effort.

14. The programs for which the military authorities assume responsibility will be maintained for the duration of combined (United States-United Kingdom) operations in Italy. For this period, and within the limits defined in paragraph 13, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

15. In addition to the programs of supplies for which the military assume responsibility for procurement (Category "A") the Allied Commission will assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. Such programs, referred to as Category "B" will be handled under procedures already notified. The purchasing of supplies in Category "B" programs will be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14, and 15 above, and subject to the limitation in paragraph 19 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which will be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the Allied military effort in other theatres. The priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

17. The prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist.

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18. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export programme will necessarily be limited by certain shipping, military, financial and supply factors. The applicability of these factors to individual programmes will be worked out between the Italian Government and the Economic Section of the Allied Commission along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

19. Nothing contained in the above should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

HAROLD MACMILLAN

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APPENDIX "A".

List of Italian Government appointments requiring
prior approval by the Allied Commission

Minister of War

Minister of Marine

Minister of Air

Any other Minister of ARMED Forces
who may be created

Under Secretary for Telecommunications

Director of Railroads

Director General of Publica Sicurezza

Commanding General, CC.RR.

Chief of Staff, CC.RR.

Commanding General, VI.FF.

Appointments in the Army, Navy, and Air Force
in accordance with current practice.

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

28 FEB 1948

Tel. Ext. 476300

Ref: 4/32.1/GA

SUBJECT: Policy with regard to Italian Government

To: All Sub-Commissions, Civil Affairs Section

Attached, for your information only, is a copy of the aide memoire handed by the Acting VP of this Commission to the Prime Minister on Saturday 24 Feb. This is forwarded as a guide to you in your dealings with the Government, but future procedures will, it is anticipated, be the subject of a directive by the Chief Commissioner to be issued shortly.

R. E. Griffin
R. E. GRIFFIN Col.
CSC CA Section

Circulation:

Displaced Pers. & Repat. S/C
Education S/C
Legal S/C
Local Government S/C
Monuments & Fine Arts S/C
Patriotic Branch
Public Health S/C
Public Safety S/C
Devastated Areas Branch
File

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24th February, 1945

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

1. In accordance with the declaration of the President of the United States of AMERICA and the Prime Minister of the United Kingdom of GREAT BRITAIN, the Allied Governments propose to relax the control of the Italian Government under the Armistice in the matter of day to day administration and only to exercise such control when Allied military interests require.
2. The Political Section of the Allied Commission is being abolished as of 1 March 1945. The Italian Ministry of Foreign Affairs will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to whatever Section (Economic or Civil Affairs) of the Commission may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the Executive Commissioner.
3. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Quirinal. The Allied

Commission

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Commission should be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments. Facilities for the use of secret bags will be granted to the Italian Government for use in correspondence with their diplomatic representatives abroad. Unencrypted cypher facilities cannot be allowed for the present.

Insofar as these negotiations have to do with economic and financial matters, the Economic Section and its Finance Sub-Commission should be kept informed of their progress.

It would be convenient if the Italian Government would furnish a periodic summary of all negotiations completed or pending with other Governments.

4. The Allied Commission will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministers of the Italian Government.

5. The advisory functions of the Sub-Commissions of Education, Monuments and Fine Arts, Local Government, Legal and Labour in territory under the jurisdiction of the Italian Government will be performed only when requested by the Italian Government.

6. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

Nevertheless the Allied Commission should be informed of proposed decrees some time before their enactment, in order to enable the Chief Commissioner to consult with the Italian Government as to their application to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

7. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government except with regard to the attached list (Appendix "A") of positions having military significance. The Italian Government will have the right to alter appointments made previously by AMG authorities.

8. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn. As a first step it is intended to abolish by April 1, 1945, the Regional

Offices

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Offices of the Allied Commission for Sicily, Sardinia, Southern and Lazio-Umbria Regions. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when necessary and certain specialist officers with economic functions will remain in such territory for a limited period.

9. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. Arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

10. The Allies welcome the decision to hold local elections in territory under the jurisdiction of the Italian Government as soon as may be.

11. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the Armistice was signed. Provided that arrangements can be made for the services of such persons to continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

12.

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12. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

13. In the Joint program of essential Italian imports, now being prepared by the Inter-Ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined United States-United Kingdom military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). A definition of the supplies which fall into Category "A" follows:

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

(b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph, such as,

fertilizer,

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fertiliser, raw materials, machinery and equipment.

- (c) These materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will directly further the Allied military effort.

14. The programme for which the military authorities assume responsibility will be maintained for the duration of combined (United States-United Kingdom) operations in Italy. For this period, and within the limits defined in paragraph 13, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

15. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "A") the Allied Commission will assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, referred to as Category "B" will be handled under procedures already notified. The purchasing of supplies in Category "B" programmes will be undertaken immediately without reference to the present difficult shipping position in order that the supplies so purchased may be called forward as and when shipping space becomes available.

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16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14, and 15 above, and subject to the limitation in paragraph 15 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which will be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the Allied military effort in other theatres. The priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

17. The prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist.

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16. The Allies desire that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of paragraphs 13, 14 and 15 above, and subject to the limitation in paragraph 12 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of armaments or other equipments of war, which will be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the Allied military effort in other theatres. The priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

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18. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export programme will necessarily be limited by certain shipping, military, financial and supply factors. The applicability of these factors to individual programmes will be worked out between the Italian Government and the Economic Section of the Allied Commission along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

19. Nothing contained in the above should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

HAROLD MACMILLAN

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APPENDIX "A".

List of Italian Government appointments requiring
prior approval by the Allied Commission

Minister of War

Minister of Marine

Minister of Air

Any other Minister of Armed Forces
who may be created

Under Secretary for Telecommunications

Director of Railroads

Director General of Publica Sicurezza

Commanding General, CG.32

Chief of Staff, CG.32

Commanding General, CG.37.

Appointments in the Army, Navy, and Air Force
in accordance with current practice.

HEADQUARTERS ALLIED COMMISSION
APO 398
CIVIL AFFAIRS SECTION

Tel. Ext. 525

Ref: A/32 B/C.

22 Feb 45.

22 FEB 1945

SUBJECT: New Deal for Italy.

To: Directors, All Sub-Commissions
and Branches,
Civil Affairs Section.

1 Enclosed herewith for your SECRET information:-

- (a) Copy of WAB 457 addressed by Combined Chiefs of Staff to SACST.
- (b) Copy of letter from Chief Commissioner to AFM, with enclosures.

2 The following programme has been arranged:-

- (a) The Chief Commissioner will give the Allied Advisory Council for Italy an outline of the New Deal for Italy on Saturday morning next (24 Feb 45).
- (b) The Acting Resident and the Chief Commissioner will inform the Prime Minister of their proposals on Saturday afternoon.
- (c) The Acting Resident will hold a press conference and give the press an outline of his proposals on Saturday evening.

3 I will discuss the matter at my staff meeting tomorrow (Friday).

G. R. H. P. H.
G. R. H. P. H. Brig.,
W. CA Section.

To: Displaced Persons & Repatriation S/C,
Education S/C,
Legal S/C,
Local Government S/C,
Monuments, Fine Arts & Archives S/C,
Public Health S/C,
Public Safety S/C,
Patriotic Branch
Devastated Areas Branch.

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COPY

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

22N 437.

Following is Directive from Combined Chiefs of Staff.

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

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

POLITICAL SECTION.

2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in Rome. There is no intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, as occasion requires, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.
- (b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.
- (c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.

ment under the conditions and surrender instrument and only to exercise such control when military needs require it, thus delegating in the Italian authorities a present sense of responsibility. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

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

POLITICAL SECTION.

2. (a) The Political Section of the Allied Commission will be abolished. The Allied Commission will obtain advice from the US and UK Ambassadors in Rome. There is no intention, however, to make any change in the responsibility of the Combined Chiefs of Staff, acting through the Allied Commission; the Combined Chiefs of Staff, will, therefore, on occasion require, continue to transmit directives in regard to the combined views of the two Governments on matters of major policy, and such other matters as are within the scope of the activities of the Allied Commission.
- (b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.
- (c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.
- (d) The Allied Commission shall abandon the practice of approving any Italian appointees in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine.
- (e) The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it.

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- (f) The US and UK Governments have agreed that the Italian Government will be advised that it is in the allies desire to encourage free trade in knowledge and learning with the Italian people. In fact as the exigencies of the military situation permit you will facilitate any arrangements for the flow of books and other publications of a scientific, political, philosophical and artistic nature between Italy and the United Nations and for the movement of scholars, artists and professional men between Italy and the United Nations.
- (g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW Declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.
- (h) The status of Italian prisoners of war now or hereafter held in Italy other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.
- ADMINISTRATIVE SECTION
3. The internal organization of the Allied Commission is primarily your responsibility. In the reorganization of the Allied Commission it is desired that you give consideration to the following policies and objectives:
- (a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.
 - (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only where necessary by the Italian Government. For the purpose of the exercise of functions for the jurisdiction of the Italian Government.
 - (c) The Sections and Sub-commissions of the Allied Commission Headquarters should be progressively civilianized to the fullest extent which in your opinion circumstances allow. Except the Service Subcommittees and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).
 - (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.

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

ADMINISTRATIVE SECTION

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

- (a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.
- (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised in cooperation with the Italian Government. Jurisdiction should not be exercised in respect of territory under the jurisdiction of the Italian Government.
- (c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilianized to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).
- (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION

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

(a) Those quantities of food, fuel, clothing, medical, sanitary and other services essential supplies necessary to prevent disease and under no circumstances to such operations.

(b) Those supplies such as fuel, food, clothing, medical, sanitary and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. In the time when combined military responsibilities will be shared, it will not be shown when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.

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

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

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

7. The questions raised by you in sub-paragraphs 4, 5 and 6 of Paragraph 4 of WFO 776 are answered as follows:

(a) The prime responsibility for the control of inflation in ITALY, including the distribution and administration of appropriate resources, is the responsibility of the Italian Government.

- (c) There is a serious necessity for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against Germany and Japan.

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

6. The Allied Commission should be advised to assist the Italian Government in the preparation of programs of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided on a military basis only. Such programs which established by the Italian Government will not be subject to review by Allied force headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programs to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programs as may be approved by the Combined Liberated Areas Committee. Encouragement covering such programs should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 3 below.

7. The questions raised by you in Sub-paragraphs 4, 5 and 6 of Paragraph 4 of REF 778 are answered as follows:

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

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

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

- (c) The extent of your responsibility with respect to the importation of supplies into Italy is defined in paragraphs 5 and 6 hereof. Except as is so defined, you have no responsibility for the importation of supplies into Italy.
- (d) Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which efforts are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects and as soon as decisions in this connection are reached, you will be advised with respect thereto.
3. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time.
- FINANCIAL SECTION.
9. The two Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters; a further directive on these matters will follow.

SECRET.

1C

HEADQUARTERS ALLIED COMMISSION

APC 394

Office of the Chief Commissioner

Ref: 4004/EC.

12 February 1945.

SUBJECT: New COS Directive on the Allied Commission.

TO : Allied Forces Headquarters,
Attn: G-5 Section.

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of EAM 487, commented to me by the Acting President:

(a) Para 2(1). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to me as POLAD and POLADIN bear to SACRED.

(b) Para 2(3).

(1) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representative in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been dispatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage and to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(c). states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms

1. It may be of interest to you to know the action which I propose to take as a result of the receipt of SAN 487, communicated to me by the Acting President:

(a) Para 2(a). I am asking the US and British Embassies formally to nominate their representatives who, for many reasons, will require to have an office at this Headquarters. They will bear the same relation to me as POLLY and ELSIE bear to SACRED.

(b) Para 2(b).
(i) I have asked on more than one occasion whether the Italians might be allowed to use the usual cipher and code facilities to their representatives in the countries with which diplomatic relations have been resumed. I have had no answer to this request and I should be glad if this point could be cleared at once. A separate cable has been dispatched on this point.

(ii) I shall request the Italian Government to advise me of negotiations with other Governments in which the Italian Government may engage themselves.

(iii) It will be to our advantage due to the advantage of the Italian Government that direct relations should be resumed as soon as possible with the French, Yugoslav and Greek Governments and I shall urge the Italian Government to this end. It is expected that the Allied Embassies will take a similar position.

(c) Para 2(c). states "The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors".

(1) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees may affect Allied Military Government territory and since it is considered desirable to coordinate policy in territory which will be ultimately transferred, I shall cause informal consultations to be continued between the Allied Commission and the Italian Government, particularly in relation to economic decrees. **3761**

(4f) I also interpret this clause, read with 1(a), to vest in SACRED the right, when necessary, to exercise control in any decree affecting military needs and the requirements of the campaign.

-2-

(2) Para 2(D) The transfer of territory documents (Document "L") will now have to be completed in order to enable the Italian Government to remove officials previously nominated by AMG officials without reference to the Allied Commission. This will be taken up under separate cover. All Service Sub-Committees desire to retain the right of vetting military appointments. The technical parts of Director of Communications and Intelligence will be considered as military appointments hitherto.

(a) Para 2(E)

(1) I attach draft directive which will be issued shortly in order to withdraw Allied officers of the Commission from the Islands and Southern Regions. (See Annexure "L").

(1a) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decentral, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in some of the difficulties which will have to be faced by Allies and Italians alike as a result of the CCB directive. The Allied Commission will be compelled to give up responsibilities and duties which have been of value to the Allied military formations. Allied officers who have been the proper media between Allied military authorities and the Italian local governments will disappear. I would ask that a directive be issued to military formations and services on this and other matters arising out of the directive.

(1b) It may be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove.

(2a) Allied military Government will continue in Naples Germany unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I cannot see that the local military authorities will insist on retention of AMG. AMG Courts in Italy will cease.

(3) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 sub-area from Sicily and any other Sub-

(iii) It is essential that we should implement this clause to the maximum. There will be great temptation on the part of military formations and services, Italian local authorities and Allied Commission officers to regret the departure of Allied Commission officers and to retain a "small" number which will gradually grow and will lead us to fall between the two stools of (a) control, which necessitates many officers, and (b) decentral, which should need none. It is essential that military formations and services should be instructed not to ask for the retention of Allied Commission officers but to take their share in none of the difficulties which will have to be faced by Allies and Italians alike as a result of the CCS directive. The Allied Commission will be compelled to give up responsibility and duties which have been of value to the Allied military formations. Allied officers who have been the proper audit between Allied military authorities and the Italian local governments will disappear. I would ask that a direction be issued to military formations and services on this and other matters arising out of the directive.

(iii) It may be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive envisages us to remove.

(iv) Allied military government will continue in Naples. Command unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of LMG. LMG Courts in NAF will cease.

(v) I submit for consideration the withdrawal, insofar as is possible, of HQ 204 sub-area from SICILY and any other Sub-area Headquarters which are not absolutely essential.

(f) Para 2(e). The implementation of this clause depends upon the repeal or amendment of the "Working with the Enemy Act" so far as it affects Italy.

(g) Para 2(g). This has already been done and the Italian Government have the matter in hand. It is most probable that local government elections will take place throughout the major portion of liberated Italy in the spring.

(h) Para 2(h). The status of Italian POW in Italy is the subject of a separate memorandum which will be submitted to you.

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- (i) Para 3(A). I interpret this to mean consultation between Heads of Sections and Directors of Sub-Commissions on the one hand and Ministers and Under-Secretaries on the other.
- (j) Para 3(B). This can be carried out but latitude will be necessary in respect of labour and wage matters which affect AEG territory.
- (k) Para 3(C). The process of civilisation is already in hand.
- (l) Para 3(D). My Deputy Chief Civil Affairs Officer is already located at a place other than Allied Commission Headquarters. Further separation is not feasible at the moment.
- (m) Para 4. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.
- (n) Para 5.
 (1) (A) The Italian Inter-Ministerial Committee for Reconstruction and the Economic Section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed of the three categories for which the US/UK military authorities assume responsibility.
- (41) This clause gives a wider interpretation to Category A programme (disposal and unrest) than this Commission has yet received. In order to implement it, I propose to resubmit requisitions that have already been rejected and also to submit part of the new joint programme now being worked out with the Italian Government.
- (o) Para 6. Similarly this clause has a wider interpretation of the Category B programme and will be considered at the joint discussion.
- (p) Para 7(A). This will to some extent codify the work of price control now done by the Allied Commission. It is assumed to be a partial reply to recommendations made by the Anti-Inflation Committee in June 1944.
- (q) Para 9. Mac Lean made the subject of a separate telegram.
2. I attach memorandum (Annexure "B") which I propose to transmit to the Italian Government informing them of the terms of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

W. H. Stowe

W. H. Stowe

- (m) Para 1. It will be necessary to represent to the Italian Government the contents of this and other clauses in the directive. This will be done. I do not propose communicating the last sentence of this paragraph to the Italian Government, since it is not reconcilable with the spirit of the rest of the directive.
- (n) Para 5.
- (1) The Italian Inter-Ministerial Committee for Reconstruction and the Economic Section of the Allied Commission are now preparing a joint programme of essential Italian imports. The Italian Government will be informed of the three categories for which the US/JK military authorities assume responsibility.
- (2) This clause gives a wider interpretation to Category A programme (dresses and underwear) than this Commission has yet received. In order to implement it, I propose to resubmit requisitions that have already been rejected and also to submit part of the new joint programme now being worked out with the Italian Government.
- (c) Para 6. Similarly this clause, has a wider interpretation of the Category B programme and will be considered at the joint discussions.
- (p) Para 7(a). This will to some extent modify the work of price control now done by the Allied Commission. It is agreed to be a partial reply to recommendations made by the Anti-Inflation Committee in June 1944.
- (q) Para 9. Has been made the subject of a separate telegram.
2. I attach memorandum (Annexure "B") which I propose to transmit to the Italian Government informing them of the terms of the "New Deal" as soon as I am instructed to make public the terms of the new directive.

W. L. Stone

ALBERT W. STONE
Rear Admiral, USNR
Chief Commissioner

Copy to: Acting President.
The Hon. Mr. Alexander Mait, US Ambassador.
Sir Noel Charles, Rt. Hon. British Ambassador.
VP, Economic Section
VP, Civil Affairs Section.
VP, Establishment Section.
VP, Political Section.
Land Forces Sub-Commission
Air Forces Sub-Commission
Army Sub-Commission
NWD & IPW Sub-Commission
Communications Sub-Commission

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ANNEXURE "A"

SECRET

2nd DRAFT DIRECTIVE.

WITHDRAWAL OF ALLIED COMMISSION OFFICERS
FROM ITALIAN GOVERNMENT TERRITORY.

1. Para 2(e) of SAC telegram PAR 437 transmitting the directive on the "New Deal for Italy" directs that;

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

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDEGNA, SICILY and SOUTHERN ITALY:

(a) SARDEGNA. All Allied officers will be withdrawn with the exception of the officers and staff of the Landing Division who will restrict their functions entirely to advice regarding the cut out of the Sardinian coal mines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Landing Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions;

- | | |
|--|-------------------------|
| (i) 2 Finance Officers | } Until 1st April 1945. |
| (ii) 1 Supply Accountant | |
| (iii) 1 Property Control Officer | |
| (iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed; | |

(a) In PALERMO to correlate the functions of the US Navy Base with the Italian authorities.

(b) In CATANIA to correlate the functions of 204 Sub-

2. As a result of this the following action will be taken with regard to Allied Commission functions in SARDINIA, SICILY and SOUTHERN ITALY:

(a) SARDINIA. All Allied officers will be withdrawn with the exception of the officers and staff of the Mining Division who will restrict their functions entirely to advice regarding the output of the Sardinian coalmines. This will involve the withdrawal of the Regional Commissioner and 10 officers, and the retention of 2 Mining Division Officers.

(b) SICILY. All Allied officers will be withdrawn with the following exceptions:

- | | |
|--|-------------------------|
| (i) 2 Finance Officers | } Until 1st April 1945. |
| (ii) 1 Supply Accountant | |
| (iii) 1 Property Control Officer | |
| (iv) (i), (ii) and (iii) will work under Allied Commission Liaison Officers who will be appointed; | |

(a) In PALERMO to correlate the functions of the US

Navy Base with the Italian authorities.

(b) In CATANIA to correlate the functions of 204 Sub-Area with the Italian authorities

(v) A Transportation Officer will be attached to the Liaison Officer in CATANIA to regulate rail transport into REGION on the mainland.

(vi) The Regional Mining Officer will be assigned to Headquarters 27,53 Industry Sub-Commission, and will be despatched to SICILY as occasion demands.

(vii) The 4 Export Officers loaned by the Ministry of Food (British) will be attached to the Commerce Sub-Commission and sent to SICILY as the occasion demands. Their numbers will be reduced if possible.

(viii) LAMPEDUSA and PANTAFLETTA will remain under Allied Military Government. CAO's will report to the AC Liaison Officer at PALERMO.

(c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:

(1) Local.
~~Provincial~~ Commissioner and staff for Allied Military Government, NAPLES Commune (see Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No. 3 District, PBS and other military authorities with the Italian authorities in the compartimenti of CALABRIA and CILICIA.

(ii) There will also be established an AC Liaison Officer at LARI with the same functions in connection with the compartimenti of ABRUZZO and LUCANIA, together with the Province of CANTABRIZZO. This Liaison Officer and his staff will work with the sub-arms operating in this area and the 15th JBL at VOGEL. The AC Liaison Officer will have a small staff consisting of:

(a) 5 Representatives of the Economic Section

(Transportation Sub-Commission) 3 of whom

will work in connection with truck pools and

will be withdrawn when truck pools are banned

(c) SOUTHERN REGION. All officers will be withdrawn with the

following exceptions:

Local.

(1) ~~Provincial~~ Commissioner and staff for Allied Military Government, HARLES COMME (See Appendix "A"). This officer will also act as AG Liaison Officer in order to correlate the functions of the 3 District, PBS and other military authorities with the Italian authorities in the compartment of CAMPANIA and CHABRIA.

(11) There will also be established an AG Liaison Officer at BARI with the same functions in connection with the compartment of APULIA and LUCANIA, together with the Province of GALLIPOLISSO. This Liaison Officer and his staff will work with the sub-areas operating in this area and the 15th USMAF at FOGLIA. The AG Liaison Officer will have a small staff consisting of:

- (a) 5 Representatives of the Economic Section
(Transportation Sub-Commission) 3 of whom
will work in connection with truck pools and
will be withdrawn when truck pools are handed
over to the Italian Government.

(2) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will continue to administer Allied Military Government in these two Provinces under the command of the Provincial Commissioner, PERUGIA, reporting direct to the Allied Commission.

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In addition an Allied Commission Liaison Section will be attached to Rome Area Allied Command consisting of the following:

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- (i) 1 Public Safety Officer
 (ii) 1 AFM Officer, ROE.
 (iii) 1 Supply Accountant.
 (iv) 1 Property Control Officer.

3 officers of the Transportation Sub-Commission and 1 officer of the Public Works & Utilities Sub-Commission now operating at the post of CIVITAVECCHIA will be retained there under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

(a) APRUZZO-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of AQUILA, PESCIARA and CHIETI. Regional HQ will be moved to (?) and will administer Allied Military Government in such Provinces of the compartments which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-area concerned in the provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain

under the direct control of the Economic Section. They will be withdrawn before 1st June 1945.

- (e) ABRUZZI-MARCHE REGION. All Allied Commission officers will be withdrawn from the Provinces of AQUILA, PESCARA and CHIENTI. Regional HQ will be moved to (?) and will administer Allied Military Government in such Provinces of the compartments which have not been handed back to the Italian Government. The Regional Commissioner will also act as Liaison Officer with the Sub-Area concerned in the Provinces administered by the Italian Government.

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs but they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. (It may well be that functions hitherto carried out by Allied Commission officers such as supervision of railroads, highways and electric power on behalf of the military authorities will have to be ^{assumed} ~~handled~~ *by* ~~these~~ *but further instructions will follow on this* military authorities. They will normally confine their activities to the neighbourhood of the Headquarters in which they are located, i.e. RIVERNO, CANTAL, NELLE and ROSE, but in cases of necessity they will, of course, take cognizance of all matters arising from civil affairs affecting

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Allied interests.

4. They will correspond direct with HQ. Allied Commission under whose authority they will work and to whom they will render regular and frequent reports on their day to day work and on the political, administrative and economic situation in the areas which they cover.

5. All withdrawals indicated above and the establishment of AO Liaison Officers will be completed by 1st March 1945.

Appendix "A".

COMPOSITION OF STAFF FOR ALLIED MILITARY
GOVERNMENT, NAPLES PROVINCE.

Provincial Commissioner	1	B
Executive Officer	1	A
Adjutant	1	A
Provincial Officer	1	B
Commander, Coy "C"	1	A

Civil Affairs Section.

Legal	3
Public Health	3
Public Safety	4

Economic Section.

Commerce	2
Food	1
Industry	2 (Wamp Control)
Finance	5
EW & Utilities	2
Transportation	5
Communications	

Appendix "B".

COMPOSITION OF SAJEP AND ALLIED MILITARY
GOVERNMENT, NEPAL FOR USE.

Provincial Commissioner	1	B
Executive Officer	1	A
Adjutant	1	A
Provincial Officer	1	B
Commander, Coy "Q"	1	A

Civil Affairs Section.

Legal	3
Public Health	3
Public Safety	4

Economic Section.

Commerce	2
Food	1
Industry	2 (Hemp Control)
Finance	5
PW & Utilities	2
Transportation	2
Communications	5

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DRAFT ONLY.

S E C R E T.

AMENDURE "B" to AGM/30
dated 19 February 1945.

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RELIQUISHES ALLIED COMMISSION.

AFC 394

Office of the Chief Commissioner

My Dear Mr. Prime Minister:

In order to implement the joint Declaration of the President and the Prime Minister of 25 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the Armistice and surrender instrument and only to exercise such control when Allied military interests require. The rights under the Armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

2. In the light of this agreed US UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the paras below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

3. The Political section of the Allied Commission is being abolished as of February 1945. Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic section or the Civil Affairs section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other

In order to implement the joint declaration of the President and the Prime Minister of 26 September 1944, the United States and United Kingdom Governments have agreed to relax the control of the Italian Government under the armistice and surrender instrument and only to exercise such control when Allied military interests require. The rights under the armistice and surrender instrument will be held in reserve in the matter of day to day administration, subject to overriding military needs and the requirements of the campaign in Italy.

2. In the light of this agreed US UK policy, the Allied Commission is taking certain steps and is following certain policies concerning which it is desirable that your Government be informed. These steps are described in the pages below, together with an indication of the new procedures which it is proposed to adopt in working with your Government under the new arrangements.

3. The Political Section of the Allied Commission is being abolished as of February 1945. Your Ministry of Foreign Affairs will thus have no direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs Section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of the Executive Commissioner.

4. The Italian Government will continue, as at present, to have direct relations with foreign diplomatic representatives accredited to the Government. It is necessary, however, that the Allied Commission be kept generally informed by the Italian Government of any negotiations in which they engage with other Governments.

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Insofar as these negotiations have to do with economic and financial matters, this requirement will be met by keeping the Economic Section and its Finance Sub-Commission informed of the progress of such negotiations. On policy matters, this might appropriately be done through the weekly meetings held between the Economic Section and the Inter-Ministerial Committee for Reconstruction, at which the Ministry of Foreign Affairs is generally represented.

We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.

5. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

I should, however, desire to work out with your Government a procedure for ensuring that this Commission is informed of proposed decrees some time before their enactment, in order to enable us to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the

territory under the jurisdiction of the Italian Government will be with

We may also wish to work out jointly an arrangement for the preparation by the Italian Government of a periodic summary of negotiations completed or pending with other Governments.

5. It will no longer be necessary for the Italian Government to obtain the approval of the Allied Commission for decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government.

I should, however, desire to work out with your Government a procedure for ensuring that this Commission is informed of proposed decrees some time before their enactment, in order to enable me to consult with you as to their applicability to territory under the jurisdiction of Allied Military Government (AMG), and to lay plans for their effective implementation in such territory when appropriate.

6. It will no longer be necessary for the Italian Government to obtain approval of the Allied Commission for Italian appointments, whether to national or local offices, in territory under the jurisdiction of the Italian Government, except with regard to the attached list (Appendix "A") of positions having military significance.

7. The Allied Commission officers stationed in the field in the territory under the jurisdiction of the Italian Government will be withdrawn as soon as possible. Representatives of the Allied Commission will, however, be sent into territory under the jurisdiction of the Italian Government when it considers such action necessary.

In line with this policy, it is intended to abolish by ¹⁹⁴⁵ 3733 the Regional Offices of the Allied Commission for Sicily, Sardinia, Southern and Lazio-Umbria Regions.

For a limited period certain specialist officers on economic functions will remain in territory under the jurisdiction of the Italian Government. A list of such specialist officers, and their functions, will be notified to you shortly.

8. It is the desire of the Allies to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit, arrangements will be facilitated for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

9. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

10. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

11. The Allied Commission will make its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the Ministry of the Italian Government.

12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Education, Armaments & Fine Arts, Local Government, Legal and Labour Sub-Commissions should only be performed when requested by your Government.

13. It is essential that the Italian Government

scientific, political, philosophical and artistic nature, and for the movement of scholars, artists and professional men between Italy and the United Nations.

9. It is the desire of the Allies to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government.

10. The Allied Nations desire to make concessions with regard to Italian prisoners of war now or hereafter held in Italy, other than those captured since the armistice was signed. Provided that the Italian Government can give an adequate assurance that the services of such persons will continue to be made available on terms satisfactory to the Supreme Allied Commander, their status as prisoners of war will be terminated.

11. The Allied Commander will limit its dealings with respect to territory under the jurisdiction of the Italian Government to consultation with and advice to the ministers of the Italian Government.

12. It is our intention that, in respect of Italian Government territory, the advisory functions of the Education, Monuments & Fine Arts, Local Government, Legal and Labour Sub-Committees should only be performed when requested by your Government.

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured and as a prerequisite to increased economic assistance.

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44. In the joint programme of essential Italian imports, now being prepared by the Inter-ministerial Committee for Reconstruction and the Economic Section of this Commission, there will be some supplies for which the combined US-UK military authorities will assume responsibility for procurement (Category "A") and other supplies for which they will not assume responsibility (Category "B"). For your information a definition of the supplies which fall into Category "A" follows:

- (a) Those quantities of agreed essential supplies necessary to prevent disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.
- (b) Those supplies, the importation of which will reduce military requirements for the import of essential civilian supplies for the purpose referred to in this paragraph, such as, fertiliser, raw materials, machinery and equipment. When requisitions are being prepared and considered the time when US-UK military responsibility will terminate will not be known. The importation of supplies under this sub-paragraph, therefore, will not be excluded merely because the effect of such imports may not be felt during the period of combined military responsibility.
- (c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

45. The programme for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility

(a) These quantities of agreed essential supplies necessary to prevent

disease and unrest prejudicial to military operations, such as, food, fuel, clothing, medical and sanitary supplies.

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

(c) These materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany and Japan.

15. The programme for which the military authorities assume responsibility will be maintained for the duration of combined (US-UK) operations in Italy. For this period, and within the limits defined in para 14, Italy will be treated as a whole. The date of the termination of military responsibility will be fixed by the Allied Nations.

16. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "A") it will be our intention to assist your Government in the preparation of programme of supplies designed to rehabilitate Italian industry. Such programmes, which we refer to as Category "B", are to be handled under procedures already notified to you in my letter of . It has been agreed that the purchasing of supplies in Category "B" programmes should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies

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so purchased may be called forward as and when shipping space becomes available.

17. It is the desire of the Allies that industrial rehabilitation in Italy be carried out by the Italian Government to the fullest extent permitted by Italian resources and such supplies as it may be possible to import under the terms of Paras 14, 15 and 16 above, and subject to the limitation in para 20 below. The sole exception to this principle is to be made in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

18. It is desired to make clear that the prime responsibility for the control of inflation in Italy, including the imposition and administration of the appropriate financial controls and economic controls, and appropriate utilization of supplies, rests with the Italian Government. In this connection, as in others, the Allied Commission stands ready to advise and assist you.

19. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export programme will necessarily be limited by certain shipping, military, financial and supply factors which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual enterprises is to be determined by the Allied Commission.

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20. Nothing in this letter should be taken as constituting a commitment by the Allied Nations with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time by the Allied Nations.

ALLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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ANNEXURE "C" to 4001/EO
dated 19 February 1945.

MEMORANDUM SHOWING SOME OF THE FUNCTIONS
OF THE ALLIED COMMISSION WHICH WILL CEASE
UPON THE WITHDRAWAL OF ALLIED COMMISSION
OFFICERS FROM ITALIAN GOVERNMENT TERRITORY.

1. Civil Affairs Section.

- (a) Advice on maintenance of law and order; organisation of police; stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.
- (b) Distribution of medical supplies; assistance in organisation of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in Naples may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
- (e) Italian refugees and partisans.
- (f) Derequisitioning of schools, distribution of educational books.
- (g) Preservation of monuments and fine arts.
- (h) Execution and defacement.
- (i) Mine Clearance.
- (j) Welfare in devastated areas.

2. Economic Section.

- (a) Commerce Sub-Commission. Export trade; reprocessing of salvaged clothing and footwear; uncovering of available local resources.
- (b) Industry Sub-Commission. Advice on sugar production; paper production; caustic soda and chlorine; sulphur mining; automobile spare parts; cement and bricks; requisitioning and derequisitioning of factories and industries.
- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways; reconstruction and maintenance of

- (b) Distribution of medical supplies: assistance in organization of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in Naples may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
- (e) Italian refugees and partisans.
- (f) Requisitioning of schools, distribution of educational books.
- (g) Preservation of monuments and fine arts.
- (h) Evacuation and defascistization.
- (i) Mine Clearance.
- (j) Welfare in devastated areas.

2. Economic Section.

- (a) Commerce Sub-Commission. Export trade; reprocessing of salvaged clothing and footwear; uncovering of availabilities of local resources.
- (b) Industry Sub-Commission. Advice on sugar production; paper production; caustic soda and chlorine; sulphur mining; automobile spare parts; cement and bricks; requisitioning and demobilization of factories and industries.
- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways; reconstruction and maintenance of electric power plants and transmission lines.
- (d) Food Sub-Commission. Port clearance; checking and reporting of ship unloading; movement of supplies to the interior; prevention of pilferage; procurement and movement of local resources to devastated areas.
- (e) Labour Sub-Commission. Prevention of strikes and labour unrest; wages. 3749
- (f) Finance Sub-Commission. Intervention where the Italian Government fail to make financial provision for essential services, many of which affect military interests.
- (g) Transportation Sub-Commission. Coordination of civilian traffic with military traffic; clearance of rail wagons; movements work.

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