

ACC

10000/142/457

785016

0/142/457

RE-ORGANIZATION OF AC
DEC. 1945 - FEB. 1946

1831

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

PAGES MISSING OR
PAGINATION INCORRECT -
FILMED AS FOUND

Secret

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 600/EC.5 December 1945.

SUBJECT: Conference - Reorganisation of Allied Commission.

TO : Distribution below.

1. Enclosed are:
- Document "O" - TAM 749.
 - Document "P" - AC Comments on TAM 749 and on AFHQ Draft MAT.
 - Document "Q" - AFHQ and AC Draft MAT.
 - Document "R" - Memorandum by US Ambassador.

2. The Meeting will take place in the Chief Commissioner's Conference Room, HQ Allied Commission (adjacent to Chief Commissioner's Office) at 0930 hours, Thursday, 6th December, 1945.

For the Chief Commissioner:

MSL/JG.

DISTRIBUTION: US Embassy: Hon. Alexander Kirk, US Ambassador
Mr. Wesley Jones
Mr. Livengood.

M. J. G.
Brigadier,
Executive Commissioner.

BR Embassy: Sir Noel Charles, KCMG, Br Ambassador

Document "C" - TAM 719.

Document "E" - AC Comments on TAM 719 and on AFHQ Draft MAT.

Document "Q" - AFHQ and AC Draft MAT.

Document "R" - Memorandum by US Ambassador.

2. The Meeting will take place in the Chief Commissioner's Conference Room, HQ Allied Commission (adjacent to Chief Commissioner's Office) at 0930 hours, Thursday, 6th December, 1945.

For the Chief Commissioner:

M. S. G. [Signature]
Brigadier,
Executive Commissioner.

MSL/JG.

DISTRIBUTION: US Embassy: Hon. Alexander Kirk, US Ambassador
Mr. Wesley Jones
Mr. Livengood.

BR Embassy: Sir Noel Charles, KCMG, Br Ambassador
Mr. Henry Hopkins, CMG.
Sir Richard Nosworthy, KCMG

AFHQ: Major-General A.C. Duff, OBE, MC,
Brig-General A.L. Hamblen.
Mr. Office, US Field.
Mr. Philip Broad, British Resmin

HQ AC: Rear Admiral Ellery W. Stone, USNR, Chief Commissioner.
Brigadier M.S. Lush, CB, CBE, MC.
Mr. Harold Cleveland, A/VP, Economic Section.
(Colonel J. Webber, Chief Legal Adviser.)
Lt Col G.S. Hannaford DCLA

Secret

62

If, as it is presumed, the intention of CCS is to relax the existing control over the Italian Administration, this aim will be better achieved by reducing the scope of the instrument which created A.C. rather than by transferring the functions of A.C. to AFHQ.

Not only AFHQ is not materially equipped to take over the greater part of A.C. functions but by placing them direct under the military command it would give to the Italians the impression that the existing control far from being relaxed was increased, and that instead of being subjected to a form of indirect supervision they were going back to direct military control.

This appears to be not only undesirable but contrary to declared U.S. and U.K. policy.

If, as it is presumed, the intentions of CCG are to relax the existing control over the Italian Administration, this aim will be better achieved by reducing the scope of the instrument which created AC ^{rather} than by transferring the functions of AC to AFHQ.

Not only AFHQ is not materially equipped to take over the greater part of AC functions, but by placing them direct under the Military Command it would give to the Italians the impression that the existing control was being relaxed, and that instead of being subjected to a form of indirect supervision, they were going back to direct military control.

This appears to be not only undesirable, but ⁶⁰ contrary to declared US & UK policy.

CONFERENCE (REORGANISATION OF AC) TO BE HELD
IN CHIEF COMMISSIONERS CONFERENCE
ROOM 0930 HRS 6 DEC 45.

----- D O O R -----

Sir Richard HE Sir Noel Mr.
Nosworthy Charles Hopkinson

Mr. P. Broad

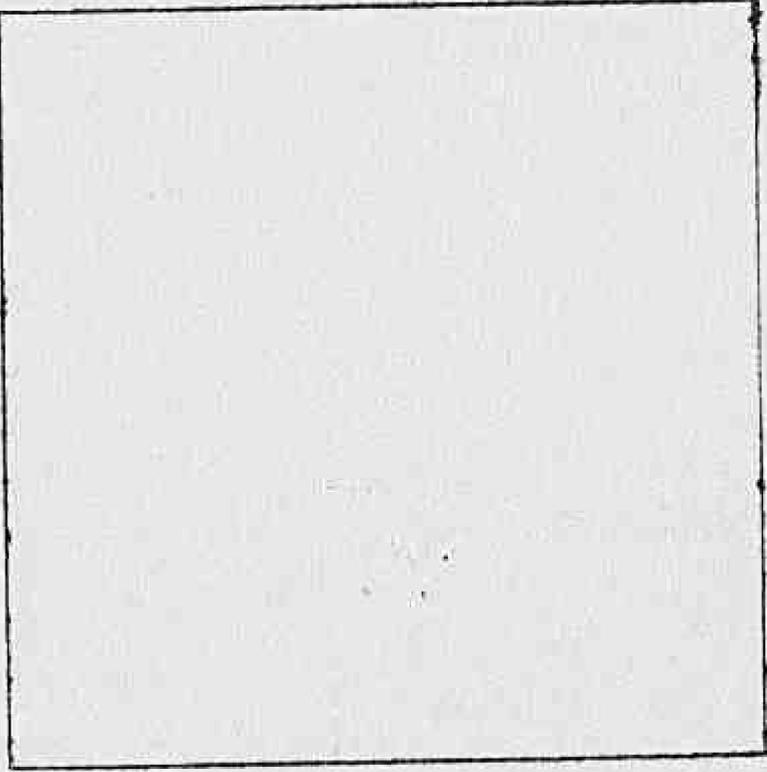
UNRRA

Mr. Keeney

Maj. Gen
Duff

Brig. Gen
Hamblen

Mr. Offie



Lt.Col. Hannaford

Col. Webber

Mr. Cleveland

Admiral Stone

Brig. Lush

Lt.Col. McCleary

Mr. Wesley H.E. Mr
Jones Mr. A. Kirk Livengood

4/02/50
AFHQ MESSAGE CENTER
INCOMING MESSAGE

Filed: 082140Z PARAPHRASE UNNECESSARY
PRIORITY SECRET

FROM: AGWAR: FROM CCS

TO : AFHQ INFORMATION CABINET OFFICES WHITEHALL FOR BRITISH CHIEFS OF STAFF

REFERENCE NO THIS MESSAGE: W-87681, 8 December 1945

For Morgan.

This is FAN 634.

1. All areas in ITALY, including the Province of BOLZANO and the Communes of COLLE SALVEFFI, LIVORNO, NAPLES and PISA, and the Fortress Islands of LAMPEDUSA, LINOSA, and PANTELLERIA, but excepting UDINE Province and that portion of VENEZIA GIULIA West of the MORGAN Line, will be returned to Italian Administration as soon as possible and in any case NO longer than 21 days after receipt of this Directive (reference your radios NAF 1069, NAF 1071, NAF 1073, NAF 1092 and MAT 905).
2. Simultaneously, in respect of any territories which may be retained under AMG, all command functions of ALCOM over AMG will be performed by XIII Corps, reporting directly to AFHQ. Military personnel detached from duty with ALCOM will NOT be utilized as AFHQ Liaison to ALCOM.
3. At time of handover you should inform Italian Government and make public announcement to include statements that:
 - a. UDINE is retained solely for military reasons and NOT because it is considered a disputed area.
 - b. Return of BOLZANO is without prejudice to final disposal of Province under Peace Treaty at which Italian rights will receive full consideration.
4. As regards LAMPEDUSA, LINOSA, and PANTELLERIA, handback of these Provinces should be made at the same time, subject to your obtaining agreement of Italian Government to:
 - a. Their demilitarization.
 - b. Your retaining right of inspection to ensure that demilitarization is maintained. You should provide, if you think it necessary, for Allied Officers to be stationed there, as in other parts of ITALY administered by Italian Government, to ensure that Allied Military interests are safeguarded. 58
5. Reference MAT 881. You are completely relieved of Italian supply responsibility except for VENEZIA GIULIA, and Province of UDINE. Supplies will be the concern of the Civilian Departments of the UNITED STATES and UNITED KINGDOM Governments or the Italian Government programs. Pending further instruction, you should, as President of the Allied Commission, continue to advise and assist the Italian Government in the preparation of programs of

PARAPHRASE UNNECESSARY
SECRET

supplies for the areas covered by its programs and, when such programs have been established by the Italian Governments review and transmit them with appropriate comments and recommendations to the Combined Civil Affairs Committee which will transmit them to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. You may also give assistance to the Italian Government in connection with the preparation of bids for transportation for the supplies when received in ITALY. In addition, as Military Commander, you will have the right to communicate with the UNITED STATES and UNITED KINGDOM Governments on supply matters affecting the security or redeployment of your troops.

6. Your channel of communication to the UNITED STATES and UNITED KINGDOM Governments, both with respect to Allied Force Headquarters and Allied Commission matters will continue through the Combined Chiefs of Staff and the Combined Civil Affairs Committee in appropriate cable series. It is contemplated that necessary Italian civil supply arrangements will be handled between Allied Commission and Combined Liberated Areas Committee and use of COM - MCC cable series has been authorized for this purpose. However, you may submit any matters you deem appropriate to the Combined Chiefs of Staff or Combined Civil Affairs Committee through existing channels. Combined Chiefs of Staff or Combined Civil Affairs Committee will, where appropriate, communicate with responsible civilian agencies of the UNITED STATES and UNITED KINGDOM Governments.

ACTION: 3-5

INFORMATION: SACN C/S MED G-2 G-3 (AFHQ) CINC MED
 USN RAF CAC AFRMIN US POLAD
 G-4 NAFN

*NOTE: This signal is transmitted to the U.S. and British Ambassadors by express permission of the Chief Commissioner, AC, on the express conditions that:

- a. It will be carefully safeguarded,
- b. be not reproduced,
- c. circulation severely restricted."

57

LEGAL SUB-COMMISSION

CLO	<i>Fur. clear</i>
DCLO	F. H. McCleary
Chief Counsel	Lt. Col.
CJO	CSO to EC
Radio	

11 JAN 1948

SECRET.

MAT. PART II.

(The Allied Commission will remain under SACMED as President and the Deputy President as Chief Commissioner until the Armistice regime is terminated.) It is, however, desirable to continue the reduction of functions of the Allied Commission which should now be reorganised as follows.

As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

The Allied Commission will then be established under the Chief Commissioner with Executive Branch. Under them will be:

- Service Sub-Commissions
- Communications Sub-Commission
- Chief Financial Adviser and staff
- Chief Legal Adviser with reviewing staff
- Displaced Persons Branch
- Public Relations - *Ext. Sect.*

An Economic Section consisting of the presently organised Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions to be transferred to Embassies when staff is procured.

The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissi

The Allied Commission will then be established under the Chief Commissioner with Executive Branch. Under them will be:

Service Sub-Commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations - Est. Sect.

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions to be transferred to Embassies when staff is procured.

The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commission and the technical control of AMG in UDINE and VENEZIA GIULIA.

Small Liaison Groups in the field will be established at your discretion.

French and Russian Representatives to AC will remain.

Advisory functions will be continued to be taken over by the Embassy when staff is procurable. Supply and Displaced Persons functions will be taken over by UNRRA in due course.

Memorandum by U.S. Ambassador.

With the abolition and transfer of many of the functions of the Allied Commission as contemplated in TMI 719, there should be set up concurrently in Italy a Tripartite Economic Advisory Council. The United Kingdom, the United States and Italy would be represented on the Council, which would be necessary as a provisional advisory body to help in the development from Italy's past and present faulty economic system to a more normal status. The organization of the proposed Tripartite Economic Advisory Council would be along the following lines:

- 1) Representatives of the United Kingdom, the United States (who would report to their respective Ambassadors) and Italy would head the Council.
- 2) Acting only in an advisory capacity the heads of the Council would form a policy making body.
- 3) Personnel of the Council would be housed in one building and each of the three heads would deal directly with his own staff. Agriculture (including foods), labour, industry, commerce, finance, shipping and transportation would comprise the activities of the Council.
- 4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.
- 5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.
- 6) Personnel of the Council would be civilian entirely.
- 7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.
- 8) Regular communication with the field regional officers would require the full time of the principal representative or his deputy, of which there would be one for each of the three representatives.
- 9) From time to time it may be necessary to attach specialists to certain regions and the regional representatives could be shifted about

4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.

5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.

6) Personnel of the Council would be civilian entirely.

7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.

8) Regular communication with the field regional officers would require the full time of the principal representative or his deputy, of which there would be one for each of the three representatives.

9) From time to time it may be necessary to attach specialists to certain regions and the regional representatives could be shifted about depending on general conditions.

10) Personnel for the staff of the American delegation would be drawn from the United States Embassy in Rome and A/C/MIG. Furthermore experts and specialists will be drawn from the United States on a temporary basis as needed.

11) As the strength of the Italian Government increased the personnel of the Council would gradually decrease and in due course it would be hoped that the Council could be disbanded. The Allied personnel which remained could thus be attached to the U.K. and U.S. Embassies, where they would assume the normal duties and responsibilities of Embassy attaches. Meanwhile there would have been a gradual shift from the regions to Rome headquarters of personnel.

U.S. Embassy,
Rome.
5 December 1945.

Provincial Legal Officer, Belluno Province..... 1
 " " Udine Province..... 1
 " " Gorizia Province..... 1
 " " Trieste Province..... 1
 " " Tera Province..... 1
 " " Pavia Province..... 1
 " " Carrara Province..... 1

(thru 210
 Venezia Region)

10 Det 2677 Reg't COS, APO 514 Atter R A A
 Branch, 26 Via della Corniglianina, ROMA..... 2

(to be despatched by
 2) Legal Sub-Group.)

Education Sub-commission..... 3
 WP Economic Section..... 3
 Economic Section, Attn: Executive Director..... 2
 Vice President, Retail Market Section..... 1
 Labor Sub-Commission..... 4
 British Political Advisor, 3rd Floor Room 7..... 1
 Land Forces Sub-Commission..... 1
 Navy Sub-Commission..... 1
 Air Forces Sub-Commission..... 1
 Communications Sub-commission..... 1
 War Material Material Sub-Commission..... 1
 Public Relations Branch, HQ, AC..... 1
 Information (P.R. Branch)..... 1
 Mr. Santos, Library at U.S. Congress..... 2
 AC Liaison Officer Catania..... 1
 " " Palermo..... 2
 " " Bari..... 1
 Mr. B. di Venuti, c/o United States Embassy - Rome..... 2
 Liaison Division Lt. Col. BROWN, Room 32, 3rd Floor..... 3
 Lt. H.E. Strickland O.S.S., Via S. Felice 52, Room 6..... 1
 Deputy Chief Civil Affairs Officer, 45th AC..... 2
 SCAG Venezia Giulia..... 1
 SMO Venezia Giulia..... 1
 Mr. Gerardo A. Carrito, Prices Office, Economic Sec..... 1
 SCAG Venezia Giulia, Per Finance Division..... 1

8

Document 70

SECRET.

TO : AFHQ FOR MORGAN INFO CABINET OFFICES FOR BRITISH CHIEFS OF STAFF

FROM: ACWAR FROM CCS.

THIS is TAM 719.

There follows draft directive which CCAC proposes submitting to CCS for approval.

"1. It is desirable to remove from Allied Commission as many functions as possible, retaining only absolute minimum for temporary period. All rights under the Armistice and surrender instrument would still be held in reserve as set out in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Subcommissions whose functions are to be retained in AC.

1. Navy, Army Air Force Subcommissions should remain with AC unless or until they form nucleus of separate service missions.

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

- Education
- Local Government and Patriots
- Monuments Fine Arts and Archives
- Public Health
- Public Works and Utilities
- Legal (but Legal Advisor to President of AC may be necessary)

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

- Communications
- Public Safety
- War Materials & IFOW
- Public Relations
- Transportation (but see subpara E below)
- Finance (currency, combined billing, etc, services to Armies and paras 10,12 - 17 FAN 583).

(D) Subcommissions whose functions are to be transferred to the

1 8 4 8

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

Education
Local Government and Patriots
Monuments Fine Arts and Archives
Public Health
Public Works and Utilities
Legal (but Legal Advisor to President of AC may be necessary)

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications
Public Safety
War Materials & I POW
Public Relations
Transportation (but see subpara E below)
Finance (currency, combined billing, etc, services to Armies and paras 10,12 - 17 F.A.N 583).

(D) Subcommissions whose functions are to be transferred to the UNITED STATES and UNITED KINGDOM Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)
Labour
Agriculture (advisory functions)
Finance (advisory functions and duties under F.A.N 583 except paragraphs 10, 12 - 17).
Food (insofar as not concerned with imports).

(E) Subcommissions whose functions are to be retained in AC until UNRRA takes over:

Displaced Persons and Refugees
Food which should be reorganised into a supply subcommission and include any functions of other economic subcommission relating to imports.

S E C R E T

Transportation subcommission (bids for imported supplies and functions in respect to warehousing imported supplies).

3. Either the UNITED STATES or UNITED KINGDOM Governments will civilianise at their discretion any of the posts in any subcommission remaining in AC. It would be advantageous if there were introduced into the relative subcommissions any civilian personnel (of UNITED STATES or UNITED KINGDOM nationality) who intend to transfer to UNRRRA when the latter takes over.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in ROME if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to ITALY under combined military responsibility."

5. As very early action on lines of above is desired your comments on above draft directive urgently requested in MAT series.

necessary to establish, as authorized in LIA 692, a combined
AFHQ to take over from Allied Commission functions of accounting and billing
for civilian supplies furnished to ITALY under combined military responsi-
bility."

5. As very early action on lines of above is desired your comments on
above draft directive urgently requested in LIA series.

51

SECRET.AFHQ DRAFT MAT.NO DRAFT FOR

This is MAT _____

Ref your W-85740 - TAM 719 dated 29 Nov 45.

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, except as to the provision of AMG requirements.

B. In the reorganization of ALCOM consideration must be given to the fact that within its present structure there exists the HQ of the allied military government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMG does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries.

Such an AMG Headquarters must retain substantially the present structure of AG on a reduced scale. It would

deal only with AMG matters and except as indicated otherwise in this paper not interest itself in King's Italy.

This is MAT _____

Ref your W-85740 - TAM 719 dated

Part I. Discussion.

A. The basic policy set forth comment below. Presume last two to apply.

B. In the reorganization of A fact that within its present structure Italy and therefore the functions of territory and AMG territory, included government remains, there must be a seat of the Italian Govt. AMG does machinery of the Italian Government It can be effective only by the closest Italian ministries. Such an AMG has present structure of AG on a reduced

DOCUMENT - 13
Page 1.

0
10 DRAFT FOR MAT.

This is MAT _____

45. Ref your W-85740 - Tdr 719 dated 29 Nov 45.

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, subject to comment below. Presume last two sentences of para 2(a) in FMN 487 continue to apply.

B In the reorganization of AICOM consideration must be given to the fact that within its present structure there exists the HQs of the AMG for Italy and therefore the functions of the AC extend over both Italian Govt. territory and AMG territory, including VENEZIA GIULIA. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Govt. AMG does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG headquarters must retain substantially the present structure of AC on a reduced scale.

It would

indicated
in King's

AMG DRAFT MAT.

C. It is agreed that the Service Subcom-
missions/should remain in AC unless or until they form the nucleus of
separate service missions. Agree that HQ Ex Branch
and Establishment Section should remain.

Handwritten note:
for discussion
in the meeting

D. It is agreed that the sub-commissions
listed in your para 2 b may be abolished so far as
they pertain to 'King's Italy'. They should be re-
tained on a small scale for AMG purposes.

AC DRAFT FOR MAT.

C. It is agreed that the Service
Agree that HQ Ex Branch and Establishment
Deputy President in ROME and presume the
will remain. It is my policy to retain
territory numbering approx. 60 in all to
Commanders and Italian Local Governments
political (e.g., Franco-Italian Frontier,
Understand H.I. Govt regards this with fe
attached to supply group (food, agricultu
concentrated in MILAN where Italian machi
imported materials in North is located.
would go over to UNRRA when UNRRA takes over

D. It is agreed that the Sub-Commiss
abolished so far as they pertain to Italia
tained on a small scale for AMG purposes)
S/C, Medical Supply functions of Public He
Public Works & Utilities S/C.

(i) Local Government S/C functi
tion on electoral procedure, minority prob
definitely connected with the Armistice Ter

Page 2.

AC DIRECT FOR MIT.

C. It is agreed that the Service Sub-Commissions should remain in AC. Agree that HQ Ex Branch and Establishment Section should remain. I shall require Deputy President in ROME and presume the French and Russian representatives on AC will remain. It is my policy to retain small liaison groups in Italian Govt. territory numbering approx. 60 in all to maintain liaison with Allied military Commanders and Italian Local Governments and to keep me generally informed of political (e.g., Franco-Italian Frontier, BOLZANO) and economic situation. Understand ~~U.K. Govt regards this with favour~~. Roughly half the number will be attached to supply group (food, agriculture, industry and transportation) largely concentrated in MILAN where Italian machinery for allocation and distribution of imported materials in North is located. This part of the liaison function would go over to UNRRA when UNRRA takes over Italy's basic supply line.

D. It is agreed that the Sub-Commissions listed in your para 2 b may be abolished so far as they pertain to Italian Govt territory (they should be retained on a small scale for AMG purposes) with the exception of Local Government S/C, Medical Supply functions of Public Health S/C, the Electrical Power Unit of Public Works & Utilities S/C.

(i) Local Government S/C functions cover directing of Italian legislation on electoral procedure, minority problems, eg., BOLZANO, some of which are definitely connected with the Armistice Terms. The US Government recently gave

AMHQ DRAFT MAT.Part I (Cont'd)

E. The effectiveness of the sub-commissions listed in your para 2 c would be greatly lessened if removed from ROME. If they were to be placed under AMHQ and remain in ROME supervision would be most difficult. War Material and IPOW are little more than liaison groups. The others in this category should remain in being for AMG functions. No

AC DRAFT FOR MAT.

the opinion that the AC, operating through local procedure of local elections is fair, free and Sub-Commission within AC until elections.

(ii) When the Public Health S/C is set up in the Supply Group of the Economic Sec

(iii) The Public Works & Utilities S/C S/C. When the Public Works & Utilities S/C is in the Supply Group of the Econ Sec a unit work electric power. Now and for some months to parts of the Italian peninsula, including the is therefore closely tied with the industrial decisions as to how imported coal and fuel oil

E. The effectiveness of the sub-commiss greatly lessened if removed from Rome. If th in Rome supervision would be most difficult. and reduced to Captured Enemy Materials Branch absorbed by Land Forces S/C where it should remain in being for AMG functions. No disadv present while details are being worked out to tions in connection with Italian Government to

Page 3.

AC DRAFT FOR MAT.

the opinion that the AC, operating ⁴through Local Government S/C, should continue to ensure procedure of local elections is fair, free and democratic. Recommend retention of this Sub-Commission within AC until elections.

(ii) When the Public Health S/C is abolished a small Medical Supply Unit will be set up in the Supply Group of the Economic Section.

(iii) The Public Works & Utilities S/C has already been merged with the Industry S/C. When the Public Works & Utilities S/C is abolished it will be necessary to maintain in the Supply Group of the Econ Sec a unit working on the allocation and utilisation of electric power. Now and for some months to come electricity is in short supply in all parts of the Italian peninsula, including the North. The utilisation of electric power is therefore closely tied with the industrial programme as a whole and especially with decisions as to how imported coal and fuel oil are to be used most efficiently.

E. The effectiveness of the sub-commissions listed in your para 2 c would be greatly lessened if removed from Rome. If they were to be placed under AFHQ and remain in Rome supervision would be most difficult. War Materials has been virtually abolished and reduced to Captured Enemy Materials Branch of Economic Section and Italian POW has been absorbed by Land Forces S/C where it should remain. The others in this category should remain in being for AMG functions. No disadvantage is seen for keep^{inc} them with AC for the present while details are being worked out to determine to what agency if any their functions in connection with Italian Government territory can best be transferred. It is

Part I (Contd).

DRAFT AFHQ MET.

Disadvantage is seen for keeping them with AC for the present while details are being worked out to determine to what agency if any their functions in connection with 'King's Italy' can best be transferred. It is believed preferable to allow me to use discretion in connection with this group keeping in mind the policy of the CCS that the AC shall retain the minimum essential functions.

AC DRAFT FOR MAT.

believed preferable to allow me to use discretion keeping in mind the policy of the CCS the functions. My final plans for this group AFHQ (i) As regards Finance Sub-692, and set up an Allied Supply Acc unit located in Rome and attached to AC for currency supply and accounting functions to the Allied Forces, should be transferred Rome attached to AC for administration. arising under the Armistice, I recommend Adviser be retained in the AC. Negotiations Italian Govt as directed in paras 12-17 by the Chief Financial Adviser.

(ii) With regard to Transportation S/C has only two groups of functions and a liaison function between military and former should remain with AC Supply Group disappear if transferred to AFHQ. Those which can logically be transferred to AFHQ

1 2 5 8

AC DRAFT FOR MAT.

believed preferable to allow ~~me~~ to use discretion in connection with this group keeping in mind the policy of the CCS that the AC shall retain the minimum essential functions. My final plans for this group will be submitted to CCS.

AFHQ not to be formed until Italian representatives appointed
(i) As regards Finance Sub-Commission, I have already implemented TSM

692, and set up an Allied Supply Accounting Agency responsible to AFHQ. It is located in Rome and attached to AC for administration. It is agreed that the currency supply and accounting functions of AFA, including its various services to the Allied Forces, should be transferred to AFHQ. I intend to leave AFA in Rome attached to AC for administration. In order to handle financial problems arising under the Armistice, I recommend that the position of Chief Financial Adviser be retained in the AC. Negotiation of the currency agreement with the Italian Govt as directed in paras 12-17 of EAM 583, should continue to be handled by the Chief Financial Adviser.

(ii) With regard to Transportation, apart from AAG functions Transportation S/C has only two groups of functions: those connected with imported supplies and a liaison function between military and Italian transport authorities. The former should remain with AC Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is, therefore, no transport function which can logically be transferred to AFHQ.

Part I (Cont'd)ASHQ DRAFT MAT.

F. Your para 2 d is agreed except that similar sub-commissions must function for AMG territory. It is assumed that the proposal is based on UNRRA supply of Italy. Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganisation would be required.

G. Ref your para 2 e. The DP Sub-Commission is less directly connected with the Italian government than other Sub-commissions.

46

AC DRAFT FOR

F. Your para 2 d is agreed except that for AMG territory. It is assumed that this. Should Italy be furnished essential commodities of this reorganisation would be required.

(i) As to industry, the function of opening and reviewing projects for reconstruction industries should be transferred to Embassies indicate they are not now in position.

(ii) As to commerce, the advisory functions of the Italian Govt for the re-opening of private Embassies after 1 Jan 46. However, TAM 64 functions (screening of export programmes and Boards on Reserved Commodity List items) which relieves me of these responsibilities.

(iii) There are no advisory functions of Commissions (which have already been amalgamated) and there is therefore no import programme and there is therefore no

G. Ref your para 2 e. DP Sub-Commission small branch. With regard to the proposed reorganisation function, your attention is drawn to

1860

46 AC DRAFT FOR MAT.

F. Your para 2 d is agreed except that similar sub-commissions must function for AC territory. It is assumed that this proposal is based on UNRRA supply of Italy. Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganisation would be required.

(i) As to industry, the functions of advising the Italian Govt and developing and reviewing projects for reconstruction of utilities (including railroads) and industries should be transferred to Embassies. However, Embassies indicate they are not now in position to assume this function.

(ii) As to commerce, the advisory function (consisting of negotiations with the Italian Govt for the re-opening of private commercial trade) can be transferred to Embassies after 1 Jan 46. However, TM 640 lays upon AC two very specific operating functions (screening of export programmes and channelling clearances with Combined Boards on Reserved Commodity List items) which must be continued in AC until CCS relieves me of these responsibilities.

(iii) There are no advisory functions in Food and Agriculture Sub-Commissions (which have already been amalgamated) which are not connected with the import programme and there is therefore nothing to transfer to the Embassies.

G. Ref your para 2 e. DP Sub-Commission agreed. This will be reduced to a small branch. With regard to the proposed "supply subcommission" and the transportation function, your attention is drawn to the fact that a Supply Group has already

Part I (cont'd)

*This does not appear to be
responsible to either of them
to be based on the policy developed
by the DRAFT M.F.*

Plans are under way now to transferring to AFHQ those functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzeno and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

- H. Your para 3 agreed except as pertains to AMG. Desire to point out, however, that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.
- I. Your para 4 is agreed.

PART II.

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

It is a fact that AFHQ is not adequately equipped to take over most of the functions... Furthermore the transfer of such functions... to the Military Council would...

Certainly give to the station the most related but increased and that instead of duplicating they were going back to direct...

AC DEPT FOR M.F.

been set up within the Econ Sec (which include industry, and transportation) which are direct and which will be transferred to UNRRA when UN organisation already reflects the thinking in

- H. Your para 3 agreed except as pertains to consultation with me. Desire to point out however to change present incumbents to civil status as officials are introduced. The heavy turnover personnel has not been conducive to efficiency.
- I. As NVA and Allied Supply Accounting elsewhere in the draft directive as amended, I

PART II.

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

If as is proposed the intention is to transfer over the station administrative functions not by transferring AC functions to AFHQ but by transferring which control AC...

Get into your to the status the impression that the existing control was not relaxed but increased and that instead of being subjected to a form of indirect supervision they were going back to direct military control. Page 6.

AC PART FOR ILT This is not an independent unit but has been set up within the Econ Sec which includes those functions (food and agriculture, industry, and transportation) which are directly related to the import programme, and which will be transferred to UNRRA when UNRRA takes over. Thus the present AC organisation already reflects the thinking in para 2(E) of TAN 719.

H. Your para 3 agreed except as pertains to AMG and would ask prior consultation with me. Desire to point out however that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. As ASA and Allied Supply Accounting Agency are dealt with adequately elsewhere in the draft directive as amended, I suggest your para 4 be omitted.

PART II.

A. Recommend pursuant to discussion in Part I that a Directive be issued substantially as follows:

If this is pursued, the intention of CCS is to relax the existing control over the Italian Administration. This aim would be better achieved not by transferring AC functions to ANIC but by returning the scope of the instrument which control AC. ~~operations~~

Part II (Cont'd)AMH DRAFT MAT.

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a headquarters Military Government for territory under AMC control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 43 would still be held in reserve as set forth in para 1 of FMN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission

2. In accordance with the above you should re-organise Allied Commission as follows:

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) HQ Executive Branch and Est Section. Size will depend upon responsibilities still remaining in AC.

AC DRAFT FOR MAT.

1. It is desirable as many functions as possible retaining only those necessary for maintaining headquarters Military Government for territory under AMC control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 43 would still be held in reserve as set forth in para 1 of FMN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission

2. In accordance with the above you should re-organise Allied Commission under Deputy President as follows:
Affairs Officer Allied Military Government

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) HQ Executive Branch and Est Section. Size will depend upon responsibilities still remaining in AC.

AC DRAFT FOR MAT

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining headquarters Military Government for territory under AMG control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 43 would still be held in reserve as set forth in para 1 of FMH 487; the power of enforcement will in all cases remain with S.CMED as President of Allied Commission. Last two sentences of para 2(a) of FMH 487 continue to apply.

2. In accordance with the above you should reorganise Allied Commission under Deputy President (who is also Chief Civil Affairs Officer Allied Military Government) as follows:

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission.

(2) HQ Executive Branch and Establishment Section with such Liaison Groups as may be required in the field. Size will

Part II (cont'd)

AFHQ DRAFT M.T.

43

AC DRAFT ON M

(3) Sub-commissions required for the exercise of military government in AMG territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

depend upon responsibilities sta

(3) Sub-commissions requ government in AMG Territories. themselves only to subjects per being and only to the extent th in being.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

- Education
- Local Government and Patriots
- Monuments, Fine Arts & Archives
- Public Health
- Public Works & Utilities
- Legal (except as Adviser to the President)

- (4) Local Government Sub
- (5) French and Russian P authorised staffs will remain i

(B) Sub-commissions whose as they pertain to military governme therein:

- Education
- Monuments, Fine Arts
- Public Works & Utilit which is transfe
- Public Health (except are transferred
- Legal (Legal Adviser will be retained
- Patriots Branch of Lo

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ

(C) Sub-commissions whose to military government in being, wil agencies including AFHQ to the exten

43
AC DRAFT ON MAT.

depend upon responsibilities still remaining in AC.

(3) Sub-commissions required for the exercise of military government in AMG Territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

(4) Local Government Sub-Commission (less Patriots)

(5) French and Russian Representatives with their presently authorised staffs will remain in AC.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

- Education
- Monuments, Fine Arts & Archives
- Public Works & Utilities (except Electric Power Unit which is transferred to Supply Group).
- Public Health (except for medical supply functions which are transferred to Supply Group)
- Legal (Legal Adviser to AC and Reviewing Officers will be retained).
- Patriots Branch of Local Govt S/C

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AMHQ to the extent to which you consider their functions

Part II (cont'd).

AMHO DRAFT MAT.

42

AC DRAFT FOR M

to the extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

are necessary to carrying out of poli

- Communications
- Public Safety
- War Materials and IPOW
- Public Relations
- Transportation (but see sub-para E below)
- Finance (currency, combined billing, services to armies and paras 10, 12 - 17 PAN 583)
- Displaced Persons and Refugees.

- Communications
- Public Safety
- War Materials (less IPO
- Public Relations
- Finance (currency, comb
- Armies and para 1
- of Chief Financial
- in AC who will be
- agreement foreseen

(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

(D) Sub-commissions whose f the United States and United Kingdom

- Industry & Commerce (advisory functions)
- Labour
- Agriculture (advisory functions)
- Finance (advisory functions and duties under PAN 583 except paras 10, 12 and 17).
- Food (insofar as not concerned with imports).

- Industry (advisory func
- Commerce (advisory func
- continue in AC to
- until other arrang
- Labour
- Finance (advisory funct
- except paras 10, 1

(E) Sub-commissions whose functions are to be retained in AC until UNRRA takes over:

(E) Sub-commissions whose f until UNRRA takes over:

Food, which should be reorganised into a supply sub-commission and include any functions of other economic sub-commissions relating to imports.

- Displaced Persons. Th
- Food & Agriculture.
- Industry (except adviso
- Economic staff branches

42

Page 9.

AC DRAFT FOR MAT.

are necessary to carrying out of policies laid down by CCS:

- Communications
- Public Safety
- War Materials (less IFCW already absorbed in Land Forces S/C)
- Public Relations
- Finance (currency, combined billing, services to Armies and para 10 of FAN 583. Position of Chief Financial Adviser will be retained in AC who will be responsible for negotiating agreement foreseen in paras 12-17 of FAN 583).

(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies on (date)

- Industry (advisory functions)
- Commerce (advisory functions). Commerce S/C will continue in AC to perform functions under TAM 640 until other arrangements are made.
- Labour
- Finance (advisory functions and duties under FAN 583 except paras 10, 12 and 17).

(E) Sub-commissions whose functions are to be retained in AC until UNRRA takes over:

- Displaced Persons. This will be reduced to a small Branch.
- Food & Agriculture.
- Industry (except advisory functions)
- Economic staff branches having supply functions

Part II (cont'd)

AFHQ DRAFT MAT.

Transportation Sub-commission (bids for imported supplies and functions in respect to warehousing imported supplies).

3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilianised without previous consideration by you. It would be advantageous if there were introduced into the sub-commissions whose functions are to be taken over by UNRRA any civilian personnel who intended to transfer to UNRRA when the latter assumes the functions of these sub-commissions.

4. As part of civilianization of AC, the Allied Financial Agency will be transferred from AC Finance Sub-commission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in Rome if you so desire.

41

AC DRAFT FOR MAT

Transportation Sub-Commission (bids for warehousing problem and requirements with the imported system itself).

3. Either the United States or United Kingdom Governments will civilianize any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilianised without previous consideration by you. It would be advantageous if there were introduced into the sub-commissions whose functions are to be taken over by UNRRA any civilian personnel who intended to transfer to UNRRA when the latter assumes the functions of these sub-commissions.

1870

41

AC DRAFT FOR MEET.

(bids for
functions in
imported supplies).

Transportation Sub-Commission (handling of transport and
warehousing problems connected with imported supplies,
and requirements and allocation problems connected
with the imported supplies for the transportation
system itself).

United Kingdom

3. Either the United States or United Kingdom Governments will
civilianize any of the posts in any sub-commission remaining in AC
after consultation with you. The present process of introducing into the
Sub-commissions whose functions are to be taken over by UNRRA any civilian
personnel who intend to transfer to UNRRA when the latter assumes the
functions of these sub-commissions will be continued.

tion any of the
except that per-
h military govern-
out previous con-
s if there were
nctions are to be
he intended to
e functions of

AC, the Allied
Finance Sub-
you may retain
if you so desire.

1871

Part II (cont'd)

AFHQ DRAFT MAT.

AC DRAFT ON MAT.

07
1

Prior to completion of civilisation of AC you should proceed with such measures as are necessary to establish, as authorized in TAC 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility.

1872

1000

40

Page 11.

AC DRAFT ON MMT.

AC you should
ry to establish, as
within AFHQ to take
accounting and
Italy under

SECRET

A.C. COMMENTS ON TAM 719 and AFHQ DRAFT MAT.
(for convenient reference AFHQ draft MAT and
AC draft MAT are shown on a separate docu-
ment).

1. Para I of TAM 719, para 1A draft MAT.

Is it proposed to remove altogether from A.C. the functions of acting as the "organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled?"

In spite of the abolition of the Political Section by F.N 487 and of the permission therein given for the Italian Government to have direct relations with foreign diplomatic representatives, it was laid down in para 2(a) of F.N 487 that "there is NO intention to make any change in the responsibility of the CCS acting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease? It would seem proper to bring this point out in MAT.

Can the President of the Commission enforce the rights under the armistice through any other authority except the Allied Commission which is the statutory instrument? 39

2. AFHQ MAT IB.

At present the paragraph reads as if Allied Military Government Headquarters were part of, but separate from, Allied Commission Headquarters. It is suggested that more emphasis be laid on the dual functions of Allied Commission Headquarters, viz. in Allied Military Government territory and

the responsibility of the CCS acting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease? It would seem proper to bring this point out in MAT.

Can the President of the Commission enforce the rights under the armistice through any other authority except the Allied Commission which is the statutory instrument? 39

2. AHQ MAT IB.

At present the paragraph reads as if Allied Military Government Headquarters were part of, but separate from, Allied Commission Headquarters. It is suggested that more emphasis be laid on the dual functions of Allied Commission Headquarters, viz: in Allied Military Government territory and Italian Government territory.

A.C. MAT Part I tries to reflect this, without laying too much emphasis on retention of AMG.

3. AHQ MAT I(C), TM 2(A). Subcommittees whose functions are to be retained in A.C.

Until the armistice is revised or cancelled the Service Subcommittees must remain in the A.C., which is the only authorized agency which gives them legality. Separate Service Subcommittees can have no legal status if they are divorced from A.C. unless it is proposed to impose new missions under the armistice terms, or to negotiate an agreement with the Italian Government to

this end. A.C. MAT reflects this.

4. AHQ MAT I(C).

TJM 719 makes no mention of the Deputy President. It is essential that the President (in Caserta) should have a Deputy in Rome to be in daily contact with the Italian Government.

TJM 719 makes no mention of French and Russian Representatives on the Allied Commission. It is presumed that they will be retained.

A.C. MAT reflects these two points.

5. AHQ MAT I(C).

Neither TJM 719 nor draft MAT make any reference to liaison groups in the field in Italian Government territory. CCS policy on this is not known although AHQ have approved in principle, with the exception of the Economic Group.

Political and Public Safety Liaison Officers are required, particularly in such districts as the Italo/France frontier and Bolzano, and it is the understanding that the Military Commanders and U.K. Foreign Office are desirous that they should be maintained. Roughly half the liaison personnel, numbering about 30, will be attached to the Supply Group,

38

Food, Agriculture, Industry and Transportation of the Economic Section. They will ^{be} largely concentrated in MILAN where the Italian machinery for allocation and distribution of imported materials in the North is located. This part of the liaison function will go over to UNRR. when and if UNRR takes over Italy's basic supply line. These groups have been mentioned in A.C. MAT Part I(C) and Part II (.) (2).

Economic Group.

Political and Public Safety Liaison Officers are required, particularly in such districts as the Italo/Franco frontier and Bolzano, and it is the understanding that the Military Commanders and U.K. Foreign Office are desirous that they should be maintained. Roughly half the liaison personnel, numbering about 30, will be attached to the Supply Group, Food, Agriculture, Industry and Transportation of the Economic Section. They will ^{be} largely concentrated in MILAN where the Italian machinery for allocation and distribution of imported materials in the North is located. This part of the liaison function will go over to UNRRA when and if UNRRA takes over Italy's basic supply line. These groups have been mentioned in A.C. LIT Part I(C) and Part II (A) (2).

6. AFHQ LIT I(D), LJM 2(B). Subcommittees whose functions are to be abolished.

(a) Education and L.R. 4.4.4. - No comments.

(b) Local Government - This Subcommittee is largely concerned with the scrutiny of Italian legislation regarding electoral procedure, minorities in AOSTA and BOLZANO, some of which is definitely connected with the Armistice Terms. US Embassy recently wrote "My (US) Government is of opinion that A.C. operating through Local Government S/C should continue its functions

of rendering advice to the Italian Government to ensure that the procedure in local elections is fair, free and democratic...." This Subcommittee is the watchdog of the AC on such matters and its abolition prior to the elections would seem premature.

(c) Public Health.

(i) It is considered desirable that INS, JFHQ should have on his staff an officer experienced in Italian medical and public health work.

(ii) When the Subcommittee is abolished it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(d) Public Works and Utilities. Electricity throughout Italy is

so short that it will be necessary to retain in A.C. a unit working on allocation and utilisation of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put.

(e) The Legal Adviser will be needed in the A.C. at ROME not only to

the President and Deputy President but to the residue of Subcommittees and Branches in the Commission. He is particularly needed as adviser on legal matters. A Staff of reviewing Legal Officers, not more than three, will be required in the Allied Commission for the review of cases of prisoners in Italian gaols serving sentences imposed by Allied Military Government Courts since July 1943. There is no provision under occupational law other than this review procedure whereby such prisoners can receive any of

8 7 8

so short that it will be necessary to allocate and utilization of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put.

(e) The Legal Adviser will be needed in the A.C. at ROME not only to the President and Deputy President but to the residue of Subcommissions and Branches in the Commission. He is particularly needed as adviser on matters. Staff of reviewing Legal Officers, not more than three, will be required in the Allied Commission for the review of cases of prisoners in Italian gaols serving sentences imposed by Allied Military Government Courts since July 1943. There is no provision under occupational law other than this review procedure whereby such prisoners can receive any of the beneficial provisions for good conduct etc. in prison which all penal systems, including Italian penal system, provide. It is essential that this review work be competently completed under A.C.

Arrangements on these lines have been included in A.C. MIT.

7. AFHQ MAT I(E), TM 719 para II(C). Subcommissions whose functions are to be transferred to AFHQ.

Both A.C. and AFHQ agree that this proposal as a whole is unacceptable. AFHQ MAT suggests a temporising modification leaving discretion to SACMED. This is acceptable but following points should be made:

(a) It is submitted that final approval for eventual disposition of Subcommissions should be sought from CCS.

(b) War Material Disposal S/C has already been abolished and reduced to a Captured Enemy Material Branch of Economic Section, which would pass to AFHQ by 1 January 1946.

(c) Italian POW, part of War Material Disposal S/C, has already been transferred to Land Forces S/C where it should remain.

(d) Apart from MAT functions, Transportation S/C has only two groups of functions; those connected with imported supplies and the liaison functions between the Military and Italian transport authorities. The former should remain with A.C. Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is no transport function which can logically be transferred to AFHQ.

(e) Finance:

- (i) In the accounting field we have already set up an Allied Supply Accounting Agency, responsible to AFHQ.
- (ii) AFA consisting of three officers, including accountants, could be transferred to AFHQ while remaining physically in

ROME.

already been transferred to Land Forces S/C has only two groups of functions; those connected with imported supplies and the liaison functions between the Military and Italian transport authorities. The former should remain with A.C. Supply Group until UNRRA takes over; the latter would disappear if transferred to JHQ. There is no transport function which can logically be transferred to JHQ.

36

(e) Finance:

- (i) In the accounting field we have already set up an Allied Supply Accounting Agency, responsible to JHQ.
- (ii) A.A. consisting of three officers, including accountants, could be transferred to JHQ while remaining physically in

ROME.

- (iii) The post of Chief Financial Adviser to the A.C. should be retained.

The arguments regarding ultimate disposition of the other

Submissions can be submitted to JHQ in due course.

The above points are reflected in A.C. MAT.

-5-

C. AHQ I(F), T.M. 719 2(D). Subcommissions whose functions are to be transferred to Embassies as soon as necessary personnel can be procured.

(a) The phrase "as soon as necessary personnel can be procured" is indefinite and removes from AHQ's hands the decision as to when these functions can be taken out of A.C. A definite date would seem preferable.

(b) Industry. Setting up of an Industrial Projects Staff has been proposed to the American Embassy and has been discussed informally with the British Embassy Staff. If this proposal is adopted by the American Embassy, the functions desired (which we are only just beginning to tackle) could be transferred to the Embassy, and possibly a limited number of personnel might appropriately be transferred as well.

(c) Commerce. General negotiations with the Italian Government for the re-opening of private trade which have been spearheaded by the Economic Section of A.C., could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, T.M. 640 lays upon A.C. two very specific operating functions: The screening of Italy's export programs, and acting as the channel to the Combined Boards for the clearance of international commodity movements involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to a proposed modification of T.M. 640 in these respects. In meantime operating functions of Commerce Subcommittee must remain in A.C.

(d) It is agreed that this function should be transferred to an Labour.

35

might appropriately be transferred as well.

(c) Commerce. General negotiations with the Italian Government for the re-opening of private trade which have been spearheaded by the Economic Section of A.C., could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, TMM 640 lays upon A.C. two very specific operating functions: The screening of Italy's export programs, and acting as the channel to the Combined Boards for the clearance of international commodity movements ⁷ 35 involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to a proposed modification of TMM 640 in these respects. In meantime operating functions of Comcon Subcommission must remain in A.C.

Labour.

(d) It is agreed that this function should be transferred to an Embassy basis as soon as AIG is finished in the North. Abolition of the Labour Subcommittee will in effect relieve the A.C. of its responsibilities in connection with labour unrest, specific or general strikes, etc., It will also necessitate the handling of matters affecting the wages and working conditions of Allied Armed Forces workers directly between the Allied Forces and the Italian Government. In these matters the Allied Forces would get advice direct from the Labour Attaches of the two Embassies. If these conditions are acceptable to AIG, A.C. has no objection to abolition of the

Labour S/C.

-6-

(e) Food and Agriculture. The draft directive assumes that there are some advisory functions in food and agriculture which are not connected with our import programs for food and agricultural supplies. This assumption is erroneous, and there are, therefore, no food and agricultural functions which can appropriately be transferred to the Embassies.

(f) "Duties under PAN 583 other than the currency agreement". These functions, involving the watching of Italy's financial transactions to make sure that the few remaining points which interest the CCS are policed, could be transferred to the Embassies. Until the requirements of PAN 583 lapse the Embassies will be confronted with the necessity for making reports and recommendations specified in PAN 583 and related directives.

9. AFHQ MAT I(G), TAN 719 2(E). Subcommittees to be retained in A.C. until UNRRRA takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Subcommittee is transferred to UNRRRA, leaving a small branch to operate in VENEZIA, GIULLA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an ³⁴ residual responsibility. The work is so connected with AIG and other residual functions of A.C. that it is strongly recommended that the proposal be adopted and no comment made on TAN 719.

(b) Food. In those subcommittees which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can, except for a specialized industry function, /be no distinction drawn between supply functions and advisory functions.

with the Italian Government in these fields is

A.C. until UNRRA takes over.

(a) Displaced Persons.

We have recently submitted proposals to AFHQ whereby the Subcommittee is transferred to UNRRA, leaving a small branch to operate in VENEZIA, GIULLA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an A.C. 34 responsibility. The work is so connected with AIG and other residual functions of A.C. that it is strongly recommended that the proposal be adopted and no comment made on T.M. 719.

(b) Food.

In those subcommittees which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can, except for a specialized industry function, be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is related in one way or another with the fact that we are the ROME end of Italy's basic supply pipeline. All functions which are tied to supply in this way have already been drawn together into the Supply Group of the Economic Section. Thus we have already done what the Directive calls for, but on a somewhat higher administrative level and with a somewhat broader conception of the meaning of the word "supply" than contemplated in the draft directive itself.

10. AFHQ MAT I(H), TAM 719 para 3.

The process of diluting Subcommissions with civilians has continued and with those intending to join UNRRA has begun. Further introduction of civilians from outside into A.C. proper is impracticable in view of the short life of A.C. under this directive. In any case their introduction should be done in conjunction with SACED or AO.

This is reflected in A.C. MAT.

11. AFHQ MAT I , TAM 719 para 4.

As AFA and Allied Supply Accounting Agency are dealt with adequately elsewhere in the A.C. draft MAT, it is suggested that para 4 be omitted from MAT.

MSL

4. December 1945.
MSL/RAC.

S E C R E T.

MAT. PART II.

The Allied Commission will remain under SACMED as President and the Deputy President as Chief Commissioner until the armistice regime is terminated. It is, however, desirable to continue the reduction of functions of the Allied Commission which should now be reorganized as follows.

As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commissions and Communications Sub-Commission will be abolished.

The Allied Commission will then be established under the Chief Commissioner with Executive Branch. Under them will be:

- Service Sub-Commissions
- Communications Sub-Commission
- Chief Financial Adviser and staff
- Chief Legal Advisor with reviewing staff
- Displaced Persons Branch
- Public Relations

32

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions to be transferred to Embassies when staff is procured.

The Executive Branch will carry such technical staff officers as may

be necessary to cover residual functions formerly carried out by Sub-Commissi

1 8 8 7

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

Commissioner with Executive Branch. Under them will be:

Service Sub-Commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions to be transferred to Embassies when staff is procured.

The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished and the technical control of AMG in UDINE and VENEZIA GIULIA.

Small Liaison Groups in the field will be established at your discretion.

French and Russian Representatives to AC will remain.

Advisory functions will be continued to be taken over by the Embassy when staff is procurable. Supply and Displaced Persons functions will be taken over by UNRRA in due course.

SECRET

A.C. COMMENTS ON TAM 719 and AFHQ DRAFT MAT.
(for convenient reference AFHQ draft MAT and
AC draft MAT are shown on a separate docu-
ment).

1. Para I of TAM 719, para 1A draft MAT.

Is it proposed to remove altogether from A.C. the functions of acting as the "organ through which the policy of the United Nations towards the Italian Government is conducted and the relations of the United Nations with the Italian Government are handled?".

In spite of the abolition of the Political Section by F.N. 487 and of the permission therein given for the Italian Government to have direct relations with foreign diplomatic representatives, it was laid down in para 2(a) of F.N. 487 that "there is NO intention to make any change in the responsibility of the CCS acting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease? It would seem proper to bring this point out in MAT.

Can the President of the Commission enforce the rights under the armistice through any other authority except the Allied Commission which is the statutory instrument?

31

2. AFHQ MAT IB.

At present the paragraph reads as if Allied Military Government Headquarters were part of, but separate from, Allied Commission Headquarters. It is suggested that more emphasis be laid on the dual functions of Allied

Headquarters and in Allied Military Government territory and

in para 2(a) of FMN 487 that "there is NO intention to make any change in the responsibility of the CCS noting through the Allied Commission" and the CCS have "continued to transmit directives in regard to combined views of two Governments on matters of major policy". Will this practice now cease?

It would seem proper to bring this point out in MAT.

Can the President of the Commission enforce the rights under the armistice through any other authority except the Allied Commission which is the statutory instrument?

31

2. AHQ MAT IB.

at present the paragraph reads as if Allied Military Government Headquarters were part of, but separate from, Allied Commission Headquarters. It is suggested that more emphasis be laid on the dual functions of Allied Commission Headquarters, viz: in Allied Military Government territory and Italian Government territory.

A.C. MAT Part I tries to reflect this, without laying too much emphasis on retention of AHG.

3. AHQ MAT I(C), TMM 2(A). Subcommissions whose functions are to be retained in A.C.

Until the armistice is revised or cancelled the Service Subcommissions must remain in the A.C., which is the only authorised agency which gives them legality. Separate Service Subcommissions can have no legal status if they are divorced from A.C. unless it is proposed to impose new missions under the armistice terms, or to negotiate an agreement with the Italian Government to

-2-

this end. A.C. MAT reflects this.

4. AHQ MAT I(C).

TAM 719 makes no mention of the Deputy President. It is essential that the President (in Caserta) should have a Deputy in Rome to be in daily contact with the Italian Government.

TAM 719 makes no mention of French and Russian Representatives on the Allied Commission. It is presumed that they will be retained.

A.C. MAT reflects these two points.

5. AHQ MAT I(C).

Neither TAM 719 nor draft MAT make any reference to liaison groups in the field in Italian Government territory. CCS policy on this is not known although AHQ have approved in principle, with the exception of the Economic Group.

Political and Public Safety Liaison Officers are required, particularly in such districts as the Italo/France frontier and Bolzano, and it is the understanding that the Military Commanders and U.K. Foreign Offices are desirous that they should be maintained. Roughly half the liaison personnel, numbering about 30, will be attached to the Supply Group, Food, Agriculture, Industry and Transportation of the Economic Section. They will ^{be} largely concentrated in MILAN where the Italian machinery for allocation and distribution of imported materials in the North is located.

This part of the liaison function will go over to UNRR, when and if UNRR takes over Italy's basic supply line. These groups have been mentioned in A.C. MAT Part I(C) and Part II (A) (2).

8 9 1

Political and Public Safety Liaison Officers are required, particularly in such districts as the Italo/France frontier and Bolzano, and it is the understanding that the Military Commanders and U.K. Foreign Office are desirous that they should be maintained. Roughly half the liaison personnel, numbering about 30, will be attached to the Supply Group, 30 Food, Agriculture, Industry and Transportation of the Economic Section. They will ^{be} largely concentrated in MILAN where the Italian machinery for allocation and distribution of imported materials in the North is located. This part of the liaison function will go over to UNRR, when and if UNRR takes over Italy's basic supply line. These groups have been mentioned in AC MLT Part I(C) and Part II (A) (2).

6. AFHQ MLT I(D), TMM 2(B). Subcommissions whose functions are to be abolished.

(a) Education and L.F.A.A. - No comments.

(b) Local Government - This Subcommission is largely concerned with the scrutiny of Italian legislation regarding electoral procedure, minorities in ACSTA and BOLZANO, some of which is definitely connected with the Armistice Terms. US Embassy recently wrote "By (US) Government is of opinion that A.C. operating through Local Government S/C should continue its functions

of rendering advice to the Italian Government to ensure that the procedure in local elections is fair, free and democratic...." This Subcommittee is the watchdog of the AC on such matters and its abolition prior to the elections would seem premature.

(c) Public Health.

(i) It is considered desirable that IMS, AFHQ should have on his staff an officer experienced in Italian medical and public health work.

(ii) When the Subcommittee is abolished it will be necessary to set up a small medical supply unit in the Economic Supply Group.

(d) Public Works and Utilities. Electricity throughout Italy is so short that it will be necessary to retain in A.C. a unit working on allocation and utilisation of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put.

(e) The Legal Adviser will be needed in the A.C. at ROME not only to the President and Deputy President but to the residue of Subcommittees ⁶²⁹ Branches in the Commission. He is particularly needed as adviser on AC matters. A Staff of reviewing Legal Officers, not more than three, will be required in the Allied Commission for the review of cases of prisoners in Italian gaols serving sentences imposed by Allied Military Government Courts since July 1943. There is no provision under occupational law

8 9 3

(d) Public Works and Utilities. Electricity throughout Italy is so short that it will be necessary to restrain in A.C. a unit working on allocation and utilisation of electric power which is closely connected with the industrial programme as a whole and the use to which imported fuel and coal are put.

(e) The Legal Adviser will be needed in the A.C. at ROME not only to the President and Deputy President but to the residue of Subcommissions and Branches in the Commission. He is particularly needed as adviser on legal matters. A Staff of reviewing Legal Officers, not more than three, will be required in the Allied Commission for the review of cases of prisoners in Italian goals serving sentences imposed by Allied Military Government Courts since July 1943. There is no provision under occupational law other than this review procedure whereby such prisoners can receive any of the beneficial provisions for good conduct etc. in prison which all penal systems, including Italian penal system, provide. It is essential that this review work be competently completed under A.C.

Amendments on these lines have been included in A.C. MAT.

7. AFHQ MAT I(E), TAM 719 para II(C). Subcommissions whose functions are to be transferred to AFHQ.

Both A.C. and AFHQ agree that this proposal as a whole is unacceptable. AFHQ MAT suggests a temporising modification leaving discretion to SACMED.

This is acceptable but following points should be made: (a) It is submitted that final approval for eventual disposition of Subcommissions should be sought from CCS.

(b) War Material Disposal S/C has already been abolished and reduced to a Captured Enemy Material Branch of Economic Section, which would pass to AFHQ by 1 January 1946.

(c) Italian POW, part of War Material Disposal S/C, has already been transferred to Land Forces S/C where it should remain.

(d) Apart from JMG functions, Transportation S/C has only two groups of functions; those connected with imported supplies and the liaison functions between the Military and Italian transport authorities. The former should remain with A.C. Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is no transport function which can logically be transferred to AFHQ.

- (e) Finance:
 - (i) In the accounting field we have already set up an Allied Supply Accounting Agency, responsible to AFHQ.
 - (ii) A.P. consisting of three officers, including accountants, could be transferred to AFHQ while remaining physically in

28

(d) Apart from IIG functions, Transportation S/C has only two groups of functions; those connected with imported supplies and the liaison functions between the Military and Italian transport authorities. The former should remain with A.C. Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is no transport function which can logically be transferred to AFHQ.

(e) Finance:

- 28
- (i) In the accounting field we have already set up an Allied Supply Accounting Agency, responsible to AFHQ.
- (ii) AFA consisting of three officers, including accountants, could be transferred to AFHQ while remaining physically in

ROME.

- (iii) The post of Chief Financial Adviser to the A.C. should be retained.

The arguments regarding ultimate disposition of the other Subcommissions can be submitted to AFHQ in due course.

The above points are reflected in A.C. MIF.

C. AFHQ MAT I(F), TMM 719 2(D). Subcommissions whose functions are to be transferred to Embassies as soon as necessary personnel can be procured.

(a) The phrase "as soon as necessary personnel can be procured" is indefinite and removes from AFHQ's hands the decision as to when these functions can be taken out of A.C. A definite date would seem preferable.

(b) Industry. Setting up of an Industrial Projects Staff has been proposed to the American Embassy and has been discussed informally with the British Embassy Staff. If this proposal is adopted by the American Embassy, the functions desired (which we are only just beginning to tackle) could be transferred to the Embassy, and possibly a limited number of personnel might appropriately be transferred as well.

(c) Commerce. General negotiations with the Italian Government for the re-opening of private trade which have been spearheaded by the Economic Section of A.C., could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, TMM 640 lays upon A.C. two very specific operating functions: The screening of Italy's export programmes and acting as the channel to the Combined Boards for the clearance of international commodity movements involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to a proposed modification of TMM 640 in these respects. In meantime operating functions of Commerce Subcommittee must remain in A.C.

27

27

might appropriately be transferred to the Italian Government for

(c) Commerce. General negotiations with the Italian Government for the re-opening of private trade which have been spearheaded by the Economic Section of A.C., could be transferred to the Embassies, preferably about a month from now, after some of the present arrangements have been completed. However, T.M. 640 lays upon A.C. two very specific operating functions: The screening of Italy's export programmes and acting as the channel to the Combined Boards for the clearance of international commodity movements involving items on the Reserved Commodity List. The Economic Section is now developing recommendations as to a proposed modification of T.M. 640 in these respects. In meantime operating functions of Commerce Subcommittee must remain in A.C.

Labour.

(d) It is agreed that this function should be transferred to an Embassy basis as soon as A.C. is finished in the North. Abolition of the Labour Subcommittee will in effect relieve the A.C. of its responsibilities in connection with labour unrest, specific or general strikes, etc., It will also necessitate the handling of matters affecting the wages and working conditions of Allied Armed Forces workers directly between the Allied Forces and the Italian Government. In these matters the Allied Forces would get advice direct from the Labour Attaches of the two Embassies. If these conditions are acceptable to A.C., A.C. has no objection to abolition of the

Labour S/C.

-6-

(e) Food and Agriculture. The draft directive assumes that there are some advisory functions in food and agriculture which are not connected with our import programs for food and agricultural supplies. This assumption is erroneous, and there are, therefore, no food and agricultural functions which can appropriately be transferred to the Embassies.

(f) "Duties under F.N 583 other than the currency agreement". These functions, involving the watching of Italy's financial transactions to make sure that the few remaining points which interest the CCS are policed, could be transferred to the Embassies. Until the requirements of F.N 583 lapse the Embassies will be confronted with the necessity for making reports and recommendations specified in F.N 583 and related directives.

9. AFHQ MAT I(G), TAM 719 2(E). Subcommittees to be retained in A.C. until UNRRR takes over.

(a) Displaced Persons. We have recently submitted proposals to AFHQ whereby the Subcommittee is transferred to UNRRR, leaving a small branch to operate in VENEZIA, GIULLA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an A.C. responsibility. The work is so connected with MIG and other residual functions of A.C. that it is strongly recommended that the proposal be adopted and no comment made on TAM 719.

(b) Food. In those subcommittees which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can, except for a specialized industry function, be no distinction drawn between supply functions and advisory functions.

96

9. AFHQ MAT I(G), TMM 719 2(E). Subcommissions to be retained in

A.C. unvii UNRRA takes over.

(a) Displaced Persons.

We have recently submitted proposals to AFHQ whereby the Subcommission is transferred to UNRRA leaving a small branch to operate in VENEZIA GIULLA, UDINE and BOLZANO, and to supervise the administration of camps generally which AFHQ itself has laid down as an A.C. responsibility. The work is so connected with AMG and other residual functions of A.C. that it is strongly recommended that the proposal be adopted and no comment made on TMM 719.

(b) Food.

In those subcommissions which are concerned with imported supplies (Food and Agriculture, Industry and Utilities) there can, except for a specialized industry function, be no distinction drawn between supply functions and advisory functions. All of the work which we do with the Italian Government in these fields is related in one way or another with the fact that we are the ROME end of Italy's basic supply pipeline. All functions which are tied to supply in this way have already been drawn together into the Supply Group of the Economic Section. Thus we have already done what the directive calls for, but on a somewhat higher administrative level and with a somewhat broader conception of the meaning of the word "supply" than contemplated in the draft directive itself.

26

-7-

10. AFHQ MAT I(H), TAM 719 para 3.

The process of diluting Subcommissions with civilians has continued and with those intending to join UNRRRA has begun. Further introduction of civilians from outside into A.C. proper is impracticable in view of the short life of A.C. under this directive. In any case their introduction should be done in conjunction with SACMED or AO.

This is reflected in A.C. MAT.

11. AFHQ MAT I , TAM 719 para 4.

As AFA and Allied Supply Accounting Agency are dealt with adequately elsewhere in the A.C. draft MAT, it is suggested that para 4 be omitted from MAT.

MSL

4. December 1945.
MSL/RAC.

25

SECRET.

Document R

Memorandum by U.S. Ambassador.

With the abolition and transfer of many of the functions of the Allied Commission as contemplated in TMI 719, there should be set up concurrently in Italy a Tripartite Economic Advisory Council. The United Kingdom, the United States and Italy would be represented on the Council, which would be necessary as a provisional advisory body to help in the development from Italy's past and present faulty economic system to a more normal status. The organization of the proposed Tripartite Economic Advisory Council would be along the following lines:

- 1) Representatives of the United Kingdom, the United States (who would report to their respective ambassadors) and Italy would head the Council.
- 2) Acting only in an advisory capacity the heads of the Council would form a policy making body.
- 3) Personnel of the Council would be housed in one building and each of the three heads would deal directly with his own staff. Agriculture (including foods), labour, industry, commerce, finance, shipping and transportation would comprise the activities of the Council.
- 4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.
- 5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.
- 6) Personnel of the Council would be civilian entirely. |
- 7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.
- 8) Regular communication with the field regional officers would

24

each of the three heads would deal directly with his own staff. Agriculture (including foods), labour, industry, commerce, finance, shipping and transportation would comprise the activities of the Council.

4) At least in the initial period the Allied Governments should provide staffs large enough to permit the United Kingdom and United States representatives to physically examine projects proposed by the Italians, prepare documentation as a basis for the Council's opinions, check on Italian Government statistics, etc.

5) Italian problems should be submitted to the Council in form sufficiently complete that they could be presented to the United Kingdom and United States Governments by their representatives on the Council through their respective Ambassadors.

6) Personnel of the Council would be civilian entirely.

7) Initially there would be in headquarters, Rome, only the three heads of the Council, their deputies and a limited staff, while the remainder of the personnel, which would be consolidated gradually, would operate in the regions at the outset.

8) Regular communication with the field regional officers would require the full time of the principal representative or his deputy, of which there would be one for each of the three representatives.

9) From time to time it may be necessary to attach specialists to certain regions and the regional representatives could be shifted about depending on general conditions.

10) Personnel for the staff of the American delegation would be drawn from the United States Embassy in Rome and A.C./JMC. Furthermore experts and specialists will be drawn from the United States on a temporary basis as needed.

11) As the strength of the Italian Government increased the personnel of the Council would gradually decrease and in due course it would be hoped that the Council could be disbanded. The Allied personnel which remained could thus be attached to the U.K. and U.S. Embassies, where they would assume the normal duties and responsibilities of Embassy attaches. Meanwhile there would have been a gradual shift from the regions to some headquarters of personnel.

U.S. Embassy,
Rome.

5 December 1945.

SECRET.

AFHQ DRAFT MAT.

23

AC DRAFT FOR

This is MAT _____

Ref your W-85740 - TAM 719 dated 29 Nov 45.

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, except as to the provision of AMG requirements.

B. In the reorganization of AICOM consideration must be given to the fact that within its present structure there exists the HQ of the allied military government for Italy. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Government. AMG does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG Headquarters must retain substantially the present structure of AC on a reduced scale. It would deal only with AMG matters and except as indicated otherwise in this paper not interest itself in King's Italy.

This is MAT _____

Ref your W-85740 - TAM 719 dated

Part I. Discussion.

A. The basic policy set forth comment below. Presume last two s to apply.

B. In the reorganization of A fact that within its present structure Italy and therefore the functions of territory and AMG territory, included government remains, there must be a seat of the Italian Govt. AMG do machinery of the Italian Government. It can be effective only by the closest Italian ministries. Such an AMG h present structure of AC on a reduced

1904

23

Document 1

Page 1.

AC DRAFT FOR MAT.

This is MAT _____

Ref your W-85740 - TAM 719 dated 29 Nov 45.

Part I. Discussion.

A. The basic policy set forth in your para 1 is agreed, subject to comment below. Presume last two sentences of para 2(a) in FM 487 continue to apply.

B In the reorganization of ACOM consideration must be given to the fact that within its present structure there exists the HQs of the AMG for Italy and therefore the functions of the AC extend over both Italian Govt. territory and AMG territory, including VENEZIA GIULIA. As long as military government remains, there must be in existence a headquarters located at the seat of the Italian Govt. AMG does not govern directly but uses the machinery of the Italian Government agencies in all phases of public life. It can be effective only by the closest day to day contact with the respective Italian ministries. Such an AMG headquarters must retain substantially the present structure of AC on a reduced scale.

It would

located in King's

AMHQ DRAFT MAT.

C. It is agreed that the Service Subcom-
missions/should remain in AC *become* ~~unless~~ or until they form the nucleus of
separate service missions. Agree that HQ E. Branch
and Establishment Section should remain.

D. It is agreed that the sub-commissions
listed in your para 2 b may be abolished so far as
they pertain to 'King's Italy'. They should be re-
tained on a small scale for AMG purposes.

22

AC DRAFT FOR MAT.

C. It is agreed that the Service Sub-
Agree that HQ Ex Branch and Establishment Section
Deputy President in ROME and presume the Pro
will remain. It is my policy to retain some
territory numbering approx. 60 in all to run
Commanders and Italian Local Governments and
political (e.g., Franco-Italian Frontier, BO
Understand U.K. Govt regards this with favor
attached to supply group (food, agriculture,
concentrated in MILAN where Italian machinery
imported materials in North is located. This
would go over to UNRRA when UNRRA takes over

D. It is agreed that the Sub-Commissi
abolished so far as they pertain to Italian
retained on a small scale for AMG purposes) with
S/C, Medical Supply functions of Public Health
Public Works & Utilities S/C.

(i) Local Government S/C function
tion on electoral procedure, minority problems
definitely connected with the Ministry of Terr

22
AC DRAFT FOR MGT.

C. It is agreed that the Service Sub-Commissions should remain in AC. Agree that HQ Ex Branch and Establishment Section should remain. I shall require Deputy President in ROME and presume the French and Russian representatives in AC will remain. It is my policy to retain small liaison groups in Italian Govt. territory numbering approx. 60 in all to maintain liaison with Allied Military Commanders and Italian Local Governments and to keep me generally informed of political (e.g., Franco-Italian Frontier, BOLZANO) and economic situation. Understand U.K. Govt regards this with favour. Roughly half the number will be attached to supply group (food, agriculture, industry and transportation) largely concentrated in MILAN where Italian machinery for allocation and distribution of imported materials in North is located. This part of the liaison function would go over to UNRRA when UNRRA takes over Italy's basic supply line.

D. It is agreed that the Sub-Commissions listed in your para 2 b may be abolished so far as they pertain to Italian Govt territory (they should be retained on a small scale for AMG purposes) with the exception of Local Government S/C, Medical Supply functions of Public Health S/C, the Electrical Power Unit of Public Works & Utilities S/C.

(i) Local Government S/C functions cover directing of Italian legislation on electoral procedure, minority problems, eg., BOLZANO, some of which are definitely connected with the Armistice Terms. The US Government recently gave

AMHQ DRAFT MAT.Part I (Cont'd)

E. The effectiveness of the sub-commissions listed in your para 2 c would be greatly lessened if removed from ROME. If they were to be placed under AMHQ and remain in ROME supervision would be most difficult. War Material and POW are little more than liaison groups. The others in this category should remain in being for AMG functions. No

AC DRAFT FOR MAT.

the opinion that the AC, operating through Local procedure of local elections is fair, free and Sub-Commission within AC until elections.

(ii) When the Public Health S/C is ab set up in the Supply Group of the Economic Sect

(iii) The Public Works & Utilities S/C S/C. When the Public Works & Utilities S/C is in the Supply Group of the Econ Sec a unit work electric power. Now and for some months to co parts of the Italian peninsula, including the is therefore closely tied with the industrial decisions as to how imported coal and fuel oil.

E. The effectiveness of the sub-commissi greatly lessened if removed from Rome. If the in Rome supervision would be most difficult. and reduced to Captured Enemy Materials Branch absorbed by Land Forces S/C where it should remain in being for AMG functions. No disadvantages present while details are being worked out to tions in connection with Italian Government ter

Page 3.

AC DRAFT FOR MAT.

the opinion that the AC, operating through Local Government S/C, should continue to ensure procedure of local elections is fair, free and democratic. Recommend retention of this Sub-Commission within AC until elections.

(ii) When the Public Health S/C is abolished a small Medical Supply Unit will be set up in the Supply Group of the Economic Section.

(iii) The Public Works & Utilities S/C has already been merged with the Industry S/C. When the Public Works & Utilities S/C is abolished it will be necessary to maintain in the Supply Group of the Econ Sec a unit working on the allocation and utilisation of electric power. Now and for some months to come electricity is in short supply in all parts of the Italian peninsula, including the North. The utilisation of electric power is therefore closely tied with the industrial programme as a whole and especially with decisions as to how imported coal and fuel oil are to be used most efficiently.

E. The effectiveness of the sub-commissions listed in your para 2 c would be greatly lessened if removed from Rome. If they were to be placed under AFHQ and remain in Rome supervision would be most difficult. War Materials has been virtually abolished and reduced to Captured Enemy Materials Branch of Economic Section and Italian POW has been absorbed by Land Forces S/C where it should remain. The others in this category should remain in being for AMG functions. No disadvantage is seen for keep^{ing} them with AC for the present while details are being worked out to determine to what agency if any their functions in connection with Italian Government territory can best be transferred. It is

Part I (Contd).

DRAFT AFHQ MAT.

disadvantage is seen for keeping them with AC for the present while details are being worked out to determine to what agency if any their functions in connection with 'King's Italy' can best be transferred. It is believed preferable to allow me to use discretion in connection with this group keeping in mind the policy of the CCS that the AC shall retain the minimum essential functions.

OK

AC DRAFT FOR MAT.

believed preferable to allow me to use discretion keeping in mind the policy of the CCS that the functions. My final plans for this group

(i) As regards Finance Sub-C

692, and set up an Allied Supply Acc unit located in Rome and attached to AC for ad currency supply and accounting functions to the Allied Forces, should be transferred Rome attached to AC for administration. arising under the Armistice, I recommend the Adviser be retained in the AC. Negotiations Italian Govt as directed in paras 12-17 of by the Chief Financial Adviser.

OK for substitution

(ii) With regard to Transportation

tion S/C has only two groups of functions: and a liaison function between military and former should remain with AC Supply Group unless disappear if transferred to AFHQ. There is which can logically be transferred to AFHQ.

1910

AC DRAFT FOR MAT.

believed preferable to ²⁰allow me to use discretion in connection with this group keeping in mind the policy of the CCS that the AC shall retain the minimum essential functions. My final plans for this group will be submitted to CCS.

(i) As regards Finance Sub-Commission, I have already implemented TM 692, and set up an Allied Supply Accounting Agency responsible to AFHQ. It is located in Rome and attached to AC for administration. It is agreed that the currency supply and accounting functions of AFA, including its various services to the Allied Forces, should be transferred to AFHQ. I intend to leave AFA in Rome attached to AC for administration. In order to handle financial problems arising under the Armistice, I recommend that the position of Chief Financial Adviser be retained in the AC. Negotiation of the currency agreement with the Italian Govt as directed in paras 12-17 of FM 583, should continue to be handled by the Chief Financial Adviser.

(ii) With regard to Transportation, apart from AC functions Transportation S/C has only two groups of functions: those connected with imported supplies and a liaison function between military and Italian transport authorities. The former should remain with AC Supply Group until UNRRA takes over; the latter would disappear if transferred to AFHQ. There is, therefore, no transport function which can logically be transferred to AFHQ.

Corrected after consultation with the Finance

Part I (Cont'd)AHQ DRAFT MAT.

P. Your para 2 d is agreed except that similar sub-commissions must function for AMG territory. (It is assumed that the proposal is based on UNRRA supply of Italy.) Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganisation would be required.

Should be a separate paragraph

G. Ref your para 2 e. The DP Sub-Commission is less directly connected with the Italian government than other Sub-commissions.

9

AC DRAFT PO

P. Your para 2 d is agreed except for AMG territory. It is assumed that the Should Italy be furnished essential commodities of this reorganisation would be required.

(i) As to industry, the functioning and reviewing projects for reconstruction industries should be transferred to Embassies indicate they are not ~~now~~ in position.

(ii) As to commerce, the advisor the Italian Govt for the re-opening of private Embassies after 1 Jan 46. However, T.M. 6 functions (screening of export programmes Boards on Reserved Commodity List items) relieves me of these responsibilities.

(iii) There are no advisory functions Commissions (which have already been under import programme and there is therefore no

G. Ref your para 2 e. DP Sub-Commission small branch. With regard to the proposed function, your attention is drawn to

Page 5.

AC DRAFT FOR MAT.

B. Your para 2 ⁹ is agreed except that similar sub-commissions must function for AC territory. It is assumed that this proposal is based on UNRRA supply of Italy. Should Italy be furnished essential commodities on a national basis a reconsideration of this reorganisation would be required.

(i) As to industry, the functions of advising the Italian Govt and developing and reviewing projects for reconstruction of utilities (including railroads) and industries should be transferred to Embassies. However,

Embassies indicate they are not ~~now~~ ^{yet} in position to assume this function.

(ii) As to commerce, the advisory function (consisting of negotiations with the Italian Govt for the re-opening of private commercial trade) can be transferred to Embassies after 1 Jan 46. However, TMM 640 lays upon AC two very specific operating functions (screening of export programmes and channelling clearances with Combined Boards on Reserved Commodity List items) which must be continued in AC until CCS relieves us of these responsibilities.

~~(iii) There are no advisory functions in Food and Agriculture Sub-Commissions (which have already been amalgamated) which are not connected with the import programme and there is therefore nothing to transfer to the Embassies.~~

C. Ref your para 2 c. DP Sub-Commission agreed. This will be reduced to a small branch. With regard to the proposed "supply subcommission" and the transportation function, your attention is drawn to the fact that a Supply Group has already

Part I (cont'd)

AMG DRAFT MAT.

Plans are under way now to transferring to AMHQ those functions of the DP sub-commission which UNRRA cannot undertake, such as repatriation of Reich Germans from Bolzano and the administration of categories of DPs which are not covered by the UNRRA charter. Your views on the food and transportation sub-commissions are agreed.

H. Your para 3 agreed except as pertains to AMG. Desire to point out, however, that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. Your para 4 is agreed.

PART II.

A. Recommend pursuant to discussion in Part I that a Directive be issued substantially as follows:

18 AC DRAFT FOR MAT.

been set up within the Econ Sec which include industry, and transportation) which are direct and which will be transferred to UNRRA when organization already reflects the thinking

H. Your para 3 agreed except as pertains ^{in new positions} with me. Desire to point out how to change present incumbents to civil status officials are introduced. The heavy turnover personnel has not been conducive to efficiency

I. As IMA and Allied Supply Accounting elsewhere in the draft directive as amended.

PART II.

A. Recommend pursuant to discussion in Part I substantially as follows:

1914

AC DRAFT FOR M.T.

been set up within the Econ Sec which includes those functions (food and agriculture, industry, and transportation) which are directly related to the import programme, and which will be transferred to UNRRA when UNRRA takes over. Thus the present AC organisation already reflects the thinking in para 2(E) of T.M. 719.

H. Your para 3 agreed except as pertains to *in new positions* I/MC and would ask prior consultation with me. Desire to point out however that full advantage should be taken to change present incumbents to civil status so far as practicable before new officials are introduced. The heavy turnover thus far experienced with civilian personnel has not been conducive to efficiency.

I. As ASA and Allied Supply Accounting Agency are dealt with adequately elsewhere in the draft directive as amended, I suggest your para 4 be omitted.

PART II.

A. Recommend pursuant to discussion in Part I that a directive be issued substantially as follows:

Part II (Cont'd)

AMG DRAFT MAT.

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining a headquarters Military Government for territory under AMG control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 43 would still be held in reserve as set forth in para 1 of FMN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission

2. In accordance with the above you should re-organise Allied Commission as follows:

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) HQ Executive Branch and Est Section. Size will depend upon responsibilities still remaining in AC.

C. DRAFT FOR MAT.

1. It is desirable as many functions as possible retaining only those necessary for maintaining headquarters Military Government for territory under AMG control, and this absolute minimum for a temporary period. You are directed to reduce and terminate those temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 43 would still be held in reserve as set forth in para 1 of FMN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission

2. In accordance with the above you should re-organise Allied Commission under Deputy President as follows:
Affairs Officer Allied Military Government

(A) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission unless or until they form nucleus of separate service missions.

(2) HQ Executive Branch and Est Section. Size will depend upon responsibilities still remaining in AC.

Page 7.

AC DRAFT FOR MAT.

1. It is desirable to remove from the Allied Commission as many functions as possible retaining only those necessary for maintaining headquarters Military Government for territory under AMG control, and this absolute minimum for a temporary period. You are directed to reduce and terminate these temporary residual functions as expeditiously as practicable, eliminating them without further reference to CCS when in your opinion they serve no useful purposes. All rights under the Armistice and Additional Conditions of Armistice of 29 Sep 43 would still be held in reserve as set forth in para 1 of FMN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission. Last two sentences of para 2(a) of FMN 487 continue to apply.

2. In accordance with the above you should reorganise Allied Commission under Deputy President (who is also Chief Civil Affairs Officer Allied Military Government) as follows:

(a) Sub-commissions whose functions are to be retained in Allied Commission:

(1) Navy, Army, Air Force Sub-Commissions should remain with Allied Commission.

(2) HQ Executive Branch and Establishment Section with such Liaison Groups as may be required in the field. Size will

Part II (cont'd)

AFHQ DRAFT MAT.

16

16 DRAFT O

(3) Sub-commissions required for the exercise of military government in AMG territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

depend upon responsibilities

(3) Sub-commissions in government in AMG Territories themselves only to subjects being and only to the extent in being.

(4) Local Government

(5) French and Russian authorised staffs will remain

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

(B) Sub-commissions w as they pertain to military gove therein:

- Education
- Local Government and Patriots
- Monuments, Fine Arts & Archives
- Public Health
- Public Works & Utilities
- Legal (except as Adviser to the President)

- Education
- Monuments, Fine Arts & Archives
- Public Works & Utilities which is transferred
- Public Health (except as transferred)
- Legal (Legal Adviser will be retained)
- Patriots Branch

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AFHQ

(C) Sub-commissions to military government in being, agencies including AFHQ to the

16

AC DRAFT ON M.T.

depend upon responsibilities still remaining in AC.

(3) Sub-commissions required for the exercise of military government in AMG Territories. These sub-commissions will interest themselves only to subjects pertaining to military government in being and only to the extent they affect such military government in being.

(4) Local Government Sub-Commission (less Patriots)

(5) French and Russian Representatives with their presently authorized staffs will remain in AC.

(B) Sub-commissions whose functions are to be abolished except as they pertain to military government in being and territory included therein:

- Education
- Monuments, Fine Arts & Archives
- Public Works & Utilities (except Electric Power Unit which is transferred to Supply Group).
- Public Health (except for medical supply functions which are transferred to Supply Group)
- Legal (Legal Adviser to AC and Reviewing Officers will be retained).
- Patriots Branch of Local Govt S/C

(C) Sub-commissions whose functions, except as they pertain to military government in being, will be eliminated or transferred to other agencies including AMG to the extent to which you consider their functions

1919

Part II (cont'd).

AFHQ DRAFT MAT.

15

AC DRAFT FOR M

to the extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

are necessary to carrying out of poli

- Communications
- Public Safety
- War Materials and IPOW
- Public Relations
- Transportation (but see sub-para E below)
- Finance (currency, combined billing, services to Armies and paras 10, 12 - 17 FAN 583)
- Displaced Persons and Refugees.

- Communications
- Public Safety
- War Materials (less IPO
- Public Relations
- Finance (currency, comb
- Armies and para 1
- of Chief Financial
- in AC who will be
- agreement foreseen

(D) Sub-commissions whose functions are to be transferred to the United States and United Kingdom Embassies as soon as necessary personnel can be procured:

(D) Sub-commissions whose the United States and United Kingdom

- Industry & Commerce (advisory functions)
- Labour
- Agriculture (advisory functions)
- Finance (advisory functions and duties under FAN 583 except paras 10, 12 and 17).
- Food (insofar as not concerned with imports).

- Industry (advisory fun
- Commerce (advisory fun
- continue in AC to
- until other arran
- Labour
- Finance (advisory func
- except paras 10,
- until 10/3/45

(E) Sub-commissions whose functions are to be retained in AC until UNRRA takes over:

(E) Sub-commissions whose until UNRRA takes over:

Food, which should be reorganized into a supply sub-commission and include any functions of other economic sub-commissions relating to imports.

- Displaced Persons. T
- Food & Agriculture.
- Industry (except advis
- Economic staff branche

15

Page 9.

AC DRAFT FOR MAT.

are necessary to carrying out of policies laid down by CCS:

- Communications
- Public Safety
- War Materials (less IFC% already absorbed in Land Forces S/C)
- Public Relations
- Finance (currency, combined billing, services to Armies and para. 10 of FAN 583. Position of Chief Financial Adviser will be retained in AC who will be responsible for negotiating agreement foreseen in paras 12-17 of FAN 583).

(D) Sub-commissions whose functions are to be transferred to

the United States and United Kingdom Embassies on (date)

- Industry (advisory functions)
- Commerce (advisory functions). Commerce S/C will continue in AC to perform functions under TME 640 until other arrangements are made.
- Labour
- Finance (advisory functions and duties under FAN 583 except paras 10, 12 and 17). *AC channel & functioning until UNRRM takes over*

(E) Sub-commissions whose functions are to be retained in AC

until UNRRM takes over:

- Displaced Persons. This will be reduced to a small Branch.
- Food & Agriculture.
- Industry (except advisory functions)
- Economic staff branches having supply functions

Part II (cont'd)

AFHQ DRAFT MAT.

Transportation Sub-commission (bids for imported supplies and functions in respect to warehousing imported supplies).

3. Either the United States or United Kingdom Governments will civilianize at their discretion any of the posts in any sub-commission remaining in AC except that personnel in sub-commissions dealing solely with military government territory will not be civilianised without previous consideration by you. It would be advantageous if there were introduced into the sub-commissions whose functions are to be taken over by UNRRA any civilian personnel who intended to transfer to UNRRA when the latter assumes the functions of these sub-commissions.

4. As part of civilianization of AC, the Allied Financial Agency will be transferred from AC Finance Sub-commission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in Rome if you so desire.

14

AC DRAFT FOR

Transportation Sub-
warehousing p
and requireme
with the impo
system itseli

3. Either the United
civilianize any of the posts in
after consultation with you. Th
Sub-commissions whose functions
personnel who intended to transf
functions of these sub-commission

14

Page 10.

AC DRAFT FOR MAT.

(bids for
actions in
ported supplies).

3

Transportation Sub-Commission (handling of transport and
warehousing problems connected with imported supplies,
and requirements and allocation problems connected
with the imported supplies for the transportation
system itself).

United Kingdom
tion any of the
except that per-
a military govern-
out previous con-
if there were
ctions are to be
he intended to
e functions of

3. Either the United States or United Kingdom Governments will
civilianize any of the posts in any sub-commission remaining in AC
after consultation with you. The present process of introducing into the
Sub-commissions whose functions are to be taken over by UEMM any civilian
personnel who intend to transfer to UEMM when the latter assumes the
functions of these sub-commissions will be continued.

AC, the Allied
Finance Sub-
you may retain
if you so desire.

1923

785016

Part II (cont'd)

AFHQ DRAFT MAT.

AC DRAFT ON MAT

Prior to completion of civilianisation of AC you should proceed with such measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to Italy under combined military responsibility.

13

1924

Page 11.

AC DRAFT ON MAT.

13

you should
to establish, as
thin AFHQ to take
counting and
Italy under

DOCUMENT 'D'

1 9 2 3

SECRET.

TO :AFHQ FOR MORGAN INFO CABINET OFFICES FOR BRITISH CHIEFS OF STAFF

FROM: ACWAR FROM CCS.

THIS is TAM 719.

There follows draft directive which CCAC proposes submitting to CCS for approval.

"1. It is desirable to remove from Allied Commission as many functions as possible, retaining only absolute minimum for temporary period. All rights under the Armistice and surrender instrument would still be held in reserve as set out in paragraph 1 of FAN 487; the power of enforcement will in all cases remain with SACMED as President of Allied Commission.

2. In accordance with the above you should reorganise Allied Commission as follows:

(A) Subcommissions whose functions are to be retained in AC.

1. Navy, Army Air Force Subcommissions should remain with AC unless or until they form nucleus of separate service missions.

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommissions whose functions are to be abolished.

- Education
- Local Government and Patriots
- Monuments Fine Arts and Archives
- Public Health
- Public Works and Utilities
- Legal (but Legal Advisor to President of AC may be necessary)

12

(C) Subcommissions whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

- Communications
- Public Safety
- War Materials & IPOW
- Public Relations
- Transportation (but see subpara E below)
- Finance (currency, combined billing, etc. services to

1. Navy, Army Air Force Subcommittees should remain with AC unless or until they form nucleus of separate service missions.

2. HQ Executive Branch and Establishment Section. Size will depend upon responsibilities still remaining with AC.

(B) Subcommittees whose functions are to be abolished.

Education
 Local Government and Patriots
 Monuments Fine Arts and Archives
 Public Health
 Public Works and Utilities
 Legal (but Legal Advisor to President of AC may be necessary)

12

(C) Subcommittees whose functions are to be transferred to AFHQ to extent to which you consider their functions are necessary to carrying out of policies laid down by CCS:

Communications
 Public Safety
 War Materials & IPOW
 Public Relations
 Transportation (but see subpara E below)
 Finance (currency, combined billing, etc, services to Armies and paras 10,12 - 17 F.N 583).

(D) Subcommittees whose functions are to be transferred to the UNITED STATES and UNITED KINGDOM Embassies as soon as necessary personnel can be procured:

Industry and Commerce (advisory functions)
 Labour
 Agriculture (advisory functions)
 Finance (advisory functions and duties under F.N 583 except paragraphs 10, 12 - 17).
 Food (insofar as not concerned with imports).

(E) Subcommittees whose functions are to be retained in AC until UNRRA takes over:

Displaced Persons and Refugees
 Food which should be reorganised into a supply subcommittee and include any functions of other economic subcommittee relating to imports.

SECRET

Transportation subcommission (bids for imported supplies and functions in respect to warehousing imported supplies).

3. Either the UNITED STATES or UNITED KINGDOM Governments will civilianise at their discretion any of the posts in any subcommission remaining in AC. It would be advantageous if there were introduced into the relative subcommissions any civilian personnel (of UNITED STATES or UNITED KINGDOM nationality) who intend to transfer to UNRRA when the latter takes over.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommission and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in ROME if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TAM 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to ITALY under combined military responsibility."

5. As very early action on lines of above is desired your comments on above draft directive urgently requested in MAT series.

4. As part of civilianization of Allied Commission, the Allied Financial Agency will be transferred from Allied Commission Finance Subcommittee and attached directly to AFHQ but you may retain Allied Financial Agency Headquarters in ROME if you so desire. Prior to completion of civilianization of Allied Commission you should proceed with such measures as are necessary to establish, as authorized in TAK 692, a combined agency within AFHQ to take over from Allied Commission functions of accounting and billing for civilian supplies furnished to ITALY under combined military responsibility."

5. As very early action on lines of above is desired your comments on above draft directive urgently requested in MAT series.

11

1929

4051/2

MA

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Ref: 1/1.1/CA.

12 Feb 46.

SUBJECT: Revised War Establishment.

TO: Legal Sub-Commission,
Local Government Sub-Commission,
Monuments, Fine Arts & Archives S/C,
Public Safety Sub-Commission.

attached

1. Reference is made to letter G-1B/331/0 of 9 Feb 46 and to Appendix attached thereto, copy of which is forwarded herewith.
2. The new W.E. only applies to this HQ. Please complete the Appendix and return to this Office as soon as possible.

J.S. Reames
J.S. REAMES, Maj.,
For VP CA Section.

CLO	
→ DCLO	
Chief Counsel	
CJO	
Italian Section	
CL RKS	
13.2.46	

10

166

1930

Tel. Ext. 573

4987/2

6A

MEMORANDUM

9 February 1946.

REFERENCE : G-1B/531/0
SUBJECT : Revised War Establishment
TO : Vice President, Civil Affairs Section.

1. Details of the appointments allowed for Civil Affairs Section Officers in the New War Establishment for this H.Q. appear at Appendix 'A'.
2. It is requested that you will:
 - (a) enter in column (c) the names of the officers nominated for the appointments.
 - (b) enter in column (d) the names of the officers who therefore become surplus to War Establishment.
3. Kindly return completed Appendix 'A' to this Office as soon as possible.
4. It is pointed out that with effect from 5 Feb 46, the effective date of the new War Establishment, surplus officers will automatically be posted to the X(iv) List and staff pay will therefore cease from that date. In addition, the 61 days allowed for retention of temporary rank will reckon from that date.
5. Authority will not be given for the retention of officers surplus to the authorised War Establishment.

Handwritten signature

21 (1)

H.Q., Allied Commission.

/ev.

Copies to : Legal Sub Comm. (details of officers allowed in the new W.E. for your Sub Commission are attached)

- Local Gov Sub Comm - do -
- Non Mine Arts Sub Comm - do -
- Public Safety Sub Comm - do -

LEGAL SUB COMMISSION

	LT. COLS.	MAJORS	TOTAL
Assistant Director Civil Affairs	1		1
Deputy Assistant Director Civil Affairs		2	2

1931

4057/2
AC/4037/1/1

SA

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

JFW/pa.
8 Jan 46/

SUBJECT : Assignment of officers.

TO : Senior Civil Affairs Officer (Attn: S.L.O.),
VENEZIA GIUBIA Region. (Attn:Maj.GOLD)

1. I hope to be able to send within a week a British Major as an addition to your staff.
2. It is believed that you will find this officer to be of value to you.

By command of Rear Admiral STONE :

JOHN K. WEBER,
Colonel, Infantry,
Chief Legal Advisor.

file. 0
4059/2

4A

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

1/25.1/CA

4 Jan 46

SUBJECT : Liaison Teams
TO : All CA Sub-Commissions

Herewith liaison teams for your information

W. Carr
W. CARR, Brig.
VP CA Section.

→	CLO	<i>JAW</i>
→	DCLO	
→	Chief Counsel	<i>AK</i>
	CJO	
	Italian Section	
→	CL RKS Capt. R... 2 JAN 1946	<i>REB</i>

3 7

LIAISON TEAMS

(1) <u>SICILY</u>	Major J. LUND	(A)
(2) <u>NAPLES</u>	Col J.A.G. PENNYQUICK Major C.J. CAMPILLO Major H.S. HARRIS Capt W.L. WILSON Capt T.E. RANNEY	(B) C.L.O. (A) L.O. (B) P.S.O. (B) P.S.O. (A) Tn.
(3) <u>MARI</u>	LtCol L.E. VINING Lt. R.F. LEWIS Mr. S.P. FRANCE (Civ)	(B) L.O. (B) Tn. (A) Tn.
(4) <u>LIVORNO</u>	Col L.J. HENSLEY Capt S. BEATTY 1/Lt G. LESTER Major C.A. WARREN WOJG W.W. HILL	(A) C.L.O.) For P39 Livorno (A) P.S.O.) and Toscana (A) Tn.) (A) L.O.) For Florence (A) Tn.)
(5) <u>BOLOGNA</u>	LtCol T.W.J. WALTERS Capt H.A. DEVASI 1/Lt G.R. ANSELMO Major A.G.P. WAY Capt L.J. MONSON Capt W.H. NUNN	(B) C.L.O. (A) L.O. (A) L.O. (B) P.S.O. (A) P.S.O. (B) Tn.
(6) <u>ANGONA</u>	Capt R.F. VAUGHAN	(B) Tn.
(7) <u>LIGURIA</u>	LtCol W. TURNER-COLES Major G.R. KOOPMAN Capt J. KANE Major K.W. FISCHER Capt J.E. TOUGH Capt J.H. LLOYD-DAVIES Capt E.G. TOOMER	(B) C.L.O. (A) L.O. (B) P.S.O. (A) P.S.O. (B) P.S.O. (B) Tn. (B) Food
(8) <u>PIEMONTE</u>	Col W.R. JORDAN LtCol A.H. GARDNER Capt J.N. FOURNIER Capt A. CILIBERTI Lt Col F.G. GREEN Maj. W. RONNIE Capt F. SCALFE Capt E.P. BOLTER Capt P.E. HANNON Mr C.D. TERRY Capt JPS AMDORE	(A) C.L.O. until rel'd by Col A.S. ANNOLI (A) (B) L.O. Tenda (A) L.O. (A) L.O. (B) P.S.O. (B) P.S.O. (B) P.S.O. (B) P.S.O. (A) Tn. (A) Tn. (A) Civ) Food. (A) C.E.M.

- 2 -

(9) LOMBARDIA

CAPT. G.L. MADDOCK

Colonel	A.N. HANCOCK	(B)	C.L.O.
Major	W.H. SAVIN	(A)	L.O.
Capt	J.B. FLEETWOOD	(B)	P.S.O.
Capt	A. RILEY	(B)	P.S.O.
Major	A.C. HOLLAND	(B)	Communications
Capt	H.A. SYMONS	(B)	Th. COMMUNICATIONS
1/Lt	R.T. O'DONNELL	(A)	Tn.
Lt Col	R.E. HORN	(B)	Food
Capt	R.E. RICHEY	(A)	Food
Major	T.I. HOWORTH	(B)	CEM
Capt	A. FRYER	(B)	CEM
Capt	R.A. DAVIES	(B)	CEM
Lt	W.J. WARREN	(B)	CEM
1/Lt	R.E. EVASICK	(A)	Adm
Capt	J.O. LARE	(B)	Adm
Capt	T.R. SMISHER	(A)	M.T.O.
Capt	E. HOYLE	(B)	M.T.O.

(10) BOLZANOUDINE

Col	S.W. MILLER	(B)	C.L.O.
Lt Col	L. NEFRUD	(A)	L.O.
Capt	E.R. FAIRWEATHER	(B)	L.O.
1/Lt	W.R. THOMPSON	(A)	L.O.
Major	W. HARE	(B)	P.S.O.
Capt	G.W. BROWN	(B)	P.S.O.
Major	C.L.P. GILSHENAN	(B)	Legal
1/Lt	J.S. NARDINI	(A)	CEM
1/Lt	R.N. BOMBINO	(A)	CEM

(11) VENEZIA

Brig	J.K. DUNLOP	(B)	C.L.O.
(until rel'd by Lt Col F.O. MAVIZ)		(A)	
Major	W.M. HARRISON	(B)	L.O.
Capt	A.A. SIMPSON	(A)	L.O.
1/Lt	R.E. BIRNIE	(A)	L.O.
Major	T.G. MACKENZIE	(B)	P.S.O.
Capt	A.E. BAKER	(B)	P.S.O.
Major	H.J.O. BRIBLOD	(B)	Tn.
Lt	W.J.D. EVANS	(B)	Tn. Tn.
Capt	O.C. VENUS	(B)	Food
Major	C.I. TURNER	(A)	Communications
Capt	C.H.I. THOMPSON	(B)	Communications

4057/2
3A

HEADQUARTERS ALLIED COMMISSION

APO 394

Office of the Executive Commissioner

Ref: 212/261/EC.

4 January 1946.

SUBJECT: Allied Commission Liaison Groups.

TO : See Distribution below.

1. W.e.f. 1 January 1946, consequent upon the hand back to the Italian Government of all AMG territory with the exception of VENETIA, GIULIA and the Province of UDINE, Allied Commission Liaison Groups have been established as follows:-

A.C. Chief Liaison Officers:

- NAPLES
- LIVORNO
- BOLOGNA
- LIGURIA (GENOA)
- PIEMONTE (TURIN)
- LOMBARDIA (MILAN)
- BOLZANO
- VENEZIA (TR-VISO)
- SICILY (PALERMO)
- LARI
- ANCONA

A.C. Liaison Officer (Tr.)

2. These groups include Economic advisors and Public Safety Officers. The functions of the Groups are not executive but are to observe and report and to maintain liaison between the Italian officials, local Allied military commands and Allied Commission.

3. It is to be remembered that AMG Regions will have been wound up by 21 January 1946 therefore no new correspondence should be initiated with them. Correspondence will be addressed as in para 1 above, with the temporary exception of VENETIA which at present still deals with mail for BOLZANO, UDINE and TR-VISO from the former Region address at PADUA. The final move of the VENETIA Liaison Group to TR-VISO will be notified at a later date.

4. The areas, other than those which are self-explanatory, are as follows:-

NAPLES includes CAMPANIA and CALABRIA

- LIGURIA (GENOVA)
- PIEMONTE (TURIN)
- LOMBARDIA (MILAN)
- BOLZANO
- VENEZIA (TR-VISO)
- SICILY (PALERMO)
- BARI

A.C. Liaison Officer (Tn.) ANCONA

2. These groups include Economic advisors and Public Safety Officers. The functions of the Groups are not executive but are to observe and report and to maintain liaison between the Italian officials, local Allied military commands and Allied Commission. 4

3. It is to be remembered that AMG Regions will have been wound up by 21 January 1946 therefore no new correspondence should be initiated with them. Correspondence will be addressed as in para 1 above, with the temporary exception of VENEZIA which at present still deals with mail for BOLZANO, UDINE and TR-VISO from the former Region address at PADUA. The final move of the VENEZIA Liaison Group to TR-VISO will be notified at a later date.

4. The areas, other than those which are self-explanatory, are as follows:-

- EMILIA includes CAMPANIA and CALABRIA,
- BARI includes PUGLIA, LUCANIA and ABRUZZI,
- LIVORNO includes PBS, LIVORNO and TOSCANA, with an officer for FLORENCE,
- BOLOGNA includes EMILIA

First Deputy Lt Colonel
Brigadier,
Executive Commissioner.

Internal Distribution:

- Group 1 A.
- Comies to:
- G-5, AMIQ
- 2 District
- 3 District
- FES
- RALAC
- AMG 13 Corps
- AMG UDINE
- A.C. CLO SICILY (PALERMO)
- BARI
- A.C. LO (Tn) ANCONA

- A.C. CLO NAPLES
- LIVORNO
- BOLOGNA
- LIGURIA (GENOVA)
- PIEMONTE (TURIN)
- LOMBARDIA (MILAN)
- BOLZANO
- VENEZIA (TR-VISO)

2A

SECRET.

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

6 Dec 1945.

Ref: 600/EC.

SUBJECT: Reorganisation of AC.

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

- 1. I enclose final draft for AIF Part II, first draft of which was produced at Conference today as Document "S".
- 2. I have already telephoned amendments to G-5.

For the Chief Commissioner:

[Handwritten Signature]
Brigadier,
Executive Commissioner.

MSL/JG.

Copy to: US Ambassador (3)
Br Ambassador (3)
UNRRA (3)
Chief Commissioner
i/VP, Econ Sec (2)
Chief Legal Advisor

For the Chief Commissioner:

M. S. ...

Brigadier,
Executive Commissioner.

3

MSL/JG.

Copy to: US Ambassador (3)
Br Ambassador (3)
UNRRA (3)
Chief Commissioner
i/VP, Econ Sec (2)
Chief Legal Advisor

REG.	SUBC.	AMPLION
EIO		↓
DCIO		↓
Chief Counsel		↓
C/O		
Reunion Section		
GL RKS		
7	DEC	1945

4

SECRET.

M.T PART II.

1. The Allied Commission will remain under SACMED as President and the Deputy President as Chief Commissioner until the Armistice regimé is terminated. It is, however, desirable to continue the reduction of functions of the Allied Commission which should now be reorganised as follows.

2. As soon as the Northern Regions have been restored to Italian Government all Sub-Commissions with the exception of the Service Sub-Commission and Communications Sub-Commission will be abolished.

3. The Allied Commission will then be established under the Deputy President as Chief Commissioner with Executive Branch. Under him will be:

- Service Sub-commissions
- Communications Sub-Commission
- Chief Financial Adviser and staff
- Chief Legal Adviser with reviewing staff
- Displaced Persons Branch
- Public Relations
- Establishment Branch

2

An Economic Section consisting of the presently organised Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to Embassies when staff is procured, or to any intermediate body which may be set up.

4. The Executive Branch will carry such technical staff officers as may

be necessary to cover residual functions currently carried out by Sub-Commissions.

Service Sub-commissions

Communications Sub-Commission

Chief Financial Adviser and staff

Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

Establishment Branch

An Economic Section consisting of the presently organized Supply Group, including (a) functions connected with imported supplies (food, agriculture, industry, transportation) which will be transferred to UNRRA when UNRRA takes over, and (b) residual advisory functions (including long range rehabilitation planning involving Allied financial assistance) to be transferred to Embassies when staff is procured, or to any intermediate body which may be set up.

- 4. The Executive Branch will carry such technical staff officers as may be necessary to cover residual functions formerly carried out by Sub-Commissions abolished and the technical control of JAG in UDINE and VEREZZI. GIULLI.
- 5. Small Liaison Groups in the field will be established at your discretion.
- 6. French and Russian Representatives to JAG will remain.
- 7. Advisory and long range planning functions will be continued to be taken over by the Embassies when staff is procurable or by any intermediate body set up for the purpose. Supply and Displaced Persons functions will be taken over by UNRRA in due course.

1941

File #057/2

JA

HEADQUARTERS ARMED COMMISSION
AFD 394
LEGAL SUB-COMMISSION

SUBJECT : Conference on AC Reorganization.
TO : Executive Commissioner.

As my DCLA, Col. Hannaford is more exclusively in charge with the Italian and International side of the Legal Sub-Commission, I would very much appreciate if he could be present with me at tomorrow's conference.

JOHN K. WEBER,
Col. Infantry,
Chief Legal Advisor.

1942