Declassified E.O. 12356 Section 3.3/NND No. 785016

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10000/142/171
(VOL. III)

MINUTES OF VT
JAN. 1946 – JA

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10000/142/171
(VOL. III)

MINUTES OF VP'S MEETINGS
JAN. 1946 – JAN. 1947

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/3

22 January 47

MINUTES

Vice Presidents' Meeting, 1000 hours, 22 January 1947, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Carr, Capitaine de Villefosse, Rear Admiral Warren, Air Vice Marshal Brodie, Mr. Peakey, Colonel Holbech, Colonel Fiske, Lieutenant Colonel Rose, Lieutenant Colonel Wilbe-Jones, Colonel Archer, Colonel Battensby, Captain Judkins.

Brigadier Carr, Executive Commissioner, announced that the Chief Commissioner had gone to AFHQ to attend a SACMED meeting and that therefore he would preside at the meeting.

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1. Future of the Allied Commission

In connection with paragraph 1 of Minutes of 15 January, the Executive Commissioner stated that information concerning the abolition of AC was still Secret. AFHQ had requested from CCS a downgrading of their signal and correspondence pertaining thereto but no immediate reply had yet been received; thus, anything said on this matter during the meeting must for the present remain secret. The Executive Commissioner also reported it had now been confirmed that the AC would be abolished as of 2359 hours, 31 January 47. It is proposed tentatively by AFHQ to appoint the Assistant Chief of Staff, G-5, AFHQ, as Chief Civil Affairs Officer. A Liaison and Civil Affairs Branch will be set up in Rome as an integral part of G-5, AFHQ, and recommendations for the organization of the section are being submitted to AFHQ. Instructions were still awaited with regard to the Land Forces, Air, and Navy Subcommissions and the establishment of the Italian Military Affairs Section (IMAS).

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2. Political Resume

Captain Judkins gave a brief resume of the developments of the past week. The political situation as it had developed could be broken up into three general segments -- the results of De Gasperi's trip and his return to Italy; the continuation of the split in the Socialist party; and the crisis in the cabinet precipitated by the resignation of De Gasperi.

As regards the Socialists, the main outcome of the Congress was the split of the party into two branches -- Nenni's Italian Socialist Party and Saragat's Socialist Party of Italian Workers. At the conclusion of the Congress, Lelio Basso was elected to succeed Lombardo as secretary of the party. Following the split there was much conjecture as to whether Saragat's party intended to precipitate a crisis, but such fears were allayed by Saragat's admonitions to his party members to remain at their posts in the government unless forced to withdraw by other political causes. In connec-

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Present: Brigadier Carr, Capitaine de Villefosse, Rear Admiral Warren, Air Vice Marshal Brodie, Mr. Henkey, Colonel Holbech, Colonel Fiske, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Colonel Usher, Colonel Battensby, Captain Judkins.

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remained with him. The strength of the two parties, however, remained very confused, but Saragat showed signs of gaining strength.

De Gasperi left the United States on 15 January and almost immediately after his departure the State Department in Washington released the results of his trip. The main gains were: US plans to increase wheat shipments to Italy (in this connection six ships loaded with wheat had been diverted to Italy); additional coal; cancellation of Italy's debt for food and unfreezing of Italian assets in the U.S. would be discussed; further funds for Italian industry would be earmarked by the Import-Export Bank; revival of trade between the two countries was judged most necessary and to this end negotiations for new commercial agreements should start as soon as possible; the U.S. would make a $50,000,000 payment to cover American troop expenditures in Italy; the U.S. would return the "Conte Grande" and the "Conte Biancamano" to Italy. It was pointed out that the extent of American assistance depended upon the stability of democracy in Italy. In an interview given in Paris De Gasperi touched briefly on the peace treaty and stated that Secretary Byrnes had assured him that Yugoslavia would sign the treaty but he had had indications to the contrary. Upon arrival in Italy he made some statements in regard to the Communists. If they were willing to collaborate, he would work with them; if not, he would do without them.

Nenni resigned on 17 January and expressed the belief that his action would not precipitate a crisis since another Socialist could be appointed to take over his post. Saccimarro in "Unita" indicated that the Communists were also opposed to having a crisis. Saragat admonished his followers to stay at their posts unless forced to withdraw by other political factors. The crisis, however, finally took place when De Gasperi resigned as Prime Minister on 20 January. The first indication of the resignation came at a press conference that afternoon in which De Gasperi stated clarification of the political situation was very necessary. Then, in response to a reporter's inquiry, he stated he was going to resign as Prime Minister. De Gasperi, nevertheless, seemed very confident and said the situation would ultimately be resolved. Just what would be the complexion of the new cabinet was a matter of conjecture. In this connection Saragat had declared he would not take part in a government which did not include the Communists. In some quarters a rightist government was expected.

The peace treaty has been received and it is expected to be taken up at the next meeting of the Constituent Assembly.

3. Food Situation

Colonel Malbach reported that for the first nineteen days of January there was available 455,975 tons of wheat. During this period 210,995 tons were consumed, leaving a balance of 244,980 tons which will meet the requirements for 22 days provided it can be distributed to deficiency areas. There is signalled to arrive up to 10 February 96,130 tons of wheat which includes the 50,000 tons recently obtained on loan by the Italian Government. This amount was diverted by the military authorities in the United States from the account of the U.N.R.R.A. in Germany and will be repaid by UNRRA from future shipments destined for Italy.

On 14 January 8,416 tons of flour instead of wheat arrived in Venice and 8,009 tons arrived in Trieste for AMG account. The Italian Government as of 21 January had picked up 4,400 tons of flour at Venice against the recent loan of 5,000 tons from AMG account.

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9,000 tons of coal loaned by UNRRA to AMG account arrived on 18 January at Trieste. Since 12 December 1946 this amount brings the total borrowings to 21,278 tons with an additional amount of 9,108 from USTOUSA account due to arrive 23 January.

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Venezia Giulia is out of fats and cannot make January issues. G-5, AFHQ, has been advised of the situation. Efforts have been made to borrow from Italian Government, but unsuccessfully due to their short supply.

4. Fuel Situation

Colonel Welbach reported that there is no change in the coal situation since last week's report, the amount available on 31 January being estimated at 215,000 tons or less than one-half the present monthly consumption rate.

P.O.L. -- Two tankers arrived during the past week, one with 126,186 barrels motor gasoline discharging at Ancona and Venice and the other with 69,626 barrels diesel oil and 37,342 barrels kerosene discharging at Vado and Genoa. Including the above shipments, the estimated stocks on hand are: motor gasoline, 86 days; diesel oil, 46 days; kerosene, 90 days; fuel oil, 37 days.

5. Power Situation

Colonel Welbach reported there was no change reported for Northern Italy.

The situation in Central and Southern Italy remained critical.

The energy stored in the Sile reservoirs remained about 60 million KWH.

Power import from Northern Italy remained unchanged at 400,000 KWH daily.

6. Civil Airlines

AVM Brodie reported that a meeting was being held that morning at the Italian Air Ministry in which it was expected final decision would be taken and the general plan for the operation of civil airlines completed.

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Next Vice Presidents' Meeting: Wednesday, 29 January 1947, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CG

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
political Advisor (B)
Navy S/C (3)
Land Forces S/C (FMA) (2)
Air Forces S/C

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Executive Officer (B)
French Representative, AC
Chief Legal Advisor, AC
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/2 15 January 47

MINUTES

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Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Villefosse, Rear Admiral Warren, Air Vice Marshal Brodie, Mr. Byington, Mr. Hankey, Colonel Walbach, Colonel Fiske, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Colonel Weber, Colonel Battensby, Captain Judkins.

The Chief Commissioner announced that owing to an appointment with SACMED he would be prevented from presiding at the meeting and therefore after a few announcements he had to make he would leave and the meeting would be turned over to the Executive Commissioner.

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1. Future of the Allied Commission

The Chief Commissioner reported that definitive information was now at hand concerning the future of the Allied Commission. Instructions had been received to abolish AC within 21 days' receipt of a specific signal from CCS to AFHQ. Advance information had been received to the effect that the date decided upon was 31 January, but the Chief Commissioner observed this had not yet been confirmed. The Chief Commissioner then reminded all present that the Vice Presidents' meetings are secret and pointed out the classification of the signal in question also to be secret. He therefore urged that care be exercised, especially in the subcommissions, so that civilians should not learn about the signal. This was particularly desirable since no word about the abolition of AC should get to the Italian Government until the classification of the signal had been downgraded. The Chief Commissioner then stated that plans now call for a double-headed successor to the AC through the establishment of two organizations -- an Italian Military Affairs Section of AFHQ and a Liaison Civil Affairs Branch of G-5, AFHQ. The former would be charged with the control functions, supervision and direction of the three armed forces (which would mean, probably, that the Land Forces, Air Forces, and Navy Subcommissions would become subsections of the new AFHQ section) and would probably be located in Rome. The other organization would be part of G-5, AFHQ, would definitely be located here in Rome, and would take over certain specified residual functions of AC, largely civil affairs functions such as functional advice and guidance to AMG in the North, review of military court cases, displaced persons, maintenance of files. All other functions not assumed by the two AFHQ organizations would be turned over to the embassies -- American and British as well as other embassies that might be involved. A more specific directive would be forthcoming from AFHQ in a few days. The Chief Commissioner observed that in view of these developments there would be only two more meetings scheduled to be held -- those of 22 and 29 January.

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The Chief Commissioner also announced the appointment of Mr. Byington as the new American Political Advisor and remarked that Mr. Byington was also Political Advisor (A) at AFHQ and was thus fully familiar with AC problems and

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2. Political Resume

Captain Judkins gave a brief resume of the political events of the past week.

The main topics were the congress of the Socialist party and De Gasperi's visit to the United States. Most of the newspapers had been quite enthusiastic about the reception accorded the Prime Minister. "Giornale d'Italia" was reserved, pointing out that De Gasperi had a very short time at his disposal and it was practically impossible that he could tie up the whole Italian economic situation in the few days he had been in Washington.

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In the course of his visit, De Gasperi said he was establishing friendly relations and added at the same time that nothing concrete had as yet materialized. The main value of the visit was considered to be that of establishing permanent channels for future negotiations. A political note to the press comment was contributed by Giannini who declared in a newspaper article that the trip might bear fruit if the Prime Minister succeeded in establishing Italy's position in the Mediterranean. In connection with the visit it was significant that the peace treaty had been scarcely mentioned throughout the trip. Secretary Byrnes mentioned the treaty briefly on one occasion; the next reference was by De Gasperi at a press conference on 8 January during which he stated that contrary to popular belief in the United States, the treaty had not been discussed by the Italian Government since it was a matter for the Constituent Assembly. Another reference took place at the Council of World Affairs in Cleveland when De Gasperi urged that the peace treaties must be afforded the possibility of undergoing peaceful modification. On 14 January De Gasperi returned to Washington for a conference with Secretary Byrnes and he was assured that the diplomatic or foreign policy of the U.S. towards Italy would undergo no significant change as a result of Mr. Byrnes' resignation. The Prime Minister declared that President Truman had also told him much the same thing.

In the domestic field the Socialist situation had come to a head at the Socialist congress which opened at the University of Rome. For some time there had been various trends within the party. The most important group consisted of the Socialistic Critics headed by Saragat; the point of difference between them and Nenni and his followers lay in the implementation of the pact of unity with the Communist party and the charge that Nenni's leadership had totaliterian tendencies. Another trend in the party was represented by the Socialist Initiative group composed of younger elements headed by Matteo Matteotti. The complexion of this group is anti-communist but it leans much farther to the left than Saragat's. During the opening session Matteotti, charged that the party had been sold out to outside interests. In connection with the developments, Nenni made a speech in which he asserted his leadership and rejected any idea of fusion. He made the gesture of offering to step down as leader if the situation came down to a matter of personalities. The internal situation had repercussions in the United States where De Gasperi declared that if Saragat resigned the Presidency of the Constituent Assembly, a situation might ensue which would have a poor psychological effect on his mission in the United States. The actual split in the party took place on January 11. In a speech delivered to the Congress Saragat attacked Nenni saying the latter had broken his pledges and that he was not taking full advantage of gaining cooperation between the middle and the working classes. In view of the present state of things within the party, he (Saragat) had finally decided to leave the old Socialist party. It was expected that some 29 or 30 of the Socialist deputies at the Constituent Assembly would join Saragat for certain and possibly 20 or 23 more would also follow suit. Other groups had lined up with him and so had the Socialists of Turin and Genova; Milan was reported loyal to Nenni. The split in the Socialist party was also the cause of Nenni's postponement of his trip to England. In a note to Foreign Secretary Bevin handed to Sir Noel Charles, the British Ambassador, he requested his visit be postponed until De Gasperi had returned from the United States. The Communist party's National Conference on Party Organization opened on 6 January. At the opening session reference was made by Togliatti to the split in the Socialist ranks. He expressed hope that the party would remain together. In a report on party organization, Pietro Secchia referred to the electoral success of the 2 June elections, the campaign against Corbino which brought about his resignation, and the fact that Communist membership had climbed to more than 2,000,000.

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3. Food Situation

Colonel Welbach reported that for the period 1 December 1946 to 12 January 1947 there was available 844,062 tons of wheat. During this period there was consumed 477,515 tons leaving a balance of 366,547 tons which will meet requirements for 33 days provided it can be distributed to deficiency areas. There has been signalled to arrive prior to 1 February 51,390 tons of wheat. Press dispatches this date indicate that 6 ships each carrying 8500 tons of wheat have been diverted to Italy. UNRRA reports that these ships were diverted from Germany.

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On 11 January another 5000 tons of wheat from A[illegible] stocks was loaned to the Italian Government. This amount will be available from a shipment of 8416 tons due to arrive at Venice on 15 January. The balance from this shipment plus 8009 tons of flour due to arrive in Trieste 16 January will support Udine and Venezia Giulia until 28 February. The 10,000 tons wheat loaned will be repaid by the Italian Government, as guaranteed by UNRRA, in the amount of 5000 tons by 10 February and 5000 tons by 22 February.

The High Commissioner of food reports very serious difficulties in supplying wheat and sugar to the southern provinces.

The High Commissioner of Food has issued a circular dated 7 January giving instructions on the distribution of paste ration for January. This ration must be limited to rice and paste and when possible the paste component must be substituted with maize flour in the proportion of 500 grams pasta equals 700 grams maize flour.

In connection with the food situation the Chief Commissioner stated at the beginning of the meeting that at the last meeting he had expressed some concern about the possibility of the food situation affecting the orderly evacuation of Allied troops. In this connection he reported that apart from a second loan made by AFHQ from military stocks making up a total of 10,000 tons to relieve the food situation in certain areas in the North, news had just come that six ships with some 8500 tons each had been diverted to Italy. Six additional ships with more than 52,000 tons of wheat would therefore arrive in Italy within the next three weeks.

4. Fuel Situation

Colonel Walbach reported that the total availability of coal for January is estimated at 734,000 tons. 519,000 tons has been allocated for consumption during the month leaving a balance of 215,000 tons. This balance is 330,000 tons less than the estimate submitted last week. The reduced amount is caused by difficulties of getting coal to loading ports in the United States and to the freezing of waterways in Europe.

The price of petroleum products will be increased shortly by four lire per litre in order to cover the wage increase granted to workers in the petroleum industry which are retroactive to 1 October 1946.

The POL stocks are estimated as follows: motor gasoline, 64 days; 105
diesel oil, 38; kerosene, 75; and fuel oil, 42.

5. Power Situation

Colonel Walbach reported that the situation in Northern Italy has been temporarily aggravated due to freezing of streams and ice formation in the waterways supplying the hydroelectric plants.

The power supply to Central Italy has been further reduced from 600,000 KWH to 400,000 KWH per day.

There is no change of the water in storage in the Sile reservoirs.

6. Repatriation of POWs

Rear Admiral Warren reported that the cruisers "Garibaldi" and "Montecuccoli" had arrived with 1300 Italian POWs. He added there was nothing new to report on minesweeping operations. Colonel Fiske stated that there remained some 25,000 IPWs to be repatriated. Of these, 18,000 were in British territory. [illegible] repatriation of all 18,000 had been assigned and it was

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In connection with the food situation the Chief Commissioner stated at the beginning of the meeting that at the last meeting he had expressed some concern about the possibility of the food situation affecting the orderly evacuation of Allied troops. In this connection he reported that apart from a second loan made by AFHQ from military stocks making up a total of 10,000 tons to relieve the food situation in certain areas in the North, news had just come that six ships with some 8500 tons each had been diverted to Italy. Six additional ships with more than 52,000 tons of wheat would therefore arrive in Italy within the next three weeks.

4. Fuel Situation

Colonel Walbach reported that the total availability of coal for January is estimated at 734,000 tons. 519,000 tons has been allocated for consumption during the month leaving a balance of 215,000 tons. This balance is 330,000 tons less than the estimate submitted last week. The reduced amount is caused by difficulties of getting coal to loading ports in the United States and to the freezing of waterways in Europe.

The price of petroleum products will be increased shortly by four lire per litre in order to cover the wage increase granted to workers in the petroleum industry which are retroactive to 1 October 1946.

The POL stocks are estimated as follows: motor gasoline, 64 days; diesel oil, 38; kerosene, 75; and fuel oil, 42. 105

5. Power Situation

Colonel Walbach reported that the situation in Northern Italy has been temporarily aggravated due to freezing of streams and ice formation in the waterways supplying the hydroelectric plants.

The power supply to Central Italy has been further reduced from 600,000 KWH to 400,000 KWH per day.

There is no change of the water in storage in the Sila reservoirs.

6. Repatriation of POWs

Rear Admiral Warren reported that the cruisers "Garibaldi" and "Montecuccoli" had arrived with 1300 Italian POWs. He added there was nothing new to report on minesweeping operations. Colonel Fiske stated that there remained some 25,000 IPWs to be repatriated. Of these, 18,000 were in British territory. Shipping for the repatriation of all 18,000 had been assigned and it was expected that all IPWs from South Africa would arrive by the end of January and those from Australia by the end of February. Colonel Fiske added that the Italian Prisoners of War Division had separated all of its US files and had transferred them to the Commanding General of PBS.

7. Civil Airlines

AVM Brodie reported that the Air Ministry was expected to submit the general plan for the operation of civil airlines by the end of this week. A full memorandum on the conversations that had taken place between him and the Minister on 2 January had been submitted to the Chief Commissioner.

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SECRET

Next Vice Presidents' Meeting: Wednesday, 22 January 47, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

Declassified E.O. 12356 Section 3.3/NND No. 785016

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP Economic Division (3)
Political Advisor (A)
Politicel Advisor (B)
Navy S/C (3)
Land Forces S/C (USMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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Declassified E.O. 12356 Section 3.3/NND No. 785016

4013/2

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

USACOM
RECD
hrs 1140
14 JAN 1947
LEGAL DIVISION

MINUTES

CC 551/1

8 January 1947

Vice Presidents' Meeting, 1000 hours, 8 January 1947, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Air Vice Marshal Brodie, Major General Coulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Future of the Allied Commission

With reference to para 1 of Minutes of 27 December, the Chief Commissioner stated that on 27 December SACMED recommended to the Combined Chiefs of Staff that in his view it was desirable to receive instructions for the abolishment of the AC immediately or not later than "S" Day, the day of signing. The recommendation was apparently based on the belief that early ratification of the peace treaty was a distinct possibility, and in that case the problem of evacuating the three senior commands (AFHQ, MTOUSA, and CMF) will be somewhat difficult within the 90-day period contemplated in the treaty. The telegram stated that it was understood the proposal had been made some time ago but that the consent of the French and Soviet Governments would be required. So far as is known, no reply has yet been received. The Chief Commissioner referred to previous Minutes with regard to the ratification of the treaty, stating that President Truman in his message to Congress clearly stated the treaty would be submitted to the U.S. Senate for ratification after it was signed. The Chief Commissioner stated that it was therefore his personal opinion that the Italian treaty would not go into effect before the end of March and more probably in April.

2. Political Resume

In the absence of Mr. Hankey, who has been assigned additional temporary duties at the British Embassy, Captain Judkins gave a brief resume of the political developments since the last meeting. The principal news has been De Gasperi's visit to the U.S. As a result of political discussions in the press regarding his trip, De Gasperi stated at a meeting of the Council of Ministers on 30 December that he was going to the U.S. as the Head of the Government and not as the head of a political party, adding that while his trip should not be overvalued it certainly should not be undervalued. De Gasperi left Italy on the 3rd and arrived in Washington on the 5th. He is scheduled to remain in Washington until the 8th and on the 10th and the 11th he is scheduled to visit Cleveland taking part in an "International Study Convention" sponsored by "TIME". De Gasperi stated that his mission was (1) to create confidence in the new Italy in the minds of Americans, (2) to obtain a guarantee of increased food shipments, and (3) to obtain a loan. On the 6th he had a conference with Secretary Byrnes, with Ambassador Tarchiani and Ambassador Dunn present. He attended the joint session of Congress for the President's message to Congress and was warmly applauded. At a dinner on the 6th Byrnes gave a warm toast to De Gasperi, saying that he knew of no man confronted with a more difficult task. He said De Gasperi was confronted with extremists of the right and left, saying his task was to reconcile them and to have his Government agree to sign the

Declassified E.O. 12356 Section 3.3/NND No. 785016

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbo-Jones, Mr. Greene, Air Vice Marshal Brodie, Major General Goldburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Future of the Allied Commission

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On the 7th De Gasperi was received by President Truman, but no details of the meeting have been given out. On the same day De Gasperi visited the Secretary of the Treasury, at which time it is believed they discussed the unfreezing of $60,000,000 Italian assets and also further repayment for lire spent by the American forces in Italy.

Foreign Trade Minister Campilli conferred with the Secretary of Agriculture and it is reported that the meeting resulted in a proposed allocation of 200,000 to 225,000 tons of food in February. On the 6th Campilli and Menichella conferred at the U.S. Treasury, reportedly discussing the possible devaluation of the lira.

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There has been considerable unrest during the past week, the situation at Bari being particularly difficult. However, there have been no serious outbreaks since the start of De Gasperi's trip to Washington.

The demands of the Republicans were presented to the Council of Ministers on 30 December and were tabled until De Gasperi's return from the U.S.

A Commissioner, Mario di Cesare, has been appointed for Rome, due to the deadlock over the appointment of a mayor.

There was a meeting of reconciliation of members of the Partisans and young former fascists in Perugia on New Year's Day. A similar ceremony took place on 5 January at Piazza Venezia, but this meeting was denounced by most papers and partisan organizations.

3. Food Situation

Colonel Walbach reported that as of 7 January wheat stocks on hand were 403,317 tons, sufficient to meet the ration requirements for 36 days provided stocks can be moved to deficiency areas. The Chief Commissioner stated that because of the lack of systematic control of the distribution of grain it is not certain that the situation is as favorable as the figures might indicate, and it is understood that the situation is causing considerable strain in the Italian Government. From advance information it is understood that there are several areas which are already short with others to follow. The condition is serious enough to possibly affect the orderly evacuation of Allied troops.

The food situation in Venezia Giulia and Udine is unchanged. A ship is expected on 15 January with approximately 8,000 tons of wheat.

In Rome the fight against the black market and the attempt to control food prices have resulted in a shortage and great increases in prices. It is understood, however, that the small black market vendors will be allowed to resume until certain perishable goods have been distributed.

4. Fuel Situation

Colonel Walbach reported that the estimated availability of coal for January was 1,045,000 tons. Allocation for consumption for January has been increased from 400,000 to 500,000 tons, leaving an estimated balance at the end of the month of 545,000 tons.

The coal situation in Venezia Giulia is serious. A cargo of 8-9,000 tons of coal is expected in Trieste on 9 January. A shipload of coal is now owed to PBS, but the situation is so serious that AFHQ is attempting to obtain coal either from UNRRA or from the U.S.

The civilian POL situation remains practically unchanged.

5. Power Situation

Colonel Walbach reported that the power situation in Central and Southern Italy is practically unchanged. The Sila reservoir group have now about 58,000,000 KWH in storage as against the 40,000,000 KWH last reported.

The electrical situation is again at a critical point due to decreased hydro-electric generation, decreased import from Northern Italy on account of the freezing of rivers and canals, and increased consumption as compared with the month of December. The estimated shortage of power for January is about 36% as against a November shortage of 32% and a December shortage of 26%.

6. Civil Air[illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785016

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6. Civil Airlines

With reference to para 2 of Minutes of 27 December, AVM Brodie stated that the general plan for the operation of civil airlines has not yet been submitted by the Air Ministry to the Air Forces S/C. As soon as the plan has been completed by the Air Ministry an advance copy will be submitted to the Air Forces S/C for information before the Italian Government as a whole have studied it. The Chief Commissioner requested that AVM Brodie continue to press the Air Ministry for early action.

7. Free Territory Economic Mission

The Chief Commissioner stated that there has arrived in Trieste economic mission representatives of the Council of Foreign Ministers whose mission is to investigate the economic situation for the proposed Free Territory with a view

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to preparing budgets, the determination of import and export levels, etc. It is believed that the plan for the U.N. to provide operating funds for the Free Territory has not yet been approved by the UN. Mr. Greene stated that the plan has not yet in fact been approved by the Council of Foreign Ministers.

The Chief Commissioner expressed his wishes for a Happy New Year for his colleagues in the new year which would mark the end of AC's operations.

Next Vice Presidents' Meeting: Wednesday, 15 January 1947, 1000 hours

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Edward D. Sullivan
EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MILA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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S E C R E T
HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/93

27 December 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 27 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Walbe-Jones, Lieutenant Colonel Golubev, Capitaine de Villefosse, Mr. Greene, Group Captain Jarman, Colonel Fiske, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Future of the Allied Commission

With reference to para 14 of Minutes of 18 December 1946, the Chief Commissioner thanked the Executive Commissioner for the effective work he and his staff had done in getting off the initial draft plans on the rundown of the AC to G-5 AFHQ in compliance with the AFHQ directive that such plans must be submitted before 25 December. Plans have also gone in from AFA and from ASAA. No information is available as to what may have gone forward in connection with the rundown of AMG in Venezia Giulia. The principal difficulty is that neither the final draft treaty nor the statute for the Free Territory has been received and it is not known what is contemplated in the way of a temporary or interim setup. The Chief Commissioner said that there are many problems involved with regard to Venezia Giulia particularly in the economic field in connection with properties that are going to be split up between Italy and the Free Territory. Mr. Greene stated that the Embassy had asked the State Department whether reports that the treaty would be effective on the date of signing could be considered accurate. In reply the Department quoted the treaty article which states that the treaty goes into force on the deposit with the French Government of the ratifications by the Big Four.

2. Civil Airlines

With reference to para 13 of Minutes of 18 December, Group Captain Jarman stated that the general plan for the operation of civil airlines has not yet been submitted by the Air Ministry to the AF S/C. Captain Jarman stated that he would check into this matter.

102

3. Political Resume

Mr. Greene gave a brief resume of the political developments since the last meeting. He stated that it appeared that when the Costituente convenes in plenary session 21 January the first item of discussion will most likely be the Italian peace treaty. All parties concerned have so far avoided committing themselves on the position they are likely to take in the debate on whether or not the Government should sign the treaty.

It has been announced since the last meeting that De Gasperi has been invited to visit the United States in the first half of January and has

Declassified E.O. 12356 Section 3.3/NND No. 785016

CC 551/93 27 December 1946

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It has been announced since the last meeting that De Gasperi has been invited to visit the United States in the first half of January and has accepted that invitation. The announcement led to discussion in the press as a result of which the Government issued a statement stating that although it had been suggested that Nenni accompany De Gasperi, Nenni felt that it was perhaps better for him to go to the United States later. Colonel Battensby stated that Donato Menichella, Direttore Generale of the Bank of Italy, would accompany De Gasperi

The Italo-U.K. trade meetings have adjourned. Agreement was reportedly reached to set up a joint committee of experts to study the broad problem of Italo-U.K. relations.

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The Italian Cabinet approved on 20 December the withdrawal of the Italian Ambassador in Madrid in conformity with the recommendation of the United Nations General Assembly and the announcement of last October that Italy, in relations with Spain, would follow the example of the United Nations.

Internally, economic trouble led to a more or less general strike in the Naples area during which only essential public services appear to have been maintained. It was reported in the press that the principal demands made by the labor chamber included an increase in allotments to public works schemes to relieve unemployment, an increased unemployment subsidy, an extension of the range of low-price foods issued on ration cards, assurance that the Naples area would receive a fair share of all food supplies, and the perennial demand for reduction in the cost of living. On 18 December De Gasperi appealed to the strikers to return to work and assured them that every effort would be made to avoid unfairness, and the next day the strike ended. The Government press release describing the discussion of the strike in the Council of Ministers indicated that there have been slip-ups in the distribution of food to Naples and the Government tone was apologetic, assuring that slip-ups would be avoided in the future. It was later announced that extra rations would be distributed during the Christmas week. It was also announced that the public works program would be expanded, veterans' and unemployment subsidies would be increased to equal those payable in Rome, and a Christmas bonus would be paid to veterans.

In Rome the deadlock on the appointment of a mayor continued. The latest suggestion is that a commissioner rather than a mayor be appointed.

With regard to the relations between parties, Giannini discussed in BUONSENSO on the 19th possible cooperation between the forces of liberalism (Uomo Qualunque) and totalitarianism (Communists), feeling that if there is no cooperation the result will be totalitarianism no matter who is the victor. In two later replies, Togliatti warned against anti-Communist, anti-democratic symptoms in the Uomo Qualunque party. He left the matter of collaboration open for discussion on the condition that the Uomo Qualunque recognize that the Italian Communist party has been the most consistently democratic party in Italy.

In the Costituente a draft article on the relations between Church and State has been approved (subject to approval by the Costituente plenary assembly). This draft recognizes the independence and sovereignty of the Church and State and states that their relations shall be covered by the Lateran Pacts. The leftists wanted this reference to the Lateran Pacts excluded. In fact, an AVANTI editorial urged that the Pacts be renegotiated. This article also charged the Christian Democrats with establishing a bogey of anti-clericalism. Mr. Greene stated that as a matter of fact there seems to be a surface anti-clericalism in Italy as evidenced by such papers as DON BASILIO. The Pope appeared at a mass meeting on the 22nd which was obviously intended as a show of strength of the opposition to anti-clericalism.

4. Food Situation

The Chief Commissioner stated that over the holiday a food crisis developed in Milan and Turin. The difficulty was that an UNRRA ship was routed first to Greece for partial unloading there prior to unloading in Italy. On 23 December the Italian Government asked for a loan of wheat from military stocks, to which AFHQ agreed. Colonel Walbach stated that the Italian Government was authorized to draw 5,000 tons from Allied wheat stocks in Venice. The necessary people were notified. The Chief Commissioner thanked Colonel Walbach for his cooperation.

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Colonel Walbach stated that as of 21 December, based on the UNRRA estimate of 11,031 tons daily consumption, stocks on hand were sufficient to maintain the present ration for 44 days, provided stocks could be moved to

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Declassified E.O. 12356 Section 3.3/NND No. 785016

deficiency areas. In transit and signalled to arrive prior to 4 January there was 73,899 tons. Beginning 1 January, one day each week the bread ration will consist of 100 grams bread and 200 grams of maize flour, except in Rome where the ration for that day will be 135 grams bread and 200 grams maize flour.

5. Fuel Situation

Colonel Welbach stated that for the month of December there was available 755,000 tons of coal. At the present reduced consumption rate of 400,000 tons, balance on hand at the end of December would be 355,000 tons.

The civilian POL situation has improved further and stocks on hands are as follows: motor gasoline 53 days; diesel oil 38 days; kerosene and fuel oil 60 days.

6. Power Situation

Colonel Welbach stated that there was no change in the power situation in Northern Italy. The power situation in Central and Southern Italy is practically unchanged, but the Sila reservoir group continues to refill, containing now 40 million KWH as compared to the 19 million KWH reported at the last meeting.

A meeting of the Advisory Committee on Electric Power for Central and Southern Italy was held on December 20. Additional hydro-electric and steam generating units will be put in operation in January thus relieving a critical situation. It is estimated that insofar as curtailment is concerned, no important change will take place in January.

7. Lire Devaluation

In response to the Chief Commissioner's query, Colonel Battensby stated that he believed the American Embassy had started negotiations with a view to devaluing the lire, and 1 January has been mentioned as a possible date for the change. However, Colonel Battensby stated that he understands the chief official of the Ministry is ill and for the time being negotiations are held up.

8. Italian POW's

Colonel Fiske reported that the transfer of files pertaining to former U.S. held POW's to PBS has been 60% completed and would be completed on 10 January at which time the Italian civilians working on this in the Land Forces S/C will be released.

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9. Land Forces S/C Liaison Officers

Colonel Fiske reported that instructions were received from AFHQ on 24 December to close down forthwith field units of the Land Forces S/C with the exception of the Liaison Officers at Bologna, Udine and Rome. The functions of these units were discontinued at once. About 40 officers are involved in this and a slightly larger number of O/Rs.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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A meeting of the Advisory Committee on Electric Power for Central and Southern Italy was held on December 20. Additional hydro-electric and steam generating units will be put in operation in January thus relieving a critical situation. It is estimated that insofar as curtailment is concerned, no important change will take place in January.

7. Lire Devaluation

In response to the Chief Commissioner's query, Colonel Battensby stated that he believed the American Embassy had started negotiations with a view to devaluing the lire, and 1 January has been mentioned as a possible date for the change. However, Colonel Battensby stated that he understands the chief official of the Ministry is ill and for the time being negotiations are held up.

8. Italian POW's

Colonel Fiske reported that the transfer of files pertaining to former U.S. held POW's to PBS has been 60% completed and would be completed on 10 January at which time the Italian civilians working on this in the Land Forces S/C will be released.

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9. Land Forces S/C Liaison Officers

Colonel Fiske reported that instructions were received from AFHQ on 24 December to close down forthwith field units of the Land Forces S/C with the exception of the Liaison Officers at Bologna, Udine and Rome. The functions of these units were discontinued at once. About 40 officers are involved in this and a slightly larger number of O/Rs.

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The Chief Commissioner announced that in view of the holidays the next Vice-Presidents' Meeting will be held on Wednesday, 8 January 1947, at 1000 hours.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

EDWARD D. S. SULLIVAN
Major, Air Corps,
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MIL) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative AC
Soviet Representative AC
Chief Legal Advisor AC
Financial Advisor AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

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Major, FA Corps,
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
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Executive Officer (A)
Executive Officer (B)
French Representative IC
Soviet Representative IC
Chief Legal Advisor IC
Financial Advisor IC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

SECRET

Declassified E.O. 12356 Section 3.3/NND No. 785016

S E C R E T

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/92

23 December 1946.

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 18 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lt Commander Colubev, Capitaine De Vaisseau de Villefosse, Colonel Walbach, Lt. Colonel Wilbe-Jones, Mr. Greene, Mr. Henkey, Rear Admiral Warren, AVM Brodie, Colonel Fiske, Colonel Weber, Colonel Battensby, Lt. Col. Ross, Captain Judkins.

1. Future of the Allied Commission.

The Chief Commissioner stated that at this time probably everyone concerned knew about the plans for the rundown of the Commission. The drafting of AC's proposals has been made difficult by the fact that the provisions of the peace treaty with Italy and the statute for Trieste affect some of the plans to be drawn up and, so far as is known, no one in Italy has seen the present draft of the treaty or the statute for Trieste. The northwestern frontier had no bearing on the plans since that question was purely a matter between the French and Italian Governments and the Commission was not concerned. The Chief Commissioner went on to say that there is still question about the date of ratification of the peace treaty, and some of this confusion was due to conflicting announcements that have been made. One announcement emanating from the State Department in Washington had it that the treaty would go into effect on the date of signature, which is scheduled to be on February 10. This was somewhat surprising in view of the American constitutional requirement that international treaties must be made with the advice and consent of the Senate. Another report was to the effect that the treaty as agreed in New York would be submitted to the American Senate immediately after it convened in New York the first week in January. The Chief Commissioner observed that this was purely speculation and since there was nothing official about the date on which the treaty would go into effect, it was difficult for AFHQ and AC to precise plans for the future. The Chief Commissioner also observed that another factor involved was how long the American Senate would take to ratify the Italian treaty, especially since there was a possibility that there might be presented to the Senate for ratification not only the Italian treaty but also those with the other satellite countries. If this happened, it was very probable that the ratification discussions in the American Senate would take a longer time than if the Italian treaty were to be ratified separately from the others. The Chief Commissioner expressed his belief that ratification by the Senate before February 10 was doubtful. On the question of the conflicting dates of February 10 and February 19 for the signature of the treaty, Captain Judkins reported he had called the Associated Press who had stated that the correct date was February 10, the other having been a misprint.

2. Implementation of the Operations Memorandum

Declassified E.O. 12356 Section 3.3/NND No. 785016

CC 552/92 23 December 1946.

MINUTES

Vice Presidents' Meeting, 1000 hours, 18 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lt Commander Golubev, Capitaine De Vaisseau de Villefosse, Colonel Walbach, Lt. Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Rear Admiral Warren, AVM Brodie, Colonel Fiske, Colonel Weber, Colonel Battensby, Lt. Col. Ross, Captain Judkins.

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2. Implementation of the Operations Memorandum.

The Chief Commissioner announced that word had been received from the Italian Government on the implementation of the Operations Memorandum re employment of Italian troops and police to quell civil disorder and a signal had been sent to AFHQ on the matter.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

3. Rundown of the Commission - Transfer of Functions.

The Chief Commissioner explained that the problem had arisen as to which, if any, civilian agencies (including the Embassies) some of the functions of the Commission might be transferred. He went on to say that the two Embassies had shown some reluctance to assume them and the present trend was towards creating an Allied liquidation agency to wind up some of these functions; it was hoped that the Italian Government might agree to the presence of such an agency for a while after the treaty should have gone into effect. The Chief Commissioner expressed his opinion that this was the most practical solution to the problem and he did not envisage any trouble with the Italian Government on this score.

4. Political Resume

Mr. Hankey gave a brief resume of the political developments of the past week.

The main development in Italian external affairs was the announcement of the date for the signature of the peace treaty on February 10. (Since the question had already been thoroughly discussed, Mr. Hankey did not dwell upon it).

M. Couve de Murville, French representative at New York, had made an official statement in connection with the Italian colonies in which he repeated the French Government's view that the colonies should be placed under Italian trusteeship.

In the domestic field, much space had been given in the Italian press to discussion of the incidents at Padua resulting from a number of Italians having been injured by a British military truck. Mr. Hankey said the incidents had happened at a particularly unfortunate moment when Italian feeling was bitter as a result of the finally agreed terms of the peace treaty. He added that, giving these circumstances, the repetition of similar disturbances was not to be excluded.

A split had been reported in the Liberal Party as a result of discussion in the Executive Committee on the question whether or not to link up with the Uomo Qualunque Party. By a vote of 15 votes to 13 it had been decided against fusion. Signor Selvaggi, followed by other members of the Party (though none of them members of the original Croce group), had thereupon resigned and had later joined the Uomo Qualunque Party. This party had concurrently adopted a new name, the Liberal Democratic Front of the Uomo Qualunque. On the Capitol, the Christian Democrats, by allying with the other Right Wing Parties, had secured election of a Christian Democrat as Mayor, Signor Rebecchini. But he had resigned with the subsequent refusal of the Left Wing Parties to join the Giunta. A temporary solution had been found by having the previous Mayor and Giunta continue in office until the deadlock was solved. The Christian Democrat attitude in this matter was subject to much press comment, and increasing emphasis was given to the part played in the dispute by clerical and anti-clerical influences.

5. Food Situation.

Colonel Walbach reported that estimated stocks of wheat available from 1 to 15 December amounted to 701,409 tons. Estimated consumption was 165,464 tons, leaving a balance on hand of 535,945, or sufficient to meet requirements

Declassified E.O. 12356 Section 3.3/NND No. 785016

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5. Food Situation.

Colonel Walbach reported that estimated stocks of wheat available from 1 to 15 December amounted to 701,409 tons. Estimated consumption was 165,464 tons, leaving a balance on hand of 535,945, or sufficient to meet requirements for 49 days, provided it could be moved to deficiency areas. In transit and signalled to arrive prior to 26 December there was 47,372 tons.

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A total of approximately 17,000 tons of wheat has arrived during the past week for AMG territories which will satisfy the bread and paste requirements to 28 February.

6. Fuel Situation.

Colonel Welbach reported that there is very little change in the coal situation. The European Coal Organization allocation for Italy for January is 422,400 tons from the United States and 176,000 from all other sources making a total of 598,400 tons.

The improvement of the civilian POL situation is reflected in the following stock position : motor gasoline, 35 days; diesel oil, 14 days; kerosene, 50 days; fuel oil, 60 days.

7. Power Situation.

Colonel Welbach reported no change in Northern Italy.

The hydroelectric situation is gradually improving in Central and Southern Italy. The seasonal refill of the Sila reservoir group has started, raising them from a low of 7 million KWH to 19 million KWH. The capacity of this group is 300 million KWH. The thermal plants are still working almost to full capacity.

8. Minesweeping.

Colonel Welbach stated that, according to the Navy Subcommission, minesweeping is being carried on and there are sufficient coal supplies at the present moment, but that an additional 1500 tons from the allocation already made to the Ministry of Marine would be needed.

It was thought that the Ministry of Marine should initiate a request to the Coal Committee of the Ministry of Commerce and Industry for the allotment of additional coal. Colonel Welbach further explained that UNRRA had no objection to the release by the Coal Committee, of this additional 1500 tons of UNRRA imported coal, to the Ministry of Marine for purposes of mine sweeping. Therefore, if the Ministry of Marine is unable to get additional coal from stocks imported for the account of the Italian Government, the Economic Division will arrange to obtain UNRRA imported coal when requested to do so by the Navy Subcommission.

6500 tons of coal are required for minesweeping in December. Rear Admiral Warren stated that minesweeping had been held up again except in La Spezia.

9. Bank Meeting in Africa.

98

Colonel Bateman announced that the British Authorities in Italian Africa had invited the banks to send a delegation to discuss the banking situation there. The invitation to the Banca d'Italia was turned down on the grounds that it was useless for them to send a delegation until the question of the disposition of the former Italian colonies in Africa is resolved.

10. Retirement of Admiral De Courten

Rear Admiral Warren announced the retirement of Admiral De Courten fro

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10. Retirement of Admiral De Courten

Rear Admiral Warren announced the retirement of Admiral De Courten from the Italian Navy. This left his post as Naval Chief of Staff open and the name of Admiral Maugeri had been put up as his successor. SACMED and CINCMED had stated that they had no objection to this proposal and that the announcement would be made public in a few days.

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11. Repatriation of Italians abroad.

Rear Admiral Warren reported that Italian cruisers were being used during January to repatriate 2500 POW's from Egypt, and that word had been received that the SS "Toscana" was on her way to Italy with repatriates from Messina. The Chief Commissioner inquired whether the word "repatriates" implied in this case Italian prisoners of war and Rear Admiral Warren replied the report mentioned just repatriates and that could mean civilians too.

12. Move of fighter Squadrons.

AVM Brodie stated that approval had been given for the move of five of the seven fighter squadrons at Lecce in Southern Italy to Northern Italy. This move has no strategic or political significance and is made only in order to raise the morale of the fighter personnel who then would find themselves near their homes.

13. Civil Airlines.

AVM Brodie reported that authority had come through some time ago for internal civil airlines to be operated in Italy. A final allocation meeting was held on December 17 at the Air Ministry and the general plan is expected by AFHQ shortly. 28 different groups were interested in operating civil airlines but according to the Air Ministry the number had now been reduced to 15.

On civil aviation, other than internal civil airlines, authority has recently been given to the Italians for a limited number of charter and taxi services and also a certain amount of private flying in order to help industrialists and businessmen in getting round the country. No permission has been granted for private flying for pleasure nor for flying or glider clubs to operate.

Authority has also been given to the Italian Air Ministry to allow construction of non-combat aircraft in Italy in quantity and types suitable for use in civil aviation within Italy. Construction of aircraft for external airlines and for sale abroad has not yet been authorized.

14. Rundown Plan.

Brigadier Carr announced that a committee had been set up to draft plans for the rundown of the Commission. At two meetings the problems of all divisions except one had been discussed. The Chief Commissioner urged all present to give fullest cooperation to the Executive Commissioner in the preparation of the report, first draft of which has to be submitted to AFHQ by December 25. The Chief Commissioner also stated that the Service Subcommissions are obviously to cease operations on so-called R Day except for some units of PWX which are tentatively scheduled to close some 30 days before that.

15. Driving in Italy.

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97

15. Driving in Italy.

The Chief Commissioner stated that it was incumbent upon the Allied Commission to put constant pressure on the question of driving. He reported that recently he had almost had a collision with a PBS jeep which was going at high speed. Colonel Fiske and Rear Admiral Warren reported similar experiences. The Chief Commissioner went on to say that Allied driving in Italy

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today is scandalous and the individual cases cited be mentioned in the communication being prepared for AFHQ and on the Italian Government's notes on the Padua incidents.

Next Vice Presidents' Meeting : to be announced.

EDWARD D.S. SULLIVAN,
Major, Air Corps
Staff Officer to CC.

DISTRIBUTION :

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
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American Ambassador
British Ambassador
G-5, AFHQ (5)

96

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4043/9.

HQ AL COM
RECD
hrs 16·25
17 DEC 1946
LEGAL DIVISION

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/92

11 December 1946

MINUTES

Vice Presidents' Meeting, 1800 hours, 11 December 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cros, Colonel Walbach, Lt Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Colonel Fisko, Group Captain Jarman, Captain Judkins.

1. Future of Allied Commission

The Chief Commissioner stated that in view of the agreement reached on the peace treaty, it was very probable that the Commission would continue until the first of the year. The treaty was not expected to be signed until sometime in February and instructions had been received from AFHQ to plan the necessary rundown of the Commission in its various activities including the transfer of certain functions to civilian agencies where such functions are to be continued.

2. Coal for Minesweeping

With respect to paragraph 5 of Minutes of 4 December, the Chief Commissioner stated that an additional point should be made to meet the UNRRA objection that their coal may not be used by the military. The point in question would be that unless the channels are swept, UNRRA supplies for rehabilitation run the grave risk of being interrupted. The Chief Commissioner stated he would not accept any refusal of UNRRA to allocate coal for minesweeping and stressed that the coal in question was not for the military at all but to facilitate rehabilitation. He directed that the Economic Division insist that such coal be made available. In this connection Colonel Walbach stated that UNRRA was willing to allocate the coal if the demand for it was put on the basis of rehabilitation.

3. Political Resume

Mr. Greene gave a brief resume of political developments during the past week.

In connection with the peace treaty he stated that it seemed probable that it would be signed in about six weeks' time; then the next step would be ratification. This would require some constitutional processes in each of the four countries involved and it might take considerably more time. If the treaty were presented to the American Senate for ratification in February, Mr. Greene estimated discussions would probably last for a month thereafter. The Italian Government made a last minute attempt to change some of the provisions announced earlier and asked that in addition to the British, American, and Yugoslav troops that are to be stationed in the Free Territory of Trieste, there be included also a contingent

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In the international field, the departure of the Italian commercial delegation to the London conference was of interest.

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SECRET

In the domestic field the relationships among the various parties are still in a state of flux. Early in the middle of last week the Rome City Council met to elect a mayor but failed. The question would again come up on the 12th when some more voting would take place and the candidate getting the largest number of votes would be elected. At the same time the scramble in the Rome municipal elections brought about a great deal of disagreement between parties and inside the parties themselves. There have been rifts among the Christian Democrats and in the Socialist party.

At a cabinet meeting it was decided to speed up the work of the Constituent Assembly so that elections might be held before next Fall. This seemed to have met with general support. On the other hand there was no discussion on the proposal to postpone until 31 of January the date on which the required final draft of the Constitution should be ready. The postponement is said to be required for purely technical considerations.

Over the week-end both De Gasperi and Togliatti made political speeches. De Gasperi dealt with the subject of national unity and relief for reconstruction, whereas Togliatti's had to do with inter-party relations. In connection with the latter, Togliatti indicated he thought collaboration between the parties was the most satisfactory situation.

The Constituent Assembly met on December 10th and in addition to extending the deadline for writing the Constitution proceeded to elect a new vice president. Tupini was elected to replace Grandi.

4. Press Articles

The Chief Commissioner wished to draw the attention of all, and particularly of the foreign representatives to the Allied Commission, to the series of articles appearing in the Italian newspaper "Italia Nuova" on the thirty days' reign of the King. He referred in particular to the articles in which reference was made to him and stated he had been astonished at some of the misstatements made in connection with the events in which he took part. He made specific mention of some of these and refuted them, adding that the facts had been greatly distorted and many of the things reported were simply fiction. In fact, the newspaper "Il Momento" had published an article in which it pointed out some of the obvious discrepancies. The Chief Commissioner urged the foreign representatives to the Commission not to take any of the articles too seriously.

5. Transfer of certain responsibilities of the IPW Division

Colonel Fiske reported that the responsibility and activities of the American section of the IPW Division had been transferred to the Peninsular Base Section and explained that meant the Commission had no further responsibility with respect to all matters concerning Italian prisoners of war who had been held by the American Government.

6. Food Situation

Colonel Walbach reported that the estimated stocks of wheat on hand on 1 December amounted to 699,958 tons. The daily consumption rate had now been reduced to 11,031 tons due to the reduction of pasta rations from 2000 grams to 1000 grams monthly effective 1 December, thereby making

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to elect a Mayor but failed. The question would again come up on the 12th when some more voting would take place and the candidate getting the largest number of votes would be elected. At the same time the scramble in the Rome municipal elections brought about a great deal of disagreement between parties and inside the parties themselves. There have been rifts among the Christian Democrats and in the Socialist party.

At a cabinet meeting it was decided to speed up the work of the Constituent Assembly so that elections might be held before next Fall. This seemed to have met with general support. On the other hand there was no discussion on the proposal to postpone until 31 of January the date on which the required final draft of the Constitution should be ready. The postponement is said to be required for purely technical considerations.

Over the week-end both De Gasperi and Togliatti made political speeches. De Gasperi dealt with the subject of national unity and relief for reconstruction, whereas Togliatti's had to do with inter-party relations. In connection with the latter, Togliatti indicated he thought collaboration between the parties was the most satisfactory situation.

The Constituent Assembly met on December 10th and in addition to extending the deadline for writing the Constitution proceeded to elect a new vice president. Tupini was elected to replace Grandi.

4. Press Articles

The Chief Commissioner wished to draw the attention of all, and particularly of the foreign representatives to the Allied Commission to the series of articles appearing in the Italian newspaper "Italia Nuova" on the thirty days' reign of the King. He referred in particular to the articles in which reference was made to him and stated he had been astonished at some of the misstatements made in connection with the events in which he took part. He made specific mention of some of these and refuted them, adding that the facts had been greatly distorted and many of the things reported were simply fiction. In fact, the newspaper "Il Momento" had published an article in which it pointed out some of the obvious discrepancies. The Chief Commissioner urged the foreign representatives to the Commission not to take any of the articles too seriously.

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SECRET

The Chief Commissioner stated that he accepted UNRRA figures with considerable reserve.

The approval of the subsistence program for AMG territory for the first half of 1947 has been received and supply for the first three months has been authorized to be called forward.

During the past week several circulars have been issued by the High Commissioner of Food abolishing special food rations for colleges, institutes and similar organizations as well as special rations of sugar, meat, powdered milk, etc., for citizens of the United Nations. Also, as stated above, the pasta ration for December has been reduced from 2000 grams to 1000 grams.

The wheat subsistence in Venezia Giulia and Udine is unchanged from the past week.

7. Fuel Situation

Colonel Walbach reported that the end of the coal strike in the US came too late to expect coal to arrive from that source during December.

The total availability of coal as of 1 December including that already shipped, stood at 704,000 tons and with an estimated consumption during the month of 400,000 tons there will remain on hand as of 31 December approximately 304,000 tons.

The Italian Government and UNRRA consider that a minimum consumption of 600,000 tons per month is necessary to avoid a set-back in Italian industrial rehabilitation program after several months of gradual improvement.

The Italian civilian POL stocks are as follows: motor gasoline 26 days; diesel oil 20 days; kerosene 32 days; fuel oil 54 days.

A tanker with 130,000Bls. of motor gasoline is expected on the 9th and several other tankers loaded with both motor gasoline and diesel oil are scheduled to arrive during the next seven or ten days. Another two tankers carrying crude oil from Arabia were received at Bari during the past week. More than a third of the two million barrels of crude oil purchased by UNRRA has now been brought into the country.

94

8. Power Situation

Colonel Walbach reported no change in Northern Italy.

The hydroelectric position in Central and Southern Italy is improving slightly, but the water storage in the Sila reservoir group, Southern Italy, remains at a very low level.

The thermal plant at Naples using fuel oil and coal burning plant at Rome are both working to capacity.

Next Vice Presidents' Meeting, Wednesday, 18 December, 46, 1000 hours

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting, Wednesday, 18 December, 46, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/90

4 December 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 4 December 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Brigadier Carr, Capitaine de Vaisseau de Villefosse, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Hankey gave a brief resume of political developments during the past week. From Nenni's report to the Prime Minister and in the light of subsequent developments it appeared that conversations between the Italian and Yugoslav delegations in New York on the broad question of Venezia Giulia had broken down but that discussions would be continued in some other capital on matters of lesser importance. Ignoring the fact that negotiations were in progress, the Yugoslav delegation was said to have made a new offer to the Big Four, offering a new line which would leave Monfalcone to Italy. However, there was no reason to believe the Big Four would diverge from the French Line. There had been considerable hostile press criticism of the arrangement whereby 5,000 Yugoslav troops would be included in the Allied occupation force of Trieste.

Internally, the most striking single piece of news had been the condemning to death by shooting of Generals Mackensen and Maeltzer.

In internal politics, paralleling the split in the Socialist Party, right-wing Christian Democrats passed a resolution advocating that the Christian Democrats break away from the coalition government, more closely ally with other right-wing parties, and withdraw from the CGIL. The general press comment had been to the effect that this move, following the dissension within the Socialist Party, increased the danger that the coalition government would not be able to survive until the elections. There had been some discussion on how the work of the Costituente could be speeded in order to have the elections sooner than originally contemplated, and certain steps had been taken to institute machinery for speeding up deliberations in the Costituente.

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2. Food Situation

Colonel Walbach reported that as of 1 December wheat stocks were sufficient to maintain the present ration for 54 days. Daily consumption is now figured by UNRRA at 12,500 tons, which is the net rate after making allowances for various factors. A decree concerning regulations of public restaurants, including surrendering of ration card coupons for all bread and pasta served and limiting

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CC 551/90

4 December 1946

M I N U T E S

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Present: Brigadier Carr, Capitaine de Vaisseau de Villefosse, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

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The wheat and flour situation in Venezia Giulia and Udine remains unchanged from the past week. There is expected to arrive on 10 December 8,000 tons of wheat. On arrival, wheat stocks will be sufficient to maintain the present ration until 24 January.

3. Fuel Situation

Colonel Walbach reported that coal stocks on 1 December were 415,000 tons. There is in transit from the U.S. 112,000 tons and estimated arrivals during December from all other sources are 138,000 tons. Due to the coal miners' strike in the U.S. the consumption of coal for December will be limited to 400,000 tons, which will leave an estimated balance on 31 December of 265,000 tons.

The tense fuel situation in Venezia Giulia and Udine was relieved somewhat by the arrival of 9,000 tons of coal in Trieste on 2 December. However, this coal is in effect a loan as it was intended for PBS at Leghorn and under instructions from G-5 AFHQ, will be repaid from the first shipment of AMG coal allotment.

Civilian POL stock position based on current reduced rate of consumption is as follows: motor gasoline 10 days (50% cut in consumption), Diesel oil 20 days (40% cut), kerosene 25 days, fuel oil 60 days. A tanker carrying 80,000 barrels of gasoline and 50,000 barrels of Diesel oil arrived at Naples 3 December. Advice has been received of sailings of seven tankers carrying 460,000 barrels of gasoline and 343,000 barrels of Diesel oil, the bulk of which is due to arrive during the first half of December. On receipt of these quantities the cuts imposed on consumption early in November will be lifted. Five tankers of crude oil, totaling 568,000 barrels, have been received, three at Bari and two at Naples. This represents slightly more than a quarter of the crude to be imported by UNRRA. It is expected that distribution of the products from this crude will begin at an early date.

4. Power Situation

Colonel Walbach stated that no change has been reported on the power situation in Northern Italy. The Central and South Italy situation was reviewed by the Central Commission for the Rationing and Control of Electric Power during the monthly meeting held on 30 November. The general situation is slightly improved and in spite of the increased consumption the estimated shortage in December will be about 26%, as opposed to the November shortage of 32%. Feeder disconnections will be carried out according to the November rationing scheme. In the event that more power becomes available from the hydroelectric plants, the steam plants will curtail generation in order to conserve fuel. It was reported that the Sila reservoirs in Southern Italy are again at a critical point as the seasonal refill has now temporarily stopped. Power import from the North will remain unchanged.

5. Minesweeping

With reference to paragraph 6 of Minutes of 29 November, Colonel Walbach stated that a conference was held with UNRRA representatives on the question of supplying coal for mine sweepers and we were informed that UNRRA does not of itself have any coal, as all coal arriving for UNRRA account is turned over to the Coal Committee of the Ministry for Commerce and Industry for control and allocation. None of this coal can be allocated to governmental organizations or agencies except in the furtherance of the general rehabilitation plan and with the concurrence of UNRRA. However, according to UNRRA "Economic Notes" of 2 December 17,000 tons of coal have arrived for the account of the Italian Govern-

Declassified E.O. 12356 Section 3.3/NND No. 785016

until 24 January.

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6. Labor and Wages Committee

With reference to para 5 of Minutes of 29 November, Brigadier Carr stated that the AFLWC at its meeting on 29 November recommended that the wages rates for Italian employees of the Allied Forces should be increased by 35% effective 1 December. The Chief Commissioner in forwarding this recommendation to AFHQ has agreed to the proposed rate of increase but strongly recommended that the effective date be 1 October rather than 1 December, thus bringing the wages for Italian employees of the Allied Forces into line with wages being paid by Italian industry. Brigadier Carr pointed out this matter was only in the proposal stage and was under consideration at AFHQ.

Next Vice Presidents' Meeting: Wednesday, 11 December 1946, 1000 hours

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Edward D.S. Sullivan

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
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G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Chief Legal Off.
1

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/89

29 November 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 29 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Vaisseau de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Coulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Greene gave a brief resume of political developments during the past week. The Chief Commissioner stated that the most important development was the press report from New York believed reliable that agreement was reached by the Foreign Ministers that effective with the signing of the peace treaty the Allied troops in Venezia Giulia would be cut to 15,000, of whom 5,000 would be American, 5,000 British and 5,000 Yugoslav. These troops will remain until the Governor says there is no need for Allied troops in Venezia Giulia, which decision he is to make within 90 days of his appointment. Mr. Greene stated that the one remaining problem to be solved is the administration of the free port. On the question of direct negotiations between Italy and Yugoslavia, the principal development was the Yugoslav request for cession of Monfalcone as well as Gorizia. In Italy, Don Sturzo, who has now begun to take active part in politics, warned in an editorial against any assumption on the part of Italians that conclusion of an agreement with Yugoslavia would necessarily prejudge the question of whether Italy would sign the peace treaty. The Central Committee of the Communist Party in Italy at the end of its meeting on the 21st adopted a motion lauding Togliatti for his efforts to settle the Trieste question.

There have been further administrative elections held in various sectors on the 24th. In four Northern sections the Communists led in three and the Socialists ran second in three, with the Christian Democrats leading in one and running second in another. The Uomo Qualunque ran a bad fourth in two sections, although they showed a striking gain over the June elections. Of nine sections in the South the Uomo Qualunque running alone won in one and running in combination with the Liberals won in four, with the Communist-Socialist joint tickets winning in four. The Christian Democrats were second in two places but otherwise ran far behind the leftists and the rightists. The results of the administrative elections have given rise to public talk of the possibility of a crisis in the Government. While this now appears not likely, it does appear that there is even less likelihood of agreement on basic policies between the three parties in the Government. The Christian Democrats in Rome have so far refused to participate with the left block in the formation of a City Junta.

The inter-party polemics between the Christian Democrats and the Communists

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/89 29 November 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 29 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Capitaine de Vaisseau de Villefosse, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

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The inter-party polemics between the Christian Democrats and the Communists have reached a fever pitch over Togliatti's reported accusation that de Gasperi deliberately impeded the return of Italian prisoners from Yugoslavia. The press reported that 68 prisoners arrived in Udine on the 18th and 3100 at Ancona on the 28th. Another 3,000 are reported due to debark on the 29th.

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Intra-party strife in the Socialist party has come out into the open with Saragat criticizing Nenni for his policy of maximum fusion with the Communists, which he claimed caused a loss of Socialist strength among the electors. The executive commission of the party has decided to advance the meeting of the party to January as a result.

2. Food Situation

Colonel Walbach reported that wheat stocks on hand as of 24 November are sufficient to maintain the present ration for 62 days. Daily consumption has been reduced from 12,500 tons to 11,737 tons by the elimination of extra rations to civilian nationals of Allied Nations. There is still no definite assurance that the 50,000 tons of wheat allegedly being arranged for shipment from the U.S. in November or the 80,000 tons allegedly purchased in Turkey will ever arrive in Italy.

Loans of flour have been made from Udine to Venezia-Giulia so that wheat stocks in these two areas are sufficient to maintain the present ration to 9 January 1947. Sugar stocks are sufficient until about the middle of January and fats are sufficient until the end of the year.

3. Fuel Situation

Colonel Walbach reported that there is little change in regard to the estimated coal arrivals for November. The U.S. coal strike is now under way and an embargo has been placed on all coal exports. The Chief of the UNRRA Coal Branch has departed for London to attend the European Coal Organization meetings where an attempt will be made to secure additional coal from sources other than the U.S. Present estimate for December arrival is 206,000 tons, including 68,000 tons already shipped from the U.S. UNRRA advises that 5 ships loading in the U.S. at the time the embargo was imposed will be sailed, which would add 44,000 tons to expected December arrivals.

In Venezia Giulia and Udine the coal situation is serious. Of the 123,000 tons approved for the last half of 1946, there is a shortage of 39,612 tons. There is due 20,500 tons on the December slate, but it is seriously doubted if these amounts will be received due to the coal strike and the embargo on coal in the U.S, as well as present curtailment of shipments from other areas.

Efforts to borrow coal from British military stocks have failed.

The present situation will be alleviated somewhat by the arrival in Trieste on 30 November of approximately 9,000 tons. This shipment was originally slated for the 88th Division, but inasmuch as that Division has already met its winter needs, this 9,000 tons of coal was diverted to AMG uses by G-5, AFHQ. With the arrival of this 9,000 tons of coal Venezia Giulia and Udine will have on hand sufficient coal to last until about 24 December.

The civilian POL stock position is as follows: motor gasoline 10-12 days, Diesel oil 20 days, kerosene 30 days, and fuel oil 60 days. A tanker carrying Diesel oil arrived 23 November. The next tanker carrying gasoline is due on 5 December, which should relieve the tight situation in gasoline. The fifth crude oil tanker has arrived from Arabia and both Naples and Bari refineries are now

Declassified E.O. 12356 Section 3.3/NND No. 785016

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The present situation will be alleviated somewhat by the arrival in Trieste on 30 November of approximately 9,000 tons. This shipment was originally slated for the 88th Division, but inasmuch as that Division has already met its winter needs, this 9,000 tons of coal was diverted to AMG uses by G-5, AFHQ. With the arrival of this 9,000 tons of coal Venezia Giulia and Udine will have on hand sufficient coal to last until about 24 December.

The civilian POL stock position is as follows: motor gasoline 10-12 days, Diesel oil 20 days, kerosene 30 days, and fuel oil 60 days. A tanker carrying Diesel oil arrived 23 November. The next tanker carrying gasoline is due on 5 December, which should relieve the tight situation in gasoline. The fifth crude oil tanker has arrived from Arabia and both Naples and Bari refineries are now operating.

In reply to the Chief Commissioner's question, AVM Brodie stated that there is no difficulty on the supply of aviation gasoline to the Italian Air Force but that there has been a temporary reduction of 50% in gasoline for the IAF motor transport. Admiral Warren stated that the Italian Navy has informed him that there is no difficulty in the supply of marine petroleum stocks.

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4. Power Situation

Colonel Walbach stated that there has been no change reported for Northern Italy in the power situation. There has been some improvement in Central and Southern Italy and the Sila reservoirs have started to refill. The Commission on electric power has officially notified the Rome power companies to supply Allied Military establishments on a preferential basis as requested by RAAC. Telephone installations in Rome will receive sufficient power to operate continuously. Commencing 25 November feeder disconnection was again enforced in Rome, but the "off" period will be temporarily reduced to 5 hours, from 0800 to 1300 hours.

5. Labor and Wages Committee

The Chief Commissioner stated that a very important meeting of the AFLNC was taking place in Rome on 29 November. Colonel Walbach stated that Lieutenant Colonel Graves would represent AC. The Chief Commissioner stated that with the signing by the CGIL of the agreement increasing the "caro vita", it was necessary that wages paid by the Allies be brought into line. He requested the Executive Commissioner and Colonel Walbach to see that Colonel Graves was well briefed for the meeting to present the AC view.

6. Minesweeping

Admiral Warren stated that minesweeping has been at a standstill for the last fortnight because of the weather. In this connection, he reported receipt of a letter from the Ministry of Marine pointing out a curtailment of coal supply to minesweepers. On this the Navy Subcommission drew the attention of the Ministry of Industry and Commerce to the necessity of keeping up supplies of coal to minesweepers and requested that a high priority be given to these demands. The Chief Commissioner directed that Colonel Walbach take this question up with UNRRA. He suggested that if UNRRA objects to assigning coal to the Italian Navy, Colonel Walbach should point out to UNRRA the vital necessity of minesweeping in order to permit UNRRA ships to get into Italian ports safely. The Chief Commissioner also asked Colonel Walbach to see if coal could be obtained from military stocks for this purpose.

7. Italian Expenses at Bitter Lakes

Admiral Warren reported that the British Government has ruled that the Italian Government will have to pay for expenses of Italian naval vessels at Bitter Lakes.

8. Courier Flights

With reference to para 6 of Minutes of 20 November, AVM Brodie stated that military courier service to Udine started 26 November. In order to have contact with Padua and Venice, it has been decided to eliminate the Venice Lido stop on this run and to continue using Treviso as a stop. The run will then be Rome-Bologna-Treviso-Udine. The air courier services to the South will call at Capodichino (Naples) instead of Pomigliano with effect from 2 December.

Next Vice Presidents' Meeting: Wednesday, 4 December 1946, 1000 hours

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting: Wednesday, 4 December 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/88 20 November 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 20 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walker, Lieutenant Colonel Graves, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Perren, Lieutenant Colonel Hannaford, Lieutenant Colonel Fogelberg, Captain Judkins.

1. Civil Aviation

With reference to para 7 of Minutes of 6 November, the Chief Commissioner reported that AFHQ has instructed that Italian internal civil airlines may be authorized within limits to be set by the Air Forces S/C with the concurrence of the Chief Commissioner and that only items of major importance are to be referred to AFHQ.

2. Political Resume

Mr. Hankey gave a brief resume of political developments during the past week. Replies to the Italian note to the members of the Council of Foreign Ministers had been received from the U.S., Britain, and France, the general line being that they did not wish to close the door on direct negotiations between Italy and Yugoslavia but that conclusions reached must be within the framework of the decisions of the Council of Foreign Ministers already reached in Paris, or at any rate, they must be subject to Council of Foreign Ministers' approval. The Chief Commissioner observed that the British reply added that the agreement reached would have to be incorporated in the peace treaty. No reply had yet been received from Russia. The important news of the week was the announcement in the press that on 13 November the so-called "French Line" had been approved by the Council of Foreign Ministers, which thus appeared to exclude the possibility of ceding Gorizia to Yugoslavia. There were still a number of points to be settled on the Trieste situation. 89

On 15 November the press reported fully the long report made by Nenni to the International Treaties Commission of the Constituent Assembly, giving a very clear account of negotiations since Togliatti's announcement. The meeting concluded with the issuance of a communique stating it was the unanimous wish that direct negotiations be started with Yugoslavia within the framework of peace treaty negotiations. Since then Nenni told the Cabinet that in a private capacity he had invited Tito to make an official proposal to the Italian Government confirming what he had discussed with Togliatti, but no reply had yet been received.

There were reports in the press on 16 November that the AMG Provincial

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APO 794

CC 551/88

20 November 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 20 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walker, Lieutenant Colonel Graves, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Farren, Lieutenant Colonel Hannaford, Lieutenant Colonel Fogelberg, Captain Judkins.

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There were reports in the press on 16 November that the AMG Provincial Commissioner, Udine, had informed a press conference that Slav agents had made their way into Zone A to form cells for the spreading of Communism and expressed the fear that the Communists might act as fifth columnists even against

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the interests of Italy as soon as Allied troops left. The Chief Commissioner reported that Colonel Bright had subsequently denied making any such report.

In the internal field, the principal item of interest was Togliatti's speech strongly attacking De Gasperi and his policy and also the Church, asserting that the Church had intimidated voters in Rome against the Communists. He accused De Gasperi of failing to bring about repatriation of Italian POW's from Yugoslavia. This speech brought forth a communique on 19 November stating that the Government had done everything in its power as regards repatriation of Italian civilian and military prisoners, giving details as to the action taken.

3. Food Situation

Colonel Walker reported that wheat stocks on hand are sufficient to maintain the present ration for 68 days. The Chief Commissioner stated that De Gasperi had cabled La Guardia that wheat supplies in Italy were sufficient to last only until 31 December. Colonel Graves replied that De Gasperi's figure apparently did not take into consideration wheat equivalents of rice and corn which are included in the figures on stocks on hand. The Chief Commissioner stated that UNRRA has allocated 120,000 tons through 31 December but that only 5,000 tons are en route and only 45,000 tons are expected in December. In addition, the American Government is considering the allocation of an additional 120,000 tons in the same period outside of UNRRA. It is not clear whether this is to be made available to the Italian purchasing commission or whether it is to be financed by a loan over and above existing loans and credits.

Stocks of wheat on hand in Venezia Giulia are sufficient to maintain the present ration to 31 December 1946 and in Udine stocks are sufficient to maintain the ration to 28 January 1947.

4. Fuel Situation

Colonel Walker stated that it is expected that 202,000 tons of coal will arrive from the U.S. during November, which is 59,000 tons less than previously reported, due to the strike threat. The latest estimate of total arrivals for November is 352,000 tons.

The coal situation in Venezia Giulia and Udine remains serious. Only 30,000 tons of the 123,000 tons promised for the six months ending 31 December have been received. Reports from Venezia Giulia indicate that the industries in that area will be forced to shut down in December if no more coal is supplied.

The situation with regard to motor gasoline and diesel oil is serious, with but 12-14 days' supply remaining. Tankers expected to arrive during the second half of November have been delayed. Due to unequal distribution throughout the country some areas may run dry before the end of the month. The level of stocks held by the Allied Military do not warrant expectations of help from that source but an attempt is being made by the British to divert a gasoline tanker to Italy from another theater. A slight amelioration of the situation may be made possible by the refining of the three tankers of crude oil recently arrived, two at Bari and one at Naples. Refining is already under way at Bari and is expected to begin in two days at Naples. The Chief Commissioner requested the heads of the service subcommissions to consult with the Economic Division to see whether the Italian Military will be affected by this situation.

5. Power Situation

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Stocks of wheat on hand in Venezia Giulia are sufficient to maintain the present ration to 31 December 1946 and in Udine stocks are sufficient to maintain the ration to 23 January 1947.

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5. Power Situation

Colonel Walker stated that in Northern Italy power rationing is now carried out by disconnecting all customers, except essential services, two days a week during daylight hours. In Central and Southern Italy, although there has been

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a temporary improvement, the general situation remains practically the same. Power rationing is now being enforced in all Central and Southern Italy with the exception of the Rome Area.

Meetings were held in Rome between the representatives of RAAC, AC, the power companies, and the Italian Commissioner on Electric Power to discuss the electricity supply, on a preferential basis, for the Allied military establishments in Rome. It was agreed that a list of the essential requirements, in order of priority, will be submitted by RAAC to the Italian Commissioner. The matter of uninterrupted supply of power for telecommunications is also being studied by the Commission.

6. Courier Flights

With reference to para 2 of Minutes of 30 October, Air Vice Marshal Brodie reported that authority has been granted to extend the military courier service beyond Treviso to Udine and it is hoped to make the change in that service possibly on Monday 25 November. AVM Brodie stated that consideration has been given to the elimination of Treviso on this line, which is Rome-Bologna-Venice-Treviso. No one present had any objection to the elimination of Treviso but the Chief Commissioner requested that AVM Brodie check with the Italian Government before the stop is eliminated.

Next Vice Presidents' Meeting: Friday, 29 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Political Advisor (B)
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Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
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G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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ALL OFFICERS
INITIAL
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/87

13 November 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 13 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Coulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

1. Political Resume

Mr. Greene gave a brief resume of political developments during the past week. A principal development of the week was Togliatti's report in "Unita" of the results of his trip to Yugoslavia, which he undertook in an unofficial and private capacity. The reasons for the trip were given as the desire to renew old acquaintances in Yugoslavia and to express the admiration of Communists and sincere Italian democrats in the progress made by the new Yugoslav State, and also to discuss outstanding questions in Italo-Yugoslav relations. Togliatti said he found general understanding of Italian questions among the Yugoslav officials. With regard to Trieste, it was reported that Tito had expressed the view that he would be agreeable to having Trieste remain under Italian sovereignty if at the same time Gorizia were to be ceded to Yugoslavia, the sole condition being that Trieste should have an autonomy, within the Italian State, regulated by an effectively democratic statute. This condition was not elaborated on and has been the subject of some discussion in the press. It was also reported that Tito had assured Togliatti that the Yugoslav constitution provides adequately for national rights of any Italians left in Yugoslavia after the new border has been drawn. According to Togliatti, Tito also agreed to the immediate repatriation of all Italian military personnel held as POW's in Yugoslavia. Togliatti added in this connection that the Communists planned to ask the National Partisan Association to organize the repatriation to avoid bureaucratic red tape and delay. Togliatti also reported that he had discussed the possibility of arranging commercial treaties with Yugoslavia, pointing out that there are fields where the two countries could assist each other in mutual efforts toward reconstruction.

87

The reacion to Togliatti's report was immediate and either strongly in favor or strongly opposed. The Italian Government met the same day and issued a communique taking note of the private nature of the trip but nevertheless seeing the possibility of negotiations with Yugoslavia within the limitations of negotiations for the peace treaty currently in progress. The Government rejected the proposal for cession of Gorizia, a predominantly Italian city, and repeated its request for an ethnic border to be determined by plebiscite where other determinations were difficult. At the Council of Ministers meeting which adopted this communique, De Gasperi expressed his regret that Togliatti had seen fit to make his trip in a private capacity and, having done so, not to inform the government of the results before making them public. He recalled his own efforts to reach understanding with the Yugoslav Government. He observed that in his opinion the

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M I N U T E S

Vice Presidents' Meeting, 1000 hours, 13 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Cros, Colonel Savko, Colonel Walbach, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Colonel Weber, Colonel Battensby, Captain Judkins.

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On Saturday night the Foreign Ministry issued a communique saying that the Foreign Minister had seen representatives in Rome of each of the Big Four. According to the press, Nenni said he had made known the Italian point of view on reports from New York that the Council of Foreign Ministers had decided to postpone further discussion of Trieste and that in any further negotiations between Yugoslavia and Italy the Italian position would be substantially as previously reported to the Council of Foreign Ministers. The next day the press added that Nenni had informed the Big Four that it was the Italian assumption that the postponement constituted an invitation to Italy and Yugoslavia to negotiate.

Press reaction to the original report has been strongly opposed, on the part of the center and right groups, which object not only to the method but also to the substance, particularly the proposal of the swap of Gorizia. "Unita" was in favor of the proposal while the Socialist paper "Avanti!" followed Nenni's lead and emphasized the possibility that now seems to exist for negotiating agreement, avoiding mention of Gorizia. There has been a strong exchange of editorials between Togliatti and De Gasperi, with Togliatti criticizing De Gasperi 's "kicks in the pants" policy and De Gasperi replying that the matter of the Italian peace treaty has been very little in Italian hands, and saying that the unofficial trips did not serve the interests of the country no matter how Togliatti felt he had served the interests of his party.

Another principal item of interest was the elections held on Sunday in many communes and in Turin, Genoa, Florence, Rome, Naples, and Palermo. There were widespread abstentions averaging in the neighborhood of 50% in the large cities. The general pattern of the results indicates a loss of strength by the center to either the right or left. At Rome the left parties running on a single list polled the most votes, with the Uomo Qualunque party running second and polling the largest vote for a single party. The voting throughout the nation showed a general defection of Christian Democrat strength, to the left in the North and to the right in the South. The general opinion is that there will be no change in the composition of the present government, although it is inevitable that the Christian Democrats in their direction of the government will have to take note of the trend. Mr. Hankey observed that one possible reason for the large percentage of abstention in Rome was that the polls were closed at 7:00 p.m., while a number of voters, estimated at up to 15%, turned up at the voting places after that hour.

2. Food Situation

Colonel Walbach reported that there has been little change in the food situation since last report, with wheat stocks actually on hand being sufficient to maintain the present ration for 70 days. Wheat stocks in Udine are sufficient to maintain the bread and pasta ration until 27 January 1947. The supplementary bread ration for United Nations citizens in Zone A has been abolished as from 1 November.

3. Fuel Situation

Colonel Walbach reported that the latest estimate of coal arrivals for November is 261,000 tons from the U.S. and 149,000 tons from all other sources, making a total of 410,000 tons. This will result in having a stock on hand at end of November of 402,000 tons. It is estimated that 728,000 tons will arrive during December.

The gasoline and oil situation is somewhat serious as two gasoline tankers expected to arrive in November have been held up owing to difficulty experienced

Declassified E.O. 12356 Section 3.3/NND No. 785016

reported to the Council of Foreign Ministers. The next day the press added that Nenni had informed the Big Four that it was the Italian assumption that the postponement constituted an invitation to Italy and Yugoslavia to negotiate.

Press reaction to the original report has been strongly opposed, on the part of the center and right groups, which object not only to the method but also to the substance, particularly the proposal of the swap of Gorizia. "Unita" was in favor of the proposal while the Socialist paper "Avanti!" followed Nenni's lead and emphasized the possibility that now seems to exist for negotiating agreement, avoiding mention of Gorizia. There has been a strong exchange of editorials between Togliatti and De Gasperi, with Togliatti criticizing De Gasperi 's "kicks in the pants" policy and De Gasperi replying that the matter of the Italian peace treaty has been very little in Italian hands, and saying that the unofficial trips did not serve the interests of the country no matter how Togliatti felt he had served the interests of his party.

Another principal item of interest was the elections held on Sunday in many communes and in Turin, Genoa, Florence, Rome, Naples, and Palermo. There were widespread abstentions averaging in the neighborhood of 50% in the large cities. The general pattern of the results indicates a loss of strength by the center to either the right or left. At Rome the left parties running on a single list polled the most votes, with the Uomo Qualunque party running second and polling the largest vote for a single party. The voting throughout the nation showed a general defection of Christian Democrat strength, to the left in the North and to the right in the South. The general opinion is that there will be no change in the composition of the present government, although it is inevitable that the Christian Democrats in their direction of the government will have to take note of the trend. Mr. Hankey observed that one possible reason for the large percentage of abstention in Rome was that the polls were closed at 7:00 p.m., while a number of voters, estimated at up to 15%, turned up at the voting places after that hour.

2. Food Situation

Colonel Walbach reported that there has been little change in the food situation since last report, with wheat stocks actually on hand being sufficient to maintain the present ration for 70 days. Wheat stocks in Udine are sufficient to maintain the bread and pasta ration until 27 January 1947. The supplementary bread ration for United Nations citizens in Zone A has been abolished as from 1 November.

3. Fuel Situation

Colonel Walbach reported that the latest estimate of coal arrivals for November is 261,000 tons from the U.S. and 149,000 tons from all other sources, making a total of 410,000 tons. This will result in having a stock on hand at end of November of 402,000 tons. It is estimated that 728,000 tons will arrive during December.

The gasoline and oil situation is somewhat serious as two gasoline tankers expected to arrive in November have been held up owing to difficulty experienced in obtaining crews. Stocks in short supply are as follows: gasoline 24 days; kerosene 55 days; Diesel oil 24 days.

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4. Power Situation

Colonel Walbach reported that there has been little change in the power supply position, although it appears to be easing somewhat. The plan reported in para 6 of Minutes of 6 November to shut off power for two days each week has been postponed indefinitely. Announcements will be made over the radio from day to day concerning the power situation. The recent heavy rains and the stock pile of coal in Rome for use in thermal plants has considerably improved the availability of power. Steps are being taken to insure at all times sufficient power for the continuous operation of all military telephone circuits.

5. Valuation of the Lira

Colonel Battenby reported that, as the Italian Government is bound to give A.C. due notice of any change in the valuation of the lira, the Banca d'Italia was asked if there was any truth in the strong rumors prevalent that the lira would be devalued in the near future. The Bank said the Italian Government has no intention of devaluating the lira, but discussions are going on as to changing the percentage of export proceeds which the government allows exporters to retain. At present exporters are allowed to retain 50%.

6. Repatriation of POW's

With reference to para 7 of Minutes of 23 October, General Goulburn stated that a message has been received from the War Office that they have reconsidered their previous decision to permit disemberking of POW's only at Venice and that POW's will all be repatriated at Naples.

There is a report, not yet confirmed, that all POW's from India will sail by the end of December.

General Goulburn stated that the Embassies are discussing the question of handling POW matters as from 1 January. The IPW Branch has prepared a report for submission to the Embassies on the outstanding POW questions as of 1 January. Mr. Hankey stated that the residual work to be done as of 1 January will probably be greater than believed when the suggestion was originally made, and it had been suggested that the date for the transfer be put forward for two or three months in order to reduce the size of the commitment. He added that he did not think the question would be viewed with favor by the Embassy when it is officially put to the Embassy.

Appointment of Financial Advisor

The Chief Commissioner introduced Colonel L. R. Battensby who has been head of the Allied Financial Agency and who has been assigned additional duty as Financial Advisor to the AC. Colonel Battensby has had long service in Italy and the Chief Commissioner stated that he has given valuable assistance to the AC since the loss of all representatives of the AC Finance Subcommission.

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Next Vice Presidents' Meeting: Wednesday, 20 November 1946, 1000 hours

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EDWARD E. S. SULLIVAN

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting: Wednesday, 20 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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DISTRIBUTION:

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Navy S/C (3)
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Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor
Financial Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Executive Commissioner
VP, Economic Division (3)
Political Advisor (A)
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Navy S/C (3)
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Chief of Legal Advisor

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/86

6 November 46

MINUTES

Vice Presidents' Meeting, 1000 hours, 6 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cros, Colonel Walbach, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Colonel Hannaford, Captain Judkins.

1. Admiral DeCourten

With reference to para 5 of Minutes of 30 October, the Chief Commissioner stated that Admiral DeCourten is somewhat better and is back at the Ministry of the Navy on a part-time basis.

2. Italian Army

With reference to para 12 of Minutes of 30 October, the Chief Commissioner stated that he had received a report from Colonel Fiske giving the figures on the strength of the Italian Army, which, as of 1 November, exclusive of US and British ITI units, was 137,000. General Goulburn confirmed that this represented the actual figure. It is estimated that as of 1 December the strength will be 107,000, due to the release of classes from the Army, but by 15 January it is expected that the strength will be 140,000.

3. Political Resume

Mr. Hankey gave a brief resume of political developments during the past week. The principal item of interest was a note sent by the Italian Government to the Council of Foreign Ministers in New York setting forth the Italian case in connection with the Peace Treaty. This was summarized in advance by Nenni in an interview, extracting three points from the note. First, the Italian treaty as drafted at Paris was not in keeping with the principles of the Atlantic charter and did not give sufficient recognition to the part Italy played in the war against Germany. Second, the frontier as drawn between Italy and Yugoslavia did not safeguard Italy's territorial integrity and created a situation not in the interests of Europe in general and the frontier countries in particular. The note added that insufficient guarantees were given for the minorities in that area. It also recommended that the frontier should follow the ethnic line proposed by the Foreign Ministers in 1945, settling local differences by plebiscite. Third, the reparations arrangements including the arrangement for sequestration of Italian property abroad placed Italy in a very difficult position economically. The note concluded by a specific reservation of the sovereign rights of the Italian Constituent Assembly as regards eventual acceptance of the treaty. The note was generally moderate and dignified in tone.

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The Council of Foreign Ministers began discussions on 4 November. The Italian press reported the possibility of the French putting forward further compromise

Declassified E.O. 12356 Section 3.3/NND No. 785016

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 6 November 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Savko, Lieutenant Colonel Cros, Colonel Malbach, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Colonel Hannaford, Captain Judkins.

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The Council of Foreign Ministers began discussions on 4 November. The Italian press reported the possibility of the French putting forward further compromise solutions to the Trieste problem which would result in the Slav group withdrawing their claims to Venezia Giulia in return for U.S. and British withdrawal of claims regarding the Danube.

The only item of considerable interest was a statement by a spokesman of the French Ministry of Foreign Affairs indicating that if current negotiations between Italy and France were successful France would renounce her claims on Italian property in France and would subsidize the families of 25,000 Italians in France

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working in coal mines.

The week was very quiet with regard to internal politics. Emphasis has been on the preparation for municipal elections taking place Sunday November 10th. The item of outstanding interest politically was De Gasperi's long comprehensive speech of November 3rd in the course of the electioneering campaigns. On behalf of the Christian Democrats, he gave a fighting reply to the Socialist-Communist unity of action pact, which he described as a natural consequence of the Marxist ideology of both parties leading to dictatorship and the denial of democracy and affirmed that this pact would be opposed by the Christian Democrats. He expressed the belief that this unity of action pact meant the failure of the tripartite coalition government. Nevertheless he repeated Nenni's assertion that the government would continue in existing form until the spring elections. De Gasperi also announced that the leader and other members of the Partisan resistance movement who had been arrested during the previous week had been released. De Gasperi said, however, that there was abundant evidence that the movement was not a peaceful one and that the leaders had admitted they had given instructions for the emplacement of machine-guns. He said that he did not deny the right of anyone to form political parties but only the state could maintain military organizations.

Togliatti, in proceeding to Belgrade, was escorted in Venezia Giulia to the AMG Security Office in Trieste where necessary transit passes were given him. First press reports in one Rome paper were that he was arrested but these were promptly denied in other papers. The Chief Commissioner stated that Togliatti had been assured by the Foreign Ministry that there would be no difficulty in securing a pass for him to go through Venezia Giulia and he left Rome before his pass was received. Unfortunately, the Foreign Ministry did not use the established channels to obtain this pass and the AC was not notified of the trip or the route until the morning of 2 November, at which time Togliatti was already on route from Venice to Venezia Giulia. The Chief Commissioner promptly obtained approval for the trip but the difficulty was in contacting Togliatti so that the pass could be delivered.

The Chief Commissioner expressed to the British Political Advisor the deep regret of the AC at the outrageous bombing of the British Embassy on 31 October, and stated that he had called on the Charge d'Affaires to express his regret. Mr. Hankey stated that after some speculation in the press as to who had done it, a communique had been issued by Irgun Zvai Leumi, a Jewish terrorist organization, which maintained that this was only a part of a systematic campaign of terrorism against British establishments.

4. Food Situation

Colonel Walbach reported that there has been a slight decline in wheat stocks, which are now sufficient to maintain the present ration for 72 days. Stocks have been decreasing steadily for the past several months since 12 September, when stocks were sufficient for 128 days, indicating that imports and amassing are constantly falling behind consumption. Expected imports and amassing for November and December are about 1/4 the expected consumption for these months, clearly indicating the seriousness of the situation.

The wheat situation in Venezia Giulia is unchanged with stocks on hand on 24 October sufficient to last until 4 December for bread and only through November for pasta. Stocks on hand in Udine on 28 October were sufficient to support the bread ration until 7 February and the pasta ration through December. It is believed that if stocks in these two areas are combined there will be

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5. Fuel Situation

Colonel Walbach stated that the end of the shipping strike in the U.S. permitted approximately 100,000 tons of coal to be sailed before the end of October, according to telephone conversation (UNRRA) between Washington and Rome.

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This will increase estimated stock on hand at the end of November from 265,000 tons of coal to 365,000 tons. It is hoped that further sailings will increase this figure, but no definite information is now available.

There is a 30-day supply of gasoline on hand, with a tanker expected 17 November. Loans from military stocks have been arranged for areas in short supply. Diesel oil stocks are down to 30 days' supply. No further news has been received on the arrival of crude oil slated for 12 and 16 November.

6. Power Situation

The production of power in Central and Southern Italy has shown a slight improvement, but due to the seasonable increase in consumption and decrease in the supply from the North, it is estimated that a 32% shortage below previous levels will occur in November. The Central Commissioner for Rationing and Control of Electric Power for Central and Southern Italy has decided that all customers (with the exception of a few essential services) are to be disconnected from 0700 to 1700 hours two days per week and from 0800 to 1300 hours on Sundays.

7. Civil Aviation

With reference to para 3 of Minutes of 30 October, Air Vice Marshal Brodie reported that the Italian Government has submitted to the AC part of a comprehensive plan for the resumption of civil airlines within Italy.

Appointment of Director, Economic Division

The Chief Commissioner introduced Colonel James de B. WALBACH, U.S. Army, who has been appointed Director of the Economic Division.

Correction to Minutes of 30 October 1946

List of those present, delete "Colonel Weber".

Next Vice Presidents' Meeting: Wednesday, 13 November 1946, 1000 hours

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DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Next Vice Presidents' Meeting: Wednesday, 13 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

84

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Chief Commissioner
Executive Commissioner
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Political Advisor (A)
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American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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INITIAL
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/83

30 October 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 30 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Colonel Fisko, Commodore Ziroli, Colonel Savkov, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Disturbance at Viminale

With reference to para 1 of Minutes of 23 October, the Chief Commissioner stated that latest reports have confirmed that the disturbance at the Viminale was not caused by refugees from the UNRRA refugee camp at Cinecitta. Mr. Greene stated that the Questure submitted a report to the Council of Ministers which report was returned for continuation and amplification. The report indicated that the trouble was brought about by a group of people distributing lethal weapons from a truck parked in a nearby street. Press interpretations that Yugoslavs were in the truck were not confirmed by the report.

2. Courier Flights

With reference to para 6 of Minutes of 23 October, AVM Brodie reported that no reply has been received from AFHQ in regard to the extension of military courier service to Udine.

3. Civil Aviation

In reply to the Chief Commissioner's question, AVM Brodie stated that plans have been formulated and submitted to the Italian Government by the American commercial airline company planning on engaging in Italian internal civil air-line operations. The Italian Air Ministry is presently studying this plan and plans for several other companies with a view to formulating concessions. AVM Brodie stated that the Italian Air Ministry is constantly being pressed to submit these plans to the AC. 83

4. Repatriation of POWs

With reference to para 4 of Minutes of 23 October, Colonel Fisko stated that no reply has been received from GHQ CMF in reply to the AC's request for reconsideration of the proposal to disembark repatriates at Venice only.

5. Admiral DeCourten

Commodore Ziroli reported that Admiral DeCourten's condition is satisfactory but that he is faced with a period of probably 2½ months convalescence. At the present time is receiving visitors and is doing work.

Declassified E.O. 12356 Section 3.3/NND No. 785016

MINUTES

Vice Presidents' Meeting, 1000 hours, 30 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Harkey, Air Vice Marshal Brodie, Colonel Fisko, Commodore Ziroli, Colonel Savkov, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

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6. Reported Resignation of General Cadorna

The Chief Commissioner stated that the published report that General Cadorna had submitted his resignation as Chief of Staff of the Army is not strictly accurate, according to information received by AC. General Cadorna, however, along with certain other high-ranking officers has expressed willingness to

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accept retirement in accordance with a plan for separation that the Ministry has devised but he has not resigned as Chief of Staff and as far as is known his separation from the service is not imminent.

7. Political Resume

Mr. Greene gave a brief resume of the general political situation. A week ago the Christian Democrat deputies in the Costituente met and were addressed by the Prime Minister who reviewed the whole complexity of the factors leading to Italy's present position with respect to the peace treaty, mentioning the steps he and his government had taken in an attempt to obtain a less unfavorable treaty. The question of whether or not the government or the Constituent Assembly should approve ratification of the peace treaty was discussed. The Prime Minister called for a sense of responsibility in considering whether they should recommend ratification or rejection of the treaty. Press reports indicate that there are three currents in the party, the largest group flatly opposing the treaty and advocating refusal to sign unless completely revised, another group disapproving the treaty in principle but advocating ratification rather than embarrass the government, and the third group advocating referring the whole matter to the UNO for consideration of Italian claims prior to the final Council of Foreign Ministers draft.

The Chief Commissioner stated that with reference to the first paragraph of para 2 of Minutes of 23 October, Nenni called on the Chief Commissioner last week and in reply to a direct question stated he was not going to New York. Mr. Greene stated that the Italian ambassadors to the Big Four would be in New York. Nenni has made public his views on the line the Italian delegation is expected to take. The establishment of a free territory of Trieste will still be opposed in principle as being an "artful compromise". If the Council of Foreign Ministers refuses to consider any other solution the Italians will express the view that the guarantees regarding the integrity and independence of the territory should be provided by the Security Council. Nenni also indicated that the Italians will insist that the constitution of the territory be on a democratic basis, probably in reference to recent developments at Trieste where the Italo-Slavic Anti-Fascist Union has been modified into a so-called "democratic front" in an apparent attempt to change the group's emphasis from pro-Slav to pro-autonomy.

In the North the government moved fast and employed carabinieri against certain partisan groups who had moved into the hills. There had been no actual disorders and the government was anxious to permit none. The government carefully avoided attributing this group, calling itself Partisan Resistance Movement, to any of the political parties and termed it neo-squadrist. The National Partisan Association disavowed the Movement. One of the ringleaders was a well-known partisan during the war but is anti-communist. There has been an increase in banditry in Emilia attributed to neo-fascist bandits. The question of public order will cause concern throughout the winter as the basic causes of economic unrest do not seem likely to be removed in the near future. Mr. Greene stated that it would require strong public security forces to maintain order and the Chief Commissioner observed that it would likewise require a strong effort to alleviate the distressed economic conditions.

The big event in the domestic political field was the rewriting of the Communist-Socialist unity of action pact. The agreement does not represent any great change on its face, with the possible exception of agreement on "rigorous taxation" of the rich. As Nenni pointed out in a statement published coincidentally with the pact, it in no way prejudices the autonomy of either party and

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7. Political Resume

Mr. Greene gave a brief resume of the general political situation. A week ago the Christian Democrat deputies in the Costituente met and were addressed by the Prime Minister who reviewed the whole complexity of the factors leading to Italy's present position with respect to the peace treaty, mentioning the steps he and his government had taken in an attempt to obtain a less unfavorable treaty. The question of whether or not the government or the Constituent Assembly should approve ratification of the peace treaty was discussed. The Prime Minister called for a sense of responsibility in considering whether they should recommend ratification or rejection of the treaty. Press reports indicate that there are three currents in the party, the largest group flatly opposing the treaty and advocating refusal to sign unless completely revised, another group disapproving the treaty in principle but advocating ratification rather than embarrass the government, and the third group advocating referring the whole matter to the UNO for consideration of Italian claims prior to the final Council of Foreign Ministers draft.

The Chief Commissioner stated that with reference to the first paragraph of para 2 of Minutes of 23 October, Nenni called on the Chief Commissioner last week and in reply to a direct question stated he was not going to New York. Mr. Greene stated that the Italian ambassadors to the Big Four would be in New York. Nenni has made public his views on the line the Italian delegation is expected to take. The establishment of a free territory of Trieste will still be opposed in principle as being an "artful compromise". If the Council of Foreign Ministers refuses to consider any other solution the Italians will express the view that the guarantees regarding the integrity and independence of the territory should be provided by the Security Council. Nenni also indicated that the Italians will insist that the constitution of the territory be on a democratic basis, probably in reference to recent developments at Trieste where the Italo-Slavic Anti-Fascist Union has been modified into a so-called "democratic front" in an apparent attempt to change the group's emphasis from pro-Slav to pro-autonomy.

In the North the government moved fast and employed carabinieri against certain partisan groups who had moved into the hills. There had been no actual disorders and the government was anxious to permit none. The government carefully avoided attributing this group, calling itself Partisan Resistance Movement, to any of the political parties and termed it neo-squadrist. The National Partisan Association disavowed the Movement. One of the ringleaders was a well-known partisan during the war but is anti-communist. There has been an increase in banditry in Emilia attributed to neo-fascist bandits. The question of public order will cause concern throughout the winter as the basic causes of economic unrest do not seem likely to be removed in the near future. Mr. Greene stated that it would require strong public security forces to maintain order and the Chief Commissioner observed that it would likewise require a strong effort to alleviate the distressed economic conditions.

The big event in the domestic political field was the rewriting of the Communist-Socialist unity of action pact. The agreement does not represent any great change on its face, with the possible exception of agreement on "rigorous taxation" of the rich. As Nenni pointed out in a statement published coincidentally with the pact, it in no way prejudices the autonomy of either party and independence of action is specifically reserved in case of disagreement. On the whole, it still remains to be seen whether the pact is an indication of strengthening of the left.

8. Food Situation

Colonel Walker reported that wheat stocks in Italy are sufficient to maintain the present ration for 81 days. This figure is theoretical only and is

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based on the assumption that the Italian Government will be able to effect equal distribution throughout Italy. This is extremely doubtful because of lack of transport and a serious and increasing resistance on the part of provinces with larger quantities of grain from the "ammassi" against releasing it to provinces in short supply. The Combined Food Board cereal allocation for Italy for the balance of the year is equivalent to 100,000 tons of wheat. The amassing is expected to produce an additional 15 days' supply. The situation is very serious and any shortage in the program will likely require a cut in the ration early in 1947. In any event, it appears a cut will be necessary before the 1947 harvest. The Italian Government has been informed of this situation by UNRRA.

9. Fuel Situation

Colonel Walker reported that the shipping strike in the U.S. has ended and several cargoes of coal have sailed for Italy. Coal stocks on hand as of 30 October are 535,000 tons. Estimated arrivals from sources other than the U.S. during November are 180,000 tons, making a total availability of 715,000 tons. November allocations will be 450,000 tons, leaving a balance of 265,000 tons on hand at the beginning of December. To this will be added the quantity which will arrive from the U.S. in November. No estimate of this quantity is possible at this time.

A partial strike started 16 October at the Sardinian mines, the controversy being over the payment for "piece-work". Daily production has been reduced from 3,800 tons to 2,000 tons. The Chief Commissioner requested Colonel Walker to check with UNRRA to see what is being done about settling this strike.

The stock of motor gasoline is now down to 35 days' supply. This in itself is not so serious, but the bulk of the supply is in the North. Therefore, the situation in Southern Italy is critical and it may be necessary to apply to Allied Military authorities to relieve the situation by loans. The stocks of kerosene and fuel oil cover the 60 day target level. Diesel oil is down to approximately 35 days' supply. The first two cargoes of crude oil are now expected at Bari on 12 and 16 November respectively. Two cargoes are also due at Naples on 16 and 17 November respectively. It is not expected that refined products from this crude oil will be available for local distribution before December.

10. Power Situation

Colonel Walker stated that there has been a further very slight improvement in the power supply situation in Central and Southern Italy due to the recent rainfall. In Northern Italy the electric power availability is good, but due to the considerable post-war increase in consumption, rationing has had to be imposed. Only by the construction of new hydroelectric and thermal plants can the power situation in Italy be permanently improved.

11. Minesweeping

Commodore Ziroli reported that the minesweeping program is continuing effectively, concentrating off Civitavecchia and Venice. In reply to the Chief Commissioner's question, Commodore Ziroli stated that there has been no further news on the mining of two British destroyers, but an investigation is being conducted. The destroyers were proceeding between Corfu and the mainland in a swept channel normally used for coastwise traffic.

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12. Italian Army

Colonel Fiske reported that AMMA has approved a request of the Ministry of War for the release in November of classes due for release in December and for the call-up of a new class in January. The Army is normally below strength

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anyway at Christmas time and this release will make it unnecessary to issue winter clothing to those troops affected. The Chief Commissioner asked Colonel Fiske for a memorandum on the present strength of the Army.

Next Vice Presidents' Meeting: Wednesday, 6 November 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Executive Commissioner
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VP, Economic Section (3)
Political Advisor (A)
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Executive Officer (A)
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/84 23 October 1946.

MINUTES

Vice Presidents' Meeting, 1000 hours, 23 October 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Colonel Fiske, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Disturbance at Viminale

With reference to the seventh sub-paragraph of para 3 of Minutes of 16 October, Brigadier Carr stated that the AC had investigated the Italian Government allegation that refugees from Cinecitta were involved in the riot at the Viminale and had learned from the Questura that about 150 persons from Cinecitta were at the Viminale that day, but they were all Italians employed at Cinecitta on public works and they were not armed. Present information is that there were no refugees at the Viminale at the time of the riot.

2. Political Resume

Mr. Hankey gave a brief resume of the general political situation. With reference to sub-para 10 of para 3 of Minutes of 16 October, and in reply to the Executive Commissioner's question, Mr. Hankey stated that there is still no official confirmation that Nenni is going to New York in connection with the Big Four meeting there.

After the initial failure of the Italian press generally to understand that the Paris draft of the peace treaty was final, the press had adopted an increasingly pessimistic view about the chances of final settlement at New York. The speech by Secretary Byrnes on 18 October was prominently reported in the press and was termed firm but conciliatory in regard to the differences outstanding between Russia and the U.S. Bevin's speech in the House of Commons was reported in the press and with the exception of repeating the line already taken by H.M.G. on the Trieste question and the desire to renew relations with the new Italy, there was nothing new in it insofar as Italy is concerned. On his arrival at New York last week Molotov stated to correspondents that he was confident all difficulties would be overcome at the forthcoming conference and that the Soviet delegation would contribute to ensure that the work of the Assembly and Council of Ministers would be successful.

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The main items of news of the week in foreign affairs of substantial interest to Italy are closely connected with U.S. policy. On 17 October the press reported the U.S. decision to limit the sum due by the Italian Government for war damages sustained by U.S. citizens to 25% of the total, said to be $50,000,000. It is reported that the $12,500,000 therefore payable by Italy will be used for wages of Italian workmen employed in repairing these damages. On 18 October news was published that when UNRRA ceases operations in Italy the U.S. is hoping to make available $500,000,000 for helping Italy, Austria and Greece. This good news was appropriately welcomed in the press and the possi-

Declassified E.O. 12356 Section 3.3/NND No. 785016

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loan was announced as being held in abeyance until after definite conclusions had been reached by the Council of Ministers over the reparations clauses in the Italian treaty.

Internally, the principal event of the week has been the assumption on 19 October by Nenni of his new post as Minister of Foreign Affairs. The appointment does not seem to have been greeted with unanimous approval by the Socialist Party, and doubts have been expressed as to whether he could possibly carry out the broad policy expressed in his recent speech. It was also thought Nenni might be too far involved in acceptance of purely Christian Democrat policies. Nenni appears to have made a statement that he would accept the resignation of anyone in the Ministry who could not conscientiously serve the Republic. This has given rise to speculation as the left-wing papers say there is a higher proportion of persons who were employed under the Fascists in this Ministry than in other ministries. With Nenni's appointment, De Gasperi can concentrate on the internal situation. In an interview on 21 October he complained that several of the parties in the Government seemed to show a great deal more devotion to the ideology of their own party than to the State. He complained that he has now become the butt of criticisms from all sides, even his own party.

On 16 October, Scoccimarro had an interview with De Gasperi in which he made some of the criticisms against the Christian Democrats that Corbino had made against the Communists. He complained of unjust criticisms made by Christian Democrat papers and even the Secretary General of the party. De Gasperi is reported to have said that the criticisms were made in fair retaliation. Scoccimarro also pointed out the failure of local government authorities to comply with central government policies and complained that Communists are persecuted in many localities as being subversive. The interview is said to have ended with mutual recognition of the need for establishing closer relations.

The High Commissioner of Food reported to the Council of Ministers that in spite of favorable results of the amassing, 20,000,000 quintals of wheat were needed, of which up to 8,000,000 quintals would be supplied by UNRRA. The rest would have to be bought on the world markets. However, he stated that the situation was not precarious and no reduction in the bread or pasta ration was contemplated. It was planned to introduce rationing for textile products, clothing and footwear.

On 18 October, the Council of Ministers decided to call a National Economic Conference, mainly of experts, to meet in Rome in the first part of November to discuss economic, financial and reconstruction problems.

On 19 October, it was reported that following two interview De Gasperi had with the Minister of Interior orders were given to prefects all over Italy to make use of the unemployed in carrying out work of a useful nature. The Ministers of Public Works and Agriculture were urged to lose no time in undertaking work to relieve the unemployment situation. Sig. Corsi stressed the importance of such measure to avoid unrest and disturbances of public order.

3. Food Situation

Declassified E.O. 12356 Section 3.3/NND No. 785016

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3. Food Situation

Colonel Walker reported a small increase in wheat stocks which now are sufficient to maintain the present ration for 84 days. This is based on present stocks of 1,061,072 tons and a daily maintenance of 12,500 tons.

4. Fuel Situation

With reference to [illegible]ra 5 of Minutes of 16 October, [illegible]olonel Walker

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stated that the U.S. shipping strike continues, and estimates for October coal arrivals stand at 300,000 tons. The Italian Government have reduced the overall allocation for October and November to 700,000 tons. If no additional coal arrives from the U.S. during this period, stocks will be reduced approximately 250,000 tons, including the ISR stocks, which will be sufficient only for 30 days beyond the end of November. The present drastic cuts in industrial allocations are certain to have serious repercussions on the rehabilitation program for Italy. If the strike is not terminated and sailings resumed in the early part of November, a real crisis will occur.

The shipping strike has also affected the POL situation and gasoline stocks have fallen far below the normal 60-day supply. In the event the strike does not end before 1 November, drastic reductions will be made in November allocations. Other petroleum products stand at about a 60-day level. There has been no further news concerning the arrival of crude oil.

5. Power Situation

Colonel Walker reported that power rationing went into effect in Northern Italy on 21 October, necessitated by exceedingly high consumption. The rationing will be carried out by disconnecting all customers one day per week. In Central and Southern Italy the situation is practically unchanged.

6. Courier Flights

Air Vice Marshal Brodie reported that a recommendation has been submitted to AFHQ for extension of the military courier service beyond Treviso to Udine, which would be more convenient for AC and Italian officials proceeding to and beyond Udine. From a military point of view there is general approval at AHQ Italy, but the question still has to pass through political and staff channels at AFHQ.

7. Repatriation of POWs

With reference to para 8 of Minutes of 2 October, Colonel Fiske reported that a request was submitted to GHQ CMF requesting that the decision to disembark repatriates at Venice rather than Naples or Taranto be reviewed in order to permit use of existing facilities at Taranto or Brindisi. A long and somewhat inaccurate reply was received in which Q Movements expressed their intention to adhere to their original stand. A signal is being forwarded from AC to GHQ calling attention to the inaccuracies in this letter and requesting reconsideration of the AC proposal. It is believed, however, that this matter may not be within the jurisdiction of the Theater Commander and any decision may have to be made at the War Office.

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Next Vice Presidents' Meeting: Wednesday, 30 October 1946.

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Next Vice Presidents' Meeting: Wednesday, 30 October 1946.

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Executive Commissioner

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Air Forces S/C
Executive Officer (A)
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French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
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Mr. Harlan Cleveland, UNRRA

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Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
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Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/83

16 October 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 16 October 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Allied Personnel and Italian Courts

With reference to para 2 of Minutes of 9 October, the Chief Commissioner stated that a communication has been received from the American Embassy giving the American Government's viewpoint on the trial of Americans by Italian courts and has been referred to the Legal Sub-Commission for study.

2. Future of the Allied Commission

With reference to para 1 of Minutes of 9 October, the Chief Commissioner stated that there was no change in the situation as to the future of the Allied Commission.

3. Political Resume

Mr. Greene gave a brief resume of the general political situation. With the end of the Paris Conference, there has been a minor resurgence of anti-Allied feeling in Italy, but on the whole the tendency is to accept the peace treaty as it stands. Only "L'Unita'" seems to recognize that many points have not been resolved, and that there will be no treaty until the Council of the Foreign Ministers finally approves it. 79

The Chief Commissioner gave a short history of the peace treaty and the peace conference. As a result of the Paris meetings which began on 25 April, the Council of Foreign Ministers agreed on certain points of the proposed peace treaty with Italy and disagreed on others. Their conclusions were submitted to the Peace Conference of 21 nations, 20 of whom were allowed to consider the Italian treaty. Three major commissions of the Conference were established: Military, including navy and air force; political; and economic. Each voting nation was represented on each commission. Before the Conference it had been agreed that the Foreign Ministers would have the job of writing the treaty and at the Conference it was agreed that they would consider recommendations made on a 2/3 majority vote. Recommendations that were passed with less than a 2/3 majority would be treated as proposals which the Foreign Ministers might or might

Declassified E.O. 12356 Section 3.3/NND No. 785016

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The Chief Commissioner gave a short history of the peace treaty and the peace conference. As a result of the Paris meetings which began on 25 April, the Council of Foreign Ministers agreed on certain points of the proposed peace treaty with Italy and disagreed on others. Their conclusions were submitted to the Peace Conference of 21 nations, 20 of whom were allowed to consider the Italian treaty. Three major commissions of the Conference were established: Military, including navy and air force; political; and economic. Each voting nation was represented on each commission. Before the Conference it had been agreed that the Foreign Ministers would have the job of writing the treaty and at the Conference it was agreed that they would consider recommendations made on a 2/3 majority vote. Recommendations that were passed with less than a 2/3 majority would be treated as proposals which the Foreign Ministers might or might not consider. The problem is that some of the very controversial points, although passed by a 2/3 majority, were opposed by one of the Big Four. Until the Big Four resolve these points, which were substantially the same points on which they were deadlocked before the Peace Conference, there can be no peace treaty. Mr. Greene added that both sides have said that they will yield no more on the disputed points.

Mr. Greene reported that the Italo-Austrian agreement on the South Tyrol was debated in the treaty commission of the Costituente the other day, the discussion centering not on the substance of the agreement but

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on whether or not it should be included in the peace treaty, De Gasperi supporting the affirmative position. The question is to be debated in the Costituente.

The conclusion of an Italo-Polish commercial agreement for the supply by Poland of 750,000 tons of coal has been announced. The coal is to be paid for by Italian industrial and agricultural exports. In addition, for four years Poland can order up to $40,000,000 worth of Italian products selected in consultation with the Italian Government.

Mr. Byrnes has written De Gasperi indicating that the U.S. is now ready to extend the first $50,000,000 for purchases made in Italy with AM-lire by U.S. forces. The Chief Commissioner stated that it is his understanding that the total amount involved is roughtly $150,000,000. The following day a similar arrangement was announced by Canada, the initial amount being $4,000,000. The Chief Commissioner reported that he had spoken to Sig. Sacerdoti, head of the Italian economic mission in the U.S., who says that the credit extended by the U.S. and Canada will be used to get grain and other materials into the pipeline while the UNRRA program is closing down.

It was reported that the Labor Confederation and the Industrial Confederation had reached agreement. The industrial basic wage rate will be increased 35% and no further increase in excess of 15% will be granted for at least six months. Vacations were increased from six to twelve days and agreement was reached on payment of Christmas and "13 month" bonus.

On the morning of 9 October an orderly crowd of workers marched through the city to the Viminale protesting against an order read on arrival at work that morning suspending state-sponsored public works program in the Rome area. The Government reported that the crowd was orderly on arrival at the Viminale and apparently unarmed but that a disorderly and armed group, allegedly arriving from the UNRRA displaced persons camp at Cinecitta, turned the demonstration into a riot in which 2 died and 141 were injured. Nenni tried by personal appearance to quell the disturbance but, according to one report, the police interpreted the surging forward of the crowd to cheer him as an attempt to do him harm and the police fired. The Government appointed a commission to prepare a substitute public works program. The Government is determined not to lay off the thousands of workers involved in the public works program but there is some indication that all is not well in the administration of the program through contractors in this area. The Government has ordered inquiries into the administration of the public works program, into the police action taken at the riot, and into the alleged descent of the displaced persons from Cinecitta on Rome.

The Chief Commissioner stated that press reports indicated that the police were prevented by the Allies from the use of tear bombs. This has been denied in a letter the Chief Commissioner has sent to the Prime Minister and AFHQ has issued a statement partially dealing with this question. The facts are that in an early directive on the use of Italian troops in quelling civil disturbances in 1944-45 there was a curious and unexplainable limitation on the use of tear-bombs. The AC protested and as a result of this protest the restriction was removed and the Prime Ministers so informed on 30 September 1945. There was never any restriction on the use of tear bombs by the [illegible]

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The right attempted to blame the left and the left attempted to blame the right for the disturbance at the Viminale but both were inclined to blame the Government for the delay in solving the unemployment program. In trying to form a program the Government runs into the difficulty of getting three strong parties to agree on the method of solving unemployment.

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Nenni is scheduled to take over the Foreign Affairs post this week. He spoke last Sunday on foreign affairs and internal problems at Canzo, criticizing the peace treaty along well known lines. He emphasized the problems Italy faces as a result of the treaty and stated Italy should never renounce the defense of its rights which should include territorial integrity and national political and economic independence. He indicated the desire to collaborate with other countries and to live in peace with Italy's neighbors. In reply to the Chief Commissioner's question, Mr. Greene stated that there has been no confirmation of the reports that Nenni is to go to New York in connection with the Big Four meeting to be held there.

The Chief Commissioner directed the Executive Commissioner to check with the AFHQ Labor Committee to see if the CGIL intends to present to the Committee the results of its recent agreement with the Confederation of Industrialists.

4. Food Situation

With reference to para 4 of Minutes of 9 October, Colonel Walker reported that there has been a steady decline in wheat stocks for the past several weeks. Stocks on hand are now sufficient to maintain the present ration for 83 days.

5. Fuel Situation

With reference to para 5 of Minutes of 9 October, Colonel Walker stated that the shipping strike in the U.S. has caused the estimates of October arrivals to be cut to 300,000 tons. Stocks at present in Italy amount to 660,000 tons. Unless shipments are resumed or consumption reduced, present stocks and expected arrivals are sufficient only to the end of November.

Latest information is that tankers will be loaded with crude oil in the Persian gulf about 1 November but no definite date of expected arrival is available -- they will probably arrive about the middle of the month. The refineries at Bari and Naples are ready to start almost immediately upon the arrival of the first crude oil.

6. Power Situation

78

With reference to para 6 of Minutes of 9 October, Colonel Walker reported that there was little change in the power situation except a slight improvement in Southern Italy.

7. Withdrawal of Royal Navy

Commodore Ziroli reported that the Royal Navy is withdrawing from Naples and Taranto. It is intended to transfer as much fuel oil, coal and coke as possible to Trieste for naval account, the balance to be turned over to the Italian Government. In connection with the withdrawal, Commodore Ziroli reported that rumors that the U.S. Navy is planning to establish a naval base at Naples were denied by Admiral Bieri, Commander of U.S. Naval Forces, Mediterranean, who stated that all naval activities in Naples were being transferred aboard a tender, resulting in derequisitioning many buildings previously used by the

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8. Repatriation

Commodore Ziroli reported that an Italian naval ship is being sent to Rhodes to repatriate Italian civilians there. Middle East signalled that no lift will be required during October. The next batch will be ready to move in December.

78

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9. Minesweeping

Commodore Ziroli reported that the story appearing in the "Rome American" that a U.S. merchant ship had struck a mine near Leghorn was untrue and probably based on false rumors arising out of the fact that the ship was delayed because of fould weather.

10. Internal Organization of AC

Brigadier Carr reported that with effect from 21 October there will be an internal reorganization in the AC. The general effect is that the appointments VP CA Section and AVP Economic Section are abolished and, with the exception of the Service Sub-Commissions, the title sub-commission will disappear and the remaining sub-commissions will be called divisions.

11. Telephone Lines

Brigadier Carr reported that there have been many cases recently of theft of telephone wire and cable between Rome and Naples. This is being taken up with the Minister of Posts and Telecommunications. It is believed that these are acts of sabotage rather than theft of material.

Next Vice Presidents' Meeting: Wednesday, 23 October 1946, 1000 hours.

Edward D. Sullivan

EDWARD D. S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C ( )
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
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S-E C-R E T

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/82 9 October 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 9 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Commodore Ziroli, Lieutenant Commander Golubev, Capitaine de Vaisseau de Villefosse, Captain Judkins, Colonel Weber.

1. Future of the Allied Commission

With reference to para 2 of Minutes of 2 October, the Chief Commissioner stated that there was no change in the situation as to the future of the Allied Commission.

2. Allied Personnel and Italian Courts

With reference to para 3 of Minutes of 2 October, the Chief Commissioner requested that action on the question of Italian jurisdiction over Allied personnel be speeded up in order to have it settled by the time the Allied Commission ceases operations. The Chief Commissioner requested that the armistice terms be studied to determine if Allied military personnel are exempt from Italian customs laws on personal property.

3. Political Resume

Mr. Hankey gave a brief resume of the general political situation. The Italian press has been principally interested in foreign politics generally during the week, not only in the Paris Conference, but also in the Nuremberg trials and the Russian interest in the Dardanelles. 77

At Paris a tremendous effort has been made to achieve agreement in time for the reports to be presented to the plenary sessions, and there has been some optimism over the success achieved. In the Political Commission the deadlock over the Trieste statute was resolved by acceptance by a two-thirds majority of a compromise plan put forward by the French. The principal feature of the compromise was the delimitation of the powers of the Governor, which was the crux of the dispute. It is understood that the Governor will have certain rights limiting the powers of the assembly and the cabinet and will have the right of veto when the independence of the territory or the fundamental rights of the citizens are threatened. Those persons domiciled in Trieste before 10 June 1940 will have the right to citizenship. In reply to the Chief Commissioner's question, Mr. Hankey stated that although Russia voted against the compromise in the Commission, it is hoped in Paris that the compromise will be accepted by the plenary session and later by the Council of Foreign Ministers. The Italian press has mourned the loss of Trieste, taking no consolation in the fact that it

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APO 794

CC 551/82 9 October 1946

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On 3 October it was announced that Italy had been admitted to the International Monetary Fund and the International Bank, with only Yugoslavia opposing. "Popolo" pointed out that Italian participation was originally subject to Italy's signing the Peace Treaty and hailed the change in this decision as greater faith by the Allies in Italian currency and capacity for economic recovery.

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The Economic Commission of the Paris Conference on 5 October fixed Italy's reparations at $325,000,000 -- $100,000,000 each to Russia, Greece, and Yugoslavia, and $25,000,000 to Ethiopia. No reparations were awarded Albania, although it is expected that this last decision will be hotly contested.

The Council of Ministers approved certain increases in salaries of state employees on 4 October, providing increases up to 70% in base pay, an additional month's pay to be paid 16 December each year, and a big pension increase.

The gas workers went on strike for 2 days and the miners for 1 day, both strikes being for modification of conditions of employment rather than for increased pay.

Various groups of the Uomo Qualunque party have seceded because of the party's direction. Discussions continued with regard to fusion of the Uomo Qualunque party with the Liberal party.

The discussions between the CGIL and Confindustria with regard to dismissal of employees have broken down and the matter has been referred to the government.

4. Food Situation

With reference to para 5 of Minutes of 2 October, Colonel Walker reported a further slight decline in wheat stocks now sufficient to maintain present ration of 93 days.

5. Fuel Situation

With reference to para 6 of Minutes of 2 October, Colonel Walker reported that because of the U.S. shipping strike, October coal arrivals are expected to total 500,000 tons, a decrease of 100,000 tons. Current allocations, however, will not be affected.

There is no change in the POL situation, and there is no further news on the arrival of crude oil.

6. Power Situation

With reference to para 7 of Minutes of 2 October, Colonel Walker reported that the power situation in Central and Southern Italy continues serious because of the water shortage. The recent improvement in the Rome area is due to the completion of repairs to one of the main transformers in the Rome area, which was out of service for ten days.

Next Vice Presidents' Meeting: Wednesday, 16 October 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (2)

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Next Vice Presidents' Meeting: Wednesday, 16 October 1946, 1000 hours

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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/81

2 October 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 2 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Lieutenant Colonel Marek, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau Villefosse, Captain Judkins, Lieutenant Colonel Hannaford.

1. U.S. Navy in the Mediterranean

The Chief Commissioner read the text of a statement issued by US Secretary of the Navy Forrestal with respect to activities of the US Navy in the Mediterranean. It stated that it was planned to maintain a number of ships in European waters to support Allied occupation forces and Allied military government in the discharge of their responsibilities in occupied areas in Europe and to protect U.S. interests and U.S. policies.

The Chief Commissioner also reported that Admiral Richard L. Conolly, USN, has relieved Admiral H. K. Hewitt, USN, as Commander, U.S. Naval Forces in Europe.

Colonel Savko asked the Chief Commissioner if he knew if at the present time the Allied Occupation Forces and AMG in Italy have any difficulties requiring the support of the U.S. Navy. The Chief Commissioner replied that he know of no present specific troubles in Italy but that the effect of the Navy's statement so far as Italy is concerned is to support AMG and occupation forces in Udine and Venezia Giulia. 76

2. Future of Allied Commission

With reference to para 1 of Minutes of 25 September 1946, the Chief Commissioner stated that there was no change in the situation as to the future of the Allied Commission.

3. Allied Personnel and Italian Courts

With reference to para 7 of Minutes of 25 September, Colonel Hannaford stated that the Italian Government is still reluctant to take the initiative on the question of Italian jurisdiction over Allied personnel until advice has been received from the AC. Colonel Hannaford stated that he is awaiting advice from the British Embassy and the British Government before preparing a letter for AFHQ. The Chief Commissioner suggested that the Legal Officer for UNRRA

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CC 451/81

2 October 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 2 October 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walker, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Lieutenant Colonel Marek, Major General Goulburn, Commodore Ziroli, Colonel Savko, Capitaine de Vaisseau Villefosse, Captain Judkins, Lieutenant Colonel Hannaford.

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4. Allied Driving

The Chief Commissioner stated that there has been a resumption of the Italian press campaign against Allied driving. The Chief Commissioner has spoken to Colonel Dasher at RAAC and has requested the latest figures on accidents and also a statement as to the punishment meted out to offenders. He then proposes

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to submit the matter to AFHQ making reference to the fact that an increasing number of Allied vehicles are surplus vehicles disposed of to other agencies and individuals, and recommending that AFHQ should make a public statement in this connection.

5. Political Resume

Mr. Greene gave a brief review of the general political situation. At the Paris Conference the accent during the past week has been on speed. Most of the articles of the Italian draft peace treaty, except those on Trieste, have been discussed and voted on. The one-year postponement of the disposition of the Italian colonies was accepted, which evoked some bitterness in the Italian press. With regard to Trieste, a deadlock seems to have been arrived at. On the other hand, the so-called French Line, other than around the proposed free state of Trieste, seems to have been accepted by the Commission. Discussions have been held between the French and Italian delegations on the distribution of power from areas ceded to France.

On the domestic scene, the newly appointed Minister of the Treasury outlined the Costituente his program, which seemed to be rather well received. The keynotes were work and monetary stability. He reviewed the fiscal situation, pointing out that the deficit would be about 400,000,000,000 lire, largely due to extraordinary expenses such as the bread subsidiary and the Republic bonus. He declined to indulge in printing or borrowing to meet this deficit and called for strict economy and heavy taxes on the well-to-do -- even a capital levy seems to be contemplated -- and on Fascist profits, which has been discussed for some time. The next day the Prime Minister took the floor and reviewed the whole political situation from the outbreak of the "Corbino Crisis." He more or less demanded that the parties in the Government keep their complaints and suggestions to the privacy of the Government or get out of the Government. A motion of confidence in the Prime Minister was carried by a vote of 331 to 58, with 50 abstentions. The Prime Minister went over the ground covered by the Minister of the Treasury and called for discipline in social and labor relations. He reported that industrial production has recovered considerably, a factor which will contribute to social stability and help Italy in seeking external loans.

There have been strikes by the telephone workers, which were settled by raises of up to 70% in their basic salaries, and also the gas workers.

The Constituent Assembly sub-commissions drafting the new constitution have been progressing quite satisfactorily, although none of the really difficult problems have yet come up. Various civil rights bills have been adopted.

5. Food Situation

With reference to para 3 of Minutes of 25 September, Colonel Walker reported a further slight decline in the level of wheat stocks, which now are sufficient to maintain the present ration for 99 days.

6. Fuel Situation

With reference to para 4 of Minutes of 25 September, Colonel Walker stated that coal arrivals during September amounted to approximately 682,000 tons, 12,000 tons of which came from Poland. October arrivals are expected to be

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number of Allied vehicles are surplus vehicles disposed of to other agencies and individuals, and recommending that AFHQ should make a public statement in this connection.

5. Political Resume

Mr. Greene gave a brief review of the general political situation. At the Paris Conference the accent during the past week has been on speed. Most of the articles of the Italian draft peace treaty, except those on Trieste, have been discussed and voted on. The one-year postponement of the disposition of the Italian colonies was accepted, which evoked some bitterness in the Italian press. With regard to Trieste, a deadlock seems to have been arrived at. On the other hand, the so-called French Line, other than around the proposed free state of Trieste, seems to have been accepted by the Commission. Discussions have been held between the French and Italian delegations on the distribution of power from areas ceded to France.

On the domestic scene, the newly appointed Minister of the Treasury outlined the Costituente his program, which seemed to be rather well received. The keynotes were work and monetary stability. He reviewed the fiscal situation, pointing out that the deficit would be about 400,000,000,000 lire, largely due to extraordinary expenses such as the bread subsidiary and the Republic bonus. He declined to indulge in printing or borrowing to meet this deficit and called for strict economy and heavy taxes on the well-to-do -- even a capital levy seems to be contemplated -- and on Fascist profits, which has been discussed for some time. The next day the Prime Minister took the floor and reviewed the whole political situation from the outbreak of the "Corbino Crisis." He more or less demanded that the parties in the Government keep their complaints and suggestions to the privacy of the Government or get out of the Government. A motion of confidence in the Prime Minister was carried by a vote of 331 to 58, with 50 abstentions. The Prime Minister went over the ground covered by the Minister of the Treasury and called for discipline in social and labor relations. He reported that industrial production has recovered considerably, a factor which will contribute to social stability and help Italy in seeking external loans.

There have been strikes by the telephone workers, which were settled by raises of up to 70% in their basic salaries, and also the gas workers.

The Constituent Assembly sub-commissions drafting the new constitution have been progressing quite satisfactorily, although none of the really difficult problems have yet come up. Various civil rights bills have been adopted.

5. Food Situation

With reference to para 3 of Minutes of 25 September, Colonel Walker reported a further slight decline in the level of wheat stocks, which now are sufficient to maintain the present ration for 99 days.

6. Fuel Situation

With reference to para 4 of Minutes of 25 September, Colonel Walker stated that coal arrivals during September amounted to approximately 682,000 tons, 12,000 tons of which came from Poland. October arrivals are expected to be 600,000 tons. The allocation from the Ruhr has been cut to 50,000 tons.

Crude oil is expected about 15 October, which will permit the refineries at Bari and Naples to start operating before the end of the month.

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7. Power Situation

With reference to para 5 of Minutes of 25 September, Colonel Walker stated that the power situation in Central and Southern Italy continues to be serious because of the water shortage. No information has been received on the gas strike.

8. Repatriation of POW's

General Goulburn reported that British authorities have ordered that after 1 November no repatriation ships which also carry British personnel or material will call at Naples or Taranto but instead will go to Venice. Facilities for handling POW's exist at Naples and Taranto but there are no facilities at Venice and in addition, the displaced persons situation at Venice is difficult right now. General Goulburn has written to GHQ CMF pointing out the difficulties and requesting that Taranto or Brindisi be used for the POW's. General Goulburn reported that 3000 POW's are due from Australia and 6000 from India, and the Chief Commissioner suggested that this information be furnished to the press.

9. Italian Army

General Goulburn reported that he had observed recent Italian Army exercises and stated that the morale of the troops is good and that good types of men are being called up now because the services are able to pick and choose.

10. Detachment of Brigadier Lush

The Chief Commissioner announced with the very deepest regret that Brigadier Lush, who has served with the Allied Commission during its entire life, is to leave the AC this week and return to civil life in the service of his government on the Intergovernmental Committee for Refugees in Germany and Austria. Brigadier Lush's first association with the AC was when he became SCAO of the 15th Army Group. All in the AC had occasion to work with him most gratifyingly at a time when AC was not unified with AMG. In January 1944 he became General MacFarlane's Executive Commissioner and in June 1944 Executive Commissioner to Admiral Stone. The Chief Commissioner stated that he found it difficult to thank Brigadier Lush for his brilliant and hard working discharge of his duties, and stated that regardless of different nationality and service he could not ask for greater loyalty and greater asistance than Brigadier Lush has rendered. He expressed the greatest regret at Brigadier Lush's leaving and wished him, on behalf of all members of the AC, success and good fortune in his new position. 75

Brigadier Lush thanked the Chief Commissioner for his good wishes and expressed his sorrow at leaving the AC. He thanked the Chief Commissioner and his colleagues for the assistance, advice, and tolerance shown him in his association with the AC.

11. Liaison Office at Tenda

Brigadier Carr reported that on instructions received from AFHQ, the ACLO will be withdrawn from Tenda on 15 October.

Next Vice Presidents' Meeting: Wednesday, 9 October 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Soviet Representative, AC
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Chief Legal Adv.

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 5 51/80

25 September 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 25 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Ellery W. Stone, Brigadier Lush, Brigadier Carr, Colonel Walker, Mr. Greene, Mr. Hankey, Lt Col March, Colonel Fiske, Commander Bahlmann, Lieutenant Colonel Ross, Colonel Hannaford, Captain Judkins, Lieutenant Commander Golubov, Capitaine de Villefosse.

1. Future of Allied Commission

The Chief Commissioner stated that there was no change in the situation as expressed in paragraph 1 of Minutes of 18 September. He added, however, that General Lee had returned from Washington and there might be some new developments before long. The Chief Commissioner also stated that the trend in London, as reported by Brigadier Lush, is to set up one or two sections of AFHQ in Rome if the decision is taken to abolish AC.

2. Political Resume

74

Mr. Hankey gave a brief summary of the political news of the week.

In Italy the week was notable for the end of the political crisis brought about by Minister Corbino's resignation. At the Paris peace conference gradual progress had been made in eliminating points of disagreement, the exception being the Trieste statute.

By September 21 it became virtually certain that the French proposals for the Italo-Yugoslav line and the Free Territory of Trieste would be adopted. Italy would keep Gorizia and Pola would go to Yugoslavia. The Russian bloc voted against certain Yugoslav claims, but the promise of progress that might have resulted from this move was countered by the hostility of the Yugoslavs, who threatened not to sign the treaty if decisions were unfavorable. The adoption of the French proposals also brought out a letter of protest from Bonomi to the Political and Territorial Commission in which he maintained that Italian interests were not being taken into consideration.

A deadlock developed on the question of the Trieste statute over the conflicting views of the Anglo-American and Russian drafts in regard to the powers of the Governor. The Anglo-Americans contended that, given the local rivalries prevailing in Trieste, the city was not ready for a government solely by legislature; the Russians, on the other hand, claimed the people were sufficiently responsible to be trusted.

According to press announcements, Italo-Yugoslav conversations continued during the week and it was reported that general agreement had been reached. But on September 24 Signor Bonomi denied that any officially sponsored conversa-

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Office of the Chief Commissioner
APO 794

CC 5 51/80

25 September 1946

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On September 18 the question of the military clauses of the treaty was brought before the Military Committee again. Various amendments were recommended, the most important being: revision of the military clauses every five years; preservation of Italian defenses and non-offensive armaments; increase of the fleet to 80,000 tons and of its personnel to 30,000. However, all of them were rejected except for recognition of the Italian right to substitute inadequate war material from Allied war surplus stocks.

On September 22 an article of the treaty ceding the Dodecanese islands to Greece was approved. In this connection the Greek Government announced that Italians residing on the islands would not automatically acquire Greek citizenship. On the same day the Alto Adige agreement reached between Italy and Austria was incorporated into Article 10 of the treaty, and, following Australian and American proposals, Article 13 now provides for protection of individual rights and freedom of Italian minorities in territories to be transferred. In both cases the Russian group of powers voted against adoption of the proposals.

The question of disposition of the Italian colonies was under discussion during the week and brought forth an appeal from Bonomi against two points in the draft: the immediate renunciation of Italian rights to Lybia, Eritrea, and Somaliland; continuance of the existing administration of the colonies during the year's postponement. Press reaction was doubtful of Italy's chances in obtaining a revision.

In the field of interior politics, on September 19 the appointment of Signor Bertone (Christian Democrat) as Minister of Finance was announced. During the week De Gasperi made a speech of which the main points were: certain new taxes should be imposed in order to facilitate launching of a loan; a return to normal labor relations to the end of stopping strikes, thereby increasing production and halting rising prices; condemnation of strikes of state employees; establishment of agricultural cooperatives; keeping down of prices through stricter control of rationed commodities, special distribution of prime necessities in large centers, communal food distributing centers, and popular restaurants. The speech was greeted by the press with general disappointment and "Risorgimento Liberale" characterized it as simply a "routine administrative speech." The speech was followed by meetings of all four government parties. De Gasperi resigned as secretary general of the Christian Democrat party becoming President instead. The Republicans decided to stay in the government after having threatened to withdraw.

On September 27 it was announced that the Liberal and Italian Democratic parties would merge and form the Partito Liberale Italiano. On September 19 the press reported a meeting of the CGIL during which the organization proposed: tightening up of rationing; minimum wages; midweek holidays; a forty-hour week. Concern was expressed over the danger of inflation and raising of wages. The meeting, however, was inconclusive. During the week some progress was made in allotting uncultivated land but some illegal seizures were reported. Two incidents occurred of public disorder -- an attack on the Palermo radio station and interference with electric installations in the Val d'Aosta which caused interruption of the Turin lighting system for several hours.

3. Food Situation

Colonel Walker reported that there has been a further additional slight decline in the level of wheat stocks amounting to 10 days' supply of bread and pasta. The stocks now held are sufficient for 10½ days.

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4. Fuel Situation

Colonel Walker reported that due to the delay of arrival of crude oil in Italy, the refineries at Bari and Naples will not be able to commence operations on 1 October as planned. It is expected that they will be able to start about the fourth week in October.

5. Power Situation

Colonel Walker stated that in Central and Southern Italy, due to drought, the production of hydro power has been considerably curtailed. All thermal plants are working to full capacity. In Northern Italy the electricity situation is good.

6. Repatriation of Italian POW's

Colonel Fisko reported that there are still 73,000 Italian POW's abroad, of which 17,000 are reportedly in Russia and Yugoslavia and the remainder in South and East Africa, India, and Australia. Some 10,500 are scheduled for repatriation from the latter countries in October, with the possibility of that figure being increased.

7. Allied Personnel and Italian Courts

Colonel Hannaford stated he wished to bring up the question of Italian jurisdiction over Allied personnel since in future the Commission might be confronted with such cases. At the present time Italian courts had no jurisdiction over Allied military personnel. Consequently, it was not possible for a member of the Allied Forces to seek redress from an Italian citizen in these courts. The only competent jurisdiction was AMG courts which the Allies had the right to convene under the terms of restoration of territory. Whether the Italian courts should now assume jurisdiction over Allied civilians was a matter for AFHQ to decide as the Italian Government was reluctant to take such responsibility on its own initiative. The Chief Commissioner observed that in order to approach the question properly the views of more than one government would have to be obtained. He suggested the whole matter be brought before AFHQ.

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Next Vice Presidents' Meeting: Wednesday, 2 October 1946, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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S E C R E T

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/79 18 September 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 18 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Ellery W. Stone, Brigadier Carr, Colonel Walker, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Rear Admiral Warren, Colonel Fiske, Colonel Hannaford, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Captain Judkins, Colonel Savko, Capitaine de Villefosse.

1. Future of Allied Commission

The Chief Commissioner stated that there were no developments in connection with the revised armistice but added that the possibility existed of AC being abolished whether the Italian Government signed the new terms or not. It is expected that the plan proposed in the revised armistice would in that case become effective and that a special section of AFHQ would be established (probably in Rome) to control and direct the three service subcommissions -- Land Forces, Air, and Navy. There is still doubt as to whether the remaining functions of the Commission -- such as displaced persons, liaison work -- would be handled by that special section or by another smaller one. The Chief Commissioner added that the matter remains unresolved but that the next two weeks might see some progress made along that line. -72

2. Disposition of Italian Navy Units

The Chief Commissioner called attention to an article in the "Rome Daily American" of 18 September 46 in which were expressed the views of Captain Pryce, US Navy, a member of the peace conference's military commission. These were to the effect that submarines and other excess submarine equipment should be sunk as was done in the case of German and Japanese vessels. The Chief Commissioner stated that he personally did not subscribe to Captain Pryce's position and wished to make it clear that the latter's views did not reflect his own. The Chief Commissioner added that his recommendation had been that any excess tonnage should be scrapped so that Italy might have the benefit of salvageable material.

3. Political Resume

Mr. Greene gave a brief resume of the political events of the week. Interest was centered largely on Italian domestic problems rather than on the peace conference.

A government crisis was precipitated by Minister Corbino's resignation of his post as Minister of the Treasury. There has been a considerable number of meetings of a committee of ministers with the director of the Bank of Italy in an attempt to formulate a government economic plan and policy. Following the cabinet meeting of Monday, 16 September, it seems likely that the Prime Minister will report to the Constituent Assembly in the next day or two, throwing the whole [illegible] together with the points on which there has been agreement, before the

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SECRET

The government crisis has had repercussions among the parties in the field of party politics, and there seems to be a trend towards diminution of the large number of parties and consolidation of their forces. There have been rumors that the Labor-Democrat, Liberal, and Uomo Qualunque parties would merge. The Secretary General of the Uomo Qualunque party would not precisely deny them but instead indicated there were several points on which agreement had not been reached. Another reported impending merger is that of the Action party and the Socialists, which, however, has been denied by the Action party's newspaper.

Proposals have been made for an internal loan and agreement between labor and management to the end of wage stabilization. After that is accomplished the internal problem of full production would be tackled, considering that more production means more work. The ultimate end of all this would be mainly the stabilization of the lira as an indispensable step towards Italian rehabilitation.

The Secretary General of the Communist party, Signor Togliatti, in a speech over the week-end dealt largely with the economic situation, urging that steps be taken to alleviate the economic position of the country and of the working classes. In a later newspaper interview, he characterized relations between the three major parties as unsatisfactory and claimed that the unity of action pact between the Socialist and Communist parties had not been operating too well.

In Paris, peace conference proceedings continued as in previous weeks. There seems to be a general effort to speed up the work of the conference and the several commissions have been asked by the Secretary General to complete their tasks by October 5, so that the full conference may wind up in time for the UNO General Assembly in New York on October 23.

In connection with the Italian treaty, Alberto Tarchiani, Italian Ambassador to the United States, appeared before the Economic Commission and made a plea for moderation on reparations plans and rationalization of those already agreed upon. He also asked for a moratorium providing that a five-year interval should be allowed to lapse between the ratification of the treaty and the first payments of reparations. Another point touched upon was Article 69 providing for confiscation of Italian assets abroad; here, too, he asked for moderation and rationalization.

Trieste continued to be a difficult problem at the conference. The Italian Political Territorial Commission set up a subcommission to study the problem of the statute and on the same day the American delegation withdrew its proposals on the Italo-Yugoslav border line and the boundaries of the Free Territory. The Italian delegation proposed that a plebiscite in the disputed territory of Venezia Giulia should be held and used as a basis for fixing the line, contending that both Italy and Yugoslavia seemed to agree on two fundamental points: 1) that the line should be ethnic; and 2) that the wishes of the people in the disputed area should be taken into account. Also, there have been reports, not denied as yet, of direct consultations between members of the Italian and Yugoslav delegations on the subjects of the Free Territory, the statute, and administration of the Free Territory.

Still in connection with the Trieste question, Signor Reale, the Italian Ambassador to Poland, published an editorial in "Unita" previous to his return to [illegible] that the Trieste problem should be settled by direct

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The government crisis has had repercussions among the parties in the field of party politics, and there seems to be a trend towards diminution of the large number of parties and consolidation of their forces. There have been rumors that the Labor-Democrat, Liberal, and Uomo Qualunque parties would merge. The Secretary General of the Uomo Qualunque party would not precisely deny them but instead indicated there were several points on which agreement had not been reached. Another reported impending merger is that of the Action party and the Socialists, which, however, has been denied by the Action party's newspaper.

Proposals have been made for an internal loan and agreement between labor and management to the end of wage stabilization. After that is accomplished the internal problem of full production would be tackled, considering that more production means more work. The ultimate end of all this would be mainly the stabilization of the lira as an indispensable step towards Italian rehabilitation.

The Secretary General of the Communist party, Signor Togliatti, in a speech over the week-end dealt largely with the economic situation, urging that steps be taken to alleviate the economic position of the country and of the working classes. In a later newspaper interview, he characterized relations between the three major parties as unsatisfactory and claimed that the unity of action pact between the Socialist and Communist parties had not been operating too well.

In Paris, peace conference proceedings continued as in previous weeks. There seems to be a general effort to speed up the work of the conference and the several commissions have been asked by the Secretary General to complete their tasks by October 5, so that the full conference may wind up in time for the UNO General Assembly in New York on October 23.

In connection with the Italian treaty, Alberto Tarchiani, Italian Ambassador to the United States, appeared before the Economic Commission and made a plea for moderation on reparations plans and rationalization of those already agreed upon. He also asked for a moratorium providing that a five-year interval should be allowed to lapse between the ratification of the treaty and the first payments of reparations. Another point touched upon was Article 69 providing for confiscation of Italian assets abroad; here, too, he asked for moderation and rationalization.

Trieste continued to be a difficult problem at the conference. The Italian Political Territorial Commission set up a subcommission to study the problem of the statute and on the same day the American delegation withdrew its proposals on the Italo-Yugoslav border line and the boundaries of the Free Territory. The Italian delegation proposed that a plebiscite in the disputed territory of Venezia Giulia should be held and used as a basis for fixing the line, contending that both Italy and Yugoslavia seemed to agree on two fundamental points: 1) that the line should be ethnic; and 2) that the wishes of the people in the disputed area should be taken into account. Also, there have been reports, not denied as yet, of direct consultations between members of the Italian and Yugoslav delegations on the subjects of the Free Territory, the statute, and administration of the Free Territory.

Still in connection with the Trieste question, Signor Reale, the Italian Ambassador to Poland, published an editorial in "Unita" previous to his return to Paris in which he argued that: the Trieste problem should be settled by direct agreement between Italy and Yugoslavia; that these two countries must agree on administration of the Free Territory of Trieste; that the agreement should provide for equal treatment of minorities left in the three areas concerned.

After Mr. Greene had finished his resume, the Chief Commissioner observed that no matter how hopeful the Italians might be in correcting the national economy, the fact remained that when the cessation of UNRRA activities took place there was nothing in sight to provide for a continuation of the necessary flow of raw materials into the country. There is not even an indication that a

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clear external aid program will come into effect even after the peace treaty is signed. In the Chief Commissioner's opinion, the reported proposed U.S. loan of $100,000,000 would not accomplish what is needed and all depends primarily on the peace treaty. Reparation demands, he felt, would have to be scaled very far down in order to get any substantial U.S. loan. As he saw it, barter arrangements could be the only solution.

4. Food Situation

With reference to para 2 of Minutes of 11 September, Colonel Walker stated that there has been a further slight decline in the food position. Wheat stocks on hand are sufficient to maintain the present ration for 114 days.

5. Fuel Situation

With reference to para 3 of Minutes of 11 September, Colonel Walker reported that the shipping strike in the U.S. has reduced estimated September arrivals of coal from 800,000 tons to 600,000. The first five trainloads of coal -- a total of about 4,000 tons -- from Poland have arrived in Italy.

There is little change in the POL situation; stocks remain at about a 60-day level.

The retail price of POL products was raised effective 1 September as follows:

Gasoline (motor)	from 23.00	to	27.00	lire	per liter
Kerosene	" 20.45	"	28.50	"	" Kg.
Diesel Oil	" 21.00	"	24.00	"	" liter

+71

6. Forged US Naval Bills

Colonel Hannaford stated that an issue of $450,000 in alleged forged US Naval bills was in circulation. Upon receipt through the Finance Office of an inquiry from the Banca d'Italia, the Banca was advised that this was a matter to be dealt with by the Italian Government, as soon as it could be officially stated by AC (Navy S/C) that the bills in question had never been issued by a department of the US Navy.

7. Internal Italian Civil Airlines

Air Vice Marshal Brodie announced that on Monday, 16 September, contracts had been signed between the Italian Government (I.R.I.) on the one side and TWA and BEA respectively for the establishment of internal airlines. These two companies are known as LAI (Linee Aeree Italiane) and AII (Aerolinee Italiane Internazionali) respectively and should have services in operation within two or three months.

8. Appointment of Acting Executive Commissioner

The Chief Commissioner announced that in addition to his other duties, Brigadier Carr had also been appointed Acting Executive Commissioner during the temporary absence in London of Brigadier Lush.

Next Vice Presidents' Meeting: Wednesday, 25 September 1946, 1000 hours

Declassified E.O. 12356 Section 3.3/NND No. 785016

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471

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Next Vice Presidents' Meeting: Wednesday, 25 September 1946, 1000 hours

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Edward D. Sullivan

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
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Declassified E.O. 12356 Section 3.3/NND No. 785016

Chief Legal Adv.

S E C R E T

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/77

11 September 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 11 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Brigadier Hope, Rear Admiral Warren, Colonel Savko, Commander Ybert, Captain Judkins, Colonel Weber.

1. Political Resume

Mr. Hankey gave a brief resume of the general political situation. During the week the Italian press reflected the general depression caused by the unexpectedly large reparations claims put forward at Paris and by the approval almost without change of the military and naval terms of the peace treaty, and also by the fears that a government crisis would follow the resignation of Corbino.

At Paris on the 3rd the Yugoslav delegate delivered a strong speech claiming that Trieste should be incorporated into Yugoslavia and criticizing in harsh terms the Italian Government. The White Russian delegate proposed the extension of Yugoslav territory in such a manner that it would cut off Trieste from Italy. The Soviet delegate tacitly supported this proposal when he said that he hoped the minimum of justice as represented in the draft treaty proposal could be extended, reiterating, however, that the Soviets would abide by the decision of the Council of Foreign Ministers. On the same day the Polish delegate directed attention to the danger of Trieste becoming a second Danzig. The British delegate immediately pointed out that if any lesson was learned from Danzig it was that Trieste must be under the control of the UNO, stating that this is not altogether provided for in the Russian and Yugoslav drafts for the statute. He added that if the draft statute is so changed as to modify the whole concept of a free territory, the British Government would refuse to accept the change. On the 6th the Yugoslav delegate said that Yugoslavia could accept an international status for Trieste only if the free territory were limited to the town and port, adding that Yugoslavia could never renounce Gorizia and rejecting the proposal for internationalization of Istria. A Brazilian proposal to postpone discussion of the Venezia Giulia question for a year was rejected by a vote of 16 to 1. A separate subcommission has been set up to examine the statute and report to the territorial commission when a decision has been reached.

Reparations claims now put forward total 4,032,500,000 pounds sterling, of which 2,880,000,000 pounds sterling represent the British claim

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CC 551/77

11 September 1946

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Reparations claims now put forward total 4,032,500,000 pounds sterling, of which 2,880,000,000 pounds sterling represent the British claim. The large British claim came as somewhat of a bombshell to the Italians who had expected Britain to renounce her rights to reparations. It was explained, however, that the big British claim was made only to put in proportion the claims by smaller powers, and to emphasize the size of British losses. Britain renounced all reparations but reserved the right under Article 69 of the draft treaty to seize certain classes of Italian property situated in her territory. On 5 September

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De Gasperi was moved to appeal to the 21 nations to reduce the claims so as not to force Italy into insolvency. He pointed out that emigration of Italian workers might stop if the workers believe their wages would be subject to seizure. He pointed out the vital importance to Italy of obtaining the U.S. loan which would not be granted if the proceeds would go to pay reparations. He repeated his request for postponement of the Italian peace until after the German peace had been settled. He concluded by saying that the Constituent Assembly must ratify the treaty and there was no guarantee that this would be done if the terms were too harsh.

The military and naval clauses of the treaty were adopted virtually in the same form as proposed. In the course of the discussions it was established that if an old ship is lost it cannot be replaced by a new one.

Perhaps the most important development of the week was the announcement by the Austrian Legation at Paris of the agreement with the Italian Government for the safeguarding of the rights of the inhabitants of the Alto Adige. The agreement provides for the safeguarding of the ethnical character and cultural and economic development of the German-speaking population. An autonomous government is to be set up after consultation with the German-speaking population, and persons forced to leave the area as a result of the Hitler-Mussolini agreement of 1939 would be allowed to return. Italian press comment at first was somewhat unfavorable but subsequently the agreement was hailed as a remarkable step forward.

On 4 September Corbino declared that there was urgent need to float a state loan but that it was impossible in an atmosphere of Communist attacks and that he had resigned at this time because a longer wait might have been fatal. The Communist case as exposed in "Unita" is that the government policy is condemned by the bad condition of the workers, the paralysis in production, and the unchecked increase in speculation.

On 6 September the Council of Ministers met under Nenni, who read a message from De Gasperi stating that Corbino had agreed to stay until de Gasperi's return from Paris. The Minister of War reported that the partisan difficulties had ended, and the Council passed several measures granting some of their demands. The Council discussed the food situation and the press reported that two measures were passed, one establishing subsidized popular restaurants, and the other establishing an organization to bring about speedier and more economical distribution of food at minimum prices. The Constituent Assembly will meet on 11 September to discuss foreign policy and internal affairs. Meanwhile, the subcommission of the Constituent Assembly has continued its study of the new constitution and has agreed on the principle of a second chamber.

Internal affairs in the country are characterized by a strike of civil servants throughout northern Italy for a 30% increase in salaries. Nenni has met with a group of economic experts to discuss the situation with regard to rising prices, a preliminary to the holding of a national economic conference.

Press comment indicates that the crisis originally expected may not develop. Togliatti has stated that the Communists are ready to maintain the government's program if urgent questions are dealt with immediately. Only in the Christian Democrat party does the press see a tendency of the anti-communist elements to use this opportunity to bring matters to a head with the exclusion of the Communist party from the government. This stand, the press suggests, may be encouraged by the return to Italy of De Sturzo, the founder of the party.

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Declassified E.O. 12356 Section 3.3/NND No. 78 5016

Captain Judkins added that there are press reports indicating that Nenni will take over the Foreign Ministry without waiting for the signature of the peace treaty.

2. Food Situation

With reference to para 3 of Minutes of 4 September, Brigadier Carr stated that there has been a slight decline in the food position. Wheat stocks on hand are sufficient to maintain the present ration for 128 days. Provisional target figures have been set for cereals other than wheat.

3. Fuel Situation

With reference to para 4 of Minutes of 4 September, Brigadier Carr stated that 911,000 tons of coal arrived in August, which is a post-war high record. September arrivals are estimated at 800,000 tons, of which 600,000 tons have already been allotted, the remaining 200,000 tons to be held in reserve. It has been stated that the first trainload of coal from Poland is now en route to Italy. There is no change in the POL situation. There has been a rise in POL prices with effect from 1 September but exact information on the rise is not yet available.

4. Labor Situation

With reference to para 5 of minutes of 4 September, Brigadier Carr stated that approval has not yet been received for the payment of the Republic Bonus for Allied employees.

5. Italian Army Demonstration

Brigadier Hope stated that an interesting demonstration at the Army recruit training center at Orvieto was held on 4 September, to which military representatives of the foreign powers in Rome were invited. The Italian press was also invited but unfortunately the transport for the press broke down, delaying the reporters and causing them to miss lunch. Press reports were not favorable, complaints being made at the attendance of the foreign observers and the use by the Army of British-type uniforms and British rifles, although -- Brigadier Hope added -- the Italian rifle is a 57-year old model and the uniforms were actually of Italian design and material.

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Next Vice Presidents' Meeting: Wednesday, 18 September 46, 1000 hours

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EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting: Wednesday, 13 September 46, 1000 hours

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Edward D.S. Sullivan

EDWARD D.S. SULLIVAN
Major, Air Corps
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
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Mr. Harlan Cleveland, UNRRA

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HQ. AC.
LEGAL (CIRCULATING)

DATE : 1946	PLEASE INITIAL
Col. JOHN K. WEBB	
Col. J.J. CARNES	
Lt.Col. T.G. HAMMAFORD	
Lt.Col. L.R. HOLMES	
Major D.D. Mc COMM	
Major L.J. GILBRIDE	
Judge M. THOMAS	

PLEASE PASS QUICKLY

Chief Secl Bch.

H

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/77

4 September 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 4 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

1. Safe Driving

With reference to para 10 of Minutes of 28 August, the Executive Commissioner stated that the "Rome Daily American" had published figures released by the RAAC authorities showing the large number of Allied vehicles driven by Italian civilians, although accepting responsibility for all Allied vehicles regardless of nationality of driver.

2. Political Resume

Mr. Greene gave a brief resume of the general political situation. On 28 August the Costituente commission on treaties heard a report by De Gasperi on his negotiations and contacts in Paris and after full discussion reportedly approved a motion put forward by Terracini expressing confidence in the Prime Minister's work in Paris and in the work of the delegation and hoping that it would continue. On the same day Saragat appeared before the political-territorial commission examining the Italian treaty in Paris and discussed the problems with regard to the French frontier. The following day Saragat met with the Yugoslav delegate and reportedly exchanged friendly expressions. Other commissions examining the Italian treaty continued to meet. The economic committee set a deadline for submission of reparations claims, the total now being quite large. Agreement has been reached only on the Russian claim for $100,000,000. The political-territorial commission is now turning to the Venezia Giulia problem. Bonomi appeared before this commission, restating Italian claims, and on 3 September the Yugoslav delegate rebutted Bonomi's speech. Italian official and unofficial delegations in Paris have continued to seek support for Italy. The CGIL delegation, which attracted some attention, called on Molotov who reportedly expressed great interest in Italy's economic problems. In the matter of reparations Molotov explained that Russia intended to send raw materials to Italy and indicated that after satisfactory economic arrangements had been completed between the two countries, Russia would be prepared to send even more raw or semi-processed materials to Italy. Mr. Byrnes stated that the U.S. was not prepared to grant a loan to Italy until the reparations questions had been settled.

The Partisan troubles seem to have pretty well died down with the passage by the government of measures designed to meet some of their demands.

Declassified E.O. 12356 Section 3.3/NND No. 785016

Office of the Chief Commissioner
APO 794

CC 551/77

4 September 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 4 September 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Hankey, Air Vice Marshal Brodie, Major General Goulburn, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

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The Partisan troubles seem to have pretty well died down with the passage by the government of measures designed to meet some of their demands.

On 29 August Minister Corbino submitted, with the reported agreement of the Ministers of Finance and Foreign Trade, two measures designed to prevent speculation in exchange which might weaken the position of the lira. At the meeting of the Council on 29 August the Council reportedly adopted the measures, one a proposed 25% tax on capital revaluation, and the second to revise the procedure by which exporters were granted 50% of the foreign exchange proceeds

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of the exports. On 3 September the press carried extensive reports that Corbino had sought to resign, saying he could no longer tolerate Communist public attacks on him personally and the government, when, he said, the Communists agree to decisions reached in cabinet sessions. He charged that the Communist Party seems to desire to precipitate a government crisis and after events of ten days ago, now prefers to use economic policy rather than foreign policy as the basis. The Minister of Finance did reply that he felt the government's economic policy had been a failure so far, pointing out the attempts the Communist Party had made to alter it. De Gasperi apparently has prevailed on Corbino to wait until he can return from Paris to take the matter in hand. A further indication of the general disquiet on economic grounds is reflected in an address by De Vittorio of the Communist Party to a workers' meeting in Milan, saying that unless the government takes a firm stand in reducing the cost of living or increasing wages, the workers might demand the formation of a new government.

3. Food Situation

With reference to para 5 of Minutes of 28 August, Brigadier Carr reported a drop in amassing to 42,000 tons during the week. The Italian Government has however raised the provisional target figure from 2,300,000 to 2,500,000 tons. On the basis of the new target, 77.7% of the target figure has been amassed.

4. Fuel Situation

Brigadier Carr reported that it is estimated that 800,000 tons of coal arrived in August. With regard to POL, it is anticipated that refineries in Naples and Bari will start production during September and 150,000 tons of crude oil covering a three-month programme have been ordered forward. It is expected that this will save $500,000 in credits. All prices of POL are expected to be raised in the very near future.

5. Labor Situation

Brigadier Carr reported that the Italian decree authorizing the payment of the Premium of the Republic bonus by private employers has been promulgated. No decision has yet been taken with regard to Allied employees. AFHQ have approved the increase in the cost of living bonus for Allied employees effective 1 August.

6. Italian Press

Captain Judkins reported that the "Rome Daily American" had carried an item to the effect that an Italian weekly had alleged the use of German POW's as guinea pigs during the atom bomb test.

7. Repatriation of Italian POW's

Admiral Warren reported that the repatriation program was proceeding satisfactorily. Brigadier Lush reported receipt of a letter from the British Ambassador outlining the program for the return of Italian POW's from Australia.

8. Admiral de Courten

Admiral Warren reported that Admiral de Courten and his wife were very seriously injured in an auto accident that had taken the life of his chauffeur.

Next Vice Presidents' Meeting: Wednesday, 11 September 46, 1000 hours

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on him personally and the government, when, he said, the Communists agree to decisions reached in cabinet sessions. He charged that the Communist Party seems to desire to precipitate a government crisis and after events of ten days ago, now prefers to use economic policy rather than foreign policy as the basis. The Minister of Finance did reply that he felt the government's economic policy had been a failure so far, pointing out the attempts the Communist Party had made to alter it. De Gasperi apparently has prevailed on Corbino to wait until he can return from Paris to take the matter in hand. A further indication of the general disquiet on economic grounds is reflected in an address by De Vittorio of the Communist Party to a workers' meeting in Milan, saying that unless the government takes a firm stand in reducing the cost of living or increasing wages, the workers might demand the formation of a new government.

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Next Vice Presidents' Meeting: Wednesday, 11 September 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Chief Secretariat

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/76

28 August 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 28 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Group Captain Jarman, Major General Goulburn, Commodore Ziroli, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

1. Wages and Hours Committee

With reference to para 1 of Minutes of 21 August, the Chief Commissioner stated that the question of paying the premium of the republic bonus to Italian civilians employed respectively by the United States and British Armies is under consideration in the War Office and War Department. However, it is expected that a decision with regard to paying the bonus to those Italian civilians employed by Allied organizations (AC, AMG, AFA, etc.) will be received shortly.

2. Move of AFHQ

With reference to para 2 of Minutes of 21 August, the Chief Commissioner stated that there is no change in the situation with respect to the move of AFHQ to the North and that the matter is expected to be settled between Field Marshal Montgomery and General of the Army Eisenhower during the Field Marshal's visit to the U.S. Brigadier Lush stated that he had been advised by the Chief of Staff, AFHQ, that the proposed move would involve no additional requisitioning of property as sufficient accommodations are already under requisition in the areas under consideration.

3. Chief Commissioner's Visit to Venezia Giulia

66

The Chief Commissioner gave a brief report on his recent inspection trip to Udine, Gorizia, and Trieste, expressing himself as being generally satisfied with conditions there. He stated that in his opinion an excellent job has been done in the organization of the Venezia Giulia police force. The situation with respect to the Morgan Line shows a high state of efficiency in the American Zone but the Chief Commissioner did not have an opportunity to observe any control posts in the zone occupied by British troops. Great work has been done in the rehabilitation of the harbor facilities. The roads have been well repaired in the area, a thoroughly creditable job having been done by both the military and AMG. At the same time, the Chief Commissioner reported that AMG had uncovered in Udine before the Chief Commissioner's visit cases of illegal movements of arms and had made very thorough investigations. Some arrests had been made and others were expected. The Chief Commissioner expressed his

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CC 551/76

28 August 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 28 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Group Captain Jarman, Major General Goulburn, Commodore Ziroli, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber.

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4. Political Resume

Mr. Greene gave a brief resume of the general political situation. With regard to the peace treaty discussions in Paris, about 250 proposed amendments to the Italian treaty were received before the deadline on the submission of amendments, many of the proposed amendments dealing with the economic clauses. Many of the countries in addition to Italy showed preoccupation with the Trieste issue. Some doubt was reflected, particularly by the Australians, as to whether the UN is so constituted as to be able to run the international zone in the manner proposed in the draft treaty.

The Italian memorandum suggesting modification of the preamble to the peace treaty received a rather frigid reception, although careful reading of the memorandum indicates that its objective was to make clear that responsibility for the war should be placed on the Fascist regime rather than on the Italian people. Both De Gasperi and Nenni denied that the memorandum was intended to offend any of the smaller nations. Nenni took occasion during the week again to back De Gasperi's handling of the work at Paris. De Gasperi returned as planned on 23 August and reported to the Council of Ministers on 24 August. According to the press, De Gasperi reported little that was not already known. He reiterated that his proposal was to postpone only the settlement of the Trieste problem and not the peace treaty. He told of his attempts to negotiate directly with the Yugoslav Government, which have failed because of the Yugoslav stand that there can be no direct negotiations with Italy until the Trieste problem is settled.

The American ultimatum to Yugoslavia regarding the two planes shot down in Yugoslav territory was given considerable coverage in the Italian papers. The talk of war which appeared in the press initially disappeared after a day or so when it was realized that the American intention was to place the matter before the UN Security Council if a satisfactory reply were not received from the Yugoslav Government.

During the week there was considerable talk of dissension and possible splits between the right- and left-wing elements in both the Socialist and Christian Democrats. As a result of the reports of the dissension, the leaders of both parties have publicly asserted their intention to maintain their respective coalitions, but the right-wing Socialists have been holding meetings and the new Christian National Party has been formed, ostensibly around a nucleus of right-wing Christian Democrats.

The situation with regard to the treatment of ex-Partisans has been highlighted by the brusque seizure of arms in Asti by a group of Partisans. The issue is whether these men are to be included in the regular police force and accorded the rights of veterans. Captain Judkins stated that the press has generally indicated sympathy with the Partisan cause, but in the main has regretted that the Partisans did not first attempt to solve their problems by more democratic procedures.

5. Food Situation

With reference to para 5 of Minutes of 21 August, Brigadier Carr stated that during the week approximately 100,000 tons of wheat have been amassed, bringing the total close to 2,000,000 tons. The premium of 300 lire originally

Declassified E.O. 12356 Section 3.3/NND No. 785016

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6. Labor Situation

Brigadier Carr reported that the republic bonus decree applicable to government and parastatal employees has been promulgated but that the other decree applicable to private industry has not yet been agreed upon.

The commission established by the government to consider the ban on dismissals of surplus workers has met. It is understood that comprehensive proposals for the relief of unemployment and public works are to be considered and linked with the question of the unblocking of dismissal of surplus workers.

7. Italian Workers in Austria

Brigadier Carr reported that some 600 workers had been transferred to Austria for brickmaking work and the Italian Government had undertaken to pay their dependents remaining in Italy 200 lire per day. This bonus has not yet been paid to the dependents, which has caused a great deal of discontent.

8. Italian Workers in Belgium

Brigadier Carr reported that arrangements have been completed for the transfer of 50,000 Italians to Belgium to work in the mines there. The Chief Commissioner stated that there have been reports of dissatisfaction with the conditions there and some of the miners already in Belgium have returned to Italy.

9. Public Order and Labor Unrest

Brigadier Carr reported a strike of transport workers in Milan which started on 26 August and also strikes at Parma and Bologna. The general situation appears to be that if the Italian Government finds a solution to the ban on dismissals and introduces further schemes to relieve unemployment labor unrest and agitation may remain dormant for the time being. The Chief Commissioner added that this also would depend on the government's success in its program to combat inflation. There have been disturbances at Mestre and Leghorn involving Allied troops and Italian civilians.

10. Safe Driving

65

The Chief Commissioner reported that he had requested the Executive Commissioner to issue instructions cautioning drivers to exercise extreme caution in driving in Italy. Allied drivers are used to more rigid control of traffic in their own countries and feel the pedestrians and motorists should be more careful. However, the pedestrians and motorists in Italy observe few rules and Allied drivers must be more careful if accidents are to be avoided. There have been severe attacks in the Italian press on Allied driving. In this connection, the Chief Commissioner regretted that the object of the MTOUSA safety campaign as stated was to protect Allies and employees of the Allies with no reference to the protection of Italian civilians. Brigadier Lush stated that he had discussed this matter with RAAC who say that the increase of accidents is due to the lack of MP's. Also, a large percentage of Allied vehicles involved in accidents are driven by Italian civilian employees.

11. Repatriation of IPOW's

Commodore Pirelli reported that the lift of Italian POW's from the Middle

Declassified E.O. 12356 Section 3.3/NND No. 785016

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11. Repatriation of IPOW's

Commodore Ziroli reported that the lift of Italian POW's from the Middle East was continuing satisfactorily. Italian men-of-war and naval auxiliaries had returned 4200 POW's during the past week.

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12. **Minesweeping**

Commodore Ziroli reported that minesweeping operations are proceeding satisfactorily. The Mediterranean Zone Board of the International Mine Clearance Committee is now in session in Rome.

Next Vice Presidents' Meeting: Wednesday, 4 September 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
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Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

LEGAL SUB COMMISSION	
CHIEF LEGAL ADVISOR	Dust
DEPUTY CHIEF LEGAL ADVISOR	
CHIEF COUNSEL	
STAFF OFFICER	
ITALIAN SECTION	
MEMBERS REVIEW BOARD	

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LEGAL SUB COMMISSION
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CHIEF COUNSEL
STAFF OFFICER
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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner

CC-551

27 August 1946.

VICE PRESIDENTS' MEETING

The regularly scheduled weekly Vice Presidents' Meeting will be held, Wednesday morning, 28 August 1945 at 1000 hours at the Chief Commissioner's Conference Room.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
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V.P. Economic Section
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Executive Officer (B)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission
Land Forces S/C
Air Forces S/C
French Representative, AC.
Soviet Representative, AC.
Public Relations Branch
Chief Legal Advisor
Mr. Cleveland, USMRA.

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JOSEPH C. RIVELY,
Major, Inf.
Staff Office to CC.

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/75

21 August 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 21 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Air Vice Marshal Brodie, Colonel Fiske, Rear Admiral Warren, Colonel Savkov, Lieutenant Colonel Cros, Captain Judkins, Colonel Weber, Mr. Cleveland.

1. Wages and Hours Committee

With reference to para 3 of Minutes of 14 August 1946, the Chief Commissioner stated that he had been informed that with effect from August 1st AFHQ has approved an increase of about 40% in the cost of living bonus payable to Italian civilians working for the Allies, but no announcement has yet been made. The premium of the republic bonus has run into a snag because it must be approved by the War Office and the War Department before it can be paid to the Italians working for the Allies. The British alone employ about 80,000 workers, and the bonus for them involves a sum of approximately 200,000 pounds sterling, and although this may be only a bookkeeping transaction, that amount is included in War Office appropriations even though the Treasury receives credit for the expenditure being made in A.M. lire. On the U.S. side, it involves an actual expenditure of appropriated funds under the revised armistice.

2. Move of AFHQ

With reference to para 4 of Minutes of 14 August, the Chief Commissioner stated that the views of the Italian Government have been received and forwarded to AFHQ with regard to the possibility of AFHQ moving to Udine or Padua, concurring in principle, requesting that requisitioning be held to a minimum, and expressing preference for Padua rather than Udine. The Chief Commissioner again emphasized that no decision has been taken and the matter is in only the discussion stage.

63

3. Political Resume

Mr. Greene gave a brief resume of the general political situation. The developments in Paris continued to hold the national interest. The press in Paris, incidentally, has been given every opportunity to know what is going on. The recent developments have not increased the optimism of the Italians; in fact, the nervous tension seemed to erupt about a week ago in talk of a government crisis as a result of disputes over De Gasperi's speech to the peace conference. The Communists and the Christian Democrats were the principal antagonists in the dispute, the Communists claiming that De Gasperi had violated instructions received from the treaty commission of the Costituente, in particular objecting to the postponement of the Trieste decision. The Communists also felt that not

Declassified E.O. 12356 Section 3.3/NND No. 785016

CC 551/75

21 August 1946

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should include southwest Istria. The Prime Minister emphasized that his proposal to postpone settlement of the Trieste problem did not mean that he proposed postponement of the peace treaty. He further maintained that his entire address had been approved by the Italian delegation and it had been approved in principle by the commission on treaties. Talk of a crisis seemed to die out within a day or two and when Togliatti returned from Paris on the 19th he observed that having a crisis at this time would be the least intelligent thing that could be done, but that he did, however, reserve the right to criticize actions of the government. In this dispute the Socialists were generally in between. Nenni publicly stated that while De Gasperi is in Paris all parties should support him.

Rumors circulated at one time that the Italian delegation would withdraw from Paris, but this rumor was promptly denied. The Prime Minister will probably return to Rome soon for a week or so but plans to return to Paris.

In Paris the Italian delegation has submitted a memorandum asking that the preamble to the Italian peace treaty be revised to more precisely attach the blame for Italy's participation in the war on the Fascist regime and to emphasize that the people played a considerable part in the overthrow of that regime. With regard to the effective date of the treaty, De Gasperi has stated publicly his opinion that the treaty would come into effect when Italy, in addition to the Big Four, will have ratified it.

On the 14th the Italian Government again circularized the prefects urging them to insure that employees and functionaries of the state keep faith with the republican regime and work together to defend its prestige. The circular also warned the prefects that the recent amnesty decree has not changed the law, warned them not to change the ration scale, and requested them to support the public works and reconstruction programs.

Rumors started about a week ago about the possible formation of a new political party to be called the Christian National Party whose objective, it is reported, is to set up an organization to the right of the Christian Democrats for those more clearly actively opposed to the left and more clearly aligned with the Church. Nothing further has, however, been heard of this report.

4. UNRRA Meeting

Mr. Cleveland gave a brief report on the UNRRA meeting at Geneva. It was decided to turn over various functions of UNRRA in the first half of 1947 to various parts of the United Nations. The two most important discussions were on supply and displaced persons. With regard to the latter, it was decided to continue UNRRA in existence until the middle of 1947 out of existing funds to give time for the IRO to take over. There was also talk of putting UNRRA displaced persons operations more in line with the IRO charter. On the supply side, the receiving nations requested continuation of UNRRA but the US and UK effectively opposed that suggestion. Final decision was to refer question of continuance of supply program to September meeting of UN General Assembly.

There were more discussions about the use of indigenous products by occupying forces, with particular reference to the Russian zone in Austria. La Guardia also stated that he would not institute any program in Korea until this problem has been met there.

A resolution was passed to turn over to the UN the United Nations' interest in the local currency funds received from the sale of UNRRA goods in receiving countries.

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having a crisis at this time would be the least intelligent thing that could be done, but that he did, however, reserve the right to criticize actions of the government. In this dispute the Socialists were generally in between. Nenni publicly stated that while De Gasperi is in Paris all parties should support him.

Rumors circulated at one time that the Italian delegation would withdraw from Paris, but this rumor was promptly denied. The Prime Minister will probably return to Rome soon for a week or so but plans to return to Paris.

In Paris the Italian delegation has submitted a memorandum asking that the preamble to the Italian peace treaty be revised to more precisely attach the blame for Italy's participation in the war on the Fascist regime and to emphasize that the people played a considerable part in the overthrow of that regime. With regard to the effective date of the treaty, De Gasperi has stated publicly his opinion that the treaty would come into effect when Italy, in addition to the Big Four, will have ratified it.

On the 14th the Italian Government again circularized the prefects urging them to insure that employees and functionaries of the state keep faith with the republican regime and work together to defend its prestige. The circular also warned the prefects that the recent amnesty decree has not changed the law, warned them not to change the ration scale, and requested them to support the public works and reconstruction programs.

Rumors started about a week ago about the possible formation of a new political party to be called the Christian National Party whose objective, it is reported, is to set up an organization to the right of the Christian Democrats for those more clearly actively opposed to the left and more clearly aligned with the Church. Nothing further has, however, been heard of this report.

4. UNRRA Meeting

Mr. Cleveland gave a brief report on the UNRRA meeting at Geneva. It was decided to turn over various functions of UNRRA in the first half of 1947 to various parts of the United Nations. The two most important discussions were on supply and displaced persons. With regard to the latter, it was decided to continue UNRRA in existence until the middle of 1947 out of existing funds to give time for the IRO to take over. There was also talk of putting UNRRA displaced persons operations more in line with the IRO charter. On the supply side, the receiving nations requested continuation of UNRRA but the US and UK effectively opposed that suggestion. Final decision was to refer question of continuance of supply program to September meeting of UN General Assembly.

There were more discussions about the use of indigenous products by occupying forces, with particular reference to the Russian zone in Austria. La Guardia also stated that he would not institute any program in Korea until this problem has been met there.

A resolution was passed to turn over to the UN the United Nations' interest in the local currency funds received from the sale of UNRRA goods in receiving countries.

It was decided that procurement as well as shipments can continue in 1947 where the money has not been expended. Mr. Cleveland stated that consequently

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UNRRA in Italy would be fully in the supply business through February or March, tapering off in April and thereafter.

5. Food Situation

With reference to para 6 of Minutes of 14 August, Brigadier Carr stated that 52,000 tons of wheat were amassed the second week in August as compared to 178,000 tons in the first week. 1,863,000 tons have now been amassed, or 78.3% of the provisional target figure of 2,300,000 tons. There have been rumors that the provisional target is to be raised to 2,500,000.

6. Fuel Situation

With reference to para 7 of Minutes of 14 August, Brigadier Carr stated that the possible POL cutbacks for two months might be 200,000 barrels and not 200,000 tons as reported in the minutes of 14 August.

7. Typhoid Outbreaks in Rome

The Chief Commissioner expressed his concern over the reports of outbreak of typhoid in certain suburbs of Rome and requested that it be called to the attention of UNRRA and suggested that the Executive Officers (A) and (B) check on whether Allied Commission personnel have been adequately inoculated.

8. Appointment as PRO

The Chief Commissioner expressed his regret at the detachment of Lieutenant Colonel Montague as Public Relations Officer and welcomed Captain Judkins as new PRO.

62

9. Decorations

The Chief Commissioner, on behalf of his staff, congratulated Rear Admiral Warren on his award by the President of the United States of the Legion of Merit, Degree of Commander, and expressed his regret that notification of this did not appear in the last AC Weekly Bulletin.

Next Vice Presidents' Meeting: Wednesday, 28 August 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)

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French Representative, AC
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Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/74 14 August 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 14 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Bocchino, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Lieutenant Colonel Marek, Colonel Fiske, Rear Admiral Warren, Lieutenant Commander Golubev, Lieutenant Colonel Cros, Lieutenant Colonel Montague, Colonel Weber.

1. Revised Armistice

With reference to para 1 of Minutes of 31 July, the Chief Commissioner reported that there was no change in the situation regarding the proposed armistice revision except that he had been informed that a financial supplement to the American agreement to accompany the proposed revised armistice was en route to him from MTOUSA for presentation to the Italian Government.

2. Peace Treaty

With reference to para 2 of Minutes of 31 July, the Chief Commissioner stated that he had nothing further to add to what has already appeared in the press with regard to the peace treaty.

3. Wages and Hours Committee

With reference to para 4 of Minutes of 31 July, the Chief Commissioner stated that the first sentence should be amended to read that the Wages and Hours committee had recommended that the "Premium of the Republic" bonus be paid to Italian civilians working for the Allies. AFHQ have not yet approved this recommendation and the Chief Commissioner has recommended on 13 August to AFHQ that this bonus be paid. -61

4. Move of AFHQ

The Chief Commissioner stated that consideration has been given to the move of AFHQ to the North, two points under consideration being Udine and Padua. The question is only in the discussion stage and no decision has been taken on even the advisability of making a move. The views of the Italian Government, however, have been solicited.

5. Political Resume

Mr. Greene gave a brief resume of the general political situation. The press has been reporting very fully from Paris. The press reflected a certain pessimism at the delay of the peace conference in getting down to work, particularly on the Italian peace treaty. The delay was necessitated by the debates on procedural matters. The press has not entirely heeded the Prime

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CC 351/74

14 August 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 14 August 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

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During the first days of August the Government reacted to the draft terms as published with particular emphasis on the economic terms, which caused grave concern to the Government. The press reacted accordingly. The Government issued a communique denying a United Press story that the Italian Government had warned the American Government to expect drastic changes in Italian foreign policy.

Nenni's visit to the capitals of Northern Europe ended with his return to Rome on 5 August, reporting immediately to the Council of Ministers. He also made certain statements to the press, saying that his trip had the double objective of informing the governments of the Italian views and of ascertaining for the Italian Government what reactions could be expected from the other countries. He said that the proposed solution of the Venezia Giulia problem should include Pola and the west coast of Istria in the international zone. He said that while the colonial settlement is postponed Italian sovereignty should not be denounced. Finally, he observed that of the terms in the peace treaty, the economic terms were the most likely to be altered favorably for Italy.

Invitations for Italy to attend the peace conference were received on 3 August and on the 7th the Prime Minister and his party took off for Paris. On his departure De Gasperi said he felt himself considered as four-fifths defeated enemy and one-fifth cobelligerent, adding that the preamble of the proposed peace treaty did not even recognize Italy's cobelligerency. On Saturday afternoon De Gasperi spoke before the plenary session of the peace conference. By and large the press praised his speech for dignity and moderation, singling out for particular emphasis De Gasperi's allusions to first, the general tenor of the proposed treaty, and second, the tragic implications of the disarmament and territorial clauses. His lengthy remarks on the Venezia Giulia settlement as adopted by the Council of Foreign Ministers were likewise emphasized, as well as his criticism of the abandonment of the solution according to ethnic principles. The following day the press gave considerable publicity to the rebuttal by the Yugoslav delegate in which he attempted to refute De Gasperi's remarks point by point along familiar lines.

On 9 August Togliatti left from Milan for Paris where he said he would see old friends in the French Communist party. There is no indication as to when he will return.

There have been several demonstrations in northern cities against the peace treaty and the Undersecretary for Home Affairs has circularized the prefects, asserting that a sense of responsibility and discipline must be impressed on the people.

There have been disturbances in Sicily in connection with the wheat amassing program, with the Carabinieri being called out to enforce the amassing. On 8 August Nenni reported to the Council that public order had been restored.

In the northern part of the country the demonstrations and discontent are in terms of labor problems. The industrialists have declined to pay the "premium of the republic" until they are allowed to dismiss surplus workers, but the Government has issued a decree that the premium must be paid. The Government has appointed a commission to investigate labor problems in specific areas. The Commission is to report to the Government by the end of September

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6. Food Situation

With reference to para 7 of Minutes of 31 July, Colonel Walton stated that the amassing is going along very well, except in Sicily and the South of Italy.

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1,800,000 tons have been amassed of what is expected to be a target figure of 2,300,000 tons, which means that 76% of that goal has been amassed, comparing favorably with the years 1941, 1942, and 1943. It is anticipated that there will be a 50% improvement in cereal production over last year's production. There has been a noticeable drop in bread and pasta prices, the prices in Rome decreasing approximately 35%.

7. Fuel Situation

With reference to para 6 of Minutes of 31 July, Colonel Walton stated that 522,000 tons of coal was received in July, including 96,000 tons from the Ruhr. August receipts are estimated at 700,000 tons, including 100,000 tons from the Ruhr. The POL cutbacks are not expected to be as severe as formerly estimated, it now appearing that the cutback for two months will be 200,000 tons rather than a previously estimated cutback of 600,000 tons. The electricity supply in the South is suffering as a result of the drought, but the supply in the North is very good.

8. Inspection of Italian Battleships

Admiral Warren reported that the Senior British Naval Officer MidEast had inspected the Italian battleships at Bitter Lakes and reported that seldom had he seen ships so cleanly kept, which commendatory report has been transmitted to the Italian Government.

9. Liaison Groups

With reference to para 13 of Minutes of 31 July, Brigadier Lush reported that all liaison groups in the North have officially closed and several CLO's had actually left.

Next Vice Presidents' Meeting: Wednesday, 21 August, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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VP, Economic Section (3)
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Political Advisor (B)
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Air Forces S/C
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American Ambassador
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G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Chief Legal Advisor

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/73

31 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 31 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Pavitt, Air Vice Marshal Brodie, Major General Goulburn, Captain Mentz, Colonel Savko, Capitaine de Villefosse, Lieutenant Colonel Montague, Colonel Weber.

1. Revised Armistice

With reference to para 1 of Minutes of 24 July, the Chief Commissioner stated that it now appears that it is probable that there will be no communication from the Italian Government on that subject prior to the departure of the Prime Minister for the peace conference at Paris.

2. Peace Treaty

With reference to para 2 of Minutes of 24 July, the Chief Commissioner stated that the Big Four powers finally agreed to release the text of the draft peace treaties and appendices on 30 July at midnight, and the Italian papers have subsequently printed the documents more or less in full. The Chief Commissioner observed that from the wording of the treaty with Italy, it appears that the treaty will become operative when ratified by the four big powers, it apparently not being necessary for Italy to ratify, although other sections of the treaty do refer to acceptance by the Italian Government of certain conditions. Having regard to the delay in ratification, particularly in the U.S. Senate, it may be some time before the treaty is ratified by the U.S.

59

3. Political Resume

Mr. Pavitt gave a brief resume of the general political situation. Togliatti spoke to the Costituente arguing in favor of party politics. He denied that the Communists had provoked disorders. He agreed with the Government's foreign policy to avoid entering any one bloc of powers. De Gasperi replied to Togliatti asking the parties to make sacrifices toward the common aim. He said that with regard to Trieste he had endeavored to deal directly with the Yugoslav Government but to no avail.

After the publication of the text of the draft treaty, the Council of Ministers met and issued a communique underlining the unanimous painful impression which the treaty had created, the mutilation of the national territory and the state of defensive impotence to which it reduced Italy. The names of the delegation to Paris were included in the communique.

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There has been outspoken criticism of the treaty in the press and the word "diktat" is constantly cropping up. The tone of the press in general has reached an unprecedented pitch of bitterness.

The initial reports from Paris on the Conference are mainly on the voting system. The Four Powers have proposed that a majority should apply in matters of simple procedure but that there should be a two-thirds majority on all fundamental questions, with the small powers upholding the principle of the simple majority on all questions. At the 30 July meeting the Yugoslavs went a step further, proposing that on ethnical decisions the interested parties

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have the right of veto. The press reported that on 31 July Mr. Byrnes would propose the two-thirds majority with the proviso that questions not obtaining the two-thirds majority should be referred back tothe Council of Foreign Ministers for further consideration.

In Italy a start has been made on drafting the constitution. The Committee charged with the work has split up the task under three subcommittees; civic rights, political structure, and economic questions. The questions of regional autonomies for Trentino, Val d'Aosta, Sicily and Sardinia are already under discussion.

On 26 July the Council of Ministers approved the decree on the "premium of the Republic" which will be granted to all employees and salaried workers, whether public or private, and all unemployed both in industry and agriculture. 3000 lire is to be paid to heads of families and 1500 lire to others. Wives of POW's are to receive 3000. The premium is to be paid in two installments, one on 10-15 August and the other on 10-15 September.

The Provisional President of the Republic on 30 July paid an official visit to the Pope with the Prime Minister, the occasion marking the mutual recognition of the Republic and the Vatican, the Pope inviting the President to continue to honor the Lateran Treaty of 1929.

4. Wages and Hours Committee

Colonel Walton reported that the "premium of the Republic" bonus will be paid to Allied workers. Agreement has been reached on an increased cost of living bonus and the chairman and secretariat have been authorized to set up figures of 85-95 lire per day. The Chief Commissioner pointed out that the Executive Memorandum 14 effective 1 July was based on statistics for the 3rd and 4th quarters of 1945 authorizing the bonus that the Italians were paying last year. As a result of the meeting of the Wages and Hours Committee, it has been decided to recommend the increase of the bonus and bring it in line with the bonus paid by Italian employers.

5. CIP Strike

With reference to para 5 of Minutes of 24 July, Colonel Walton reported that the CIP strike was settled by increasing wages to employees. The increase has been passed on to the consumer by increasing the price of gasoline 2 lire per litre and kerosene 2 lire per kilo.

6. Fuel Situation

With reference to para 6 of Minutes of 24 July, Colonel Walton stated that coal has been coming in from the Ruhr. In July about 100,000 tons were received and 120,000 tons are set up for delivery in August.

7. Food Situation

With reference to para 7 of Minutes of 24 July, Colonel Walton stated that the Agriculture Ministry is still unwilling to set a target figure due to uncertainties about the crop and retentions. The amassing is going very well.

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8. UNRRA Program

The Chief Commissioner stated that UNRRA has put out an interesting paper on what they consider Italy's economic position will be for next year. Summarized, the paper stated that $286,000,000 will be required as a loan for Italy over and above anything in the way of receipts by Italy currently in sight, although the Chief Commissioner thought the estimate was too optimistic. On the face of it, it makes a good showing by the same estimators who had figured this year's needs at $940,000,000. No loan has been made to Italy with the exception of the $25,000,000 cotton loan and authorization to pay for U.S. surpluses over a long period. Advances have been made on the troop pay account. The Chief Commissioner directed that the document be made available to the foreign representatives on the AC if they desire to see it.

9. Strength of Italian Army

The Chief Commissioner stated that under the new peace treaty the strength of the Italian Army would be set at 250,000, including 65,000 Carabinieri, although the latter figure is subject to a fluctuation of 10,000.

10. Move of 5th Territorial Region H.

General Goulburn reported that AFHQ has ordered HQ of 5th Territorial Region, Udine, to find a new location on the grounds that XIII Corps require their accommodations.

11. Repatriation of POW's

With reference to para 8 of Minutes of 24 July, General Goulburn reported that 7,923 Italian POW's, or half of those held there, would be returned to Italy from India by 14 August. It is estimated that all POW's from the U.K. will be returned by 21 August. The Chief Commissioner expressed his pleasure at the progress being made on repatriation. Captain Mentz reported that the ATTILIO REGOLO arrived at Taranto 28 July with 400 IPOW's from Egypt; the SESTRIERE arrived Naples 27 July with 1600 IPOW's from Port Said. The TOSCANA bound for Massawa to repatriate 1500 civilians to Italy is held up in Port Said while arrangements are being made to obtain sterling to pay the Canal dues.

58

12. Minesweeping

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

Next Vice Presidents' Meeting: Wednesday, 7 August, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C, MMIA (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 785016

Next Vice Presidents' Meeting: Wednesday, 7 August, 1000 hours

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J. C. Rively
C.I.C.:NR

for J. C. RIVELY
Major, Inf.
Staff Officer to CC

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Executive Commissioner
VP, Civil Affairs Section
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Political Advisor (A)
Political Advisor (B)
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Declassified E.O. 12356 Section 3.3/NND No. 785016

J. C. Rively
CVIC:NR

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Chief LEGAL Adviser

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/73 31 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 31 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Greene, Mr. Pavitt, Air Vice Marshal Brodie, Major General Goulburn, Captain Hentz, Colonel Savko, Capitaine de Villefosse, Lieutenant Colonel Montague, Colonel Weber.

1. Revised Armistice

With reference to para 1 of Minutes of 24 July, the Chief Commissioner stated that it now appears that it is probable that there will be no communication from the Italian Government on that subject prior to the departure of the Prime Minister for the peace conference at Paris.

2. Peace Treaty

With reference to para 2 of Minutes of 24 July, the Chief Commissioner stated that the Big Four powers finally agreed to release the text of the draft peace treaties and appendices on 30 July at midnight, and the Italian papers have subsequently printed the documents more or less in full. The Chief Commissioner observed that from the wording of the treaty with Italy, it appears that the treaty will become operative when ratified by the four big powers, it apparently not being necessary for Italy to ratify, although other sections of the treaty do refer to acceptance by the Italian Government of certain conditions. Having regard to the delay in ratification, particularly in the U.S. Senate, it may be some time before the treaty is ratified by the U.S. 57

3. Political Resume

Mr. Pavitt gave a brief resume of the general political situation. Togliatti spoke to the Costituente arguing in favor of party politics. He denied that the Communists had provoked disorders. He agreed with the Government's foreign policy to avoid entering any one bloc of powers. De Gasperi replied to Togliatti asking the parties to make sacrifices toward the common aim. He said that with regard to Trieste he had endeavored to deal directly with the Yugoslav Government but to no avail.

After the publication of the text of the draft treaty, the Council of Ministers met and issued a communique underlining the unanimous painful impression which the treaty had created, the mutilation of the national territory and the state of defensive impotence to which it reduced Italy. The names of the delegation to Paris were included in the communique.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

APO 794

CC 551/73 31 July 1946

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There has been outspoken criticism of the treaty in the press and the word "diktat" is constantly cropping up. The tone of the press in general has reached an unprecedented pitch of bitterness.

The initial reports from Paris on the Conference are mainly on the voting system. The Four Powers have proposed that a majority should apply in matters of simple procedure but that there should be a two-thirds majority on all fundamental questions, with the small powers upholding the principle of the simple majority on all questions. At the 30 July meeting the Yugoslavs went a step further, proposing that on ethnical decisions the interested parties

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have the right of veto. The press reported that on 31 July Mr. Byrnes would propose the two-thirds majority with the proviso that questions not obtaining the two-thirds majority should be referred back tothe Council of Foreign Ministers for further consideration.

In Italy a start has been made on drafting the constitution. The Committee charged with the work has split up the task under three subcommittees; civic rights, political structure, and economic questions. The questions of regional autonomies for Trentino, Val d'Aosta, Sicily and Sardinia are already under discussion.

On 26 July the Council of Ministers approved the decree on the "premium of the Republic" which will be granted to all employees and salaried workers, whether public or private, and all unemployed both in industry and agriculture. 3000 lire is to be paid to heads of families and 1500 lire to others. Wives of POW's are to receive 3000. The premium is to be paid in two installments, one on 10-15 August and the other on 10-15 September.

The Provisional President of the Republic on 30 July paid an official visit to the Pope with the Prime Minister, the occasion marking the mutual recognition of the Republic and the Vatican, the Pope inviting the President to continue to honor the Lateran Treaty of 1929.

4. Wages and Hours Committee

Colonel Walton reported that the "premium of the Republic" bonus will be paid to Allied workers. Agreement has been reached on an increased cost of living bonus and the chairman and secretariat have been authorized to set up figures of 85-95 lire per day. The Chief Commissioner pointed out that the Executive Memorandum 14 effective 1 July was based on statistics for the 3rd and 4th quarters of 1945 authorizing the bonus that the Italians were paying last year. As a result of the meeting of the Wages and Hours Committee, it has been decided to recommend the increase of the bonus and bring it in line with the bonus paid by Italian employers.

5. CIP Strike

With reference to para 5 of Minutes of 24 July, Colonel Walton reported that the CIP strike was settled by increasing wages to employees. The increase has been passed on to the consumer by increasing the price of gasoline 2 lire per litre and kerosene 2 lire per kilo.

6. Fuel Situation

With reference to para 6 of Minutes of 24 July, Colonel Walton stated that coal has been coming in from the Ruhr. In July about 100,000 tons were received and 120,000 tons are set up for delivery in August.

7. Food Situation

With reference to para 7 of Minutes of 24 July, Colonel Walton stated that the Agriculture Ministry is still unwilling to set a target figure due to uncertainties about the crop and retentions. The amassing is going very well.

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8. UNRRA Program

The Chief Commissioner stated that UNRRA has put out an interesting paper on what they consider Italy's economic position will be for next year. Summarized, the paper stated that $286,000,000 will be required as a loan for Italy over and above anything in the way of receipts by Italy currently in sight, although the Chief Commissioner thought the estimate was too optimistic. On the face of it, it makes a good showing by the same estimators who had figured this year's needs at $940,000,000. No loan has been made to Italy with the exception of the $25,000,000 cotton loan and authorization to pay for U.S. surpluses over a long period. Advances have been made on the troop pay account. The Chief Commissioner directed that the document be made available to the foreign representatives on the AC if they desire to see it.

9. Strength of Italian Army

The Chief Commissioner stated that under the new peace treaty the strength of the Italian Army would be set at 250,000, including 65,000 Carabinieri, although the latter figure is subject to a fluctuation of 10,000.

10. Move of 5th Territorial Region HQ

General Goulburn reported that AFHQ has ordered HQ of 5th Territorial Region, Udine, to find a new location on the grounds that XIII Corps require their accommodations.

11. Repatriation of POW's

With reference to para 8 of Minutes of 24 July, General Goulburn reported that 7,923 Italian POW's, or half of those held there, would be returned to Italy from India by 14 August. It is estimated that all POW's from the U.K. will be returned by 21 August. The Chief Commissioner expressed his pleasure at the progress being made on repatriation. Captain Mentz reported that the ATTILIO REGOLO arrived at Taranto 28 July with 400 IPOW's from Egypt; the SESTRIERE arrived Naples 27 July with 1600 IPOW's from Port Said. The TOSCANA bound for Massawa to repatriate 1500 civilians to Italy is held up in Port Said while arrangements are being made to obtain sterling to pay the Canal dues.

12. Minesweeping

Captain Mentz reported that the minesweeping program is proceeding satisfactorily. Further instances of ships from the U.S. proceeding through mined waters in Italy have been reported, because of the failure of authorities to furnish mine warnings. The matter has been taken up with W.S.A. The Chief Commissioner stated that it was very important that arrangements be made for all ships to be furnished with mine warnings, either prior to departure for Italy, or else by the establishment of control points.

13. Liaison Groups

Brigadier Lush reported that all liaison groups in the North have closed down except for two officers at Tenda. Two officers are still at Venice but they have been taken over by the area command.

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Meeting for Wednesday, 7 August, has been cancelled.

Next Vice Presidents' Meeting: Wednesday, 14 August, 1000 hours.

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Major, Inf.
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Chief Legal Division

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/70

10 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 10 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Pavitt, Lieutenant Colonel Marek, Major General Browning, Major General Goulburn, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

1. Director, Land Forces Subcommission

The Chief Commissioner introduced Major General E. H. Goulburn, DSO, the new Director of the Land Forces Subcommission, who has relieved General Browning. General Goulburn has recently been in Palestine and has just arrived to assume his new duties. At the same time the Chief Commissioner expressed his personal regrets and the regrets of AC at the loss of General Browning who has done monumental work in handling the affairs of the Italian Army, which he took over in 1944. His chief accomplishment was, of course, the raising and training of the six Italian Gruppi, five of which were in action before the war ended. The Chief Commissioner stated that the AC will miss General Browning and on behalf of the AC wished him the best of good fortune in his future life. General Browning thanked the Chief Commissioner, the Executive Commissioner, and the other members of AC for the support that was always given him and wished the members of AC the best of luck.

2. Future of the AC

55

With reference to para 1 of Minutes of 3 July, the Chief Commissioner stated that as a result of the meeting at AFHQ on 5 July, recommendation has been made by SACMED to the CCS that there be two organizations in Rome, one to coordinate the service subcommissions which will presumably be known as subsections, and the other organization to handle other military relations of AFHQ with the Italian Government. It remains to be seen whether the CCS will favor a dual set-up in Rome or a single set-up, which was proposed by the MJPS.

There is no change with respect to the signing of the revised armistice and the accompanying civil affairs agreements. It is expected that this week the Italian Government will transmit in writing separate communications to the British and American authorities giving their views and reactions to the main agreement and, more particularly, the accompanying documents. Until these two communications are received it is not known how soon the three documents will be signed.

Declassified E.O. 12356 Section 3.3/NND No. 785016

CC 551/70 10 July 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 10 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Pavitt, Lieutenant Colonel Marek, Major General Browning, Major General Goulburn, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

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3. Amnesty

With reference to para 10 of Minutes of 3 July, the Chief Commissioner stated that the question of granting amnesty to prisoners held by or for the Allies had been taken up at SACMED's conference of 5 July. The Italian Government had suggested in connection with their own amnesty decree that the Allies examine the question of granting amnesty to certain cases tried by AMG court and other cases tried by Italian courts for offenses against the Allies. This question was dealt with in a communication to AFHQ referred to in para 10 of Minutes of 3 July, which letter has been signed and forwarded. The other amnesty cases under

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consideration were those internees held by the Allies but never brought to trial for lack of evidence, although they were definitely suspects. It developed at the meeting at Caserta that 85% of these people were espionage suspects and the remaining 15% were sabotage suspects. The Chief Commissioner recommended and SACMED approved the early release of the 85% espionage cases. The 15% sabotage suspects, however, will be reviewed with a view to seeing how many can be released without threat to Allied security.

Colonel Hannaford said that after conferences with Colonel Bowman's office and with Brigadier Drew it was recommended that the Italian amnesty law be not applied in Venezia Giulia because of the delicate situation in that territory. The Chief Commissioner directed that this matter be referred to him through the Executive Commissioner.

4. Political Report

Mr. Jones gave a brief resume of the general political situation. During the week the Italian press reacted with varying degrees of violence against the reported decisions of the Council of Foreign Ministers with respect to the draft peace treaty for Italy. The reports are that Trieste and a certain section of territory west of the so-called French Line will be internationalized and all of the territory east of the French Line will be ceded to Yugoslavia. The Trieste decision has held the spotlight but the papers also reacted against the reported decisions on the colonies and reparations. The right-wing papers are the most bitter, using the Paris reports as basis for attacking the present Government for failing to protect Italy's interests, while the Communist papers used the Paris decisions as a basis of attack against De Gasperi's foreign policy.

Last week the Prime Minister made a declaration to the residents of Venezia Giulia on the reported Paris decisions, saying they will be subject to review at the peace conference which is to be convened on 29 July, with the 21 powers in attendance. (At the Chief Commissioner's request, Mr. Jones is to check on the basis for deciding which powers will attend the peace conference). De Gasperi said it was imperative that Italy have a government in view of the imminent convocation of the peace conference and hoped that it would be formed soon. He said that telegrams were pouring in from all sections of Italy protesting against decisions and inciting the Italian Government to resistance on the frontier questions. De Gasperi appealed to the Italians in Venezia Giulia not to lose hope and not to abandon their positions in that territory, reminding the people that the situation was not definitely lost at this stage of negotiations. He said that at the peace conference the Italian Government would make another appeal, and that it would be a great mistake for Italy to desert her position in disorder before the peace treaty was definitely made.

There have been demonstrations throughout Italy against the Paris decisions. On Saturday all shops in Rome were invited to close 15 minutes in protest. Also on Saturday the National Association of War Veterans called a public protest meeting in Piazza del Popolo at 1900 hours. A crowd of 6,000-10,000 gathered and the meeting soon assumed a definitely anti-Allied character, with several hundred of the demonstrators ending up at Piazza Venezia damaging several Allied vehicles there by stone throwing. There was a more serious incident in Padua where a British officers' club was invaded and an unconfirmed report that Allied flags were torn down. There were also demonstrations in Trieste, Florence, Naples, and Milan.

With regard to the cabinet crisis, De Gasperi has not yet been able to form [illegible] difficulty is over the economic program,

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With regard to the cabinet crisis, De Gasperi has not yet been able to form a new government. The principal difficulty is over the economic program, particularly the question of wages, with the Communists desiring an upward revision to meet the cost of living while other parties desire a reduction in the cost of living to the present wage scale. A second point of difficulty is the Communist insistence on the division of large estates among the peasants in the South. This morning's papers, however, all report that the parties have finally agreed on a government program, and that De Gasperi will begin today to draw up a

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Declassified E.O. 12356 Section 3.3/NND No. 78016

slate of the new cabinet. It was reaffirmed that defense of Italy's interests in foreign field required unified action and that henceforth all Ministers would be held responsible for the government's foreign policy. The economic program is aimed at the recovery of public finance and the protection of the lira against further devaluation. The budget will be divided into two parts, a regular budget and an extraordinary budget to cover expenditures on public works, etc. The extraordinary budget is to be financed by public loan in September, increased property taxes, and funds derived from Fascist profits. The government's plan is to reduce the cost of living, and in the meantime bonuses will be granted to all workers, 3,000 lire for heads of families, 1,500 lire for each worker without dependents, and 1,500 for unemployed and veterans. Also, assistance to the unemployed will be increased. The industrial program will leave the degree of control over each class of industry to the government in the light of its importance to the national economy, although it appears that the electric power industry will be nationalized. The government intends to tackle the agrarian problem as soon as possible.

Colonel Montague reported that there have been press attacks during the week on the French military administration and also on the British military administration in Eritrea. Also during the week a report that the Chief Commissioner of AC had resigned in protest against the Paris decisions was printed and the following day all papers printed the denial.

5. Food Situation

With reference to para 3 of Minutes of 3 July (Ammassi), Colonel Walton reported that the ammassi target has not yet been determined. Reasons include uncertainty in Italian Government regarding the exact crop and retentions. The government does not want to set a figure too high, which would be unattainable, nor a figure too low because it would allow for excessive retentions. It is believed the Government is working sincerely and intensively on this problem and within two weeks may set their objective. UNRRA tends to influence the government toward a high goal. Outlook for crop estimate varies between 5,700,000 tons and 6,200,000 tons.

The new government program provides for an increase in the bread ration to 250 grams per day and 3 kilos of pasta per month, which would require nearly 2,000,000 tons of imports annually.

54

6. CIP Strike

Colonel Walton reported with reference to para 6 of Minutes of 3 July that discussions in connection with the possible CIP strike are continuing. It was reported that at a union meeting on 9 July, decision was taken that there would be no strike at least until the formation of a new government.

7. Coal

With reference to para 5 of Minutes of 3 July, Colonel Walton stated that 50,000 tons of coal less than originally expected would arrive from the U.S. Arrivals are estimated at 400,000 tons.

8. Requisitioning

Brigadier Lush reported that because of the difficulties with regard to requisitioning, a plan had been proposed to AFHQ to set up some form of central committee including Italian representation to handle requisitioning. A reply has been received from AFHQ rejecting this proposal. Brigadier Lush said that

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting: Wednesday, 17 July 1946, 1000 hours

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Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Declassified E.O. 12356 Section 3.3/NND No. 785016

S E C R E T

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/71 17 July 1946

M I N U T E S

Vice Presidents' Meeting,1000 hours, 17 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Major Savill, Mr. Pavitt, Colonel Fiske, Air Vice Marshal Brodie, Rear Admiral Warren, Lieutenant Commander Goluber, Capitaine de Villefosse, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

1. Future of the AC

With reference to para 2 of Minutes of 10 July, the Chief Commissioner reported that there has been no change with respect to the future of the AC.

2. Revised Armistice

With reference to para 2 of Minutes of 10 July, the Chief Commissioner stated that there has been no change in the situation with respect to the revised armistice, although it is expected that now the new Government has been formed the Italian Government's comments and reactions on the proposed revised armistice and accompanying documents will be received in writing this week.

3. Amnesty

With reference to para 3 of Minutes of 10 July, the Chief Commissioner reported that confirmation of the early release of espionage suspects that have been held without trial has been received. 53

4. New Italian Government

The Chief Commissioner reported that the new Italian Government has been set up and the Ministers sworn in on 14 July. In compliance with the Macmillan Memorandum implementing FAN 487 the names of the three service ministers, namely the Ministers for Air, Navy and War, were submitted to the AC and were approved by SACMED and the approval was communicated to the Prime Minister. The names of the three Ministers approved were the only names submitted by the Italian Government. The Chief Commissioner denied the stories that other names had been submitted.

In the evening of 15 July the Prime Minister delivered to the Chief Commissioner the Government's commitment to be bound by the armistice of 1943 in exactly the form in which it was submitted on previous occasions. The letter was requested in accordance with instructions from SACMED, who in turn had received instructions from the CCS.

5. Political Resume

Mr. Pavitt gave a brief resume of the general political situation. The main event of the week had been the formation of the new Government. The questions to be decided after acceptance of the program reported in para 4 of Minutes of 10 July were the actual structure of the Government and the appointment of the Ministers. When De Gasperi finally announced the Government it was seen that despite the abolition of the Ministries for the Consulta, for the Costituente and for Reconstruction there remained the same number of Ministers as in the previous Government, owing to the appoi

Declassified E.O. 12356 Section 3.3/NND No. 78016

MINUTES

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Declassified E.O. 12356 Section 3.3/NND No. 785016

is the absence of Togliati who prefers to devote his time to looking after the interests of the Communist Party. Nenni is now Minister without Portfolio and takes over the Ministry of Foreign Affairs after the peace treaty, until which time De Gasperi will be Minister of Foreign Affairs. For the rest, the new Government is comprised of 8 Christian Democrats, 4 Socialists, 4 Communists, 2 Republicans, and 1 Independent, Corbino retaining the Ministry of the Treasury as an Independent. The 24 Undersecretaries were announced on 17 July, 10 Christian Democrats, 5 Socialists, 5 Communists, 3 Republicans, and 1 Independent.

There was only one notable stumbling block in the events leading up to the formation of the new Government, namely the assignment to the Ministry of Education, which has gone to a Christian Democrat. The Socialists at first demanded that this post should be held by a "layman", but finding themselves without Communist support, gave way after being promised the Ministry of Industry and Commerce.

Throughout the negotiations, the news from Paris continued to provoke manifestations of protests at what the Italians consider a harsh and unjust peace. De Gasperi informed the Constituent Assembly that the hopes for international peace were gravely diminished by the decisions, which render the journey of the new Italian Republic difficult, but the "journey will be made". In his speech it was clear that the blow that hurt Italy most was the decision on Trieste.

On the subject of the Navy, De Gasperi claimed that Italy had a "moral right" to retain her fleet. He stated that Italy could reduce her requirements for defensive purposes to 100,000 tons of naval shipping including 2 battleships for training purposes, and that the balance should be turned over to UNO or scrapped.

Two interesting points in De Gasperi's speech were his statement that the Government intended to encourage private industry and private enterprise, and his mention, in the labour field, that Works Management Committees as already experimented in by Fiat were to be created for the collaboration of the working classes with the employers. This last phrase is interpreted to mean collaboration in a consultative form rather than actual participation in the management. The Chief Commissioner observed that the labor-management setup put into FIAT, for example, was very progressive and was a forward step.

In the Costituente on 16 July Nitti criticized the Government in general and De Gasperi in particular for taking three posts. Bencivenga then spoke and said the new Government represented the overthrow of the CLN and a defeat of the immigrant who returned to Italy in the train of "foreign bayonets". These remarks caused the meeting to break up in confusion.

6. Food situation

With reference to para 5 of Minutes of 10 July, Colonel Walton stated that the goal for amassing has not yet been announced because of the uncertainty of the crop estimate. It is thought that the target figure might be set at approximately 2,300,000 tons.

The bread ration has been increased to 250 grams per day and the pasta ration has been restored to 2 kilos per month, UNRRA had advised against the increase to 3 kilos which was proposed in the Government's political program.

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The bread ration has been increased to 250 grams per day and the pasta ration has been restored to 2 kilos per month, UNRRA had advised against the increase to 3 kilos which was proposed in the Government's political program.

7. CIP Strike

With reference to para 6 of Minutes of 17 July, Colonel Walton stated the CIP strike was now on after having started in Genoa on 15 July. The

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strike is causing a dislocation in the tanker schedule for petroleum imports. A meeting is being held with all interested agencies attending in an effort to see what action can be taken to minimize the effects of the strike. In reply to the Chief Commissioner's question, Colonel Walton stated that the strike should not affect the shipment of POL to Udine and Venezia Giulia since work in Venice is going on and Trieste workers are not on strike. The Italian Government has committed itself to ensure essential deliveries and the unions have agreed to maintain the utilities. The Chief Commissioner directed Colonel Walton to find out whether the unions have agreed to ensure deliveries to the armed forces, including the Allies.

8. Labor Situation

Colonel Montague reported that there are more and more strikes throughout the country, mainly for higher wages. The CGIL was to consider the new Government's financial and economic program, although it is not certain whether they will accept the Government's proposal to reduce the cost of living or whether they will go after higher wages right now. The unions have agreed to maintain the public utilities. Certain trades, such as the printing trade, appear about to strike in any case.

9. Repatriation of POW's

Colonel Fiske reported that progress has been rather good from the United Kingdom and the Middle East in repatriating the Italian POW's but that there has been no progress in repatriation of the POW's in other places. There remain about 140,000 POW's to be returned to Italy, with the Far East the most difficult problem.

10. Withdrawal of Liaison Groups

52

The Executive Commissioner reported that the liaison groups in the field would be withdrawn between 22 and 31 July and stated that after 20 July the Headquarters should refrain from communicating with the liaison groups.

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Next Vice Presidents' Meeting: Wednesday, 24 July 1946, 1000 hours.

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J. C. RIVELY
Major, Inf
Staff Officer to CC.

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
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DISTRIBUTION:
Chief Commissioner
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VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
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French Representative, AC.
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Chief Legal Advisor, AC.
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

Declassified E.O. 12356 Section 3.3/NND No. 785016

Chief Legal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/72

24 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 24 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Lieutenant Colonel Ross, Colonel Walton, Major Savill, Mr. Jones, Mr. Pavitt, GroupCaptain Jarman, Brigadier Hope, Rear Admiral Warren, Colonel Savko, Commandant Ybert, Lieutenant Colonel Montague, Lieutenant Colonel Hannaford.

1. Revised Armistice

With reference to para 2 of Minutes of 17 July, the Chief Commissioner stated that last week the Prime Minister had advised him that it was expected that the Italian Government's initial reactions to the revised armistice and the supplementary agreements which accompany it would be presented to the Chief Commissioner on the American side and the British Ambassador on the British side late last week or early this week. However, no letter has yet been received from the Prime Minister. The Prime Minister is very much occupied with the setting up of the new Government and the debate in the Constituente, although the Chief Commissioner has pressed him to see if it will be possible for him to give the Italian Government's response before the Prime Minister's expected departure for Paris at the end of this week.

2. Peace Treaty

The Chief Commissioner reported that as a result of a leak, excerpts of the draft peace treaty have been published, first in Washington. As a result, U.S. Secretary of State had endeavored to have all agreements released for publication but the Deputies of the Foreign Ministers did not agree to this proposal. The AC has not been supplied with a copy of the draft peace treaty although there is some evidence that a copy, or a resume of the treaty, has been brought to Rome by one of the representatives of the Italian Foreign Office.

3. Political Resume

Mr. Jones gave a brief resume of the general political situation. One of the few political developments during the week but the most important has been Italian reaction to the decisions taken by the Council of Foreign Ministers. On 15 July the Italian Government was invited to send a delegation to Paris to present immediately the Italian views on the proposed Trieste statute to the special Commission left in Paris to work on the Trieste decisions. The Italian delegation left Rome July 17 and on 19 July the principal Italian delegate spoke before the Commission, protesting at the short time given to prepare the Italian views on what was described as a complex and grave problem. He emphasized that Italian participation before the Commission did not in any way signify Italy's acceptance of the Trieste decision on the lines taken by the Council of Foreign Ministers nor was it to be considered as a renunciation of Italian rights over the whole of Venezia Giulia. He rejected the idea of internationalization of Trieste but concluded by saying that in any event the Italian Government could not accept any regime which did not permit Italy to protect diplomatically, economically and administratively the rights of the Italian majority therein. The Chief Commissioner observed that there have been rumors that the mini-

Declassified E.O. 12356 Section 3.3/NND No. 785016

MINUTES

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51

Mr. Jones stated that Sig. Soragna, Italian Ambassador in Paris, stated at a press interview that it was incorrect to speak of an Italian delegation to the

Declassified E.O. 12356 Section 3.3/NND No. 785016

Council of Foreign Ministers, that there were only the few officials at the Italian Embassy who had tried to make Italy's views known to the members of the various delegations. The Italians were admitted to Luxembourg Palace only three times on three clearly defined issues and after presentation of the Italian views they were politely ushered out of the room. He stated that the commission studying Italy's northwest frontier had recognized the Italian character of Briga and Tenda as far as language was concerned and that the Commission held that the electric power produced there was indispensable to continuation of Italian services. He pointed out that regardless of the Commission's findings and the Italian views, the Council had ignored them and had made their decision on political grounds. He stated that there was not much hope that any substantial change in the CFM decisions would be made by the 21 nations at the peace conference. He concluded by saying that the heads of the delegations to the Council of Foreign Ministers had been informed of the disastrous impression which their decisions had caused and of the hostility to these decisions in Italy. He pointed out that the final decisions on Italian acceptance of the peace treaty must rest with the Constituent Assembly.

Nenni left recently for visits with the Foreign Minister of Norway, Netherlands, Belgium, Czechoslovakia and Poland. The Chief Commissioner added that Count Sforza had left for South America in an apparent effort to obtain support of Italy's position by the South American countries who will be represented at the peace conference.

On the new government, the Christian Democrat paper "Popolo" said that the Christian Democrats had insisted on the Interior portfolio because the strongest and largest party in Italy should be responsible for law and order. The retention of Corbino as Minister of the Treasury was considered a victory for the Christian Democrats and a guarantee to wealthy Italians that the new Government would not embark on adventurous economic schemes. Likewise the assignment to the Christian Democrats of the Education and Agriculture portfolios was considered a victory. The Liberal Party paper said that the Industry and Commerce portfolio and Finance portfolio, which were assigned to a Socialist and Communist respectively, were the only two important posts won by the Socialists and Communists, adding that the portfolio of Foreign Affairs which will go to Nenni, after the peace treaty, will be about as important as the post of "Minister of the Navy in Switzerland". The Socialist "AVANTI", however, said that the peace conference would close a chapter in Italian foreign policy and that De Gasperi should logically continue in Foreign Affairs until the peace treaty. Togliatti, writing in "UNITA" about the new Government, emphasized its republican character and the need for unity. He said the Government program would satisfy the aspirations of the working classes. He indicated that concessions had been made by the left-wing parties for the sake of unity in getting on with the new Government.

Mr. Jones reported that the President of the United States has sent to the Senate the nomination of James Clement Dunn as United States Ambassador to Italy to succeed Alexander Kirk, who is retiring. Mr. Dunn is Assistant Secretary of State and has recently been in London and Paris acting as Deputy to Mr. Byrnes on the peace treaties.

Fiorello La Guardia, Director General of UNRRA, arrived in Rome for a visit and was received by the Mayor of Rome. He was later introduced to members of the Constituent Assembly by the President and after a brief statement, De Gasperi replied thanking La Guardia for the assistance given by UNRRA to Italy.

Declassified E.O. 12356 Section 3.3/NND No. 78016

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Mr. Jones reported that the President of the United States has sent to the Senate the nomination of James Clement Dunn as United States Ambassador to Italy to succeed Alexander Kirk, who is retiring. Mr. Dunn is Assistant Secretary of State and has recently been in London and Paris acting as Deputy to Mr. Byrnes on the peace treaties.

Fiorello La Guardia, Director General of UNRRA, arrived in Rome for a visit and was received by the Mayor of Rome. He was later introduced to members of the Constituent Assembly by the President and after a brief statement, De Gasperi replied thanking La Guardia for the assistance given by UNRRA to Italy.

4. Labor Situation

With reference to para 8 of Minutes of 17 July, Colonel Montague stated that a five-day meeting of the CGIL was held last week, eventually passing a resolution demanding a reduction in the cost of living and upgrading of salaries of the most depressed classes. At the same time a conference of employers met on instructions from the Government to meet with CGIL but expressed opposition to paying the Premio della Repubblica unless certain conditions were met, such as unblocking of dismissals. As no agreement was arrived at, the matter was referred to the Government.

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Meanwhile, there is labor unrest throughout the country with numerous disturbances.

5. CIP Strike

With reference to para 7 of Minutes of 17 July, Colonel Walton stated that workers of CIP had not agreed to ensure deliveries to the Allied and Italian armed forces. The CIP strike, however, ended after an agreement on 20 July.

6. Fuel Situation

Colonel Walton reported that there will be cutbacks in the petroleum imports in the future. In reply to the Chief Commissioner's question, Colonel Walton stated that he had no information as to whether or not the tonnage reduction would be compensated by UNRRA through an increased tonnage of other items. With regard to coal, it is now not certain what quantity of coal will actually be received from the Ruhr. Representatives from Poland are said to be en route to Italy at the present time to discuss the import of coal from Poland.

7. Food Situation

With reference to para 6 of Minutes of 17 July, Colonel Walton stated that the amassing is going on very well and has already exceeded 1,000,000 tons for the year. It is the hope of the Italian Government to complete half of the amassing by the end of July and to end the amassing in September. No definite target figure has yet been set by the Italian Government for the amassing. At the present moment there is enough wheat on hand to carry through October on the new bread and pasta ration.

8. Repatriation of POW's

With reference to para 9 of Minutes of 17 July, Brigadier Hope stated that advice has been received from Australia that the first shipment of POW's from Australia is scheduled for August with two ships bringing 1100 POW's to Italy. The Chief Commissioner directed Colonel Montague to consult with Brigadier Hope on issuing this information to the press.

9. New Italian Government

The Chief Commissioner announced that although Admiral De Courten did not stay on as Minister of the Navy, he has agreed to remain for an indefinite period as Chief of Staff, a decision which was greatly welcome by the Allied Governments.

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Next Vice-Presidents' Meeting: Wednesday, 31 July 1946, 1000 hours.

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Joseph C. Rively

JOSEPH C. RIVELY

ALLIED COMMISS

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice-Presidents' Meeting: Wednesday, 31 July 1946, 1000 hours.

Joseph C. Rively

JOSEPH C. RIVELY
Major, Inf
Staff Officer to CC

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LEGAL SUB COMMISS
CHIEF LEGAL ADVISER
POLITICAL ADVISER
CHIEF CLERK
STAFF OFFICER
ITALIAN SEC
MEMBERS

25 July 46

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Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Econo-ic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C MMIA (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC.
Soviet Representative, AC.
Chief Legal Advisor, AC.
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA.

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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C MMIA (2)
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chief Legal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/69

3 July 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 3 July 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Pavitt, Air Vice Marshal Brodie, Colonel Fiske, Commander Bahlman, Colonel Savko, Lieutenant Colonel Cros, Lieutenant Colonel Montague, Colonel Weber.

1. Future of the Allied Commission

With reference to para 1 of Minutes of 26 June, the Chief Commissioner reported that there was no change in the situation with regard to the futre of th Allied Commission. However, a meeting is to be held on 5 July at Caserta to discuss this question.

2. Political Report

Mr. Pavitt gave a brief resume of the general political situation. On 26 June Saragat was officially installed as President of the Costituente. In his inaugural speech he spoke of the relationship between the Costituente and the Government and said that legislative powers have been delegated to the Government This, he said, was not intended as a limitation of the powers of the Costituente but as a division of work between the Costituente and the Government. Mr. Pavitt pointed out, furthermore, that the decree law specifically laid down that electoral laws and international treaties were of necessity to be brought before the Costituente. After the installation of Saragat, discussions began with regard to appointing the provisional President of the Republic. Finally, after he had been assured that both Croce and Orlando were out of the running, De Nicola accepted the nomination proffered by the three parties and was elected on 28 June. Generally speaking, the parties were very satisfied with this appointment. The Chief Commissioner stated that he had called on De Nicola and found him to be an extremely personable man. The AC did business with De Nicola in the spring of 1944 so he is no stranger to the Commission. Mr. Pavitt stated that De Nicola had been President of the Chamber of Deputies from 1920 to 1923 and had taken a firm stand against Fascism from the start, retiring from politics in 1924. It is hoped that his known anti-fascism and honesty will be unifying factors.

After the election of the President, De Gasperi handed in his resignation and the resignations of the members of the Government. On 2 July De Nicola charged De Gasperi with the formation of a new Council of Ministers.

The decision of the Council of Foreign Ministers regarding Tenda and Briga has been a shock for the Italians and press reactions have been bitter. In reply to the Chief Commissioner's question, Mr. Pavitt stated that the Italians have been given repeated assurances that they will be heard at the peace conference, and added that the Italians apparently wish to make their objections now, as they feel that in the meantime prejudices will have been created. De Gasperi has

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilde-Jones, Mr. Jones, Mr. Pavitt, Air Vice Marshal Brodie, Colonel Fiske, Commander Bahlman, Colonel Savko, Lieutenant Colonel Cros, Lieutenant Colonel Montague, Colonel Weber.

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The interest in the new Government seems to be focused on the Ministry of the Interior and there appears to be little enthusiasm for the Ministry of Foreign Affairs on the part of any of the parties. The Socialists have proposed that the number of ministers be reduced from 21 to 10 by combining such posts as Post-War Assistance and Labor, merging the ministries of the Navy, Army, and Air

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Force into one Ministry of Defense, combining Finance and Treasury and so forth. The Christian Democrats also agree in principle that some form of simplification is desirable.

A suggested program by Corbino for the new government was published in the morning papers on 3 July. The main features of this program are the protection of the lira from further devaluation, development of economic activities, measures to promote public works and combat unemployment, increase in state pensions and decrease in the number of state employees. The main difference between the parties on the new program is over the question of salaries. Corbino's plan to fix workers' salaries at present rates as a guard against inflation is strongly opposed by the Communists.

On 2 July a list of 622 OVRA agents was published in the Official Gazette.

3. Food Situation

With reference to para 8 of Minutes of 26 June, Colonel Walton reported that the wheat amassing is going extremely well. It is estimated by the Italians that 400,000 tons of wheat were amassed in June. Colonel Walton stated that the new target figure for the amassing program could be about 3,000,000 tons but has not yet been announced. The Chief Commissioner asked Colonel Walton to get the exact figures for the next meeting. Colonel Walton added that the biggest factors in the increase are the good crops and high prices, which, for early July, are three times last year's, and later will be about two and a half times last year's prices.

Sugar is very short and it will not be possible to raise the 100-gram ration.

It is estimated that the calorie value of the food available will shortly reach 1800 grams daily.

4. Distribution of Supplies

Colonel Walton reported that the Italians appear to be getting along well on the distribution of supplies. A good deal of clothing is being received by users. There is still an accumulation of blankets for which there is little demand at the present time. With regard to medical supplies, Brigadier Carr states that the Italians have received the returns from nearly all the provinces and hope to be able to make a distribution to hospitals in the very near future based on their needs.

5. Coal

With reference to para 6 of Minutes of 26 June, Colonel Walton stated that the allocation of coal for use in Italy for July has now been set at 475,000 tons.

6. CIP Strike

Colonel Walton reported that the discussions in connection with the possible CIP strike are continuing and there is reason to hope there will be no strike.

CIP ends in its present form on 31 August and the Italian Government will then continue something like CIP, if not CIP itself. UNRRA is using CIP as its slating agency for distributing POL. The Italian Government asked several times for authority to change the structure of CIP in the past. UNRRA and the Embassies have been in touch with the Italian Government on this question. The Chief Commissioner pointed out that the only concern of AC is to see if the

Declassified E.O. 12356 Section 3.3/NND No. 785016

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7. Udine-Venezia Giulia Autostrada

Colonel Walton reported that AMG XIII Corps some time ago desired to build an autostrada in Udine and Venezia Giulia and the Italian Government had agreed

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to assume the cost of that portion of the autostrada constructed in Udine, which would amount to approximately 6 billion lire. This week a letter was received from the Italian Government asking to be relieved of the obligation to build the Udine portion of this project.

8. Railway Rolling Stock

With reference to para 7 of Minutes of 26 June, Colonel Walton reported that as a result of a meeting with Brigadier Fellows it developed that the delay in repairing railway rolling stock was attributable to lack of organization in the I.S.R.

9. Midshift Meal

Brigadier Lush reported that the Labor and Wages Subcommittee have considered the midshift meal and it has been recommended that this meal be discontinued for employees of contractors working for Allied military authorities and that the bread ration be withdrawn from direct employees of the Allies and be substituted by an alternative food. The Chief Commissioner directed that the matter be referred to him before any action is taken.

10. Amnesty Decree

With reference to para 9 of Minutes of 26 June, Colonel Weber reported that he had a long conference with Togliatti concerning the extent of the amnesty granted by the Italian Government. The new decree does not cover cases tried by AMG courts nor does it cover cases tried by Italian courts involving Allied interests. It does not affect security suspects who were held by the Allies and subsequently turned over to the Italian courts for epuration, as these suspects will now be returned to the Allies to hold for security reasons. In this connection, Colonel Weber reported that a draft of a letter to AFHQ has been prepared concerning these security cases.

11. Holiday

The Chief Commissioner reported receipt of a dispatch from AFHQ saying that the 4th of July will be observed by all personnel at AFHQ and directed that it therefore be observed as a holiday for all personnel of AC.

Next Vice Presidents' Meeting: Wednesday, 10 July 1946, 1000 hours

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E Donald Baker
Lt Col US AR for
J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/c
Executive Officer (A)
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French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC

Declassified E.O. 12356 Section 3.3/NND No. 785016

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E. Dwight Bohn
Lt Col US AR for
J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
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French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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Signal

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/68

26 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 26 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Rosa, Lieutenant Colonel Wilbe-Jones, Mr. Wesely Jones, Mr. Pavitt, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Capitaine de Villefosse, Captain de Masi, Lieutenant Colonel Hannaford, Colonel Imrie (UNRRA).

1. Future of the Allied Commission

With reference to para 2 of Minutes of 19 June, the Chief Commissioner reported that nothing definitive has yet been decided as to the precise manner in which the special section of AFHQ will be finally set up in implementation of article 3 of the revised armistice. The situation with respect to the revised armistice is the same as reported in para 2 of Minutes of 19 June in that neither the main nor supplementary agreements have been signed, and so far there have been no negotiations on the British and U.S. agreements to accompany the main agreement.

2. Institutional Referendum

With reference to para 1 of Minutes of 19 June, the Chief Commissioner reported that there have been no developments since the last meeting with respect to the government crisis except for the convening of the Costituente on 25 June. Little happened except for the election of the President, Signor Saragat of the Socialist party. There was also a speech by the acting chairman of the Costituente, Orlando, in which he stressed the need for keeping Venezia Giulia and Trieste Italian.

3. Naval Patrol in Adriatic

With reference to para 11 of Minutes of 19 June, the Chief Commissioner reported that while not strictly a part of the piracy patrol in the Adriatic the press has reported that a new American cruiser, the USS FARGO, has arrived in the Mediterranean and is due to arrive at Trieste with Vice Admiral Bieri, USN, who has relieved Rear Admiral Jules James, USN, as COMNAVMED, aboard.

4. Political Report

Mr. Jones gave a brief resume of the general political situation. The most important event was the convening of the Costituente. In addition to the selection of Saragat as President, four vice presidents were appointed, one Republican, one Communist, and two Christian Democrats. After Orlando spoke, De Gasperi spoke saying that when the Costituente has selected the President of the Republic the sovereign powers assumed temporarily by the provisional government would be handed

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CC 551/68

26 June 1946

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The election of the President of the Republic is scheduled for 27 June. Apparently it is the desire to have a nearly unanimous vote for the President and therefore negotiations are going on between the parties in advance of the elections.

The press has devoted much space to the developments at the Council of Foreign Ministers meeting in Paris. Various speeches were made and resolutions

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adopted requesting that the Italians, described as the victims and not the accomplices of Fascism, be given a just peace, asking in particular that Trieste remain Italian.

On 21 June the Chief Commissioner called on the Prime Minister and congratulated the Italian Government, on behalf of the United States and British Governments, for the orderly manner in which the elections were conducted and for the large number of voters who took part in the voting.

Last week the Government issued a decree dissolving the Senate on the day of the convening of the Costituente. The Costituente will give consideration to the personal status of the senators.

5. Guarding of Dumps

With reference to para 6 of Minutes of 19 June, Colonel Walton reported that a problem had arisen in connection with the guarding of 49,000 tons of U.S. ammunition. After meetings with interested parties, the Italian Government agreed to accept the ammunition. Colonel Walton reported that G-4, MTOUSA, representatives have stated that it will be necessary to hold US ITI's to guard dumps. In reply to the Chief Commissioner's question, Colonel Walton stated that he has received no information on the ammunition which exploded at Brindisi. The matter of disposing of airplane bombs is under discussion in the Italian Government as to whether to dispose of them or utilize them, as the Minister of Commerce desires, for the Italian economy. The Chief Commissioner pointed out that as this involves the question of use of war materials, the matter must be coordinated with the service subcommissions and the Executive Commissioner's office.

6. Coal

With reference to para 9 of Minutes of 19 June, Colonel Walton stated that shipments of coal from the U.S. have been resumed. The allocation of coal for import to Italy has been set at 390,000 tons for July. The July allocation of coal for consumption has been tentatively set at 475,000 tons which compares with a similar figure of 425,000 tons for June.

7. Railway Rolling Stock

Brigadier Lush reported that General Hewer has requested the additional monthly allocation of 10,000 tons of coal to the Italian railways so that the repair shops can start working on repairs to rolling stock. It is felt that the shortage of 40,000 wagons could be overcome in a short time if sufficient materials are allocated to the railways. The Economic Section is working on this plan.

In response to the Chief Commissioner's question, Brigadier Lush stated that it is hoped to return to Italy by the end of the year the bulk of the freight and passenger cars removed by the Allies from Italy.

8. Wheat

With reference to para 7 of Minutes of 19 June, Colonel Imrie of UNRRA reported that the bread crisis has definitely passed. The situation began to improve with the amassing and now the imports are increasing to a reasonable level. As a result the Italian Government intends to increase the ration at the end of June to what it was in May and to make a further increase in July to what it was at the start of 1946. The amassing has thus far been remarkably successful. In reply to Brigadier Lush's question, Colonel Imrie stated that the price of bread will probably go up; a proposal has been tentatively put forward for

Declassified E.O. 12356 Section 3.3/NND No. 785018

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Last week the Government issued a decree dissolving the Senate on the day of the convening of the Costituente. The Costituente will give consideration to the personal status of the senators.

5. Guarding of Dumps

With reference to para 6 of Minutes of 19 June, Colonel Walton reported that a problem had arisen in connection with the guarding of 49,000 tons of U.S. ammunition. After meetings with interested parties, the Italian Government agreed to accept the ammunition. Colonel Walton reported that G-4, MTOUSA, representatives have stated that it will be necessary to hold US ITI's to guard dumps. In reply to the Chief Commissioner's question, Colonel Walton stated that he has received no information on the ammunition which exploded at Brindisi. The matter of disposing of airplane bombs is under discussion in the Italian Government as to whether to dispose of them or utilize them, as the Minister of Commerce desires, for the Italian economy. The Chief Commissioner pointed out that as this involves the question of use of war materials, the matter must be coordinated with the service subcommissions and the Executive Commissioner's office.

6. Coal

With reference to para 9 of Minutes of 19 June, Colonel Walton stated that shipments of coal from the U.S. have been resumed. The allocation of coal for import to Italy has been set at 390,000 tons for July. The July allocation of coal for consumption has been tentatively set at 475,000 tons which compares with a similar figure of 425,000 tons for June.

7. Railway Rolling Stock

Brigadier Lush reported that General Hewer has requested the additional monthly allocation of 10,000 tons of coal to the Italian railways so that the repair shops can start working on repairs to rolling stock. It is felt that the shortage of 40,000 wagons could be overcome in a short time if sufficient materials are allocated to the railways. The Economic Section is working on this plan.

- 1 -

In response to the Chief Commissioner's question, Brigadier Lush stated that it is hoped to return to Italy by the end of the year the bulk of the freight and passenger cars removed by the Allies from Italy.

8. Wheat

With reference to para 7 of Minutes of 19 June, Colonel Imrie of UNRRA reported that the bread crisis has definitely passed. The situation began to improve with the amassing and now the imports are increasing to a reasonable level. As a result the Italian Government intends to increase the ration at the end of June to what it was in May and to make a further increase in July to what it was at the start of 1946. The amassing has thus far been remarkably successful. In reply to Brigadier Lush's question, Colonel Imrie stated that the price of bread will probably go up; a proposal has been tentatively put forward for 1/3 of the increase to be absorbed by the consumers, 1/3 by the Italian Government, and 1/3 to come from the Italian UNRRA fund (proceeds of sales by the Government). This has not yet reached the stage of official discussion.

SECRET

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SECRET

9. Amnesty

Colonel Hannaford reported that the Italian Government has issued a decree granting amnesty for certain common offenses, Italian military offenses, a general reduction of sentences, and for political crimes. The decree is dated 23 June, but on 24 June the Italian Government notified Colonel Hannaford that the decree was not yet in final form and that AC would be notified before it was published. However, prior notification was not made to AC. The general plan in connection with political crimes is to free all people who have collaborated with the Germans or Fascists provided they have not committed any common crimes and provided they were not high officials. The definition for "high officials" has been made in the preamble to the decree and in previous decrees. The Chief Commissioner stated that as AC may have a responsibility in this matter under the armistice, the amnesty decree must be examined to see if it is necessary to report on it to AFHQ.

Colonel Hannaford stated that a number of people have already received orders setting them free but the directors of the jails have refused to let them free because they were arrested by Allied police or kept at the disposal of Allied authorities or previously interned by the Allies, although sentenced by Italian courts. The Chief Commissioner directed that this be referred to AFHQ.

10. Repatriation of POW's

With reference to para 3 of Minutes of 19 June, Admiral Warren stated that the repatriation of POW's is being maintained at a satisfactory rate and programme is up to date.

11. Reorganization of RAF Headquarters

AVM Brodie reported that AVM Darvall has relieved AVM Fogarty. Headquarters Desert Air Force will be disbanded on 30 June and the DAF wings will then come under the direct operational control of Advanced Air HQ Italy at Udine and under the administrative control of Air HQ Caserta. AVM Darvall has also taken over direct command of the British Air Division of the ACC Austria from AVM Foster.

Next Vice Presidents' Meeting: Wednesday, 3 July 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
(B)

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Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/67

19 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 19 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Air Vice Marshal Brodie, Major General Browning, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Hannaford, Captain de Masi.

1. Institutional Referendum

With reference to para 1 of Minutes of 12 June, the Chief Commissioner reported that on 13 June the King left Italy, without any previous announcement. There have been many rumors as to his departure, some to the effect that officers of AC played a part in advising him to leave. The Chief Commissioner denied categorically and unequivocally such rumors and stated that neither he nor Brigadier Lush took any part, directly or indirectly. No one in AC played any part in advising the King to leave, and if any Allied individuals did advise the King to leave as has been rumored, that fact is completely unknown to the Chief Commissioner, personally or unofficially.

Mr. Jones gave a brief review of the events leading up to the King's departure. On 12 June the King wrote a letter to the Prime Minister, which was simultaneously published in the newspapers, confirming his willingness to await the decision of the majority of the Italians which he said would be clarified by the decision of the Supreme Court, and adding that he felt he and the Government could continue to cooperate. The Government, after two or three meetings during the day, adopted quite a different attitude and issued a communique taking the position that the decision of the referendum had automatically established a temporary transitional regime and that as a result the functions of head of the state fell automatically to the President of the Council of Ministers. The communique ended by saying that the King's proclamation could not be considered as modifying this constitutional situation. Following the Government's communique, the King made a sudden and secret decision to leave Italy. He departed from Ciampino Airport 13 June and arrived in Lisbon on Friday, 14 June.

Several hours after the King's departure a proclamation was issued in the name of the King, although there has been much conjecture as to just how much of the document he actually did personally prepare. The proclamation recalled the King's oft-expressed decision to abide by the decision of the people, but stated that in view of the provisional and partial results made known by the Court of Cassation, the various protests, and the question raised as to the manner of calculating the majority, the King had decided to await the official and final decision of the Court of Cassation as indicated in his letter of June 12. The proclamation went on to say that in violation of the law, the Italian Government had accomplished a "revolutionary" act by assuming powers that did not belong to it. Thus, it was stated, the King was faced with the alternative of causing bloodshed or enduring

Declassified E.O. 12356 Section 3.3/NND No. 785016

CC 551/67 19 June 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 19 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Air Vice Marshal Brodie, Major General Browning, Commodore Ziroli, Colonel Savko, Captain de Villefosse, Lieutenant Colonel Hannaford, Captain de Masi.

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SECRET

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The Chief Commissioner interposed at this point to state that as far as the AC is concerned, the first news of the King's departure from Rome was received by telephone call from Ciampino Airport, relayed through RAAC, one-half hour after the King's departure. About 1700 or 1715 on the 13th Lucifero, Minister of the Royal Household, called for an appointment and arrived at the Chief Commissioner's office at 1745, stating that he wished to inform the Chief Commissioner that the King had left Italy, which was the first news that the King had actually left the country as against the earlier information that he had merely left the city of Rome. Lucifero would not tell the Chief Commissioner what the King's destination was. He did state that a proclamation of the King would be issued that evening, but was very vague as to the actual time the proclamation would be issued. The Chief Commissioner asked Lucifero whether the proclamation would be released by the Royal Household or by the Government, and Lucifero replied "I do not recognize a revolutionary government." The Chief Commissioner stated that the above information is classified secret and cautioned all present not to disclose this information to unauthorized persons.

Mr. Jones continued that the King's departure was carefully concealed from the Government. When an aircraft was requested for the King, the Air Force was asked not to inform the President of the Council as they stated that the President would be informed directly, which was not done.

The Government issued a statement saying that the King's proclamation was a "pitiful" document constructed on a false basis. In spite of the Government's earliest recognition of the results of the referendum on June 10, the King continued to discuss a delegation of royal powers, and in spite of the difficulty of reconciling the two points of view, the Government continued the discussions with the King until they were broken off by Lucifero the night of June 12. It was stated that the King's letter of 12 June ignored the proclamation of the court and therefore the Council had to meet to reaffirm the results of the referendum. The President of the Council had given the King proof that a peaceful solution was sought and the King recognized more than once the loyalty of the Government, which the drafters of the proclamation ignored. The Government's statement ends by saying that the last two sentences of the proclamation are all that remain of the original proclamation prepared by the King and by deploring that a difficult situation which had been not without dignity had ended on an undignified note.

On the same day the Prime Minister spoke to the nation, recalling that the procedure for deciding the result of the referendum was laid down by law, and promulgated by the King. He stated that all parties in Italy, and the same conclusion was reached abroad, considered that the decision was arrived at freely and honestly. De Gasperi stated it was distasteful to reopen the discussions but that on repeated occasions he had found the King in a conciliatory mood, and that it was possible to consider from a human angle the tragedy of Umberto who had inherited a discredited dynasty. De Gasperi said that the nation could consider the last episode of the dynasty as a part of the national catastrophe. He closed by calling on all to show unity to those threatening Italy's frontiers. De Gasperi's speech was very well received in the press.

Mr. Jones stated that according to press reports the Court of Cassation has issued the final official report on the referendum which includes all precincts previously missing and includes adjustments made as a result of protests of illegality. The republic received a total of 12,717,923 votes and the monarchy 10,719,284. The phrase in the electoral law "majority of the electorate voting" was interpreted as meaning a majority of the electors who expressed themselves through valid votes. Approximately 1,500,000 votes were invalidated. The Council of Ministers subsequently issued a communique stating that the final results have eliminated any doubts.

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The Council decided that decrees would be issued by the President of the Council of Ministers by virtue of his authority as provisional head of the state. For the moment, the same flag was kept as the national colors, without the Savoy coat of arms.

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2. Future of the Allied Commission

With reference to para 2 of Minutes of 12 June, the Chief Commissioner reported that on the direction of the Commanding General, MTOUSA, he had delivered to the Prime Minister on the evening of 14 June a copy of a draft American agreement to accompany the main revision of the armistice. The Italian Government was asked to give its comments and suggestions with respect to amendments or modifications. As yet no word has been received, nor has the Chief Commissioner been informed that any negotiations have been commenced with the British Embassy on the British civil affairs agreement.

A meeting was held yesterday at AFHQ in connection with the possible set-up in accordance with article 3 of the revised armistice which provides for the present functions of the three service subcommissions to pass under the direction of a special section of AFHQ when AC is abolished. However, no definitive plans have been made as to the precise manner in which article 3 will be implemented.

3. Repatriation of POW's

The Chief Commissioner reported that he had received a small delegation of Italians in connection with the return of POW's to Italy and had furnished them wit[illegible] good statistics supplied by General Browning. The Chief Commissioner stated that apparently the Italian Government has failed to keep the people adequately informed of what has been done and he therefore intends to send a note to the Italian Government to this effect. The Chief Commissioner observed that it might be appropriate to take up, possibly with the British Embassy as well as with AFHQ, the question of plans for return of POW's now in Australia and India. A total of 1,180,000 POW's have been returned to Italy, with 165,000 still remaining to be repatriated, which by and large is very encouraging.

Commodore Ziroli reported that the Italian Navy continued lifts of POW's regularly during the week.

4. National Elections

Mr. Jones reported that the final accounting shows that the Christian Democrats won 207 seats or 35% of the seats in the Costituente, the Socialists 115 seats or 20%, Communists 104 seats or 18.9%, National Democratic Union 41 seats or 6.8%, Uomo Qualunque 30 seats or slightly over 5%, and the Republicans 23 seats.

5. CIP Strike

With reference to para 3 of Minutes of 12 June, Colonel Walton stated that so far as can be learned no CIP strike is in immediate prospect.

6. Guarding of Dumps

With reference to para 4 of Minutes of 12 June, Colonel Walton stated that the question of guarding of dumps is coming to a head over the question of Allied ammunition which the Allies intend to turn over to the Italian Government, although the Italian Government has requested that no more ammunition be turned over to them, suggesting that ammunition near the sea be dumped into the sea. The Economic Section wants to use surplus military guards to guard this ammunition, although that plan does not meet with the approval of MMIA. The Chief Commissioner directed that this matter be coordinated with the office of the Executive Commissioner.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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7. Wheat

With reference to para 5 of Minutes of 12 June, Colonel Walton reported that the food situation has considerably eased, due particularly to the harvest which is now under way. It had been expected for some time that there would be a deficit for wheat by the end of June, but it now appears that the July 1 stock will be at least 75,000 tons.

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8. Distribution of Supplies

Colonel Walton stated that the tractors purchased on FEA account had been put in the hands of the Federazione Consorzi Agrari for assembling, and now nearly all of them are out and at work. The Chief Commissioner asked if it was true that AC had held up the distribution of these tractors because of an insistence on high prices for them, and Colonel Walton replied that the Italian Government set the prices and not AC. AC had opposed overpricing.

9. Coal

With reference to para 6 of Minutes of 12 June, Colonel Walton reported that there was little change in the coal situation.

10. Public Order

With reference to para 8 of Minutes of 12 June, Brigadier Carr reported that since the disturbances in Naples 11 June and the demonstration in Rome 12 June things have been quiet throughout Italy and the state of public order has been very good. The Chief Commissioner stated that it is his understanding that since 12 June there have been no reports of disturbances anywhere in Italy and asked if anyone present had any other report. His question was translated for the benefit of the Soviet representative. No one reported any other disturbances.

11. Naval Patrol in Adriatic

The Chief Commissioner reported that due to the number of Italian vessels seized by reportedly Yugoslav vessels in the Adriatic, CINCMED has set up a patrol of Allied vessels in the Adriatic to guard against piracy. The patrol is not to enter Yugoslav waters.

12. Reduction of Personnel

Brigadier Lush reported that AC is losing a considerable number of clerks and is going to lose more, which means that efficiency on the clerical side will be impaired, which will mean more work will have to be done by the men and officers left.

Next Vice Presidents' Meeting: Wednesday, 26 June 1946, 1000 hours

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Joseph C. Rively

J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Adivsor, AC

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French Representative, AC
Soviet Representative, AC
Chief Legal Adivsor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

SECRET

Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/66 12 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 12 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau Heron de Villefosse, Major Leacacos, Colonel Weber, Mr. Cleveland.

1. Institutional Roferendum

The Chief Commissioner gave a brief report on the political situation with respect to the referendum. The Court of Cassation made a preliminary finding on the result of the referendum which was incomplete in that not all of the returns had been received from all polling stations and the Court had not had an opportunity to review the various appeals and protests made, largely by monarchists. The Court stated that it was about to investigate those appeals. This has led to a most unfortunate situation to the extent that those members of the government favoring the republic want the republic proclaimed on the basis of the preliminary reports while the Crown does not know if it has the power to transfer the powers of government until the final report is received. It is very possible that the report to be rendered by the Court of Cassation on the 17th might not be complete should the Court not have completed its review of the appeals.

While the dispute started with a good deal of antipathy between the Crown and the proponents of the republic, there is a legal difficulty to be resolved that cannot be done overnight. According to the morning papers, Signor Nenni has suggested the early convocation of the Costituente if necessary, on Saturday, June 17th, to resolve some of the difficulties.

During the last few days the Council of Ministers have had many meetings lasting until the early hours of the morning, discussing how the transfer of powers of government can be made pending the final decision. The King has proposed appointing De Gasperi as Luogotenente so that the King could step out of the picture until the decision of the Court is final. It is understood that the present status of that proposal is that the Council has requested the King to set forth in detail the manner in which he would propose to appoint the Luogotenente and the powers to be transferred in that case by the Crown on the Luogotenente. The Crown yesterday had a number of experts working on this proposal, and the Council hopes to receive a definitive proposal today. The Chief Commissioner concluded that that was the situation as he understood it as of this date.

Mr. Halford gave a brief review of the events leading up to the present situation as reported by the Chief Commissioner. By the evening of June 5th it was pretty well known that the republic had won by a majority of approximately 2,000,000 votes. It was thought that the Court of Cassation, which had begun scrutinizing the ballots and examining appeals, would finish its labors by June 8th and declare

Declassified E.O. 12356 Section 3.3/NND No. 785016

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 12 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Brigadier Carr, Colonel Walton, Lieutenant Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau Heron de Villefosse, Major Leacacos, Colonel Weber, Mr. Cleveland.

1. Institutional Referendum

The Chief Commissioner gave a brief report on the political situation with respect to the referendum. The Court of Cassation made a preliminary finding on the result of the referendum which was incomplete in that not all of the returns had been received from all polling stations and the Court had not had an opportunity to review the various appeals and protests made, largely by monarchists. The Court stated that it was about to investigate those appeals. This has led to a most unfortunate situation to the extent that those members of the government favoring the republic want the republic proclaimed on the basis of the preliminary reports while the Crown does not know if it has the power to transfer the powers of government until the final report is received. It is very possible that the report to be rendered by the Court of Cassation on the 17th might not be complete should the Court not have completed its review of the appeals.

While the dispute started with a good deal of antipathy between the Crown and the proponents of the republic, there is a legal difficulty to be resolved that cannot be done overnight. According to the morning papers, Signor Nenni has suggested the early convocation of the Costituente if necessary, on Saturday, June 17th, to resolve some of the difficulties.

During the last few days the Council of Ministers have had many meetings lasting until the early hours of the morning, discussing how the transfer of powers of government can be made pending the final decision. The King has proposed appointing De Gasperi as Luogotenente so that the King could step out of the picture until the decision of the Court is final. It is understood that the present status of that proposal is that the Council has requested the King to set forth in detail the manner in which he would propose to appoint the Luogotenente and the powers to be transferred in that case by the Crown on the Luogotenente. The Crown yesterday had a number of experts working on this proposal, and the Council hopes to receive a definitive proposal today. The Chief Commissioner concluded that that was the situation as he understood it as of this date.

Mr. Halford gave a brief review of the events leading up to the present situation as reported by the Chief Commissioner. By the evening of June 5th it was pretty well known that the republic had won by a majority of approximately 2,000,000 votes. It was thought that the Court of Cassation, which had begun scrutinizing the ballots and examining appeals, would finish its labors by June 8th and declare the results on that date and that the King would leave for Portugal. De Gasperi stated on the evening of the 5th that the Government had done its work and the whole question was now in the hands of the magistrates, who would work according to their consciences and the law. On 6 June the Queen and the children left on the DUCA DEGLI ABRUZZI for Portugal. On the same day Romita issued a series of communications regarding public order, insisting on Italians observing respect for

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the Royal House, for members of the Royal Family and court officials and their properties. He added that the emblem of the state bearing the Savoy coat of arms was still the emblem of the country until the Costituente decided otherwise.

On June 8th it became known through the press that certain groups of monarchists had entered protests against the legality of the referendum. The most important move was made by the Secretary of the Liberal Party and Minister Cattani who drew De Gasperi's attention to article 2 of the referendum which stated that the majority should be calculated on the total votes cast rather than on the total valid votes counted, i.e., if 26,000,000 votes were cast even though 2,000,000 were found to be technically invalid, the majority would have to be 13,000,000 and not 12,000,000. On June 10th the Court of Cassation made an announcement recording partial results, giving a total of 12,672,767 votes for the republic and 10,684,905 for the monarchy. 118 electoral sections were missing from the tabulation. It was announced that the Court would pass final judgment on the protests and claims before the complete results of the referendum were proclaimed. The Council of Ministers immediately went into session and at the conclusion of a long meeting issued a communique stating that the Council had taken note of the Court's findings which indicated a majority favoring the republic, that all Italians were expected to preserve order, and that June 11th was declared a holiday in honor of the republic. The 11th was half-heartedly observed as a holiday although the King had not yet left the country. In Rome, demonstrations took place in Piazza del Popolo celebrating the republic. Romita spoke in a very reasonable way assuring those people who had voted in favor of the monarchy that they had nothing to fear and would be treated as all other Italians, provided they accepted the results of the referendum as the rest of the country was doing. The meeting moved peacefully to the Viminale to pay homage to the Government. There have been no reports of disturbances in Rome although the morning papers carried accounts of rather widespread disturbances in Naples.

The Chief Commissioner also reported that on June 8th he had received a letter from Signor Benedetti, head of the Italian Monarchist Union, requesting scrutiny by Allied authorities of the material then and now before the Court of Cassation. It was in effect a request to the Allied authorities to intervene and to check, if not to supervise, the work of the Court. The Chief Commissioner forwarded Signor Benedetti's letter to the Prime Minister for such action as the Prime Minister might deem appropriate and had so notified Signor Benedetti.

2. Future of the Allied Commission

With reference to para 1 of Minutes of 5 June, the Chief Commissioner stated that while one of the supplementary agreements to the main agreement is ready, the other agreement is not completed and has not yet been handed to the Italian Government so that the situation is not substantially different than reported at the last meeting; that is, the question of signature is not immediately before the Italian Government. If the Costituente should be convened before the 24th as it may be in connection with the institutional crisis, its attention would no doubt be concentrated on settling that crisis. The Chief Commissioner believes the main and supplementary agreements will not be signed within the next ten days.

Mr. Halford reported that Sir Noel Charles communicated a preliminary draft of the British civil affairs agreement to the Italian Government on the evening of June 6th. He did not enter into any discussion but merely handed a copy of the document for the Italian Government to study. In the meantime, "Italian Sera" printed a substantially accurate version of the main armistice revision terms on June 8th, the leak having come from London, it is believed.

3. CIP Strike

Declassified E.O. 12356 Section 3.3/NND No. 748016

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With reference to para 4 of Minutes of 5 June, Colonel Walton stated that there is no indication that the CIP workers will go on strike again at the conclusion of their truce on 15 June.

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4. Guarding of Dumps

With reference to para 5 of Minutes of 5 June, Colonel Walton reported that the Economic Section is checking with the various U.S. and British disposal agencies to find out the exact requirements for guards before taking up the matter of providing the guards with the ministries and the service subcommissions.

5. Wheat

With reference to para 7 of Minutes of 5 June, Mr. Cleveland reported that the Italian Government has decided not to cut the ration during the period until the harvest, which is imminent. Stocks on 1 June were a little better than anticipated, and in addition wheat previously promised but not shipped is expected to start arriving in the latter part of June. Arrivals in July will probably be considerable. June loadings are expected to reach 240,000 tons, mostly from Argentina.

Colonel Walton stated that the cereal production for this year is estimated to be in excess of 3,000,000 tons over last year's production, with the increase of wheat estimated to be 33%. This was thought to be one reason why there has been no great increase in the black market prices of bread and flour. In this connection Brigadier Lush read excerpts from a letter received from Colonel Pennycuick in Naples stating that the black market price for bread is dropping near to the free economic rate, which probably indicates that farmers and speculators are unloading stocks in anticipation of a good harvest.

6. Coal

With reference to para 8 of Minutes of 5 June, Mr. Cleveland reported that the maritime strike in the U.S. may affect the coal situation in Italy, although UNRRA has made tentative arrangements with the union so that UNRRA cargoes will sail.

7. UNRRA Program

With reference to para 6 of Minutes of 5 June, Mr. Cleveland stated that UNRRA now has a pretty well laid out program for the rest of the year with less attention being paid now to requirements and more emphasis being laid on distribution, prices, and allocation. UNRRA is planning a conference of regional directors next week to plan most effective methods of assisting local agricultural agencies in the amassing program.

8. Public Order

Brigadier Carr stated that generally speaking, public order throughout Italy remained very satisfactory. One trouble spot has been Naples where several pro-monarchy demonstrations have led to disturbances. The Chief Commissioner requested that Brigadier Carr check with Colonel Pennycuick immediately on the disturbances reported in the papers as taking place yesterday in Naples, with 7 deaths reported.

9. La Spezia Harbor

Rear Admiral Warren reported that the entrance to La Spezia harbor has been widened and CINCMED has authorized Liberty ships to enter this port.

Next Vice Presidents' Meeting: Wednesday, 19 June 1946, 1000 hours

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Next Vice Presidents' Meeting: Wednesday, 19 June 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commr
VP Civil Affairs Sec
VP, Economic Sec (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C(MMIA) (2)
Air Forces S/C
Executive Officer (A)
Exec Officer (B)
French Rep, AC
Soviet Rep, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlen Cleveland, UNRRA

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Legal

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HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner

CC 551/65 5 June 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 5 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Major Temple, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Mr. Cleveland.

1. Future of the Allied Commission

With reference to para 1 of Minutes of 31 May, the Chief Commissioner stated that there has been progress and that the terms of the revised armistice have been presented in the name of SACMED to the Italian Government, although they have not yet been made public. So far as is known, the two other documents which are to be executed simultaneously with the main agreement providing for maintenance of the U.S. forces and British forces in Italy have not been taken up yet formally with the Italian Government. The Chief Commissioner added that statements have been made in the Italian papers that in view of the elections the chances of a signature on the revised armistice in the immediate future are remote.

2. Military Display

With reference to para 7 of Minutes of 31 May, the Chief Commissioner stated that he had read in the papers that the display supposedly scheduled for 4 June has been postponed for a short time. Brigadier Lush stated that he had checked with Chief of Staff, AFHQ, and it was flatly denied that a parade would be held in Rome on 4 June. No mention of any other date was made.

3. Political Resume

Mr. Jones gave a brief resume of the general political situation. On the eve of the elections the King issued a proclamation to the people reaffirming his intention of accepting the decision of the people and stating that if the monarchy should win he would not be happy if there were large portions of the population dissatisfied with the outcome of the referendum and he would therefore accept a second referendum on the institutional question after the Costituente had completed its work. The Chief Commissioner observed that this statement might have been made as an appeal to those voters who were undecided, since such a proposal would in effect postpone the final decision.

During the week the King visited principal cities in the North and received a mixed reception, with both pro-monarchy and anti-monarchy demonstrations being staged.

On 2 June the Pope speaking to the College of Cardinals referred to the French and Italian elections, saying that the fundamental question was whether the people

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Chief Commissioner

CC 551/65

5 June 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 5 June 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Major Temple, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Major Leonidov, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Mr. Cleveland.

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On 2 June the Pope speaking to the College of Cardinals referred to the French and Italian elections, saying that the fundamental question was whether the people would remain true to their thousand years of Christian civilization or whether they would throw in their lot with a material state having no God.

In reply to Brigadier Lush's question, Mr. Jones said that the positions of the parties were not clear with respect to a second referendum on the results of the Costituente.

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4. CIP Strike

Colonel Walton stated that the CIP workers have agreed not to strike again until 15 June. The Italian Government has stated that if there is another strike they will assure essential deliveries of fuel.

5. Guarding of Dumps

A short discussion took place on the guarding of dumps and the Chief Commissioner directed that the last para of para 5 of Minutes of 31 May be complied with and that the heads of the Services Subcommissions get into the question of pooling resources in consultation with Colonel Walton.

6. UNRRA Program

The Chief Commissioner welcomed Mr. Cleveland back to Rome and Mr. Cleveland gave a brief report of his visit to the U.S. It was agreed in Washington to ship food to Italy after the harvest and also to re-allocate to Italy money unspent as of 30 June. An additional 8,000,000 dollars was allocated to Italy, making the total UNRRA allocation to Italy, including the supplementary 1945 program, 425,000,000 dollars. The Chief Commissioner observed that since UNRRA had been willing to spend 50,000,000 dollars in 1945, this represented, in effect, an allocation of 375,000,000 dollars for 1946. Mr. Cleveland said that in terms of arrivals, one-third of the tonnage will have arrived in the first half of 1946 and two-thirds will arrive in the second half. Mr. Cleveland added that the present understanding is that the UNRRA program will continue in full operation through December but that no definite termination date for UNRRA will be set in order to permit UNRRA to carry through on long-lead procurement items.

7. Wheat

With reference to para 6 of Minutes of 31 May, Mr. Cleveland reported that the wheat situation is very bad. Although May loadings were expected to reach 154,000 tons, up to 29 May but 79,000 tons were loaded. May arrivals were about 150,000, but without diversions June arrivals will be considerably less than 100,000. Everything now depends on the amassing and how early the harvest can become effective. It was decided that no official cut would be made in the bread ration until after the elections, although Mr. Cleveland stated that it was his opinion that there will be insufficient wheat to maintain an organized ration system during June. Brigadier Lush stated that the LO in Sicily has reported a complete lack of flour in many districts. Mr. Jones stated that the Consul in Palermo was more worried about food riots than about the elections. Colonel Walton stated that it should be mentioned that an excellent crop is expected to be harvested in the South.

In reply to Brigadier Lush's question, Colonel Walton stated that the military authorities have not returned all loans made from civil stocks. In this connection, Brigadier Lush stated that AFHQ refused the request of the Italian Government for a loan of flour and were insisting on the return of 1000 tons loaned to the Italian Government for mid-shift meals and that the Italian Government having unsuccessfully asked for a loan of 25,000 tons up to June 30 were now agreeable to repay these 1000 tons.

8. Coal

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8. Coal

With reference to para 4 of Minutes of 31 May, Mr. Cleveland stated that it appears that the Italian Government is going to be able to allow an increase in coal consumption by reason of a reasonably good stock position and good expectations for the next couple of months. The assumption was made that absolutely no coal would be received during the coal strike in the U.S. but some coal has been coming in. A June allocation of 130,000 tons for Italy from the Ruhr has been made.

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9. National Elections

The Chief Commissioner introduced Major Temple who, he stated, has done outstanding work in connection with the national elections. Major Temple reported that the latest results on the voting for the Costituente show the party standing as follows (93% of the polling stations, 21,500,000 votes): Christian Democrats 7,598,783; Socialists 4,512,333; Communists 4,129,000; Democratic National Union (the so-called Nitti Group) 1,392,227; Uomo Qualunque 1,106,726; the Italian Republican party 954,753; and the rest of the votes were scattered. The distribution of seats in the Constituent Assembly will generally follow the votes cast because of the system of proportional representation used. In the Rome constituency the Christian Democrats polled 400,000 votes out of 1,200,000; Italian Republican party 188,000; Communists 148,000; Socialists 127,000; Uomo Qualunque 85,000.

The final announcement of the results of the elections takes place by 17 June because by that date the Court of Cassation must have heard all appeals.

Brigadier Lush stated that it should be recorded that the elections passed off with complete tranquillity with no reports of disturbances.

Air Vice Marshal Brodie reported that the Air Ministry has issued an announcement to the members of the air force to abide by the result of the elections. Admiral Warren reported that Admiral De Courten also made an announcement along the same lines.

Next Vice Presidents' Meeting: Wednesday, 12 June 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland, UNRRA

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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/64

31 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 31 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Rose, Mr. Wesley Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Lieutenant Colonel du Cros, Major Leacacos, Colonel Weber, Mr. Legg.

Brigadier Lush said he was sorry to announce that the Chief Commissioner was at present in the hospital and all would join in wishing his speedy recovery.

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1. Future of the Allied Commission

Brigadier Lush stated that neither SACMED nor the Allied Commission had received the documents of the revised Armistice terms. He understood that some of the civil affairs agreements were the subject of telegrams at the moment but had not yet been received in full by Allied Force Headquarters. On receipt there they would be coordinated by SACMED before being sent to Rome. It did not seem likely that the revised agreement would be placed before the Italian Government in the very near future and the civil affairs agreements still had to be negotiated.

2. Political Resume

Mr. Halford gave a brief resume of the general political situation. The main feature was the electoral campaign. All prominent politicians had been on tour making speeches on their well-known party lines. De Gasperi had visited Palermo and Naples and toured the North. He was taking the line that Italians must vote according to their consciences and appealed for calm and order.

Togliatti spoke at Turin and over the Rome radio. He attacked the monarchy and recommended that voters make the election a republican triumph.

The King had made a tour and seemed to have been well received. At Palermo he had a great success.

The Government has been mainly concerned with preparations for the election, especially the maintenance of public order. The Ministry of the Interior was taking strong measures to preserve calm and open air meetings were banned for the two days prior to the election day.

In connection with the electoral campaign Brigadier Lush saw De Gasperi on 29

Declassified E.O. 12356 Section 3.3 NND No. 785016

CC 551/64 31 May 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 31 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Ross, Mr. Wesley Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Lieutenant Colonel du Cros, Major Leacacos, Colonel Weber, Mr. Legg.

Brigadier Lush said he was sorry to announce that the Chief Commissioner was at present in the hospital and all would join in wishing his speedy recovery.

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1. Future of the Allied Commission

Brigadier Lush stated that neither SACMED nor the Allied Commission had received the documents of the revised Armistice terms. He understood that some of the civil affairs agreements were the subject of telegrams at the moment but had not yet been received in full by Allied Force Headquarters. On receipt there they would be coordinated by SACMED before being sent to Rome. It did not seem likely that the revised agreement would be placed before the Italian Government in the very near future and the civil affairs agreements still had to be negotiated.

2. Political Resume

Mr. Halford gave a brief resume of the general political situation. The main feature was the electoral campaign. All prominent politicians had been on tour making speeches on their well-known party lines. De Gasperi had visited Palermo and Naples and toured the North. He was taking the line that Italians must vote according to their consciences and appealed for calm and order.

Togliatti spoke at Turin and over the Rome radio. He attacked the monarchy and recommended that voters make the election a republican triumph.

The King had made a tour and seemed to have been well received. At Palermo he had a great success.

The Government has been mainly concerned with preparations for the election, especially the maintenance of public order. The Ministry of the Interior was taking strong measures to preserve calm and open air meetings were banned for the two days prior to the election day.

In connection with the electoral campaign Brigadier Lush saw De Gasperi on 29 May and told him that the Allied Governments no longer considered the institutional truce to be binding on the Italian Government. De Gasperi considered this a timely gesture and a certain amount of play had been made in the Italian press.

There had been several press reports on the amnesty. One story said the delay in signing was due only to the absence of the King but rumours were current that the King was refusing to sign as he considered the amnesty was not wide enough in scope

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and a new decree was in preparation. This version had been denied by De Gasperi. At a meeting of the Council of Ministers it was decided that the decree should be approved in principle but not promulgated until after the election.

The Council of Ministers had discussed the seizure of Italian fishing vessels by Yugoslavs in the Adriatic. It had been suggested that the Italian Government should restrict Italian fishing vessels within territorial limits. Protests had been made to the Embassies and Allied Commission and it was understood to be the Chief Commissioner's intention to send the problem to AFHQ. There was a complication in that the particular vessels seized were under contract to obtain fish for the Allied Command in Ancona. (Brigadier Lush said he had mentioned this matter to General Morgan, who had directed that action should be taken and it was understood that CinC Med had given orders for the complete patrolling of Northern Adriatic waters).

There was little new to say on the armistice terms. De Gasperi had stated that in addition to the preliminary draft of the revision document the Allies had indicated to the Italian Government the general lines of the new Civil Affairs agreements. The full text of these agreements was still being considered on the American and British side and it was possible that the Italian Governmentwould receive a preliminary draft next week but it was unlikely that they wouldbe able to do anything with this during the present election period.

(Brigadier Lush denied the press reports that General Morgan had seen De Gasperi on May 29th).

May 24th, the anniversary of Italy's entry into the Great War in 1915, went off quietly. Leading representatives of all parties attended ceremonies at the tomb of the Unknown Warrior.

Generally speaking it had been very quiet throughout last week and there had been no serious disturbances. (Brigadier Lush said this impression was reflected in reports received from liaison officers).

3. National Elections

Brigadier Carr gave a brief report on the situation as regards undelivered electoral certificates. As of about the middle of May reports from about 70 provinces indicated that on an average about 10% of certificates were undelivered. The situation would improve before the end of May. In some provinces the percentage was above 10% and in such cases the Italian Government were taking special action. Local Government Subcommission considered the situation satisfactory.

Brigadier Carr said that June 17th was the date by which the Court of Cassation Rome must announce the official results of the elections and the referendum. Brigadier Lush said that the Prime Minister had stated that the result of the elections would be available on or before 12 June. Brigadier Carr considered this estimate optimistic if he referred to the official results. Local results would be available from the press from June 5th onwards.

Brigadier Lush said he had seen a report of a speech by De Gasperi expressing regret that some POW's would be unable to vote. The Prime Minister had made a recorded speech which was being sent to London. On Sunday evening that speech would be broadcast by the BBC to all Italian POWs in camps throughout the world.

Orders were being issued to the armed forces by the Ministry of War. It was understood that the Air Minister had issued a declaration to the Italian air [illegible] Minister for Marine with

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The Prime Minister was examining the possibility of the King making a declaration to the Italian armed forces at some suitable time after the elections.

Public order was good.

4. Coal

Colonel Walton said there was no change in the situation. The U.S. coal strike is over and it may be expected that U.S. coal will again commence moving to Italy.

5. Guarding of Dumps

Colonel Walton stated that an appeal had been received for personnel for guard duties. It had been suggested that civilians should be employed as guards as no carabinieri could be spared for this task.

Major General Browning said it was not the duty of the Army nor CCRR to provide guards for dumps, and it was undesirable to do so. New units were being formed and the provision of guards would mean the scattering of men into small groups to the detriment of the training, etc. It was true that the number of carabinieri had been increased, but the new intake was required for replacements and to make up small stations.

Brigadier Lush said the Italian Government were paying a large number of Italian air force personnel over and above the ceiling and suggested these men might be employed as guards.

Colonel Walton expressed concern about large stores of ammunition and Major General Browning agreed that the Army might help in such cases if the ammunition was required by them. Brigadier Lush stated in that connection that General Lee had seen the Chief Commissioner and asked him to make quite certain that all dumps taken over by ARAR in the Naples area were handed over to the Italian Government and guarded by Italian personnel by 15 June.

Rear Admiral Warren said no Italian naval personnel were available for guard duties.

Brigadier Lush said it seemed that civilians must be used as guards. He requested Heads of Service Subcommissions to go into the question of pooling resources in consultation with Colonel Walton.

6. Wheat

Mr. Legg said the situation showed little change. He had already given information of the stock position and the attempt of the Italian Government to obtain help from another source than UNRRA. (Brigadier Lush said this referred to a request from the Italian Government and UNRRA to AFHQ to lend 25,000 tons of grain. AFHQ had replied that this could not be supplied from U.S. or British military sources and the application was refused.).

Grain stocks in certain regions would be exhausted between 1 and 7 June and the supply situation in those regions would become a day to day supply problem and to some extent they would be thrown back on their own reserves and

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Grain stocks in certain regions would be exhausted between 1 and 7 June and the supply situation in those regions would become a day to day supply problem and to some extent they would be thrown back on their own reserves and supplementary amassing.

The supplementary amassing had not been successful, only 50% of the lower target figure of 75,000 tons having been obtained.

Urgent requests had been received from Sicily to increase deliveries. They had amassed only 17% of the target figure. UNRRA were planning to help and it was anticipated that supplies from the harvest would be available between 15 and 20 June. The Regional Director had received instructions that every effort must

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be made to intensify harvesting and the distribution of indigenous grain. A similar situation arose in the Southern regions. There would be bad spots in Emilia and Toscana.

The plan was to put incoming shipments into the cities and throw the rural areas on to their own resources. The Italian Government was still hoping for two or three extra ships.

Arrivals during May were 154,000 tons. Washington had indicated that May allocations may be increased for arrivals in June.

Known arrivals for June were very bad. Only 43,000 tons were scheduled to arrive between 3 and 22 June. (Brigadier Lush said that Colonel Montague had seen in an optimistic report from Sicily which he would show to Mr. Legg).

Mr. Legg said that although no official cut in the ration had been made, it would be reduced automatically, region by region, owing to lack of grain.

The situation was good in regard to other foodstuffs, and there would be no widespread famine.

Harvest prospects for food and fodder were excellent.

The new amassing decree had been published in the Official Gazette but the decree on prices for cereals had not yet been issued.

7. Military Display

Brigadier Lush said there was no truth in the press reports of an Allied and Italian military display on 4 June.

Next Vice Presidents' Meeting: Wednesday, 5 May 46, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (3)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA) (2)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC

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Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland - UNRRA

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/63

22 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 22 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Lieutenant Colonel Neprud, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Colonel Kerr, Commander Bahlman, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber.

1. Future of the Allied Commission

With reference to para 2 of Minutes of 15 May, the Chief Commissioner stated that reports indicate that the AC will be abolished under the main armistice revision agreement approved by the Council of Foreign Ministers. Just how soon that will be is not known because presumably the date of execution of the main agreement will depend on the readiness to sign the additional agreements on behalf of the U.S. and U.K. on the maintenance and pay of the American and British forces respectively still remaining in Italy. Copies of the agreements have not been received.

2. Foreign Purchasing Missions in U.S.

With reference to para 8 of Minutes of 15 May, Colonel Walton stated that the Ministry of Foreign Trade has received informal advice from the Italian Embassy that they did not believe the State Department's proposal would affect the Sacerdoti Mission. In any case, it is not expected that the State Department plan will be implemented quickly.

3. CIP Strike

With reference to para 9 of Minutes of 15 May, Colonel Walton reported that the CIP workers have returned to work under a truce, but it is not believed that they will strike again on the termination of the truce. AVM Brodie reported that Italian courier flights have been resumed.

4. Political Resume

Mr. Jones gave a brief resume of the general political situation. Most papers have treated the news of the armistice revision factually and without comment. Some papers were consoled by the revision in the face of the failure to agree on the peace treaty, while others were not impressed by the revision as a substitute for the peace treaty. The Prime Minister reported to the press a rough outline of the revision, carefully pointing out that it is not a modus vivendi. He did express pleasure that Italy's cobelligerency has been officially recognized. He pointed out that the revision would be presented to Italy already signed and Italy would therefore not be able to negotiate but would have to either accept or reject the revision.

In regard to the amnesty law that the King had proposed and whichthe left wing

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In regard to the amnesty law that the King had proposed and whichthe left wing had attacked, the Government announced that the King's proposal coincided with an amnesty law which was being prepared and which would be announced after the elections. It was agreed to issue immediately a limited amnesty to prisoners serving sentences up to six months.

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The Council of Ministers decided to prohibit open-air meetings for the two days preceding elections. The Government is so pleased with the way things are going that no other restrictions are planned for the moment. General Cadorna issued an order of the day urging each soldier to do his duty as a citizen and vote as he thinks best and stating that whatever the results of the election, each soldier must remain at his post and defend the people's decision. A similar order of the day was put out to all carabinieri. In this connection the Chief Commissioner suggested to AVM Brodie and Commander Bahlman that theAir Forces S/C and the Navy S/C urge the Italian Air Force and Navy to issue similar proclamations to their forces.

De Gasperi spoke at Verona and in reference to the French referendum on the constitution he suggested a similar referendum in Italy. He said this was more important than the referendum on the institutional question, which was "virtually settled." (Major Leacacos stated that he believed De Gasperi meant that the process for determining the institutional question was settled and not the result of the referendum). De Gasperi said that the Italians in the Costituente must be careful to avoid the road leading to a single party and must insure full protection of individual liberties, a bicameral legislative system, and an independent judiciary and executive.

The Council passed a motion with reference to the various celebrations and ceremonies to be held by war veterans on the 24th providing that the participants must remain in their own provinces on that day and prohibiting movements between provinces for meeting purposes.

5. National Elections

With reference to para 3 of Minutes of 15 May, the Chief Commissioner stated that following publication in certain papers of statements that signatures were being secured for petitions urging postponement of the referendum on representations that the Chief Commissioner was interested in having petitions prepared, it was found necessary to make a general release of the same statement with regard to postponement of the election date as appears in para 3 of Minutes of 15 May. This statement was given rather wide publicity in the press. Mr. Jones said that the statement was well received, better by the center and left papers than by the right. The Chief Commissioner stated that BUONSENSO said postponement of the elections was the concern of AC and took the precise line of the petitions, thereby identifying the Uomo Qualunque movement to a certain extent with the postponement movement.

The Chief Commissioner reported that the LO's in the field have reported no solicitations for postponement. They have also reported that generally speaking the issuance of certificates has been quite successful. The Chief Commissioner asked Brigadier Carr to keep posted on the issuance of certificates in the Rome area, adding that if the situation is not corrected the matter would be taken up with the Prime Minister.

6. Coal

With reference to para 6 of Minutes of 15 May, Colonel Walton reported that there have been important developments. The European Coal Organization has allocated to Italy for delivery between now and the end of June roundly 200,000 tons of coal, including 133,000 tons from the Ruhr. The total of coal promised from all sources for arrival before end of June is 336,000 tons.

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7. Wheat

With reference to para 5 of Minutes of 15 May, Colonel Walton reported that there is no remarkable change in the wheat situation. UNRRA still believes a cut in the ration is necessary but no arrangements have yet been made to effect a

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reduction in the ration. Wheat arrivals in June are expected to be 150,000 tons, including 100,000 from Argentina, although from past experience there is a reasonable doubt the Argentine wheat will actually arrive in June. 273,000 tons of wheat are required monthly to maintain the present ration. On the special amassing program, up to 13 May 6,000 tons of cereals have been amassed, or about 8% of the target figure. UNRRA now estimates that the amassing might reach 24,000 tons, although this figure seems somewhat optimistic.

8. Repatriation

Colonel Kerr reported that 12,407 POW's have been returned to Italy during the week, bringing the total for the month to 23,235. Commander Bahlman reported that practically all POW's have been returned from Phillippeville and that after one more round trip to Casablanca, French North Africa will be cleared of Italian POW's.

9. Public Order in the North

Colonel Kerr reported briefly on his trip through the North. He stated that the carabinieri are very much improved, with new arms and equipment, high morale, and confidence in their ability to maintain public order. The Italian combat outfits are at a high peak of efficiency and capable of performing any job they are called on to do. The prefects in the North are calling for small detachments of two or three carabinieri for each polling booth but the carabinieri commanders are resisting that plan. It is probable that men from the territorial regiments will be assigned to these polling places. In the Bolzano area the new prefect seems to have materially improved the situation. He is a career prefect and seems to have materially improved the situation. He is a career prefect and seems to have the confidence of both Austrians and Italians. The Italians put on a military ceremony to receive U.S. decorations at Bolzano and the show of strength to the Austrian population had a very desirable effect. The situation in the North generally is much improved and quiet.

10. Distribution of Medical Supplies

With reference to para 11 of Minutes of 15 May, Brigadier Carr stated that the success of the Italian Government scheme for the distribution of medical supplies depends on the speed with which returns which have now been called for are received from the hospitals. Colonel Walton stated that UNRRA recommended that a meeting be held on this subject but that he had replied that a meeting was not necessary at this time because arrangements had been laid on. UNRRA was not particularly satisfied, feeling that too much reliance was being placed on a scheme. The Chief Commissioner directed Colonel Walton to keep checking the success of the scheme and stated that so long as AC is in operation this matter must be pressed to see that the supplies get to the people.

11. Displaced Persons

Brigadier Lush reported that it is necessary for AC to take over up to eight camps for displaced persons due to the inability of UNRRA to accept under their charter responsibility for some 5,000 refugees who are either dissident displaced persons or who have not definitely given aid to the Allies during the war. The IGCR is having a meeting in June on this question and have said that they may possibly be able to help. At present IGCR is planning for caring for refugees after UNRRA and military responsibility ceases.

12. Derequisitioning

Colonel Walton reported that a letter has been received from the Italian [illegible]

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12. Derequisitioning

Colonel Walton reported that a letter has been received from the Italian hotel union making a strong appeal for further consideration on the matter of requisitioning. It appears that there is still a good deal of requisitioning going on, with some derequisitioned hotels being re-requisitioned. In general the Economic Section has not taken any action on derequisitioning except with regard to industrial plants. Brigadier Lush suggested that the letter be used as a lever to make

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representations to AFHQ on the situation in Rome and in Milan, where a number of Medloc hotels are not used. The Chief Commissioner added that this would have to be considered with respect to the arrival of Allied military dependents, stating that the wholesale requisitioning at the Lido in Venice has been a sore point.

13. CINCMED Visit to Rome

The Chief Commissioner reported that he had been very happy to welcome the new CinCMed, Admiral Sir Algernon Willis, who is in Rome for a short visit.

Next Vice Presidents' Meeting: Friday, 31 May 1946, 1000 hours

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DISTRIBUTION:
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VP, Economic Section (3)
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Executive Officer (A)
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French Representative, AC
Soviet Representative, AC
Chief Legal Advisor, AC
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Mr. Harlan Cleveland - UNRRA

J. C. RIVELY
Major, Inf.
Staff Officer to CG

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The Chief Commissioner reported that he had been very happy to welcome the new CinCMed, Admiral Sir Algernon Willis, who is in Rome for a short visit.

Next Vice Presidents' Meeting: Friday, 31 May 1946, 1000 hours

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Legal

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/62

15 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 15 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Neprud, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Colonel Imrie.

1. Abdication of the King

The Chief Commissioner reported that on May 9th the abdication of the former King of Italy took place. The Chief Commissioner stated that there has been some misunderstanding in one or two of the papers as to the role which he is supposed to have played, and in order to clear up any misunderstanding the Chief Commissioner desired to state that he had nothing to do with the abdication whatsoever. He was not present when the abdication took place but was asked by the former King if he would come to Naples to see the King before his departure. The conversation was personal and had no political significance, although the King did thank the Chief Commissioner on behalf of the Allies for what the Allies have done in their efforts to help Italy. However, before the abdication and after advice had been received of the imminence of the abdication, the Chief Commissioner did send a letter to the Prime Minister based on a directive from the CCS stating that should the abdication take place the AC saw no reason for action or comment because such abdication would not affect the constitutional powers already held by the Crown Prince. It is clear that the CCS felt that this was purely an internal Italian matter and since Umberto, as his proclamation stated, assumed no more powers by becoming King than he held as Luogotenente, the status quo has not been altered.

2. Future of the Allied Commission

With reference to para 2 of Minutes of 9 May, the Chief Commissioner stated there is still no definitive news of any change with respect to future activities of the AC. However, press dispatches have reported that from time to time during the Paris peace negotiations reference has been made to revision of the armistice regime in the event that an early agreement is not reached on the peace treaty. It is probable that such a revision would affect the future of the AC.

3. National Elections

The Chief Commissioner reported that as head of the AC he has been approached by a number of people, some of them bearing letters addressed to him, asking that the Allies intervene to postpone the national elections and the referendum. The Chief Commissioner has refused categorically to take any such action and has suggested that these persons were quite wrong in coming to the AC at all as the date was set by the Italian Government and confirmed by the King, then Luogo-

Declassified E.O. 12356 Section 3.3/NND No. 785016

M I N U T E S

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Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Brigadier Carr, Colonel Neprud, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Colonel Imrie.

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Italians will be prevented from voting.

4. Political Resume

Mr. Halford gave a brief resume of the political situation. He reported that the big event during the week had been the abdication of the former King, which took place as officially stated at midday on May 9th. The abdication had been signed by the former King in favor of his son. The ex-King had left Naples on the same day with the Queen and a few aides and servants on board the Italian cruiser DUCA DEGLI ABRUZZI. De Gasperi had issued a statement to the press on the same evening in which he stated that the change in the Head of the State should not affect the pledge of the Crown to accept the result of the referendum. The abdication had caused an immediate protest by Togliatti who said that such a step was a violation of the institutional truce, and that even if the referendum was favorable to the monarchy the decision on the person of the King rested with the Costituente. De Gasperi had received a letter from the new King stating that his father's abdication had given him the succession but that it did not alter his powers in any way and he confirmed his pledge to be bound by the result of the referendum. The full council of ministers debated the situation on May 10th, with Togliatti opening the debate with a formal protest that the abdication had violated the institutional truce. Agreement was finally reached by deletion of the words "by the grace of God and the will of the nation" from the King's title. It was decided that official documents would be headed "Umberto II, King of Italy." The King's proclamation to the people was published the same day and pledged free elections and conformance to the will of the people. A number of demonstrations had been held by both monarchists and republicans.

During the week De Gasperi reported to the Council of Ministers that he had made it clear to the Council of Foreign Ministers in Paris that no Italian Government could accept the loss of Trieste and that he had refused to listen to offers of colonial compensation in exchange for Trieste. He had expressed the hope that Italy might be allowed to retain her Navy as part of the international force in the service of the United Nations. The Foreign Ministers had now in effect agreed that Italy's African colonies should remain as United Nations mandates administered by Italy. De Gasperi also reported that he had talked with Foreign Minister Molotov who had insisted that De Gasperi remain in Paris to meet the Yugoslav representatives.

Various electoral speeches were made over the week-end. De Gasperi spoke in Rome on Saturday and discussed the problem of monarchy versus republic, a speech that was interpreted by many monarchists as an indication of De Gasperi's preference for the monarchy. What he actually said, however, was that if the people desired a republic they should be sure that it was a really free and democratic republic and not a republic dominated by one party. On the same day Nenni in Milan affirmed that no reactionary force in the country could prevent the holding of elections on June 2nd. He said the alliance between the Socialists and Communists would be continued in order to guarantee a rebirth of democratic life in Italy. On the 12th, Sunday, De Gasperi spoke in Trento and referred to attempts being made to postpone the elections, declaring that the formal pledge on the part of the King and nation would hold good and the elections would be held June 2nd. Count Sforza at Milan declared that a republic stood for stability and the monarchy for adventure. At Palermo Togliatti said that the Communists recognized the right of Sicilians to autonomy within the framework of the Italian union.

The new King had instructed the Government to prepare a list of persons to be granted amnesty, a normal procedure for a new King. However, the left wing was apparently attempting to deny the King this right. The Chief Commissioner observed

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The new King had instructed the Government to prepare a list of persons to be granted amnesty, a normal procedure for a new King. However, the left wing was apparently attempting to deny the King this right. The Chief Commissioner observed that this might be interpreted as an exercise of power or privilege not held by Umberto as Luogotenente.

5. Wheat

With reference to para 7 of minutes of 9 May, Colonel Imrie stated that the wheat situation has deteriorated. The supplementary amassing campaign is not in

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UNRRA's opinion likely to come up to expectations as only 2000 tons of the Italian Government target figure of 69,000 tons of wheat has been amassed up to May 10. Further information on loadings in the U.S. and the Argentine indicates that May might be a poor month for loadings. The result is that if things do not improve it will be necessary to recommence discussions on a reduction in the bread ration.

6. Coal

With reference to para 5 of Minutes of 9 May, Colonel Walton stated that no information has been received of any increases in loadings. There has been a truce in the coal strike in the U.S. but most of the coal produced during the truce will probably be required for domestic use.

7. Foreign Trade Committee

Colonel Walton reported that he had attended a meeting with Italian Government officials, UNRRA and Embassy representatives on the formation of a foreign trade committee. The committee is limited to exchange of information and advice on the control and revival of Italian foreign trade in general. The Italians have invited AC representation on the committee and the Chief Commissioner authorized Colonel Walton to accept.

8. Foreign Purchasing Missions in U.S.

The Chief Commissioner stated that he has read news dispatches from the U.S. stating that the U.S. Government has sent word to the various foreign purchasing missions in the U.S., including Italy, asking that the purchasing missions withdraw and cease activity and that foreign trade negotiations revert to private channels. He asked if this would affect the Sacerdoti mission. Colonel Walton was asked to check on this.

9. CIP Strike

Group Captain Jarman stated that the CIP strike has caused cancellation of all Italian courier flights. Colonel Walton stated that the strike was for pay increases and that the company is attempting to withstand these demands. No immediate settlement is foreseen. The Chief Commissioner directed Colonel Walton to check with UNRRA to see if UNRRA is taking any interest in this question since the distribution of UNRRA supplies by the Italian Government must have UNRRA agreement. The Chief Commissioner observed that there was no point in UNRRA bringing in POL supplies if the Italian Government does not distribute the supplies due to strikes or any other reasons.

10. Civil Aviation

The Chief Commissioner reported that according to a State Department broadcast, the U.S. Government has advised both TWA and the British Government that the State Department does not support certain exclusive features in the TWA agreement with the Italian Government for the establishment of internal civil airlines and that the State Department has advised TWA that upon modification of the exclusive features of the contract the State Department would then support it. It was further stated that joint British participation in a company in which an American company is interested was not supported by the State Department.

11. Distribution of Medical Supplies

With reference to para 6 of Minutes of 9 May, Brigadier Carr reported that a [illegible] held last week with the head of ENDIMEA on the question of the distribu-

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and when those demands have been filled, supplies will be made available for purchase by pharmacies. The Chief Commissioner asked Brigadier Carr to have the head of the Public Health S/C follow through.

12. Public Order during Elections

Brigadier Lush stated that he has asked all liaison officers in the field for their opinions on the state of public order during and after the elections and the consensus of opinion is that generally sporadic disturbances may be expected but nothing very much more. No general intimidation by any political party is expected. The liaison officer in Emilia Region does detect a certain amount of organization to stir up disturbances and is more concerned than other liaison officers.

13. Food Situation

Brigadier Lush reported that he received a long report from a liaison officer the other day stating that his personal opinion is that the food situation is far better than the Italian Government would allow us to believe. The CLO states that there is a great deal of hoarding but in actual fact there is no starvation or approach to starvation. He adds that in his opinion the continued import of food is an extravagance that the Italians do not deserve, because their distribution system is at fault. Brigadier Lush added that this memorandum did reflect opinions appearing in British service papers. The Chief Commissioner stated that if distribution is faulty, it involved the Italian Government and UNRRA and that AC is not involved.

Next Vice Presidents' Meeting - Wednesday, 22 May 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/61 9 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 9 May 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Colonel Walton, Brigadier Carr, Colonel Ross, Lieutenant Colonel Wilbe-Jones, Mr. Jones, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Colonel Legg.

1. Chief Commissioner's Visit to Washington

With reference to para 1 of Minutes of 3 May, the Chief Commissioner stated that the remarks made with regard to the Italian Partisan movement reflected his own personal opinion and were not of course intended to commit his French colleagues in AC to the same point of view.

2. Future of Allied Commission

With reference to para 2 of Minutes of 9 May, the Chief Commissioner stated that there was nothing new to report on the future of the Allied Commission.

3. Political Resume

Mr. Jones gave a brief resume of the current political situation. The Council of Foreign Ministers meeting in Paris has continued to attract the most attention. After presenting Italy's position with regard to Venezia Giulia to the Council, the Prime Minister gave two press conferences and said that he had told the Foreign Ministers that of the four proposals submitted for the solution of the Yugoslav-Italian frontier, he preferred the American solution which was close to the Wilson Line and gave Italy the Arsa coal mines. He said that the Italian fleet had loyally fought alongside the Allies for two years, and that reports from Paris on the disposition of the Italian fleet had caused violent repercussions. De Gasperi stated that it was absolutely impossible for Italy to pay reparations. With regard to Mr. Byrnes' proposal to withdraw Allied troops and abolish the armistice terms, De Gasperi stated that he had learned some time ago of the American proposal to abolish the Allied Commission and to remove troops from Italy and that he had welcomed the proposals, not because Allied control has been paralyzing but in order to give the Italian people an impression of new freedom.

At the Liberal Party congress, a pro-monarchy motion was passed by a vote of 412 to 261, which makes the Liberal Party the first CLN political party to declare itself in favor of the monarchy.

33

The Monarchists had a mass meeting on the Palatine with a crowd estimated by

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CC 551/61 9 May 1946

M I N U T E S

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The Monarchists had a mass meeting on the Palatine with a crowd estimated by American observers at 50,000. The crowd proceeded to the Palace to cheer the Prince who appeared several times with his young son. On 8 May a crowd of several hundred monarchists demonstrated in front of the American Embassy and sent in a delegation asking that Trieste be retained by Italy and that the forthcoming elections be free from coercion.

Togliatti spoke to a Communist gathering at the Adriano Theatre Sunday May 5. He stated that with respect to Liberal criticism of Marxist economic theories,

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almost all European countries had nationalized industrial and banking institutions. He stated that the religious issue was no problem because everyone recognized the importance of religious traditions to Italians. He invited all neo-fascists, with the exception of Fascist criminals, to become converted to the democratic way of life. He said that the wages paid to labor do not cover half the expenses of normal living. He paid tribute to De Gasperi's efforts in Paris. With regard to French and Yugoslav claims on Italy, he stated that he would like to remind his French comrades that if fascism had flourished in Italy, it had received strong support from French reactionary sources. With regard to reperations, he said that Communist Party has been severely criticized for pointing out the payments which the Allies have already exacted from Italy but that they should be considered in any general reparations discussions. He favored the retention of Trieste by Italy, and stated that he did not want Italian foreign policy inspired by Washington, London or Moscow, and still less by Vatican City.

The Socialists held a rally also on Sunday and Nenni spoke urging the retention of Trieste and favoring the Wilson Line as the appropriate Yugoslav-Italian frontier. He stated that he was willing to accept trusteeships of Italian colonies, but added that Italy should devote its attention more to its economic than its political problems.

4. Illegal Transportation of Rice

The Chief Commissioner reported that a delegation of men who had brought down rice from Genoa apparently to sell on the black market in the South had had the rice taken from them by the police, with no receipts given for it, had called at his office on the 9th and had been referred to the Economic Section. Colonel Walton stated that these men were illegally transporting foodstuffs and that the railroad police had confiscated the food. The men were complaining because they were afraid the police would keep it for themselves. In any case it is strictly an Italian Government matter.

5. Coal

With reference to para 5 of Minutes of 3 May, Colonel Walton reported that the situation with regard to coal is unchanged.

6. Italian Distribution of Supplies

With reference to para 6 of Minutes of 3 May, Colonel Walton stated that a meeting was held last week with representatives of the American Embassy, UNRRA, and AC in attendance and a further meeting is to be held 9 May to discuss the question of undistributed goods in Italy. With regard to medical supplies, the Italian Government has made an appropriation to cover hospitals now unable to buy these medical supplies. Colonel Legg stated that UNRRA has investigated and has found a considerable measure of disagreement in the Italian Government itself. Brigadier Carr stated that he understands ENDIMEA claims their organization is able to distribute supplies on instructions from the High Commissioner for Public Health, which permission is expected in the near future. The Chief Commissioner requested that an Aide Memoire be prepared on the subject of the failure to distribute these medical supplies so that he could present it to the Prime Minister.

7. Wheat

With reference to para 7 of Minutes of 3 May, Colonel Legg stated that there had been imminent danger of a reduction in the bread ration but that after negotiations with the Italian Government it was decided to hold the present ration [illegible] on condition that the Government's supplementary amassing program

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normal living. He paid tribute to De Gasperi's efforts in Paris. With regard to French and Yugoslav claims on Italy, he stated that he would like to remind his French comrades that if fascism had flourished in Italy, it had received strong support from French reactionary sources. With regard to reparations, he said that Communist Party has been severely criticized for pointing out the payments which the Allies have already exacted from Italy but that they should be considered in any general reparations discussions. He favored the retention of Trieste by Italy, and stated that he did not want Italian foreign policy inspired by Washington, London or Moscow, and still less by Vatican City.

The Socialists held a rally also on Sunday and Nenni spoke urging the retention of Trieste and favoring the Wilson Line as the appropriate Yugoslav-Italian frontier. He stated that he was willing to accept trusteeships of Italian colonies, but added that Italy should devote its attention more to its economic than its political problems.

4. Illegal Transportation of Rice

The Chief Commissioner reported that a delegation of men who had brought down rice from Genoa apparently to sell on the black market in the South had had the rice taken from them by the police, with no receipts given for it, had called at his office on the 9th and had been referred to the Economic Section. Colonel Walton stated that these men were illegally transporting foodstuffs and that the railroad police had confiscated the food. The men were complaining because they were afraid the police would keep it for themselves. In any case it is strictly an Italian Government matter.

5. Coal

With reference to para 5 of Minutes of 3 May, Colonel Walton reported that the situation with regard to coal is unchanged.

6. Italian Distribution of Supplies

With reference to para 6 of Minutes of 3 May, Colonel Walton stated that a meeting was held last week with representatives of the American Embassy, UNRRA, and AC in attendance and a further meeting is to be held 9 May to discuss the question of undistributed goods in Italy. With regard to medical supplies, the Italian Government has made an appropriation to cover hospitals now unable to buy these medical supplies. Colonel Legg stated that UNRRA has investigated and has found a considerable measure of disagreement in the Italian Government itself. Brigadier Carr stated that he understands ENDIMEA claims their organization is able to distribute supplies on instructions from the High Commissioner for Public Health, which permission is expected in the near future. The Chief Commissioner requested that an Aide Memoire be prepared on the subject of the failure to distribute these medical supplies so that he could present it to the Prime Minister.

7. Wheat

With reference to para 4 of Minutes of 3 May, Colonel Legg stated that there had been imminent danger of a reduction in the bread ration but that after negotiations with the Italian Government it was decided to hold the present ration through May on condition that the Government's supplementary amassing program would form part of the maintenance of the ration. The success of the amassing program is to be reviewed on 15 May by UNRRA. UNRRA is working closely on the amassing plan at present. Other food supplies are coming in normally. A cable was received from Mr. La Guardia urging the Italian Government to crack down on the black market dealings in food and control of restaurants.

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S E C R E T

Next Vice Presidents' Meeting - Wednesday, 16 May 1946, 1000 hours

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J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (6)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor, AC
Chief Legal Advisor, AC
Mr. Harlan Cleveland - UNRRA

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Declassified E.O. 12356 Section 3.3/NND No. 785016

J. C. RIVELY
Major, Inf.
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
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VP, Civil Affairs Section
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Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMIA)
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Executive Officer (A)
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Chief Legal Advisor, AC
Mr. Harlan Cleveland - UNRRA

32

Declassified E.O. 12356 Section 3.3/NND No. 785016

Legal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 794

CC 551/60

3 May 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 3 May 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Colonel Ross, Brigadier Carr, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Lieutenant Colonel Wilbe-Jones, Colonel Weber.

1. Chief Commissioner's Visit to Washington

The Chief Commissioner expressed pleasure at being back and gave a brief report of his trip to Washington. He stated that there appears to be definite sympathy in Washington for the Italian problem, although this might not be evident from the recent news from Paris. In the latter connection, the Chief Commissioner stated that the difficulty may be that those most familiar with the problem are not doing the negotiating. From the President on down in Washington there was every desire manifested to assist Italy. The position taken by the Chief Commissioner with the President and others was that Italy had three immediate needs: (1) food, (2) fuel and raw materials, and (3) a just peace. These needs should be met as speedily as possible because early next month the elections and the referendum will take place which will decide the future course of Italy for many years to come. The Chief Commissioner stated that he had represented in Washington that the peace with Italy should give full recognition to Italy's contributions to the Allied war effort since her declaration of war against Germany. The Chief Commissioner found both in Washington and London that Italy's war contribution to the Allies is almost unknown. Consequently, the Chief Commissioner particularly stressed the work of the Italian Navy, Air Force, Army, and the Partisan movement. He stated that it was the opinion of Allied authorities that the Italian Partisan movement was not surpassed by any other partisan action, as evidenced by the excellent condition of the industries in the North after the German surrender.

2. Future of Allied Commission

With reference to para 1 of Minutes of 24 April, the Chief Commissioner stated that his telegram to SACMED stated that the CCS were prepared to consider revision of FAN 650. After some discussion, the U.S. State and War Departments were prepared to reverse their previous position and rather felt they had been wrong in imposing their views on the Theater Commander, and if in fact SACMED would prefer a different directive, they would try to conform to his views. The British delegation to the CCS, headed by Field Marshal Wilson, gave the Chief Commissioner just as good a reception. However, since that time there is some evidence that the British Foreign Office are not disposed to modify FAN 650. In essence, the position taken by the Chief Commissioner was that AC should continue for the time being obviously reduced in size and obviously shorn of certain functions which, because of earlier directives, have begun to pass to other agencies; namely, UNRRA, and the two Embassies. Just how the matter will work out in view of present developments is not known. In any case, the question is

Declassified E.O. 12356 Section 3.3/NND No. 785016

CC 551/60

3 May 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 3 May 1946, Chief Commissioner's Conference Room, Headquarters Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Colonel Ross, Brigadier Carr, Mr. Jones, Mr. Halford, Group Captain Jarman, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Lieutenant Colonel Wilbe-Jones, Colonel Weber.

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3. Political Resume

Mr. Halford gave a brief resume of political events during the past week. The Christian Democrat party held its national congress from April 24th to 27th. De Gasperi estimated the present strength of his party to be 1,500,000. After

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heated debate, a motion was introduced to the effect that the Christian Democrat party favored a republic, and delegates representing 740,000 voted in favor of the resolution, while 254,000 votes were recorded against the resolution. This declaration by the Christian Democrats in favor of a republic is bound to have an effect on the political thinking of the country..

The news with regard to Italian frontiers, reparations and colonies that has been coming from the conference at Paris has provoked bitter opposition in the Italian press. At the Liberal Party congress, statements were made that Italy could not afford to sign a peace treaty that would so humiliate her. On Wednesday the Italians received an invitation to send representatives to present the Italian view with regard to Venezia Giulia, and on Thrusday Prime Minister De Gasperi, accompanied by Ambassador Carandini and a number of technicians and experts, took off for Paris.

The Liberal Party held its congress from April 29th onward and speeches were colored by the news from Paris. A vote was taken May 2nd on the party's stand on the institutional question, but the results have not yet been announced.

4. Wheat

With reference to para 6 of Minutes of 24 April, Colonel Walton stated that as a result of diversions, present indications are that the present ration of 200 grams can be maintained through May and that as of 1 June there will be stocks of 50,000 tons remaining. This estimate does not include estimates of receipts from the special amassing program instituted by the Italian Government, the target for which is 150,000 tons of wheat.

5. Coal

With reference to para 7 of Minutes of 24 April, Colonel Walton stated that it is estimated that during the emergency period, April, May, and June, 1,000,000 tons of coal will be available from all sources, and a set of allocations has been very carefully drawn up, using this amount of coal over the three months' period. There is not a favorable outlook for any increase in the coal available unless the ECO allocates more coal to Italy. It was proposed by the U.S. representative, Mr. Porter, that European coal production be reallocated for the second quarter. If the proposal were carried out, Italy would receive about 200,000 tons of coal. This proposal is opposed by a few of the nations concerned.

6. Italian Distribution of Supplies

Colonel Walton reported that in many instances the Italians have failed to distribute the supplies received and turned over to them, for a variety of reasons. This applies in a small degree to food, and also to fertilizers and tractors, as well as to medical supplies as reported in para 5 of Minutes of 24 April. A conference is being held the afternoon of 3 May between interested branches of the AC, including Public Health S/C, UNRRA and the embassies, to formulate plans for presentation to the Italian Government. The Chief Commissioner stated that he is still not satisfied with the situation as regards the distribution of medical supplies.

7. Electoral Law

Brigadier Carr reported that an advance copy of the decree setting out the procedure for voting on the referendum and for the Costituente has been received. The voting will start on June 2nd and in larger districts will continue until mid-day, June 3rd. Each local polling station must count its votes and announce the results by mid-day June 4th. All papers are then to be sent to the central office of each of the 32 colleges which collates results and announces

Declassified E.O. 12356 Section 3.3/NND No. 785016

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8. Repatriation

Admiral Warren reported that the repatriation program is continuing satisfactorily. General Browning stated that repatriation is continuing at the rate of about 10,000 a week, with about 260,000 still to be repatriated as at 26 April 46.

9. Discontinuance of APO 394

Colonel Ross reported that APO 394 as a separate APO is being discontinued, and that APO 794 would now handle all U.S. mail. A mail room will be maintained in the AC building to receive and distribute mail as formerly. The elimination of APO 394 and combination with APO 794 is necessary because of the reduction of personnel.

10. Lt Col Timmons' departure

The Chief Commissioner expressed deep regret at the loss to AC of Lieutenant Colonel Timmons who has returned to the U.S. Colonel Timmons has been with AC since its inception and his loss will be keenly felt. It is hoped that Colonel Timmons might return as a civilian.

11. PRO-Major Leacacos to leave

The Chief Commissioner also stated that AC is about to lose Major Leacacos, another old-timer, who has carried a great deal of the load of the PRO office. The Chief Commissioner said that Major Leacacos has done a fine job and that he will be extremely sorry when the Major leaves.

In this connection, both the Chief Commissioner and Executive Commissioner expressed their belief that the "AC Weekly Bulletin" must be continued, to help counteract the impression of disintegration of AC. The Chief Commissioner said that while the duties of AC would be fewer in the future, they should nevertheless be carried out just as seriously as in the past, and that he wanted no let-down in morale or drive.

With that in mind, the Chief Commissioner directed the Executive Commissioner and Colonel Ross to check AC personnel to see if it is possible to find a man to continue as PRO and particularly to take care of the "Weekly Bulletin." The Chief Commissioner added that it was not practicable to bring in an outsider, as the man to fill the job must be one who has been with AC for some time and therefore knows its full history. It is not entirely necessary to have a journalist for this job, although it would be helpful. The Executive Commissioner stated that three people are under consideration for the post.

Next Vice Presidents' Meeting, Thursday, 9 May 46, 1000 hours

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DISTRIBUTION:
Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (6)
Political Advisor (A)
Political Advisor (B)
Navy S/C (3)
Land Forces S/C (MMLA)
Air Forces S/C
Executive Officer (A)
Executive Officer (B)

L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting, Thursday, 9 May 46, 1000 hours

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L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
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VP, Civil Affairs Section
VP, Economic Section (6)
Political Advisor (A)
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Land Forces S/C (MMLA)
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Executive Officer (A)
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French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
British Ambassador
G-5, AFHQ (5)
Chief Financial Advisor, AC
Chief Legal Advisor, AC
Mr. Harlan Cleveland - UNRRA

SECRET

Declassified E.O. 12356 Section 3.3/NND No. 785016

Segal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner.
APO 394

CC 554/59

24 April 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 24 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Colonel Neprud, Mr. Jones, Mr. Halford, Mr. Cleveland, Air Vice-Marshal Brodie, Colonel Kerr, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons.

1. Future of Allied Commission.

The Acting Chief Commissioner announced that he had received two telegrams from Admiral Stone to the effect that the Combined Chiefs of Staff are disposed to modify the directive contained in FAN 650 on the lines of a draft directive which Admiral Stone took to Washington and discussed with the Combined Chiefs of Staff. This draft directive followed very closely document 'S' which was produced by Allied Commission in December 1945.

The Acting Chief Commissioner has asked SACMED to signal to Washington asking for modification of the directive and it is understood from G-5 that this will be done in the next day or two.

The Acting Chief Commissioner said that the effect of the modification would be to continue the reduction of the functions of Allied Commission in a progressive way as had been going on for the past eight months. He thought it eliminated the setting up of a G-5 Section in Rome but further information would be forthcoming from Admiral Stone who was due to arrive at noon on Friday, 26 April.

2. Political Resume.

Mr. Jones gave a brief resume of political events during the past week.

Principal interest was centered in the food crisis. (See paragraph 6).

Completing Mr. Halford's report on the Socialist congress last week, it was learned that the final direction of the party turned out to be a compromise between the Nenni and Saragat factions. Nenni had been appointed President of the Socialist Party, a newly created position, and the newly appointed Secretary, Lombardo, who was at present in Washington, sitting with the Combined Textile Committee, is considered a "neutral" within the Socialist Party. He is also Under-Secretary of Industry in the present Italian Government.

Declassified E.O. 12356 Section 3.3/NND No. 785018

APO 394

CC 551/59

24 April 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 24 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Colonel Neprud, Mr. Jones, Mr. Halford, Mr. Cleveland, Air Vice-Marshal Brodie, Colonel Kerr, Rear Admiral Warren, Colonel Savko, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons.

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Press reports had appeared on the position of the French Communist Party regarding the Italian Peace settlement. The French Government's claims for rectification of the Franco-Italian frontier are supported, as are the demands for part of the Italian war fleet and reparations. Furthermore, they say that Trieste should be "restored" to Yugoslavia.

SECRET

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SECRET

The Italian Communist Party Secretariat issued a communique with reference to the press reports of the French Communist Party stand. They invited the French Communists to send a delegation to Italy to study the situation at first hand. They appealed to the French Communists for help to combat rebirth of Fascism in Italy, the success of which they said depended greatly on how the new Italy was treated by other countries. Treating her as an enemy could only reinforce reactionary pro-fascist tendencies in Italy. The Italian Communist Party Secretariat communique continued that there was a deliberate attempt on the part of pro-fascists to disturb public order and compromise electoral campaigns. Regarding Trieste, the Communists there should be careful not to be drawn into incidents which might have serious consequences. The Italian Communist Party proposed to open an office in Trieste to be able to follow the situation more closely.

Scoccimarro, the Communist Minister of Finance, gave a lengthy press interview to a French journalist. Scoccimarro reviewed Italy's contribution to the war on the side of the Allies, saying that 250,000 partisans participated, of whom 50,000 gave their lives. Scoccimarro said the present monetary circulation was 400 billion lire, of which 200 billion was issued by the Germans and more than 100 billion by the Allies. He documented the financial contribution made by Italy to the Allies, saying that the Allies had carried out requisitions to the amount of 400 billion lire, the Italian Government had spent 500 billion lire as its contribution to co-belligerency, and to this should be added the issue of 100 billion Allied lire. According to Scoccimarro, Italy had given a total of 1,000 billion lire to the Allies. On the Trieste question, Scoccimarro said the city was unquestionably Italian and that the Italo-Yugoslav frontier must be settled along ethnical lines.

Regarding National elections. 18 April was the last day on which party lists of candidates for 2 June elections could be submitted to the Italian Government. While ballots for deputies will be counted first and then those on referendum, the results will be announced simultaneously.

De Gasperi made a speech to the Catholic Youth Movement on the food crisis. He said a tragic point in Italy's food situation had been reached, and Italy was on the eve of decisions which might lead to privations of such a nature that political consequences and the effect on public order could not be calculated. He asked what was the Costituente and the referendum when the Italian people were face to face with hunger. The Italian Government must take grave decisions in case a negative reply was given to appeals for grain. De Gasperi warned that the present bread ration of 200 grams, the lowest in Europe, would have to be further reduced, although only for a brief period. The Italian Government were making all possible last minute efforts to avoid this sacrifice.

Press reports have appeared on Argentine wheat shipments. The "Vittorio Veneto," the first of seven ships laden with Argentine grain, left Buenos Aires on 20 April. The remaining six ships were supposed to leave this week. All seven ships were originally Italian and are those which the Argentine has recently restored to Italy. All are carrying corn, wheat and wearing apparel.

3. Venezia Giulia and Udine.

The Acting Chief Commissioner announced that a meeting was taking place to-day. Colonel Walton and Colonel Ross were representing the Allied Commission. There would be a certain modification in their discussions in view of the telegram received from Admiral Stone.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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SECRET

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4. UNRRA Responsibility for Venezia Giulia.

Mr. Cleveland stated that UNRRA had received a telegram from Mr. La Guardia setting forth the contents of a letter written to the Combined Chiefs of Staff, and that a further recommendation against UNRRA responsibility had been cabled by UNRRA Rome to UNRRA Washington.

5. Distribution of Medical Supplies.

Brigadier Carr said there was a dispute between the Italian Treasury and the High Commissioner for Public Health. The latter had put forward certain proposals to the Treasury in March but had made no progress and on 16 April had written a letter to the Prime Minister referring specifically to the letter which had been received from the Chief Commissioner. Public Health Sub-Commission were watching the matter.

6. Wheat.

Mr. Cleveland stated that there had been a critical period for the last few days. UNRRA had presented the facts to the Italian Government and the latest calculations showed that without diversions of ships and without additional amassing, by continuing the present ration by 15 May only 10,000 tons of wheat would be left, one day's supply throughout the country. The British had proposed to the Combined Food Board a diversion from United Kingdom subject to later replacements from Canada and the United States of 200,000 tons of wheat now or about to be on the seas. They proposed a break-down of 140,000 tons to be reserved for other British commitments, leaving 60,000 tons for UNRRA. The American side of the Combined Food Board proposed 100,000 tons to be made available to UNRRA from the British diversion. Originally none of the 60,000 tons was to be made available for Italy. Now two ships containing 16,000 tons would go to Italy and possibly a third also. The new decree for supplementary amassing had been passed and was now law and the Italian Government hoped to obtain a minimum of 75,000 tons of grain. Meetings of the Council of Ministers had been held but the question of the cut in the bread ration was still undecided.

UNRRA had made a point of the over-issues of pasta in many provinces. The Prime Minister was very concerned about this, and would tighten up. An average of 20,000 tons a month had been over-issued.

Mr. Cleveland said he was leaving on Sunday, 28 April, for Washington, taking with him the second half of the 1946 program.

7. Coal.

Lieutenant Colonel Timmons reported that UNRRA estimates for April and May arrivals were 900,000 to 1,000,000 tons. There would be no loadings after 30 April as long as the present U.S. strike continued. The Italian Government had been in close consultation with UNRRA on measures for the strict conservation of coal supplies, and the April, May and June consumption would be somewhat over 300,000 tons a month. Everything hinged on the duration of the U.S. coal strike; if it continues beyond 15 May the situation will be extremely serious.

Declassified E.O. 12356 Section 3.3/NND No. 758016

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8. Review of AMG Cases.

In answer to the Acting Chief Commissioner, Colonel Weber stated that there were 725 cases to be reviewed, of which approximately 350 had been finished. About half of the sentences will expire in six months or a year, making allowance for reductions for good behaviour etc.

The Acting Chief Commissioner said it would be desirable to give some publicity to this matter and directed that a statement be prepared for the Weekly Bulletin.

Next Vice Presidents' Meeting, 1000 hours, Wednesday, 1 May 1946

L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

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SECRET

Sugar

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/58 17 April 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 17 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Sir Quintin Hill, Brigadier Carr, Colonel Ross, Colonel Walton, Mr. Jones, Mr. Halford, Mr. Cleveland, Brigadier General Lee, Colonel Kerr, Rear Admiral Warren, Major Leonidov, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones.

1. Economic Advisor to the British Embassy

The Acting Chief Commissioner introduced Sir Quintin Hill, newly appointed Economic Advisor to the British Embassy who has arrived in Rome in line with the handover of certain residual functions of the Economic Section of Allied Commission.

2. Future of Allied Commission

The Acting Chief Commissioner announced that he had received a telegram from Admiral Stone, stating that he expected to arrive in Rome on 26 April and that he was practically certain his mission had been a success in that he had persuaded the Combined Chiefs of Staff in Washington to deal with any changes in the Allied Commission in a rational manner. The Brigadier also reported that a communication had been received from AFHQ dealing with FAN 650.

3. Political Resume

Mr. Halford gave a brief resume of political events during the past week.

The Socialist Congress was opened in Florence on 11 April. Professor Laski made a speech referring to the change in government in Great Britain as a sign of the times. He said Socialist ideas were spreading throughout the world and advocated a "brotherly love" policy. According to Professor Laski, the Italian case was being studied by the British Socialist Party with great sympathy, and he was optimistic enough to state that in a month's time Italian representatives would be sitting at the Peace Conference table. Nenni followed with a speech outlining the programme of the Italian Socialist Party and expressed confidence in the outcome of the forthcoming elections. Speaking on foreign affairs, he emphasized that Italy could not afford to side with any bloc of great powers but urged that regional agreements be entered into with Greece, France, Yugoslavia and other European countries. He upheld the Lateran Treaty. Nenni wanted unity of the working classes and some form of close collaboration with other left-wing parties. This speech was attacked by Saragat later on in the congress and subsequently Nenni counterattacked in another speech. The atmosphere was tense at the end of the conference and although it was thought that Nenni would lose out on the motion he had inspired and might have to resign his leadership, reports

Declassified E.O. 12356 Section 3.3/NND No. 785016

Vice Presidents' Meeting, 1000 hours, 17 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Sir Quintin Hill, Brigadier Carr, Colonel Ross, Colonel Walton, Mr. Jones, Mr. Halford, Mr. Cleveland, Brigadier General Lee, Colonel Kerr, Rear Admiral Warren, Major Leonidov, Capitaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones.

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The electoral campaign was continuing.

Count Sforza had come out openly as a Republican candidate.

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4. Feeding of Italian Armed Forces

Colonel Walton said that although he had stated at the last meeting there had been no reply from the Italian Government, a communication had in fact been received from the Prime Minister to the effect that he was well aware of the problem and had put the matter to the Inter-Ministerial Committee. The chairman, Food Subcommittee, has reported that action has been taken and that the purchasing mission in Washington has been instructed to purchase. Progress reports have been requested. Admiral Warren said the Navy Subcommission had received a practically similar reply. The Acting Chief Commissioner directed that Economic Section and service subcommissions follow up.

5. Italian Government Financial Report

The Acting Chief Commissioner stated that he had looked over the Italian Government Special Financial and Economic Report and that he agreed with Lieutenant Colonel Timmons in that it wes an excellent and well presented document. He would try to get more copies for distribution.

6. Reorganization of Allied Commission

The Acting Chief Commissioner said a draft plan had been received for the setting up of a G-5 organization in Rome. The total of personnel at the HQ was 25 American and 28 British officers, with 25 Displaced Persons officers and a total of 147 American and British officers in the service subcommissions. A directive had been prepared following the lines of FAN 650 but more in keeping with document 'S' (AC's final recommendation for the eventual reorganization of the Commission prepared in December last) practically an identical copy of which had been taken by the Chief Commissioner to Washington. It was hoped that the directive now prepared by AFHQ would be modified according to the extent to which the Chief Commissioner had been successful in Washington in avoiding the formal setting up of a G-5 Section in Rome. The directive would be sent to Vice Presidents, and the second part would be treated for the moment as academic.

7. Venezia Giulia and Udine

The Acting Chief Commissioner announced that a meeting had been arranged at Udine on 24 April to discuss the handover of functions of control which Allied Military Government employs in Venezia Giulia and Udine to XIII Corps. Colonel Walton and Colonel Ross would represent Allied Commission at that meeting, and in view of the shortage of key personnel at XIII Corps these officers should be prepared to recommend that XIII Corps use AC as a consultative body. This could be done without violating FAN 650.

8. UNRRA Responsibility for Venezia Giulia

Colonel Walton stated that UNRRA had been formally invited to assume the supply responsibility for Venezia Giulia and Udine under certain conditions by CCS in FAN 659. This was not a new problem and in its first phase had been discussed by Mr. Cleveland with the Commanding General, XIII Corps, for Udine. Later this was reviewed by AFHQ with Mr. Keeny as to the readiness of UNRRA to take over these duties for both Venezia Giulia and Udine. At that time UNRRA were not in a position to do so. The conditions attached to the present invitation include that AMG be considered as the local government through which UNRRA will operate; a separate Venezia Giulia - Udine UNRRA mission, headed by a British or American officer, and provision made for its reversion to SACMED's control if necessary.

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The Acting Chief Commissioner said it seemed to have been forgotten that AMG in Venezia Giulia and Udine was not integrated. In Udine the local provisional government was there for purely military reasons. UNRRA should be advised to keep the two territories separate.

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Mr. Cleveland stated he had received a telegram from UNRRA, Washington, that they did not want to accept the invitation and the matter was now being discussed in Washington.

The Acting Chief Commissioner said this was a point to bring up at the Udine meeting next week.

9. Distribution of Medical Supplies

Colonel Walton said this had been a controversial point between AC and the Italian Government. The head of ENDIMEA had pointed out that large stocks of medical supplies were lying idle and undistributed and undertook to inform the High Commissioner for Health of this. It was understood that the High Commissioner for Health insisted upon distribution through hospitals. Colonel Walton had asked if it was alleged that AMG was responsible for the non-distribution and was explicitly told that AMG was not at fault.

The Acting Chief Commissioner said that the stipulation for prepayment was the primary cause of non-distribution of medical supplies. Many hospitals were not in a position to make advance payment. The matter was serious and a remedy must be sought quickly. The head of ENDIMEA had said that hospitals could get relief quickly by showing their financial difficulty.

There was some discussion and Mr. Cleveland said the High Commissioner for Health was not exerting enough pressure to ensure distribution of medical supplies.

Brigadier Carr would discuss the whole matter with Colonel Frizelle and endeavor to obtain a solution.

10. Wheat

Mr. Cleveland said the situation was serious. Mr. Keeny and he had talked on the telephone to Mr. La Guardia. Of the April loadings which were hoped to be approximately 150,000 tons, only 74,000 tons had been received so far. The Director General of UNRRA was holding a series of conferences in Washington and had summoned the Combined Food Board. The question arose as to the extent to which supplies in ships destined for the United Kingdom import programme could be diverted to meet European relief needs. The British were willing to impose bread rationing if the U.S. would follow suit and if they could be sure of replacements. The U.S. found it difficult to guarantee replacements. Further news was awaited from Washington and the effect of the delay had been that no cut in the bread ration now could have a significant effect on consumption during April.

11. Coal

The situation was gloomy. The prolonged strike in the U.S. was now beginning to affect loadings of coal for Europe, and it was anticipated that loadings for Europe would cease at the end of the week. Nearly one million tons of coal had been acquired during the month and a half. Conservation measures had been undertaken by the Italian Government in consultation with UNRRA which had the effect of spreading the amount of coal over two months by a reduction of consumption from 400,000 to 300,000 tons a month. The situation would have to be examined again if the U.S. strike continued for more than another three to four weeks.

12. Call-up of the Italian Army

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12. Call-up of the Italian Army

Colonel Kerr said 40,000 men had been called up in the 1924 class. There would be a further call up in July for the remainder of the 1924 class, which would bring in another 30,000 men. The strength of the Italian Army had been maintained at 140,000 men (approximately).

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13. Electoral Register

Brigadier Carr reported that electoral rolls have been practically completed throughout Italy. The situation was worst in Naples where rolls in 42 communes were uncompleted. Action was being taken by the Italian Government and there was no reason to believe that the electoral lists in these outstanding cases would not be ready for the elections on June 2nd.

Results of the local elections had appeared in the Weekly Bulletin and information was awaited from the Italian Government to complete the statistics. If this arrived in time, it would be included in this week's Bulletin.

Next Vice Presidents' Meeting, 1000 hours, Wednesday, 24 April 1946

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Lt Col, AGD
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/57

10 April 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 10 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Brigadier Carr, Colonel Ross, Colonel Walton, Mr. Jones, Mr. Halford, Brigadier General Lee, Colonel Kerr, Rear Admiral Warren, Major Leonidov, Admiral Moullec, Captaine de Vaisseau de Villefosse, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Mr. Legg.

1. French Representative to AC.

The Acting Chief Commissioner said that all Allied Commission joined him in wishing the best of luck to Admiral Moullec on his departure to take up his new post. At the same time a very warm welcome was extended to his successor, Captaine de Vaisseau de Villefosse. Admiral Moullec reciprocated the sentiments expressed.

2. Future of Allied Commission.

The Acting Chief Commissioner announced that he had received a telegram from Admiral Stone, who had arrived in New York and was proceeding to Washington. It was understood that he would begin his talks with CCS, State Department and other Washington authorities this week.

3. Airline between the U. S. and Italy.

The Acting Chief Commissioner reported that agreement had been received from SACMED to open civil air lines in Italy subject to certain conditions, viz. that the Italian Government furnish information to AFHQ, through AC, on the number of aircraft to be used in these civil air lines, the staff at the airports and the actual lines to be operated. These particulars were necessary from the point of view of the armistice terms. The Acting Chief Commissioner would send a letter to the Prime Minister on this subject.

4. Political Resume

Mr Jones gave a brief resume of political events during the past week. There had been a split in the Liberal Party; Left-wing Leaders had resigned in protest against the present trend of the party. It is contended that the present Executive Committee has weakened anti-fascist ideals by making alliances with reactionaries such as the Uomo Qualunque front and has led the party automatically to a defence of authorization of the Monarchical institution. The Left-wing Liberals desire a liberal and democratic republic and do not consider the National Democratic Union, which the Liberal Party joined last week, will give them what they want. The letter of resignation has been signed by eighteen representatives of various outlying regions, and the Left-wing Liberals have decided to join the Parri - La Malfa Republican Democratic Movement.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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It is announced that Brazil has issued a decree facilitating the revival of economic relations with Italy and permitting full liberty of economic exchange.

The Venezia Giulia Boundary Commission of Experts left Trieste on 5 April to return to London to report.

SECRET

Declassified E.O. 12356 Section 3.3/NND No. 785016

L'Avanti, the Socialist newspaper, announced on 7 April that Brigadier General Giorgio Marizi, former commander of the Nembo Division and Folgore Group, joined the Socialist Party as a result of a recent decree releasing Army officers from their oath to the Crown.

The following is the result of the Administrative (Local) elections of 31 March.

In 1,505 communes out of 1,594	
Christian Democrat majority	575
Left concentration majority	507
Centre concentration majority	70
Communist majority	55
Socialist majority	42

Apparently the Socialists obtained a victory in the Milan Administrative elections of 7 April. In 874 Sections out of 903 the Socialists secured 220,500 votes, the Christian Democrats 163,000 and the Communists 157,000 votes. No disturbances of any consequence have been reported from Milan.

A Socialist Congress is being held in Florence this week.

Mr. Harold Laski, of the British Labour Executive Committee, arrived in Milan on 8 April. He was met at the station by Vice-Premier Nenni and other Socialist leaders and brought a letter of greetings and best wishes to Nenni from Mr. Bevin, British Foreign Secretary. Mr. Laski will be in Rome on 14 April for two days prior to his return to the United Kingdom.

At the suggestion of the United States Secretary of State the Foreign Ministers of the Four Great Powers will meet in Paris on 25 April. The Italian Peace Treaty will be the first item on the agenda.

5. Coal.

Colonel Walton stated that March arrival figure was 623,000 tons and the Sardinian coal production reached a new high level of 88,600 tons. The April requirements were 500,000 tons. UNRRA had reported a figure of 648,000 tons for March loadings but it was not clear how much of this was included in March arrivals. In any case arrivals were very good and had not been too seriously affected by the recent strike. UNRRA were stockpiling.

6. Feeding of Italian Armed Forces.

The Acting Chief Commissioner was informed by the Service Sub-Commissions that no reply had yet been received from the Italian Government in regard to their ability to feed Italian armed forces by 1 June. He directed that this matter be followed up and a plan obtained from the Italian by the middle of this month.

7. Food Situation.

Mr. Legg stated that he had just returned from Washington, where he had discussed Italian food problems, with particular reference to the cereal si-

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Army officers from their oath to the Crown.

The following is the result of the Administrative (Local) elections of 31 March.

In 1,505 communes out of 1,594	
Christian Democrat majority	575
Left concentration majority	507
Centre concentration majority	70
Communist majority	55
Socialist majority	42

Apparently the Socialists obtained a victory in the Milan Administrative elections of 7 April. In 874 Sections out of 903 the Socialists secured 220,500 votes, the Christian Democrats 163,000 and the Communists 157,000 votes. No disturbances of any consequence have been reported from Milan.

A Socialist Congress is being held in Florence this week.

Mr. Harold Laski, of the British Labour Executive Committee, arrived in Milan on 8 April. He was met at the station by Vice-Premier Nenni and other Socialist leaders and brought a letter of greetings and best wishes to Nenni from Mr. Bevin, British Foreign Secretary. Mr. Laski will be in Rome on 14 April for two days prior to his return to the United Kingdom.

At the suggestion of the United States Secretary of State the Foreign Ministers of the Four Great Powers will meet in Paris on 25 April. The Italian Peace Treaty will be the first item on the agenda.

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7. Food Situation.

Mr. Legg stated that he had just returned from Washington, where he had discussed Italian food problems, with particular reference to the cereal situation. The results of the mission were generally satisfactory, except that concerning wheat which was considered serious and was being discussed on a very high level. Mr. La Guardia, the new Chief of UNRRA, had promised to give this matter his immediate attention, and discussions were now in progress. News from Washington was expected at any moment. Present indications were that grain arrivals during May, mainly April sailings, would not exceed 130,000 tons less than five eights of a month's supply. Unless April sailings for May arrival are substantially increased to the 200,000 tons mark, a reduction in the

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present bread ration will be inevitable. The cereal situation in North America was such as to make it impossible to get any accurate forecast of the shipments likely to be made to other countries during April. Based on appreciation of this situation stocks on 1 May will reach a new low level and will further deteriorate in the future. The Italian Government has been informed of the position and failing a favorable report from Washington active measures will be taken to reduce the bread ration as from 15 April to the recommended level of 150 grams plus a supplementary pasta ration.

There is a better prospect in sight in regard to sugar, fats, pulses, meat and milk. A recommendation had been made to the Italian Government to impose a meat ration of 100 grams per week, and that supplies of milk and soup powder be made available for additional relief feeding that may be necessary after the cut in bread ration.

8. Italian Government Financial Report.

Lt. Colonel Timmons drew attention to a financial and economic report prepared by the Italian Government. The report is exceedingly comprehensive in its statistical analysis of the economic position of Italy, her contribution as a cobelligerent during the war, and counter claims for war damages and reparations. Italian claims on Germany are set out, and there is a special section on the Italian contribution in the colonisation of Albania and Ethiopia.

This important report sets out claims and arguments in a sober intelligent manner. It is understood that copies have been sent to Washington and London. A copy would be passed to the Acting Chief Commissioner.

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Next Vice Presidents' Meeting: Wednesday, 17 April 1946, 1000 hours.

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Lt. Col., AGD.
Staff Officer to CC.

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[illegible] officer (EC)

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G-5, AFHQ (5)
Chief Financial Advisor, AC.
Chief Legal Advisor, AC.

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Legal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/56 3 April 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 3 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Colonel Ross, Brigadier Carr, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Colonel Kerr, Rear Admiral Warren, Colonel Savko, Rear Admiral Moullec, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Colonel Findlay.

1. Chief Commissioner's Trip

The Chief Commissioner announced that he was leaving Thursday by air for Washington and would be away for about three weeks during which time Brigadier Lush would serve as Acting Chief Commissioner.

2. Future of AC

The Chief Commissioner reported that no material change had taken place in the position as stated in para 1 of Minutes of 29 March. He added that it is believed no immediate change would take place in the present set-up of the Commission and that AFHQ implementation of the CCS directive might be held up.

3. Increase in Strength of Carabinieri

The Chief Commissioner inquired as to how the Italian Government intends to recruit the additional authorized Carabinieri strength. Colonel Kerr stated that among the IPWs who have been repatriated there are between 25,000 to 30,000 who have had previous carabinieri training and accordingly presented good recruiting material.

4. Political Resume

Mr. Halford gave a brief resume of political events during the past week. The most important item was the decision of the High Court of Justice on 29 March to depose Marshal Badoglio and others from senatorial office. Badoglio maintained his customary silence; his attitude continues to be that his record speaks for itself.

Togliatti gave a long interview to the newspaper "Milano Sera". Of the Liberals, he said that their action in recent months represented a factor making for confusion and disorder. He criticized both De Gasperi and Bonomi, saying of the latter that his attempt to form a democratic concentration was a cover to preserve monarchic institutions.

A new National Democratic Union has appeared sponsored by Orlando, Croce, Nitti, and others. A manifesto was issued on April 1st in which it was claimed

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CC 551/56

3 April 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 3 April 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Colonel Ross, Brigadier Carr, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Colonel Kerr, Rear Admiral Warren, Colonel Savko, Rear Admiral Moullec, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Colonel Findlay.

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A new National Democratic Union has appeared sponsored by Orlando, Croce, Nitti, and others. A manifesto was issued on April 1st in which it was claimed that the new union was a fusion of the liberal and democratic tendencies. The important thing in the manifesto is its statement on the institutional question to the effect that complete liberty of conscience is left to all members of the bloc; that is to say, there will be no party line.

In connection with the Boundary Commission, Mr. Halford stated that it had been to Pola, Fiume and Gorizia. It is not yet known when the Commission will return to London.

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return to London.

Mr. Halford further reported that a communique of the Ministry of the Interior had been published in the local press denying AC interference in the elections. This seemed strange in view of the fact that no complaints had been lodged with the Commission, and the Chief Commissioner directed that Minister Romita be approached on the subject of the communique.

5. Wheat Situation

Colonel Walton stated that the wheat position was getting increasingly bad. The scheduled shipments from the U.S. are not adequate to support the ration until the harvest and UNRRA has made strong representations to Washington to the effect that unless more wheat is shipped a reduction for the April ration will have to be recommended. At present rate of consumption stocks will be very low by May 1st. Brigadier Lush suggested that AFHQ should be warned about this situation.

6. Coal

Colonel Walton stated that the coal outlook is also bad. Arrivals in March were high (600,000 tons); however, the May arrivals may be as low as 100,000 tons. In order to cope with the situation the Government is taking such steps as cutting down on allocations to some industries and trying to accumulate small reserves.

7. Phosphates

Colonel Walton reported that there had been some confusion in the matter of bids for phosphates. He explained that Industry & Commerce bid for 35,000 tons a month and obtained that figure; then it was discovered that this would not be enough and that the April 1st bid was for 50,000 tons for May.

8. Finance Report

Lt Col Timmons reported that two important statements had been made during the week. The Minister of the Treasury, speaking in Florence, said that a new national loan would take place after the formation of the Costituente, probably in late July. He went on to say that revenues were running at the rate of 150 billion lire a year and forecast further improvement month by month for the rest of the year. The other statement was made by the Governor of the Bank of Italy, who stressed the importance of the currency agreement through which unified circulation in the country had been established. Other statements made by him were to the effect that commercial bank deposits had increased in 1945 by 143 billion lire; that prices seemed to be settling down to a level between twenty and twenty-five times the pre-war price level. In general prices are apparently levelling off and some are coming down. If this tendency continued, there might be need for an adjustment in the value of the lira, but no further immediate devaluation seemed to be in sight.

The statements of both the Minister of the Treasury and the Governor of the Bank of Italy were favorably received by the economic press.

9. Repatriation of POWs

Colonel Kerr stated that some 11,000 POWs had been repatriated in the week ending 24 March, leaving a total of some 318,000 overseas.

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10. Elections

Brigadier Carr reported that elections had been held in 1560 communes last Sunday. No definite information was yet available as to the outcome, but the trend, he thought, would follow that of previous elections. Polling was heavy and no reports had been received of any disorders.

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S E C R E T

11. Repatriation of POWs

Upon the Chief Commissioner's inquiry as to whether a second lift of the three ships engaged in repatriation from India was projected, Rear Admiral Warren replied that as far as it is known the answer is no.

12. Airline between the U.S. and Italy

AVM Brodie reported that on 2 April TWA had started a regular air service between the United States and Italy.

13. Report on Displaced Persons Camps

Colonel Findlay reported that the administration of camps has been taken over by UNRRA, but that AC is still responsible for them until CCS give approval. He observed that in the figures he would quote no account had been taken of the large number of displaced persons in Italy who do not come under UNRRA or AC jurisdiction but AFHQ's. Before Christmas 1945 four camps in Southern Italy had been taken over by UNRRA. Early in January 46 UNRRA took over from AC two group camps in the North comprising about ten camps in all. Since then another two had been taken over thus making a total of twelve. In the next ten days UNRRA is expected to take over a group of camps at Milan, Turin, and Genova, as well as one in Bari. After these four, UNRRA has no intention to take over any more. This will leave under AC three camps in the extreme North (which will be closed when the Venezia Giulia problem is solved), two camps in Central Italy, and a group of two large Polish camps in the South. The question whether the displaced persons in certain camps taken over by UNRRA in January come within UNRRA's Charter or not is at present being determined, causing considerable difficulty. The Army is still supplying food for all camps. At present AC is undertaking to replace army stocks used or causing Italian Government to do so. UNRRA, after the agreement is signed, is undertaking to replace army stocks used in their camps.

Next Vice Presidents' Meeting: Wednesday, 10 April 1946, 1000 hours

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L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/55

29 March 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 29 March 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walton, Colonel Ross, Brigadier Carr, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Rear Admiral Moullec, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Mr. Cleveland.

1. Future of AC

With reference to para 1 of Minutes of 20 March, the future of AC, the Chief Commissioner reported on recent developments. A directive has been received, but not yet implemented, suggesting in effect that a number of functions still remaining with AC be assumed by AFHQ through the establishment in Rome of a small G-5 Section (which undoubtedly would be staffed in part by AC personnel) to perform work of certain non-service sub-commissions. Overall contact with the Italian Government would be left to AC and contact with the Prime Minister would be through the Chief Commissioner. The reason for the above changes is not altogether obvious except that it may be a transitional step toward the time when AC is abolished and SACMED will deal directly with the Italian Government. For the time being at least, the service sub-commissions would be retained in AC until Italy has been given a full sovereign status.

However, the matter is still in the proposal stage. Conferences have been held with representatives of AFHQ and good, hard, effective work has been done by the Executive Commissioner and all the staff. The next move will probably take place in a matter of some weeks. The final status of AC is still unresolved but the trend seems to be to try to abolish AC before the peace treaty. This will no doubt take place through a considerable modification of the armistice regime. The Chief Commissioner called the attention of all present to the secret classification of the above information and directed that full security measures apply and that the matter should not be discussed outside of the meeting.

2. Boundary Commission

With reference to para 2 of Minutes of 20 March, the Chief Commissioner stated that the Boundary Commission has returned to Zone A and is expected to leave shortly for London.

3. AMG in Venezia Giulia

The Chief Commissioner called attention to an announcement made in the press by SACMED in support of AMG in Zone A and in particular support of such local security measures as AMG, through its civil police, find it necessary to adopt from time to time to handle local questions. The announcement appeared in the U.S. and English service papers and in all the Italian papers.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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4. Coal Situation

With reference to para 4 of Minutes of 20 March, Mr. Cleveland stated that the coal strike in the U.S. now seems to be certain. However, Italy has a priority on exports from the U.S., which will be enough to keep up the April loadings from

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stockpiles. Conservation measures have been taken. Apropos of Arsa coal, the Chief Commissioner directed the attention of Colonel Walton and Lt Col Timmons to a cable received from AFHQ requesting that all commercial transactions between Italian Government territory and Zone "B", Venezia Giulia, be channelled through the clearing account recently set up in Zone "A". Colonel Walton mentioned a telegram from AFHQ saying that the question of coal from the Arsa mines would be handled by AFHQ.

5. Political Resume

Mr. Jones gave a brief resume of the current political situation. A government press release announced that a Special Commission composed of members of the Consult from Venezia Giulia has been appointed to study a plan for the administrative autono of Venezia Giulia. The Commission is to report its recommendations by 30 April. According to Prague press reports, Marshal Tito has stated that Yugoslavia will accept the findings of the Boundary Commission now in Venezia Giulia provided the findings are favorable to Yugoslavia, but that if they are unfavorable the matter will have to be decided at the peace conference.

With regard to the institutional question, Mole (Labor Democrat), the Minister of Education, declared in favor of a republic and said that all leaders of public opinion should declare themselves on the institutional question. At a meeting of the Rome section of the Christian Democrat Party, a motion favoring a party stand in favor of a republic won by a large majority of the votes cast.

At the Council of Ministers meeting statements were made that now that the electoral law has been passed the present Government should limit its legislative activities to affairs of administration. The use of separate ballots for (1) the referendum and (2) the election of delegates to the Costituente was approved. A Commission of the Court of Cassation will announce the election results within five days after the election and will handle complaints regarding election irregularities. Voting will be carried over to the morning of June 3 rd, probably because the present voting machinery cannot handle in one day the volume of voting expected.

The Council discussed relations with Spain and De Gasperi said that the Government had asked the U.S. and U.K. Governments for their future policy toward Spain and that Italy was now following the same policy in maintaining relations.

Elections were held on 17 March in 1469 communes. The results are not yet complete, but the morning papers report that out of 1350 communes the Socialist-Communist bloc won a majority in 575 communes and the Christian Democrats won in 487 communes.

6. Crop Prospects

Colonel Walton stated that he had received from the Italian Government estimates of this year's crop prospects. An increase of 4.6% in wheat acreage is estimated as well as a 30% increase in productivity. The estimated sugar beet crop is 1000% over last year's. Mr. Cleveland reported that there is difficulty in getting the French phosphates because of the failure of the Ministry of Industry & Commerce to bid for transportation. The Chief Commissioner cited this as an example of the necessity of the Economic Section's close coordination with UNRRA in order that the Economic Section may follow through when such difficulties are encountered.

7. Supplies for Italian Services

Colonel Walton reported that notes verbale have been delivered to the Italian

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Colonel Walton stated that he had received from the Italian Government estimates of this year's crop prospects. An increase of 4.6% in wheat acreage is estimated as well as a 30% increase in productivity. The estimated sugar beet crop is 1000% over last year's. Mr. Cleveland reported that there is difficulty in getting the French phosphates because of the failure of the Ministry of Industry & Commerce to bid for transportation. The Chief Commissioner cited this as an example of the necessity of the Economic Section's close coordination with UNRRA in order that the Economic Section may follow through when such difficulties are encountered.

7. Supplies for Italian Services

Colonel Walton reported that notes verbale have been delivered to the Italian Government by the U.S. and British Embassies regarding the priorities of UNRRA on procurement of imported and surplus materials.

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8. Wheat Situation

With reference to para 5 of Minutes of 20 March, Mr. Cleveland reported negotiations are in progress looking to the diversion to Italy of seven wheat ships loaded in the U.S. for the U.K. to make up for the seven ships diverted from Italy to Japan. If sufficient wheat arrives around the end of April or the first part of May it will not be necessary to reduce the ration.

9. FEA Personnel

Mr. Cleveland reported that personnel transferred from the AC to the American Embassy and still carried on FEA payrolls have all been ordered to return to the U.S., due probably to budget reductions.

10. UNRRA

Mr. Cleveland reported that the UNRRA Council in Atlantic City is taking up the question of occupying armies living off the land and also the question of dissident displaced persons. The Polish delegation raised the issue of feeding dissident DPs, but the Council decided to continue feeding them for some months until UNO or some special organization decides what to do.

11. Minesweeping

With reference to para 10 of Minutes of 20 March, Admiral Warren said that the minesweeping program is proceeding successfully and that the first eight of the 32 minesweepers turned over to the Italian Navy are now operating.

12. Repatriation

With reference to para 11 of Minutes of 20 March, Admiral Warren reported that the repatriation program is proceeding so well that it is expected to repatriat all POWs from North Africa by 1 June. General Browning reported that 40% of the POWs in India are now being repatriated.

13. Civil Aviation

Air Vice Marshal Brodie reported that the Chief Commissioner has notified the Prime Minister that the Combined Chiefs of Staff have given permissive authority to begin internal civil airlines in Italy. A newspaper comment stated that "this authorization is another remarkable and encouraging step towards the recovery of our political autonomy and the restoration of air transport." AVM Brodie asked if the Italian courier service, which has done extremely good work, should be continue on a curtailed basis for the Allied Commission and the Allies generally (e.g. UNRRA after commencement of civil operations. The Chief Commissioner said that if it is continued it should be done in such a way as not to have an adverse effect on the new company (by charging fares, etc.), but that it was not possible to say now whether or not it would be necessary to continue courier operations.

14. Air Transport of Perishables

With reference to para 7 of Minutes of 27 February, AVM Brodie reported that difficulty is being encountered making final arrangements for the transportation of perishable food by air. The High Commissioner of Sardinia refuses to permit food to go from Sardinia to Italy. This question has been referred to the Food Subcommission. The Chief Commissioner directed Colonel Walton to go into this matter.

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Legal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/54

20 March 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 20 March 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Carr, Colonel Walton, Colonel Parkin, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Captain Mentz, Colonel Savko, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Mr. Cleveland.

1. Future of AC

With reference to para 1 of Minutes of 13 March, the Chief Commissioner stated that SACMED is dispatching a signal to CCS proposing that, while the functions of AC continue to be reduced, basically the form of AC and its responsibilities continue as they have been under SACMED as the ex-officio president. The signal also suggests that some additional delegation of authority be given to AC as was first done in the establishment of the COM-MOC message series permitting direct communication between AC and CCS on economic matters. There is still nothing definitive with respect to the future of AC, although press reports indicate discussions on a modus vivendi are being renewed in the apparent belief that the peace treaty will not be completed rapidly. There are three possibilities for AC: (1) Changed status under existing set-up under the armistice; (2) changed status if AC continues under modus vivendi; and (3) abolition of AC by modus vivendi or peace treaty, although it is expected that some form of inspectorate will be retained.

2. Boundary Commission

With reference to para 2 of Minutes of 13 March, the Chief Commissioner stated that according to reports, the boundary commission did cross the Morgan Line into Zone B and is returning shortly to Trieste. Mr. Halford added that the discussions of the commission are being kept strictly secret and it is expected that no announcement will be made from Trieste but that the commission will return to London and report to the deputies of the Council of Foreign Ministers.

3. Political Resume

Mr. Halford gave a brief resume of the general political situation. Interest during the past week has been concentrated principally on the elections and the international situation. The Council of Ministers met 12 March and examined a project submitted by the Sicilian Consultative Assembly for a form of regional autonomy for Sicily. The High Commissioner for Sicily resigned his position to enter politics.

With regard to a modus vivendi for Italy, considerable speculation was

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CC 551/54

20 March 1946

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Present: Rear Admiral Stone, Brigadier Carr, Colonel Walton, Colonel Parkin, Mr. Jones, Mr. Halford, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Captain Mentz, Colonel Savko, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel Wilbe-Jones, Mr. Cleveland.

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With regard to a modus vivendi for Italy, considerable speculation was caused by dispatches from Washington that Great Britain had withdrawn its previous objections, probably because the peace negotiations are getting on so very slowly. Mr. Jones stated that it was his understanding that the three powers have agreed in principle to a revision of the Armistice terms and that a draft document is now being studied. De Gasperi expressed great pleasure at the thought of a modus vivendi, which he said would permit Italy to settle down seriously to the work of reconstruction.

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The Luogotenente signed the laws on the referendum and the Costituente and returned them on 16 March to the President of the Council of Ministers with a letter in which he undertook to abide by the decisions of the referendum, which he said was in keeping with the traditions of the House of Savoy. He added that his father's irrevocable withdrawal from public life was made in the same spirit. The Chief Commissioner observed that the Luogotenente's statement clarified the King's manifesto of 1944 which did not clearly state that the King would retire irrevocably from public life. Mr. Halford added that the Luogotenente's statement would probably strengthen his position in the electoral campaign.

4. Coal Situation

With reference to para 4 of Minutes of 13 March, Colonel Walton stated that a letter has been transmitted to G-5, AFHQ, informing them of the imminence of a coal shortage and requesting an investigation of the possibility of using coal from the Arsa mines. Mr. Cleveland stated that the prospects are not encouraging. 500,000 tons per month are set up monthly for the second quarter but only 39,000 tons of Ruhr coal is under discussion for that entire quarter with a possibility of more Ruhr coal in the second half.

5. Wheat Situation

With reference to para 5 of Minutes of 13 March, Colonel Walton stated that March loadings are not expected to exceed 150,000 tons and that this being less than consumption it is anticipated that stocks on May 1st will be low. Mr. Cleveland stated that the Italian Government has been kept informed of the situation. No plans have yet been made to reduce the ration, and the Italians have even wanted to increase the pasta ration in the cities, but UNRRA has not agreed.

6. Foreign Trade

Colonel Walton reported that he had attended a conference in Milan on foreign trade. At the opening of the conference the Chief Commissioner's letter to the conference was read and well received and at the conclusion letters from the U.S. Secretary and Assistant Secretary of State were read. The conference was well attended and the general line taken by the businessmen was that they should have freedom from control and free use of foreign credits. A committee of five was appointed to present to the Government the conference's recommendations that the Government should let them know the channels to be used in foreign trade and the items in which they may not trade.

7. UNRRA Supply Program

Mr. Cleveland stated that the central committee of UNRRA has officially approved the supply budget for 1946 for all receiving countries. Italy's share is taken as $417,000,000, which includes $34,000,000 of the 1945 program, and of which $325,000,000 is to be spent during the first six months of 1946.

At the Trieste meeting attended by Mr. Keeny it was decided to recommend to UNRRA, Washington, that charges incurred in handling UNRRA supplies through Trieste for other countries should not be borne by Italy, but that lire should be bought from the Italian Government to cover those expenses.

8. Metropolitan Lire

Colonel Timmons reported that Allied Armed Forces regulations have been changed to permit the interchange of Metropolitan Lire and AM lire so that the two

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8. Metropolitan Lire

Colonel Timmons reported that Allied Armed Forces regulations have been changed to permit the interchange of Metropolitan Lire and AM lire so that the two currencies are now in all respects equal. The Banca d'Italia is now the sole issuing authority for all lire.

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9. Liberty Ships

With reference to para 11 of Minutes of 13 March, Colonel Timmons reported that there have been articles in economic papers that 50 Liberty ships are to be acquired from the U.S., the plan being to distribute those ships to shipowners in proportion to the damage they suffered through war losses. Mr. Cloveland stated that there is not yet any positive indication that the U.S. Government has agreed to sell these ships.

10. Minesweeping

With reference to para 9 of Minutes of 13 March, Admiral Warren reported that the last of the crews to man the 3 minesweepers turned over to the Italian Navy by the Royal Navy have taken over their ships.

11. Repatriation

With reference to para 10 of Minutes of 13 March, Admiral Warren reported that the TOSCANA, the ABRUZZI, and the MONTECUCCOLI are continuing their programs. If the program can be continued, all POW's from North Africa will have been repatriated by July. General Browning reported that as at 18 March there were 25,000 Italian POW's in India and Ceylon to be repatriated, 298 remaining in the U.S. out of 51,000 there during the war, and 107,000 in the U.K. out of 158,000. Between 18 February and 18 March some 47,000 POW's were repatriated.

12. Elections

With reference to para 7 of Minutes of 13 March, Brigadier Carr reported that 87% of the electoral rolls have now been approved, so that it can be assumed that by the end of March all electoral lists in Italian Government territory will have been approved except for Bolzano. Elections were held on 17 March in just over 1,000 communes throughout Italy. The results seem to follow the pattern set in the previous elections with the Christian Democrats receiving more votes than any other single party and only slightly fewer than the combined left-wing parties. Elections were orderly and there was only disturbance in Riesi where polling booths were broken into and ballot boxes broken. Elections in this commune were declared null and void.

Next Vice Presidents' Meeting: Wednesday, 27 March 46, 1000 hours

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L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

DISTRIBUTION:
Chief Commissioner
Executive Commr
VP, Civil Affairs Section
VP, Economic Section (6)
VP, Establishment Section (2)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission (3)
Land Forces Subcommission (MMIA)
Air Forces Subcommission
French Representative, AC
Soviet Representative, AC
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American Ambassador
G-5, AFHQ (5)
Chief Financial Advisor (AC)
Chief Legal Advisor (AC)
British Ambassador

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Legal

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/53

13 March 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 13 March 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Colonel Walters, Colonel Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, Air Vice Marshal Brodie, Major General Browning, Rear Admiral Warren, Colonel Savko, Capitaine Moullec, Lieutenant Colonel Cros, Major Leacacos, Colonel Weber, Captain Cuthbertson, Lieutenant Colonel Wilbe-Jones, Mr. Cleveland.

1. Future of AC

With reference to para 1 of Minutes of 27 February 1946, the Chief Commissioner reported that the only developments with regard to the future of the AC have been the recent discussions in Rome and at AFHQ. However, no directive has yet been received. The changes reported in para 1 of Minutes of 27 February in connection with the Economic Section have taken place.

2. Boundary Commission

With reference to para 3 of Minutes of 27 February 1946, the Chief Commissioner stated that the Venezia Giulia border commission had arrived in Tricste and begun its deliberations. The Italian Government has made a formal request that the commission visit all of the disputed area including Fiume and Zara and that an Italian observer be attached to the commission, but so far no reply has been received. Mr. Jones stated that there is nothing official on the itinerary of the commission but it appears that the commission will go east of the Morgan Line.

3. Political Resume

Mr. Jones gave a brief resume of the general political situation. Legislation for the Costituente has developed along the lines reported by Mr. Hopkinson on 27 February. The Council of Ministers agreed on 27 February to the draft law submitted by the Prime Minister, providing for referendum on the institutional question to be held simultaneously with the elections for the Costituente, the question (tentatively agreed upon) to be asked of the voters being "Do you want the constitution of a republic?" Legislative powers will remain in the hands of the Government during the period of the Costituente except as regards electoral laws and approval of international treaties. The Government will be responsible to the Costituente. However, a government crisis cannot be created solely by the Costituente's disapproval of or failure to approve Governmental actions, but only on a specific motion of lack of confidence which must be passed by an absolute majority, the vote to be taken 48 hours after the motion has been made. The Costituente will have its first meeting in Rome on the 22nd day after the date of the elections. It shall cease its functions on the day the new constitution comes

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APO 394

CC 551/53 13 March 1946

M I N U T E S

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be its last plenary session, although some of its committees will continue. The date for the referendum and elections was set for 2 June. With regard to the question of obligatory voting, it was agreed to impose moral sanctions rather than material sanctions on those failing to vote by posting their names publicly for a period of five years and by an appropriate notation on their good conduct certificates.

The Italian Ambassador to France resigned last week in order to re-enter Italian politics prior to the elections.

At his press conference, the Prime Minister stated that Italy wants the Brenner as the boundary between Austria and Italy. He also announced that it had been decided to go ahead with the formation of a commission without the participation of the South Tyrol People's Party for establishment of an autonomous government in the Upper Adige. In response to a question, the Prime Minister stated that he would not sign a peace treaty which would deprive Italy of Trieste. With regard to the elections for the Costituente, the Prime Minister announced that on the advice of the Allies a state ballot had been adopted to guarantee impartiality.

4. Coal Situation

Colonel Walker reported that February arrivals amounted to 533,000 tons of coal, about 50,000 tons of which was for military use. The outlook is not good, however, because there is every indication that there may shortly be a coal strike in the U.S., which information has been passed on to the Italian Government. Every effort has been made to get coal from the Ruhr but the difficulty is in getting the coal from the source in Germany to the Swiss border. Discussions are continuing with regard to Polish coal, but at the moment it appears that it would be necessary to use Italian rolling stock to transport the coal. There is a possibility that petroleum coke from the Persian Gulf may be imported. The Chief Commissioner requested Colonel Walker to review the minutes of the Joint Economic Committee to see if renewed pressure should not be put to get coal out from the Arsa coal mines. Brigadier Lush recommended that G-5 informed of the imminence of a coal shortage. /be

5. Wheat Situation

Mr. Cleveland reported that the wheat picture was poor and referred to Mr. Lehman's statement that every development in the past few months has been for the worse. March arrivals will be 240,000 tons, but March loadings will drop to 150,000 tons, plus about 50,000 tons coming in under the FEA program. In addition, 19,000 tons of flour for the Italian Army will arrive in March and April. Monthly requirements for Italy are about 230,000 tons.

6. UNRRA Supply Program

Mr. Cleveland stated that the local UNRRA organization has recommended to Washington that expenses incurred by the Italian Government in handling UNRRA supplies for other countries should be covered by an increase in the appropriation for Italy. Washington has replied that the Italian Government should make funds available, but the Government has not yet agreed to do so. At the moment Mr. Keeny is at a meeting in Trieste on the problem of shipment of UNRRA supplies through North Italian ports. The total UNRRA supply budget for 1946 for Italy is $383,000,000, of which $325,000,000 has been earmarked for procurement during the [illegible] months, so that almost all procurement is supposed to be made before

Declassified E.O. 12356 Section 3.3/NND No. 785016

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6. UNRRA Supply Program

Mr. Cleveland stated that the local UNRRA organization has recommended to Washington that expenses incurred by the Italian Government in handling UNRRA supplies for other countries should be covered by an increase in the appropriation for Italy. Washington has replied that the Italian Government should make funds available, but the Government has not yet agreed to do so. At the moment Mr. Keeny is at a meeting in Trieste on the problem of shipment of UNRRA supplies through North Italian ports. The total UNRRA supply budget for 1946 for Italy is $383,000,000, of which $325,000,000 has been earmarked for procurement during the first six months, so that almost all procurement is supposed to be made before 30 June. The money not spent at that time will revert to the general pool for reallocation.

7. Elections

With reference to para 5 of Minutes of 27 February 1946, Brigadier Carr reported that 98% of the electoral lists have been compiled, which virtually

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completes the compilation, and that 75% of the rolls have been approved. With reference to the elections held on 10 March, Brigadier Carr stated that no official report has yet been received from the Ministry of the Interior. Mr. Jones stated that according to press reports 429 communes in Italy held elections 10 March, with accounts to date showing principal strength in the Socialist-Communist bloc and in the Christian Democrats. Out of 330 communes reported on, the Christian Democrats won in 144, the left-wing groups in 123, and the other parties including independents in 63 communes. The elections held were mostly in the central and southern parts of Italy, although a few were held in the North. The Chief Commissioner requested that the AC observers note to see whether the electoral lists are being observed. Brigadier Carr reported that all the 91 communes of Bolzano have compiled electoral lists not including the cases of doubtful citizenship, but none of these lists have yet been approved. Mr. Jones added that the Government has stated that elections will not be possible in Venezia Giulia and in Bolzano because the electoral lists will not be ready. Brigadier Carr stated that the Government is still considering the decree relating to the Special Commission to decide cases of doubtful citizenship in Bolzano but it is not expected to be passed before 31 March. The Chief Commissioner asked Brigadier Carr to check with the political advisors to see if a letter should be prepared to the Prime Minister putting on pressure.

8. Disturbances

Brigadier Carr reported that information received by phone up to midday March 12th was that the situation in Trieste was quiet. The general strike in Gorizia had broken down. No reports have yet been received from the Liaison Officer at Palermo with regard to the disturbances there. It appears that 2 were killed and about 20 wounded in the outbreak.

9. Minesweeping

With reference to para 11 of Minutes of 27 February 1946, Admiral Warren stated that the British minesweepers have now left Leghorn and the minesweeping is now entirely up to the Italians under the direction of Mediterranean Zone Mine Clearance Board. A meeting was held at the Ministry of Marine to acquaint the Italians with the difficulties facing them and the Italians seem very keen to get on with the job. A further four crews have gone to Malta to take over British minesweepers.

10. Repatriation

With reference to para 12 of Minutes of 27 February 1946, Admiral Warren stated that the MONTECUCCOLI has arrived with 800 POW's from Phillipeville. The Chief Commissioner stated that he had seen a report that there were only 50 Italian POW's left in the U.S. He could not believe the figure was so low and asked General Browning to check. Mr. Hopkinson reported that a delegation had called on him protesting at the slowness of repatriating POW's from India and South Africa, claiming that non-cooperators were returning from India ahead of co-operators.

11. Liberty Ships

Mr. Cleveland stated that a law has been passed and signed in the U.S. making it possible for the U.S. Government to sell Liberty ships and that the Italian Ministry of the Treasury has earmarked money for down payments on fifty ships.

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12. Italian Courier Service - Fare Paying

With reference to para 10 of Minutes of 27 February, AVM Brodie stated that the subject of fares has been agreed with the Legal S/C, Economic Section, and Transportation S/C. In discussion with Minister Cevolotto, it was agreed that he would speak with the Minister of Transport and that when the plan has been approved in detail, the Air Ministry will coordinate action with the other sections of the Government.

13. Italian Flights Outside Theater

AVM Brodie stated that approval has been given in principle for Italian Military Courier flights outside the theater to transport Italian officials to international meetings, etc., but approval is required in advance for each flight (from AFHQ, etc.).

14. Commercial Air Travel

AVM Brodie reported that the BOAC has advised AFSC that a weekly schedule is now being flown between London, Marseilles, Rome, and Athens. 50% of the accommodations on each flight are reserved for military priorities and the other 50% are for civilians without priority. The fare to London is 27 pounds sterling, one way.

15. Summer Time

Brigadier Lush reported that at the request of the Italians, in order to conserve electric power, it has been decided to introduce summer time at 0200 hours 17 March, i.e., one hour advance.

16. Displaced Persons

Brigadier Lush stated that Colonel Findlay has returned from a trip through Austria and Germany and now believes that when the northern passes are open there will be a great increase in legal and illegal immigration into Italy. Colonel Findlay is preparing a full report on the trip. The Chief Commissioner suggested that a copy should go to the Italian Government. The necessity for tightening up on frontier control already has been brought to the attention of the Italian Government. The Chief Commissioner stated that the problem would not be really solved until it has been decided what to do with the refugees in Europe. Brigadier Lush observed that the desire of these displaced persons to come to Italy does in a way speak well for the comparative condition of this country with the rest of Europe.

Brigadier Lush stated that although UNRRA was supposed to have taken over all camps for displaced persons in Italy by 1 February, there are still five camps under the jurisdiction of the Displaced Persons S/C, although there are UNRRA representatives at the camps. UNRRA has taken the position that it has no responsibility until CCS ratify the agreement.

Mr. Hopkinson expressed his regrets to the members of the Vice Presidents' Meeting at his leaving the Allied Commission. On behalf of his colleagues, the Chief Commissioner stated that Mr. Hopkinson would be missed personally as well as officially, and thanked him for his excellent service to the Allied Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785016

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Next Vice Presidents' Meeting: Wednesday, 20 March 1946, 1000 hours

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L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

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ALLIED FORCE HEADQUARTERS
Supreme Allied Commander's Secretariat

3 March 1946

AFHQ ROME CONFERENCE - 6/7 MARCH 1946

1. This series of conferences is being held in the building previously occupied by 104 British General Hospital and the route from hotels has been signboarded.

2. The enclosed pass will admit you to the conferences enumerated thereon. THIS PASS IS NOT VALID UNTIL YOU HAVE SIGNED IT. No-one will be admitted to any conference without a pass. In the event of passes being lost this should be reported to the SAC Secretariat office in the conference building, which will be open from 0815 hours 6th March.

3. Similarly any queries with regard to admittance to conferences other than those enumerated on this pass should be referred to the same office, either direct or through the Secretary of the conference concerned, between 0815 and 0900 hours on 6th March.

4. Please check that this pass enables you to enter the conferences with which you are concerned.

5. Conferences Nos. 1, 3, 5 and 6 will be held in Conference Room No. 1; Nos. 2 and 4 in Conference Room No. 2.

TOP SECRET.

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

Ref: 633/26/EC.

5th March 1946.

MEMORANDUM BY THE CHIEF COMMISSIONER, ALLIED COMMISSION ON AFHQ AGENDA FOR CONFERENCE No.4 AND MJPS PAPER P/326 (FINAL) of 26 FEBRUARY 46.

1. It seems to us that SAC, whose responsibilities will - as we see it - be confined entirely to ITALY and VENEZIA GIULIA, whose location will be far removed from the centre of ITALY and the Italian Government, whose military commitments will be directed chiefly towards VENEZIA GIULIA and will be very limited in ITALY, must rely far more than hitherto on the Allied Commission as opposed to G-5 Section for advice on both AMG in VENEZIA GIULIA and on civil affairs in ITALY.

2. The above reasons, coupled with the over-riding necessity of conserving manpower, appear to us to be very strong arguments for SAC, as President (ex officio), delegating to the Chief Commissioner, as Deputy President, a number of responsibilities connected with civil affairs which he now carries and empowering the Chief Commissioner to act in his name both in communication with the Combined Chiefs of Staff and other authorities outside the theatre, e.g., the Economic Councils in Europe, ECITO, ECO, International Postal Conference, etc., and, in fact, using for these matters the Chief Commissioner as his deputy. This is entirely consistent with his title of Deputy President.

3. We take it that the intention is to restrict the size of the new Allied Force Headquarters to a minimum. Use of the Allied Commission, in spite of its distance from main HQ, as a virtual Staff Section of the new HQ, employing the technical officers and their long experience of civil affairs, would help greatly to limit the staff at Allied Force Headquarters provided that SAC is prepared to authorise the Allied Commission to perform the functions now duplicated by Sections at AFHQ. This effects not only G-5 but other Sections such as G-3, SD, G-4, JAC, Finance, etc.

4. Under the new dispensation we would recommend, for instance, that the final adviser to SAC on all matters connected with the Armistice Terms, civil affairs in ITALY, Italian armed services, should be the Chief Commissioner acting on the advice of his political and technical advisers, e.g., US and British Ambassadors, legal, financial and economic advisers, Directors of Service Sub-Commissions, etc. We recommend that just as the geographical position of the respective Headquarters will be changed, so the approach to Italian problems should be changed and that instead of Allied Commission referring to AFHQ on matters which do not affect the purely military operations, AFHQ should delegate to the Allied Commission the power to speak in the name of SAC, not only to the Italian Government but to the Combined Chiefs of Staff and other authorities outside the theatre.

5. Discussing now specific paragraphs of the Agenda, in addition

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5. Discussing now specific paragraphs of the Agenda, in addition to the technical matters referred to in para 9(a), we can add such matters as:

(a) Restrictions under FAN 583:

(i) Remittances from neutral countries,
(ii) All debt repayments,
(iii) Italian exchange rates.

(b) All transactional correspondence.

(c) RCL items.

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(d) Many telecoms and all postal matters.

(e) Italian representation on Combined European Organisation Committees and Boards.

(f) Technical matters arising if and when civil aviation is allowed.

(g) Matters of policy affecting the organisation, but not operations, of the Italian Armed Services.

(h) Matters affecting Italian merchant shipping.

6. With regard to para 9(b) of the Agenda, we recommend as in para 4 above, that on all policy matters the Chief Commissioner should be empowered to communicate in the name of SAC, either having delegated to him by direction or leaving to his discretion as to what matters he should seek the specific concurrence of SAC before taking action.

7. With regard to Displaced Persons, we recommend that the whole responsibility should be accepted by the Allied Commission in which the experienced experts now exist on an existing War Establishment.

8. With the above in mind we recommend that there should be no G-5 Section at the new AFHQ but that we should revert to the practice adopted with AAI and later with 15 Army Group by which a Civil Affairs Section was provided by the Allied Commission to advise the Commanding General on all aspects of military government and civil administration, and to afford liaison between the Military HQ and HQ Allied Commission. This representative group would ensure mutual interpretation of views between SAC and the Chief Commissioner and their staffs, leaving to the Allied Commission the executive and staff functions now carried out by G-5 and, in certain respects connected with the Service Sub-Commissions, by other Staff Sections.

9. We recommend that there should be no change in the organisation of, nor the directives issued to, the Service Sub-Commissions. The operation of our plan may lead to modification of these directives in due course. But there is no intention, or recommendation, of departing from the principle that for operational matters the Service Sub-Commissions must be under the command of SAC.

10. We recommend also that assuming SAC's responsibilities will be limited to ITALY, his political advice should be communicated to him by the Chief Commissioner and his representatives after consultation with the US and UK Ambassadors who are also SAC's principal political advisers. This would not alter the present arrangement by which representatives of the US and UK political advisers are retained in VENEZIA GIULIA for matters affecting that area only.

11. We recommend that the principle of the present directive regarding AMG in VENEZIA GIULIA be maintained, that is to say, that the area be administered as a separate Region under command of 13 Corps, i.e., the new AFHQ, subject to the technical direction of the Allied Commission.

12. We recognise that the above recommendations present problems chiefly connected with the separation of the new AFHQ from the AC and difficulties of communication. We do not believe that many of the problems which would be delegated to the Chief Commissioner would have military in- [illegible] We do recognise that the

Declassified E.O. 12356 Section 3.3/NND No. 785016

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12. We recognise that the above recommendations present problems chiefly connected with the separation of the new AFHQ from the AC and difficulties of communication. We do not believe that many of the problems which would be delegated to the Chief Commissioner would have military implications involving elaborate coordination, but we do recognise that the delegation of powers to the Allied Commission, which we recommend, involves a change of procedure in AFHQ which, from the point of view of manpower alone, we feel will be acceptable. We consider, moreover, and on this point the Political Advisers feel strongly, that this is in the best interests of both the Allies and ITALY, and is a natural evolution consequent on reduction of military strength and in preparation for the total withdrawal of Allied forces and military control after the Peace Treaty.

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Legal

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/52 27 February 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 27 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, Air Vice Marshal Brodie, Colonel Kerr, Captain Mentz, Colonel Savko, Capitaine Moullec, Major Leacacos, Lieutenant Colonel Hannaford, Lieutenant Colonel Timmons, Colonel Walton, Lieutenant Colonel Wilbe-Jones.

1. Future of AC

With reference to para 2 of Minutes of 20 February 1946, the Chief Commissioner stated that there was nothing to report on the future of the AC. Certain changes in the Economic Section have been proposed to AFHQ partly because of the fact that FEA personnel are required to be out of the AC as of 1 March. The proposed changes will bring to an end the so-called "two-hat" arrangement whereby certain UNRRA officials were also AC officials. A skeleton Economic Section consisting of approximately 30 officers will be retained for the present.

2. Strength of Carabinieri

The Chief Commissioner stated that SACMED has agreed to AC proposals and has recommended to the CCS an increase of 10,000 in the authorized strength of the Carabinieri, bringing the ceiling up to 75,000. No reply has yet been received from the CCS but recommendations have been made independently through the embassies to the Foreign Office and the State Department to support the recommendation and also to permit that strength in the final peace treaty. In this connection Brigadier Lush reported that there was a very definite increase in confidence in the Carabinieri, largely due to the improved equipment and better clothing with which the Carabinieri are now supplied.

3. Political Resume

Mr. Hopkinson gave a brief resume of the general political situation. The main item for the past week has been the discussions going on about the definition of powers of the constituent assembly and the question of a referendum on the institutional question. During the week there was considerable discussion in the Inner Cabinet (one representative from each of the six parties) on these points. The Liberals wanted a double referendum, first on the institutional question, and secondly on the powers of the Costituente, both referenda to be held at the same time. The Labor Democrats agreed with the Liberals in wanting two referenda. The Socialists took the line that the Costituente should be a sovereign assembly, but they would not object to a referendum on the institutional question after the Costituente had convened. Generally speaking, this represented the views of

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Office of the Chief Commissioner
APO 394

CC 551/52

27 February 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 27 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

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new president of the council will exercise powers as head of the state for the period of the session of the Costituente. The powers of the costituente have not yet been defined.

The visit of the Venezia Giulia border commission has been postponed until next week due to a difference of opinion as to where the commission should be allowed to go. The Soviet proposal reportedly is that the commission should be allowed to visit only Trieste and the border claimed by Yugoslavia, while the other powers favor permitting the commission to go where they wish in both Zones A and B.

Speeches in the House of Commons by Mr. Macmillan and Mr. Bevin were well received in Italy, although the Chief Commissioner stated that some Italian officials were dismayed by Mr. Bevin's apparent willingness to consider ceding territory to others on the assumption that economic disarrangements caused thereby could be settled by trade agreements.

Mr. Jones reported that there has been considerable reaction in the press to the American suggestion that the Costituente should not have the powers of government, with the left-wing papers objecting to "American intervention in entirely Italian internal matters." The Italian Government has said nothing on the subject, although the American suggestion was submitted by the Prime Minister to the cabinet.

4. Wheat Situation

With reference to para 6 of Minutes of 20 February 1946, Mr. Cleveland gave a brief resume of the current wheat situation. Two months ago the Italian Government postponed 1/3 of the 300 gram ration and later reinstituted the equivalent of 25 grams. The present ration is therefore equivalent to 200 grams a day of bread and 500 grams of pasta per month. March wheat loadings are still not yet assured and indications are that the wheat loadings in March will be the lowest yet, which information has been passed to the Italian Government. There is a possibility that the small pasta ration that was reinstituted will again have to be postponed, although UNRRA has not made a recommendation to this effect to the Italian Government. The Chief Commissioner observed that the Government would probably not announce a reduction in the ration and might continue the present ration until the supply runs out in an effort to get more wheat into the country, unless UNRRA takes a firm stand. Brigadier Lush stated that April is expected to be the worst month as the hidden reserves will then be out, and if there is no great rainfall the psychological reaction will not be helpful.

Mr. Cleveland reported that discussions are being held with the Italians on the anticipated Italian food deficit in 1946-1947, particularly as to whether or not the shortfalls should continue to be imported during the harvest in order to build up stocks for the next year. The Chief Commissioner recommended in this connection that other food prices as well be controlled in order that the farmers will not convert wheat acreage to other, more profitable products.

5. Elections

With reference to para 9 of Minutes of 20 February 1946, Brigadier Carr stated that up to 16 February 96% of the electoral lists had been compiled and 56% approved. It is now expected that elections will be held during the period 10

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The visit of the Venezia Giulia border commission has been postponed until next week due to a difference of opinion as to where the commission should be allowed to go. The Soviet proposal reportedly is that the commission should be allowed to visit only Trieste and the border claimed by Yugoslavia, while the other powers favor permitting the commission to go where they wish in both Zones A and B.

Speeches in the House of Commons by Mr. Macmillan and Mr. Bevin were well received in Italy, although the Chief Commissioner stated that some Italian officials were dismayed by Mr. Bevin's apparent willingness to consider ceding territory to others on the assumption that economic disarrangements caused thereby could be settled by trade agreements.

Mr. Jones reported that there has been considerable reaction in the press to the American suggestion that the Costituente should not have the powers of government, with the left-wing papers objecting to "American intervention in entirely Italian internal matters." The Italian Government has said nothing on the subject, although the American suggestion was submitted by the Prime Minister to the cabinet.

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5. Elections

With reference to para 9 of Minutes of 20 February 1946, Brigadier Carr stated that up to 16 February 96% of the electoral lists had been compiled and 56% approved. It is now expected that elections will be held during the period 10 March to 7 April in 4,835 communes.

6. Industrial Labor Relations

The Chief Commissioner reported that the difficulty caused in the North by workers' committees virtually taking over management functions in industry might soon be settled as a result of compromise between intelligent representatives of

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of both labor and management. The trend appears to be along lines similar to those in the U.S. and U.K., that is, the setting up of labor-management committees but limiting their functions to those subjects normally covered in the U.S. and U.K. committees, i.e., wages and hours, working conditions and employee grievances and definitely excluding the committees from management functions. The system gives greater recognition to the worker than he had in the Fascist regime. The first such agreement to be announced would probably be that made with the Fiat Group. The Chief Commissioner added that if the next step would be the transfer of administration of unemployment compensation from private management to the Government, a rational set-up will finally be obtained.

7. Air Transport of Perishables

Air Vice Marshal Brodie reported that arrangements have been made for the transport of perishable foods, fish, etc., by air from Sardinia to Rome for communal kitchens and a similar arrangement is hoped for between Venice and Milan. The Chief Commissioner complimented AVM Brodie on a fine job.

8. Civil Aviation

Air Vice Marshal Brodie reported that Trans World Airlines have made an agreement with the Italian Air Ministry for running Italian internal civil aviation whenever it is allowed. The Chief Commissioner added that the agreement provides for modification to any extent necessary to comply with CCS directives in case, for example, the policy is that there should be British participation in this internal company on the same terms as American.

9. Airport Operation

AVM Brodie reported that as a result of shortage of personnel the U.S. ATC and the RAF TC are investigating the possibility of turning over certain equipment and duties at the various airports to Italian operation. Milan airport is already operated by Italians. Personnel for the present will probably be provided by the Italian Air Ministry but it is expected that there will be a gradual infiltration of commercial personnel.

10. Italian Courier Service

AVM Brodie reported that since the Italian Air Force now pays for petrol, AFHQ has agreed that the Italians could charge fares for certain classes of Italian freight and personnel. Discussions are now being held by representatives of the Italian Air Ministry, the Air Forces S/C, the Transportation S/C, and AFHQ. The Chief Commissioner asked that Colonel Walton be included in the discussions in order that all interested departments of the Governmentmight be informed.

11. Minesweeping

With reference to para 10 of Minutes of 20 February 1946, Captain Montz reported that British minesweepers have completed a clearance sweep of the area between Genoa and Savona and then proceeded inshore of the minefields between Savona and San Remo, carrying out a check sweep as they went, thus confirming the safety of this inshore channel for navigation. A check sweep about to be undertaken south of San Remo will open up the approach to that port from seaward, as well as to Imperia. Four Italian trawler crews arrived in Malta on the 21st for four British trawlers being transferred on loan to the Italian Navy.

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12. Repatriation

With reference to para 11 of Minutes of 20 February 1946, Captain Mentz reported that the following vessels arrived in Naples during the week with Italian POW repatriates: MONTECUCCOLI from Port Said with 700 POW's; ABRUZZI

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from Algiers with 750 POW's; and the S.S. TOSCANA from Bizerta with 1200 POW's. The ABRUZZI is now on route to Casablanca for a further lift of POW's to Naples.

Next Vice Presidents' Meeting: to be announced.

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Lt Col, AGD
Staff Officer to CC

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Legal file

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/51

20 February 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 20 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Perkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, Air Vice Marshal Brodie, Colonel Kerr, Captain Mentz, Colonel Savko, Capitaine Moullec, Major Leacocos, Lt Colonel Hannaford, Lt Colonel Timmons, Colonel Walton, Lt Colonel Wilbe-Jones.

1. Chief Commissioner's Visit to London

The Chief Commissioner expressed his appreciation to the British officers present for the courtesy and hospitality shown him by H.M. and H.M. Government officials on his recent visit to London.

2. Future of AC

With reference to para 1 of Minutes of 13 February 1946, Brigadier Lush stated there was nothing to report, adding that it was decided at AFHQ to make no further request for news. The Chief Commissioner observed that in London he had formed the impression that it is unlikely that the draft peace treaty for Italy will be ready by May. Because of this delay, the question of a modus vivendi for Italy will no doubt again be brought forward, which in turn should bring to a head the question of termination of AC, if a directive is not already received by that time. The whole question is still in the realm of speculation. The Chief Commissioner thought that there is a growing appreciation on the part of the U.S. and British delegations of Italy's needs and a desire to treat Italy objectively and with justice, taking into full account Italy's contributions and also the efforts being made to set up a democratic regime in Italy.

3. Supplying of Venezia Giulia

With reference to para 2 of Minutes of 13 February 1946, Mr. Cleveland stated that the signal referred to transmitted UNRRA's views on the subject. Brigadier Lush added that a meeting was held with regard to responsibility for supplies to Venezia Giulia and it was decided that the Economic Section of AC should continue to be the operating function for the supplies of both Udine and Venezia Giulia, and that therefore the present machinery should continue to be employed.

4. German RUK Files in Bolzano

Mr. Cleveland reported that AFHQ has stated that Venezia Giulia should be treated as far as possible as within the Italian economy. The Chief Commissioner observed that the Italian Government, as a result of this policy, could justifiably request permission to enter Venezia Giulia and also ask for representation on the Joint Economic Committee. The Chief Commissioner requested that Mr. Cleveland discuss this point informally with AFHQ before informing the Italian Government of the AFHQ ruling.

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CC 551/51

20 February 1946

M I N U T E S

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Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Perkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, Air Vice Marshal Brodie, Colonel Kerr, Captain Montz, Colonel Savko, Capitaine Moullec, Major Leacocos, Lt Colonel Hannaford, Lt Colonel Timmons, Colonel Walton, Lt Colonel Wilbe-Jones.

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With reference to para 5 of Minutes of 13 February 1946, Brigadier Lush stated that a letter has been prepared for the Chief Commissioner's signature making suggestions on this subject.

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5. Political Resume

Mr. Jones gave a brief resume of the political situation. The Consulta continued meeting during the week. A measure proposing obligatory voting in the forthcoming elections was introduced, meeting fierce opposition from the Communists and other left-wing groups, which resulted in a violent reaction by the right-wing parties. The measure was carried by a vote of 179 to 156. It should be realized, however, that this is merely an expression of opinion by the Consulta and is not binding on the Government.

As a result of the split in the Action Party and the subsequent resignation of the Action ministers, Lombardi was reconfirmed as Minister of Transport, Cianca took over Lussu's post of Minister without Portfolio for the Consulta, and Mario Bracci took over La Malfa's post as Minister of Foreign Trade.

The "Uomo Qualunque" movement has been holding a congress in Rome. The most important development was the alignment of the Democrat party with the "Uomo Qualunque." Thus all independent parties right of CLN tend to be aligned with the "UQ." The movement was voted to become a party and Giannini was elected its president. During the Congress Signor Patrissi made a speech in which he attributed Italy's ills to "exiles" who had been outside the country and working for the downfall of Italy, a speech which created a furore in the Consulta which includes many "exiles." The Consulta passed a motion to expel him and the question is now up to the Government for final decision.

According to newspaper reports the Council of Ministers have been discussing the powers and limitations of the Constituente, and in particular whether the procedure should be submitted to the Consulta. A referendum to resolve the institutional question was also discussed.

6. Wheat Situation

Mr. Cleveland stated that because of the world shortage, the wheat outlook is poor. February loadings may reach more than 200,000 tons, partly because of shippings from January, and there is still a certain amount of December shortfalls to be shipped. No assurances have yet been received on March loadings. Brigadier Lush stated that SACMED will require report on the food situation and suggested that UNRRA cables be shown to the Chief Commissioner.

7. Coal Situation

Mr. Cleveland reported that the European Coal Commission has now recognized the practicability of supplying Italy from the Ruhr. January coal arrivals, including military, amounted to 364,000 tons; February arrivals are 516,000 tons, and the estimated March arrivals are 500,000 tons.

8. Private Trade

Mr. Cleveland stated that on 15 February private trade officially opened with the U.S. and the British Empire. On 20 February the press reported resumption of private trade with Belgium.

9. Elections

With reference to para 3 of Minute of 19 February 1946, Brigadier Carr reported that up to 12 February 90% of the electoral lists had been compiled and [illegible] dates for elections but a total [illegible] period March to 7 April.

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9. Elections

With reference to para 3 of Minutes of 15 February 1946, Brigadier Carr reported that up to 12 February 95% of the electoral lists had been compiled and 50% approved. 3,953 communes have already fixed dates for elections but a total of 4,498 are expected to hold elections during the period March to 7 April.

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10. Minesweeping

With reference to para 6 of Minutes of 13 February 1946, Captain Mentz reported that four Italian trawler crews left Malta on the 19th to man British trawlers transferred on loan to the Italian Navy. During the week the four Italian-manned ex-British trawlers already handed over have been working out in Naples. A further British motor-minesweeper will be transferred in Messina during the course of this week.

11. Repatriation

With reference to para 7 of Minutes of 13 February 1946, Captain Mentz reported that the "MONTECUCCOLI" arrived in Port Said on the 18th from Naples carrying about 200 persons embarked for the Near East and is due back in Naples on the 22nd with 700 Italian POW repatriates. The "ABRUZZI" returned to Naples on the 18th with 700 Italian POW's from Algiers. The "TOSCANA" sailed from Naples on the 17th for Bizerta to embark some 1200 Italian POW's awaiting repatriation.

12. Italian Navy Conscription

Captain Mentz stated that the Ministry of Marine has informed the Navy S/C that after restoration of the North no further action was taken to conscript 1923 and 1924 recruits as they exceeded the requirements. Negotiations are in progress for the transfer of these recruits to the Italian Army. Enlistment of volunteers for 1946 for the Navy will be completed at the end of February. The number of enlistees will be reduced from 1600 to 1025.

Next Vice Presidents' Meeting, 1000 hours, Wednesday 27 February 1946

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Lt Col, AGD
Staff Officer to CC

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HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/50

MINUTES 13 February 1946

Vice President's Meeting, 1000 hours, 13 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Brigadier Lush, Mr. Cleveland, Colonel Parkin, Major Reakes, Mr. Wesley Jones, AVM Brodie, Major General Browning, Rear Admiral Warren, Major Leonidoff, Captain Moullec, Major Leacacos, Lieutenant Colonel Timmons, Lieutenant Colonel K. Wilbe-Jones, Major Temple.

1. Future of AC

Brigadier Lush stated there was nothing to report.

2. Supplying of Venezia Giulia

Brigadier Lush stated that AFHQ had signalled CCS regarding UNRRA taking over this responsibility.

3. Elections

Major Temple presented a summary of the progress on preparations for elections. He stated that the latest information was that 13,359 lists, or 92% of the population, had been compiled, and 6,098 lists, or 42% of the total, had been approved. The progress during the second half of January had been marked, 70% of the lists having been compiled and 24% approved during the first half of the month. It was anticipated that progress would continue to accelerate. The total number of lists for Italy, excluding Venezia Giulia, was 14,428.

Local elections were scheduled to be held in 437 communes on 10 March, 915 on 17 March and 890 on 24 March, a total of 2,242 communes. This was not final as supplementary lists were coming in.

The Ministry of Interior had authorized elections to be held on 31 March and 7 April.

Major Temple exhibited a map showing the geographical distribution of communes which were scheduled to hold elections on 10 March. He pointed out that 70% of the communes holding elections on that date had less than 5,000 inhabitants.

4. Political Resume

Mr. Wesley Jones gave a brief political resume. The Action Party congress has resulted in a clean split between the right and left wings as a consequence of which Lussu, Minister for the Consulta and party secretary, Lombardi, Minister of Transport (both left wing) and LaMalfa, Minister of Foreign Trade and right wing leader, resigned their posts in the Government to the party directorate. This, however, was not a Government crisis since it meant only a reshuffle of Action Party representation.

Almost immediately after these resignations, Parri, former Prime Minister withdrew from the party, followed by LaMalfa and others. Parri said the party no longer represented its original ideals and talked of starting a new party, a Democratic Republican Concentration. Fernando Schiavetti was elected party secretary to replace Lussu. While the Government has not taken action, it looks as if Lombardi will be re-confirmed in his post while Alberto Cianca will get

Declassified E.O. 12356 Section 3.3/NND No. 785016

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The Council of the Labor Democrat Party and the Congress of the Republican Party also have met. Bonomi made a speech in which he called for an alliance of parties of the center representing the liberal, democratic elements of the middle class and stationed politically between the Socialists Communists and Christian Democrats. The Republican Party Congress, which advocated decentralization of state administration, was visited by Parri who was greeted with great applause. Parri said his attendance had nothing to do with his resignation from the Action Party.

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5. German RUK Files in Bolzano

Mr. Cleveland stated that a report on these files was being prepared for AFHQ.

6. Minesweeping

Four further Italian crews for the British motor minesweepers being handed to the Italians left Taranto for Malta on 1 February.

Four of the British minesweeping trawlers already transferred on loan would arrive in Naples on 15 February from Malta.

7. Repatriation

Using the cruisers "Garibaldi", "Abruzzi" and "Montecuccoli", and the ex-hospital ship "Toscana", a programme of six sailings to French North African ports during the next three weeks had been agreed upon by the Flag Officer Italy and Liaison, the Italian Prisoners of War Division of M.M.I.A. and the French authorities.

This should secure the repatriation of more than 5,000 Italian prisoners of war.

Further the "Montecuccoli" would carry out one lift from Port Said to Naples before the end of month.

8. Transport for Italian Army

The "Montecuccoli" and the "Abruzzi" had each made one trip during the last week between Naples and Cagliari ferrying Italian Army personnel between the mainland and Sardinia.

9. Transport for Italian Police Authorities

Civilian prisoners had been ferried between the mainland and the penal settlements of Pianosa and Elba in the torpedo boat "Monzambano" during the past seven days.

10. Patrolling of Adriatic

Brigadier Lush stated that a meeting held with AFHQ with regard to the relaxation of military control in and out of Italy he was informed that AFHQ were disposed to hand over the whole of control to the Italian Government. One of the points that arose was the coastguard service and AC had been asked to press the Italians to reorganize their coastguard service to maintain efficiency.

Brigadier Lush considered that the Italian reaction to this might be that C in C Med restricted naval patrol in the Adriatic and that an additional handicap was shortage of craft. He directed Navy Sub-Commission to take the matter up with C in C Med and endeavour to obtain relaxation of control and derequisitioning of craft.

11. Hotel Accommodation

Colonel Parkin stated that the Boston Hotel, offered to AC by RAAC for the use of American officers had been inspected. It would cost approximately six million lire to put the hotel in order and it would have to remain empty for thirty days after the present occupants had left. RAAC had been informed that AC did not require the hotel.

12. War Establishment

Brigadier Lush announced that the proposal for the British War Establishment

Declassified E.O. 12356 Section 3.3/NND No. 785016

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12. War Establishment

Brigadier Lush announced that the proposal for the British War Establishment had been approved in principle by the AFHQ Committee and depended on WO concurrence.

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SECRET

Declassified E.O. 12356 Section 3.3/NND No. 785016

Next Vice President's Meeting, 1000 hours, Wednesday, 20 February 1946.

L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

DISTRIBUTION:

Chief Commissioner
Executive Commissioner
VP, Civil Affairs Section
VP, Economic Section (6)
VP, Establishment Section (2)
Political Advisor (A)
Political Advisor (B)
Navy Sub-Commission (3)
Land Forces S/C (MMIA)
Air Forces Sub-Commission
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
American Ambassador
G-5, AFHQ (5)
Chief Financial Advisor (AC)
Chief Legal Advisor (AC)

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Land Forces S/C (MMIA)
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Public Relations Branch
American Ambassador
G-5, AFHQ (5)
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Chief Legal Advisor (AC)

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Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/49 6 February 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 6 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, AVM Brodie, Major General Browning, Rear Admiral Warren, Major Leonidoff, Captain Moullec, Lieutenant Colonel Bergin, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel K. Wilbe-Jones.

1. Supplies to Venezia Giulia

Reference paragraph 1 of Minutes 30 January, the Chief Commissioner stated that a strongly worded telegram had been sent to AFHQ on this matter and he hoped it would be effective.

2. Future of AC

The Chief Commissioner reported no change.

3. Supplying of Venezia Giulia

Reference paragraph 7 of Mirutes 30 January, the Chief Commissioner declared the situation remained more or less as reported in previous minutes.

4. Elections in Udine Province

Reference paragraph 11, Minutes 30 January, upon the Chief Commissioner's inquiry as to repercussions about the holding of elections in Udine, Brigadier Carr reported that there had been no substantial change.

5. Electoral Lists

Reference paragraph 12 of Minutes 30 January, the Chief Commissioner wished to know if there had been any increase in the number of approved lists. Brigadier Carr stated there had been a sharp rise in the number of final approvals as a result of the new system.

6. Political Resume

Mr. Hopkinson reported that the main interest of the week lay on the press reaction to the activities of the Deputy Foreign Ministers' meeting in London. Press comments revealed great anxiety in respect of Venezia Giulia and the impending arrival of the UNO Commission that is to investigate and report on the area. There is particular concern about the plans the Yugoslavs are making for the UNO Commission's reception. Their end is to make Trieste appear to the UNO as a strong Yugoslav town. As regards Zone "B", there is the feeling among the Italians that their case in this connection will not be upheld, and it has been suggested that the Italian Government have a liaison officer or observer with the UNO Group for the protection of Italian interests.

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CC 551/49

6 February 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 6 February 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. Jones, Mr. Hopkinson, AVM Brodie, Major General Browning, Rear Admiral Warren, Major Leonidoff, Captain Moullec, Lieutenant Colonel Bergin, Colonel Weber, Lieutenant Colonel Timmons, Lieutenant Colonel K. Wilbe-Jones.

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There has been also much comment relative to the Austrian Government claim to Adige and its suggestion that the territory be placed under UNO trusteeship but under Austrian administration. The Italians are opposed to the claim, and the Prime Minister in a recent newspaper interview spoke of the steps being taken to grant autonomy to the area. De Gasperi also presented to the various ambassadors a memorandum for formal transmission to the Foreign Ministers' Meeting.

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It presented the Italian Government's claim to Adige, and the Prime Minister explained that such action had been taken not because the area was considered as disputed but so as to match the formal claim put in by Austria.

Mr. Hopkinson reported that Nenni had made an important speech in Genova during which he discussed foreign and internal policy. Referring to the Adige question, he stated that Austria could claim the territory only on ethnic grounds. On the subject of the powers of the Costituente, he declared that some democratic parties were raising questions which appeared to tend to divert attention from the Costituente. He declared that compulsory voting was not undemocratic and that the Socialists would not oppose the referendum in principle.

Mr. Hopkinson further reported that two congresses had opened their sessions during the week -- that of the "Uomo Qualunque" front and Action Party's.

7. German Files in Bolzano

Mr. Cleveland reported that some discussions were tekingplace on the question of the disposition of German files in Bolzano. These are of value because of the information they contain on production capacity and related subjects in respect of Northern Italy. He explained that these files had records which could be the basis for various types of claims against German, Austrian, and Italian firms. An analysis is being made of the types of claims that might be gotten out of the files. The matter had been taken up with the Polads and it had been suggested that the Commission put up a paper to AFHQ embodying an appreciation of their value and recommendations for their disposition.

8. North Italian Industrial Council

Mr. Cleveland reported that the North Italian Industrial Council was functioning again. Under decree, the Council can continue only until 31 March. The question is now being discussed whether it will be succeeded by a national industrial council or a national economic council.

9. Cotton Textile Committee

Mr. Cleveland reported that the Committee had made the decision that no cotton textiles from Europe can be sent to the Western Hemisphere. Mr. Cleveland suggested that AC should protest this decision. The American Embassy had sent a strong cable of protest, and the Chief Commissioner suggested the British Embassy should do likewise. The matter called for a combined Allied decision.

10. Italian POWs

Rear Admiral Warren stated that both the "Duca degli Abruzzi" and the "Montecuccoli" had arrived with several hundred IPOWs and Italian civilians. The "Eritrea" is expected from the East with Italian andDutch repatriates from the East Indies.

11. Minesweeping

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11. Minesweeping

Rear Admiral Warren reported that a general statement on minesweeping operations is being prepared by the Navy Subcommission and that it would be ready by the end of the month.

12. Entry of Ships into La Spezia

Rear Admiral Warren announced that the approval that had been granted for vessels to enter the port of La Spezia had been revoked owing to the fact that the channel was not wide enough. The passage is being widened now by the Italian

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Government. Another cruiser had put in at La Spezia for complete refit -- this made a total of two and was creating work for the unemployed in that area.

13. War Establishment

Brigadier Lush announced that the Commission's proposal for the British War Establishment had been put up to AFHQ for approval.

Next Vice Presidents' Meeting, 1000 hours, Wednesday, 13 February 46

L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

DISTRIBUTION:

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VP, Civil Affairs Section
VP, Economic Section (6)
VP, Establishment Section (2)
Political Advisor (A)
Political Advisor (B)
Navy Subcommission (3)
Land Forces S/C (MMIA)
Air Forces Subcommission
French Representative, AC
Soviet Representative, AC
Liaison Officer (EC)
Public Relations Branch
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SECRET

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

CC 551/48 30 January 1946

MINUTES

Vice Presidents' Meeting, 1000 hours, 30 January 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. McBride, Mr. Hopkinson, Air Vice Marshal Brodie, Major General Browning, Captain Mentz, Colonel Savko, Captain Moullec, Lieutenant Colonel Bergin, Colonel Weber, Lieutenant Colonel Timmons.

1. Supplies Loaned to Venezia Giulia

Reference paragraph 4 of Minutes of 23 January 46, the Chief Commissioner stated that the draft cable mentioned therein had been revised and forwarded to AFHQ.

2. Future of AC

The Chief Commissioner reported there had been no developments in the situation.

3. Rationing of Electric Power

Reference paragraph 7 of Minutes of 23 January 46, the Chief Commissioner reported that a rationing commission was expected to be set up in the North. He added that strong instructions had gone out from the Ministry of the Interior consequent to his discussions with the Prime Minister. Mr. Cleveland observed that the rationing commission had not yet been established and the Chief Commissioner directed that this matter be followed up.

4. New Rate of Exchange

The Chief Commissioner made reference to press announcements appearing in "The Stars and Stripes" about the favorable rate of exchange enjoyed by the American and British Embassies. The question came up as to whether Allied military personnel would be given the benefit thereof, and it was pointed out that this depended on whether the troop paymasters, who have been issuing AM lire, will be able to secure a favorable rate. It is more probable that the Americans will get it because of the net troop pay account. However, on the British side the outlook is not so bright since the British Government has not yet granted pounds sterling credit for net British troop pay in Italy.

5. Ceiling for Carabinieri

Reference paragraph 3 of Minutes of 23 January, the Chief Commissioner stated that he had not yet seen any request from the Prime Minister but that he understood a letter was coming in. Brigadier Carr observed that it had been received the day before (January 29) and passed to the Land Forces Subcommission for action.

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CC 551/48

30 January 1946

M I N U T E S

Vice Presidents' Meeting, 1000 hours, 30 January 1946, Chief Commissioner's Conference Room, Headquarters, Allied Commission, Rome.

Present: Rear Admiral Stone, Brigadier Lush, Mr. Cleveland, Colonel Parkin, Brigadier Carr, Mr. McBride, Mr. Hopkinson, Air Vice Marshal Brodie, Major General Browning, Captain Mentz, Colonel Savko, Captain Moulloc, Lieutenant Colonel Bergin, Colonel Weber, Lieutenant Colonel Timmons.

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6. Political Resume

Mr. McBride reported there had been much speculation in the past week regarding the Italian peace treaty and De Gasperi's telegram to the UNO. It was

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still being discussed whether the Prime Minister's message could be construed as a formal request on the part of Italy to join the UNO. The general opinion is that it was not, and the only official action taken upon it was its publication in the official bulletin of the UNO. In respect to the peace treaty, many r. stories were trickling in from London. One report had it that the preliminary draft would be ready by the first or thirtieth of April; another was to the effect that the Italian peace treaty would have precedence over all others. None of these reports had received confirmation. On the question of disposal of the Italian colonies, Mr. McBride stated that, judging from the latest press reports, the setting up of a four power administration appeared likely. As for the mission to Venezia Giulia, he observed its arrival had been expected round 1 February; however, there was no official confirmation of this.

Mr. McBride further reported that various lists had appeared of communes which will hold local elections between March 10-17 -- more of these lists were expected to follow; the Consulta, which closed its doors during the past week, would re-open on 11 February; the movement sponsored by "UOMO QUALUNQUE" is to have its first national congress in Rome the early part of February; public safety disturbances continued and in this connection a campaign had been started against High Commissioner Aldisio in Sicily -- he would, however, keep his post for the moment; the press continued to comment on the Torre Annunziata explosion and some newspapers were trying to blame the Allies -- the Italian Government is carrying on an investigation of the cost of damage with the purported intention of filing a claim against the Allied governments.

Mr. McBride stated that the most important political speech of the week had been delivered by De Gasperi in Naples. The Prime Minister did not substantially alter his previous views. He declared that any sins Italy may have committed in the past had been fully expiated, and asked again for a just peace treaty. Another item of interest was the return of Nenni and Silone from London. The former made various statements as to the alleged position of the British Labor Party in respect to Italy. One of his statements was to the effect that the British Labor Party realized there was no danger in Italy of violence from the Left, and that the Party was anxious that elections be held soon.

Mr. Hopkinson stated that the first meeting of the Val d'Aosta Council had taken place on 24 January at the Viminale Palace in Rome to discuss problems arising from the grant of autonomy to that region. Mr. Hopkinson also called attention to reports appearing in the press to the effect that the Franco-Italian frontier had been closed. The report was denied by AC (based on AFHQ authority) and from Paris, but rumors kept trickling in about disturbances in the neighborhood of Ventimiglia.

7. Supplying of Venezia Giulia

Mr. Cleveland stated that a general proposition had been put up to G-5, AFHQ, to treat Venezia Giulia as economically a part of Italy and not separately, but that no formal answer had been received as yet. Such a policy would imply that the Italian Government would continue to supply Venezia Giulia from Italian sources. The Chief Commissioner suggested that concurrence might have to be sought from UNRRA, in view of UNRRA's responsibility for the Italian basic supply line. In this connection he brought up the question of whether the UNRRA contract with the Italian Government applies to Venezia Giulia since that territory is being supplied as a military responsibility.

8. Abolition of Economic Control by AC

Mr. Cleveland reported that the Italian Government had just been informed that the Allied Commission had ceased to have control over Italian foreign trade activities with the exception of acting as a channel for clearance of "reserved"

Declassified E.O. 12356 Section 3.3/NND No. 785016

None of these reports had received confirmation. On the question of disposal of the Italian colonies, Mr. McBride stated that, judging from the latest press reports, the setting up of a four power administration appeared likely. As for the mission to Venezia Giulia, he observed its arrival had been expected round 1 February; however, there was no official confirmation of this.

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8. Abolition of Economic Control by AC

Mr. Cleveland reported that the Italian Government had just been informed that the Allied Commission had ceased to have control over Italian foreign trade activities with the exception of acting as a channel for clearance of "reserved" commodity transactions with the Combined Boards in Washington, and that even that responsibility would be removed from the Commission as soon as appropriate notes have been sent to the Italian Government through diplomatic channels. A directive from the CCS to AFHQ had been received to this effect.

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9. Re-opening of Private Trade

Mr. Cleveland announced that the Italian Government had agreed with AC and the American and British Embassies that February 15 be the date on which private foreign trade would be resumed in Italy; a release making the announcement would be published prior to that date. The Chief Commissioner inquired as to who would be allowed to import, and it was stated that such control would be exercised by the Ministry for Foreign Affairs. In connection with the re-opening of private foreign trade, the Chief Commissioner inquired as to what provision had been made for the cultural side (imports of films, periodicals, etc.) as distinguished from the economic side. The opinion was advanced that as long as Italy is in need of food there might be little foreign exchange allocated for importation of films since the latter are considered as a luxury. However, it was pointed out that there might arise a competition between the economic and the cultural sides, but that under the foreign exchange control system it would rest with the Italian Government to decide on such priority questions.

10. Transfer of AC Functions to UNRRA

Mr. Cleveland reported that the transfer of responsibilities was working out smoothly. The transfer of civilian personnel to UNRRA is going on and is expected to be completed by 1 March. However, a serious difficulty had arisen on the personnel side -- MTOUSA is apparently unwilling to release the American Army officers that were to go to UNRRA. The matter, Mr. Cleveland explained, is being taken up by UNRRA with Washington.

11. Elections in Udine Province

Brigadier Carr stated that the holding of elections in the Province of Udine was under consideration. He observed it was quite clear that elections should be held in that province and in this connection pointed out that the situation had been complicated by the fact that there are six communes whose sindacos had been dismissed by AMG and the Provincial Commissioner is desirous of excluding those communes from the elections. The Chief Commissioner declared that the AC policy is that elections be held in all the communes.

12. Italo-Swiss Trade Agreement

Reference paragraph 1 of Minutes of 23 January, Lt Col Timmons reported no change had taken place in the situation. The Swiss Government's reply is still being awaited.

13. Electoral Lists

In connection with the preparation of electoral lists, Brigadier Carr announced that the Council of Ministers had passed a decree that should eliminate the bottleneck in the approving of electoral rolls. The removed restriction concerns the examination of penal records. In appropriate cases the local authorities can now take action without referring to Rome.

14. Currency Agreement and Foreign Trade

Lt Col Timmons stated that in connection with FAN 583 the Italian Govern[illegible] had accepted the Currency Agreement, and that CCS removed another restriction on foreign trade -- the necessity of the prior approval of insurance transactions. Also, discussions had been carried on with AFHQ concerning the rehabilitation of the Italian customs services. As a result, AFHQ had issued a very good [illegible] port commanders requesting them to cooperate to the fullest

Declassified E.O. 12356 Section 3.3/NND No. 785016

be published prior to that date. [illegible] be allowed to import, and it was stated that such control would be exercised by the Ministry for Foreign Affairs. In connection with the re-opening of private foreign trade, the Chief Commissioner inquired as to what provision had been made for the cultural side (imports of films, periodicals, etc.) as distinguished from the economic side. The opinion was advanced that as long as Italy is in need of food there might be little foreign exchange allocated for importation of films since the latter are considered as a luxury. However, it was pointed out that there might arise a competition between the economic and the cultural sides, but that under the foreign exchange control system it would rest with the Italian Government to decide on such priority questions.

10. Transfer of AC Functions to UNRRA

Mr. Cleveland reported that the transfer of responsibilities was working out smoothly. The transfer of civilian personnel to UNRRA is going on and is expected to be completed by 1 March. However, a serious difficulty had arisen on the personnel side -- MTOUSA is apparently unwilling to release the American Army officers that were to go to UNRRA. The matter, Mr. Cleveland explained, is being taken up by UNRRA with Washington.

11. Elections in Udine Province

Brigadier Carr stated that the holding of elections in the Province of Udine was under consideration. He observed it was quite clear that elections should be held in that province and in this connection pointed out that the situation had been complicated by the fact that there are six communes whose sindacos had been dismissed by AMG and the Provincial Commissioner is desirous of excluding those communes from the elections. The Chief Commissioner declared that the AC policy is that elections be held in all the communes.

12. Italo-Swiss Trade Agreement

Reference paragraph 1 of Minutes of 23 January, Lt Col Timmons reported no change had taken place in the situation. The Swiss Government's reply is still being awaited.

13. Electoral Lists

In connection with the preparation of electoral lists, Brigadier Carr announced that the Council of Ministers had passed a decree that should eliminate the bottleneck in the approving of electoral rolls. The removed restriction concerns the examination of penal records. In appropriate cases the local authorities can now take action without referring to Rome.

14. Currency Agreement and Foreign Trade

Lt Col Timmons stated that in connection with FAN 583 the Italian Government had accepted the Currency Agreement, and that CCS removed another restriction on foreign trade -- the necessity of the prior approval of insurance transactions. Also, discussions had been carried on with AFHQ concerning the rehabilitation of the Italian customs services. As a result, AFHQ had issued a very good directive to Allied port commanders requesting them to cooperate to the fullest extent possible with the Italian customs authorities. Lt Col Timmons further reported that the customs services are now practically completely rehabilitated and come under the jurisdiction of the Ministry of Finance.

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15. Minesweeping

Captain Mentz announced that agreements had been signed by FOIL and the Minister of Marine covering transfer on loan to the IRN of 32 British mine-

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sweepers and the mobile wiping unit MMS 185.

16. Repatriation of IPOWs

Captain Mantz reported that the "Duca degli Abruzzi" sailed from Naples on 28 January to carry out a third lift of IPOWs from Port Said to Italy. The SS "Toscana" arrived in Tripoli on 26 January from Naples to disembark some 600 children who are returning to their homes from Italy. The "Toscana" will continue to Port Said, arriving on 3 February to disembark a further 400 children rejoining their families in Egypt. She will return to Italy with about 1500 IPOWs from the Levant. The cruiser "Montecuccoli" will arrive in Bizerte on 2 February to lift to Italy about 400 Italian civilians and some 300 IPOWs whom the French are releasing.

17. Allied Messes

It was stated that since the last meeting (see paragraph 12, Minutes of 23 January) the decision had been taken to establish a British mess at the Flora Hotel and move certain American officers fromthere to the Grand Hotel. The directive was issued by MTOUSA. The Chief Commissioner once more expressed his regret that such a decision had been forced on the Commission. Mr. Hopkinson brought up the question of the feeding of British visiting VIP's and Colonel Parkin explained that General Dasher, Commanding General of RAAC, was sending over a letter authorizing the feeding of such personages at the Grand Hotel.

18. Liaison Groups

Brigadier Lush reported that liaison groups were now set up and that the two officers stationed on the islands of Lampedusa and Pantelleria had been withdrawn.

19. AC Weekly Bulletin

Brigadier Lush pointed out that at a meeting held the day before (January 29) the general opinion was that the Bulletin should be abolished but that he personally was opposed to such a course and defended the further publication of the Bulletin on the grounds of its value to the Commission and other organizations such as AFHQ, the War Department, the State Department, and the War Office. The Chief Commissioner concurred.

20. Parity in Venezia Giulia

Brigadier Lush stated that every available American had been sent to Venezia Giulia in order to help establish parity between American and British ranks. He added that the difficulty in establishing such parity rested mainly on the fact that there was a paucity of US officers -- they simply could not be found.

21. Allied Publication Board

Lt Col Bergin stated that the following had been omitted from the Minutes of 23 January and he desired it made of record: "A final meeting of the Allied Publications Board was held in Rome on January 19th. Major Noble, Secretary of the Board, reported that the transfer of its functions to the Italian Government had taken place smoothly. Dr. Lazzaro of the Italian Government also expressed himself as pleased and stated the government would carry on along the lines [illegible] followed by the APB."

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Next Vice Presidents' Meeting, 1000 hours, Wednesday 6 February 46

L. W. STEARNS
Lt Col, AGD
Staff Officer to CC

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Soviet Representative, AC
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Public Relations Branch
American Ambassador
British Ambassador
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