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

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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 "Q" - 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. Weasley Jones
Mr. Livengood.

W. J. G.
Brigadier,
Executive Commissioner.

BR Embassy: Sir Noel Charles, KCMG, Br Ambassador

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Document "C" - TAM 719.

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

Document "Q" - AFHQ and AC Draft MAT.

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

BR Embassy: Sir Noel Charles, KCMG, Br Ambassador
Mr. Henry Hopkinson, CMG.
Sir Richard Neworthy, KCMG

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

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

Secret

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.

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

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

Sir Richard
Nosworthy

HE Sir Noel
Charles

Mr.
Hopkinson

Mr. P. Broad

UNRRA

Mr. Keeney

Maj. Gen
Duff

Brig. Gen
Hamblen

Mr. Offie

Lt.Col. Hannafora

Col. Webber

Mr. Cleveland

Admiral Stone

Brig. Lush

Lt.Col. McCleary

Mr. Wesley
Jones

H.E.
Mr. A. Kirk

Mr
Livengood

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 PAN 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.

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
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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:	SACS	C/S MTO	G-2	G-3 (AFHQ)	CINC MED
	USN	RAF	CAC	ARMY	US POLAD
	G-4	NAVY			

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- be not reproduced,
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LEGAL SUBCOMMITTEE

CLO

DCLO

Chief Counsel

CJO

Radio

Fur. clear
F. H. McCleary
Lt. Col.
CSO to EC

11 JAN 1948

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

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

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Public Relations - Ext. Sect.

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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.

Provincial Legal Officer, Belluno Province.....
 " " " Udine Province.....
 " " " Gorizia Province.....
 " " " Trieste Province.....
 " " " Iulia Province.....
 " " " Fiume Province.....
 " " " Gorn Province.....

(thru MIO
 Venezia Region)

HQ Det 2677 Reg't CGS, APO 514 Attn R A A
 Branch, 86 Via della Cornigliana, ROMA.....

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

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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 FIN 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 FIN 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.

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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 TLM 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 T.M. 692, a combined 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.

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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 TAW 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.

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Page 11.AC DRAFT ON MAT.

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

-2-

this end. A.C. MAT reflects this.

4. AFHQ 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. AFHQ 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 AFHQ 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, Food, Agriculture, Industry and Transportation of the Economic Section.

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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. MAT Part I(C) and Part II (..) (2).

Economic

already been transferred to Land Forces S/C. There are 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) ARA 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. MAT.

Commissioner with Executive Branch. Under them will be:

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Chief Legal Adviser with reviewing staff

Displaced Persons Branch

Public Relations

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