

ACC 10000/145/442 20000 (20001 to 009 and 150 to 170 SERIES)
AUG. 1944 - FEB. 1945

HEADQUARTERS ALLIED COMMISSION
APO 394
CIVIL AFFAIRS SECTION

Handwritten:
R. H. H. H.
H. H. H. H. H. H.
H. H. H. H. H. H.
Tel. Ext. 525

Ref: L/32 B/CA.

22 Feb 45.

SUBJECT: New Deal for Italy.

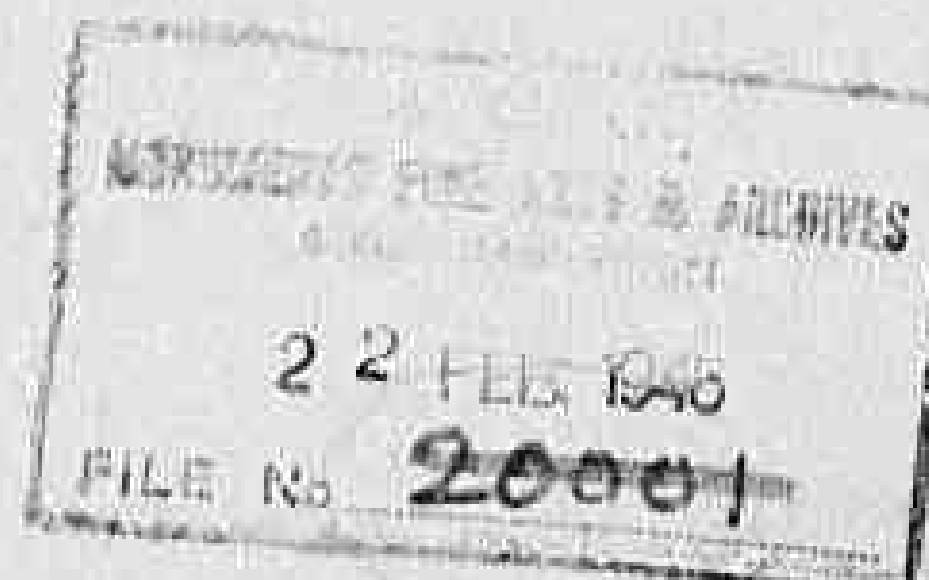
TO: Directors, All Sub-Commissions
and Branches,
Civil Affairs Section.

- 1 Enclosed herewith for your SECRET information:-
 - (a) Copy of SAN 487 addressed by Combined Chiefs of Staff to SACM.
 - (b) Copy of letter from Chief Commissioner to AFHQ, with enclosures.
- 2 The following programme has been arranged:-
 - (a) The Chief Commissioner will give the Allied Advisory Council for Italy an outline of the New Deal for Italy on Saturday morning next (24 Feb 45).
 - (b) The Acting President and the Chief Commissioner will inform the Prime Minister of their proposals on Saturday afternoon.
 - (c) The Acting President will hold a press conference and give the press an outline of his proposals on Saturday evening.
- 3 I will discuss the matter at my staff meeting tomorrow (Friday).

Handwritten:
J. H. H. H.
C. H. H. H. H. H. H.
V. CA Section.

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

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20000-5 (31)

COPYSECRET

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

PAN 487.

Following is Directive from Combined Chiefs of Staff.

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

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

POLITICAL SECTION.

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

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- (b) The Italian Government shall be permitted to have direct relations with foreign diplomatic representatives accredited to the Quirinal, provided that the Allied Commission is kept generally informed by the Italian Government of any negotiations in which they engage with other governments.
- (c) The Allied Commission shall abandon the practice of approving the decrees and other legislation enacted by the Italian Government in the territory under the jurisdiction of the Italian Government. Any new Italian Government will be requested to confirm that they will adhere to the obligations under the terms of surrender undertaken by their predecessors.
- (d) The Allied Commission shall abandon the practice of approving any Italian appointments in territory under the jurisdiction of the Italian Government except in regard to Service Ministers and such military appointments as you may determine.
- (e) The Allied Commission shall as soon as possible withdraw all its officers stationed in the field in the territory under the jurisdiction of the Italian Government. However, the Allied Commission should retain the right to send its representatives into territory under the jurisdiction of the Italian Government for any special tasks when Allied interests require it.

(E) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.

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

ADMINISTRATIVE SECTION

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

- (a) The Staff of Allied Commission Headquarters should occupy itself primarily with consultation and advice to the Italian Government at high levels.
- (b) As far as certain Sub-Commissions of the Allied Commission Headquarters are concerned such as Education, Arts and Monuments, Local Government, Labour and Legal, their advisory functions in respect of Italian Government territory should be exercised only when requested by the Italian Government. IGOs should be advised in respect of territory under the jurisdiction of the Italian Government.
- (c) The Sections and Subcommissions of the Allied Commission Headquarters should be progressively civilised to the fullest extent which in your opinion circumstances allow, except the Service Subcommissions and except to the extent that Subcommissions exercise functions with respect to territory under Allied Military Government (AMG).
- (d) To the extent feasible, officers of Allied Commission Headquarters dealing with AMG functions should be located at places other than Allied Commission Headquarters.

ECONOMIC SECTION

4. It is necessary that the maximum production and effective and equitable distribution and control of consumption of local resources possible under existing conditions be secured. The Italian Government should be advised that to this end and as a prerequisite to increased economic assistance it must formulate and implement appropriate economic controls and take all other steps possible. In the event that these conditions are not met the Allied authorities will not hesitate to impose the necessary controls or take other appropriate measures.

5. For the duration of combined operations, the combined US-UK military authorities will be responsible for providing:

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- (f) The US and UK Governments have agreed that the Italian Government will be advised that it is the Allied desire to encourage free trade in knowledge and learning with the Italian people. As far as the exigencies of the military situation permit you will facilitate any arrangements for the flow of books and other publications of a scientific, political, philosophical and artistic nature between Italy and the United Nations and for the movement of scholars, artists and professional men between Italy and the United Nations.
- (g) The US and UK Governments have agreed that in accordance with the terms of the MOSCOW declaration it is desirable to encourage the holding of elections for local public offices in territory under the jurisdiction of the Italian Government and you should be guided accordingly.
- (h) The status of Italian Prisoners of War now or hereafter held in Italy other than those captured since the armistice was signed should be terminated by you upon adequate assurance being given by the Italian Government that their services will continue to be made available on terms satisfactory to you as Supreme Allied Commander subject to Combined Chiefs of Staff approval.

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

ECONOMIC SECTION.

-3-

- (a) These quantities of food, fuel, clothing, medical, sanitary and other agreed essential supplies necessary to prevent disease and unrest prejudicial to such operations.
- (b) Those supplies such as fertilizer, raw materials, machinery and equipment, the importation of which will reduce military requirements for the import of essential civilian supplies for the purposes referred to in this paragraph. As the time when combined military responsibility will terminate will NOT be known when requisitions are being prepared and considered, the importation of supplies under this sub-paragraph will NOT be excluded merely because the effect of such imports may NOT be felt during the period of combined military responsibility.
- (c) Those supplies necessary for the restoration of such of the Italian power systems and transportation and communication facilities as will further the military effort against GERMANY and JAPAN.
- To the extent contemplated by this Paragraph 5, essential civilian supplies cannot be divorced from the military supply programme and ITALY must be treated as a whole. It is understood that the date of termination of combined military responsibility for providing supplies as set out above will be decided by the Combined Chiefs of Staff on your recommendation.
6. The Allied Commission shall be advised to assist the Italian Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. These supplies will be in addition to those to be provided as a military responsibility. Such programmes when established by the Italian Government will NOT be subject to screening by Allied Force Headquarters, but will be reviewed and transmitted directly with appropriate comments and recommendations by the Allied Commission to the Combined Civil Affairs Committee, which will transmit the programmes to the Combined Liberated Areas Committee for action by the appropriate civilian agencies of the UNITED STATES and British Governments. The UNITED STATES and British Governments will each make available such shares as may be mutually agreed of the cost of the provision of such of these programmes as may be approved by the Combined Liberated Areas Committee. Procurement covering such programmes should immediately be put in hand without reference to the present shipping position in order that the supplies may be called forward as and when shipping space becomes available. In this connection see Paragraph 8 below.
7. The questions raised by you in Sub-paragraphs A, B and C of Paragraph 4 of MAP 778 are answered as follows:

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

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merely because the effect of such imports may not be felt during the period of combined military responsibility.

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

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

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7. The questions raised by you in Sub-paragraphs 4, B and C of Paragraph 4 of AEF 778 are answered as follows:

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

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

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

(c) The extent of your responsibility with respect to the importation of supplies into Italy is defined in Paragraphs 5 and 6 hereof. Except as is so defined, you have no responsibility for the importation of supplies into Italy.

(d) Within the limitation of available shipping and subject to military considerations as determined by you, the extent to which experts are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. The appropriate civilian agencies of the British and American Governments are currently considering methods by which the Italian Government may be assisted in these respects and as soon as decisions in this connection are reached, you will be advised with respect thereto.

8. Nothing herein contained shall constitute a commitment with respect to shipping. Any supplies to be imported into Italy must be transported within such shipping as may be allocated from time to time.

FINANCIAL SECTION.

9. The two Governments are discussing proposals for giving the Italian Government a greater measure of responsibility in financial matters; a further directive on these matters will follow.

SECRET.

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief Commissioner
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Ref: 4001/EG

19 February 1945.

SUBJECT: New COS Directive on the Allied Commission.

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

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

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

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

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

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

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

(i) I interpret the words "in the territory" to mean "affecting the territory". Certain Italian decrees

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

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

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

(ii) I also interpret this clause, read with 1(A), to vest in SACMED the right, when necessary, to exercise control in any decrees affecting military needs and the requirements of the campaign.

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(a) Para 2(D) The transfer of territory documents (Document "A") will now have to be amended in order to enable the Italian Government to remove officials previously nominated by AMG officials without reference to the Allied Commission. This will be taken up under separate cover. All Service Sub-Commissions desire to retain the right of vetoing military appointments. The technical posts of Directors of Telecommunications and Railroads will be considered as military appointments hitherto.

(c) Para 2(E).

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

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

(iii) It may be thought necessary for the military authorities to assume responsibility for any necessary supervision of public utilities of military importance, e.g., railways, power, highways, through their own officers. This would impose an even more rigid military control than that which the present directive instructs us to remove. 954

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

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

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

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

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(iv) Allied Military Government will continue in NAPLES Commune unless it is your desire that it should be removed. It would, of course, be an advantage to withdraw all officers but I assume that the local military authorities will insist on retention of AMG. AMG Courts in SARI will cease.

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

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

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

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

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

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W. Stone

MILLY W. STONE
 Rear Admiral, USNR
 Chief Commissioner

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(Illegible signature)

ELERY W. STONE
 Rear Admiral, USNR
 Chief Commissioner

Copy to: Acting President.
 The Hon. Mr. Alexander Kirk, US Ambassador.
 Sir Noel Charles, St. James, British Ambassador.
 VP, Economic Section
 VP, Civil Affairs Section.
 VP, Establishment Section.
 VP, Political Section.
 Land Forces Sub-Commission
 Air Forces Sub-Commission
 Navy Sub-Commission
 WAD & IFW Sub-Commission
 Communications Sub-Commission

2nd DRAFT DIRECTIVE.ANNEXURE "A"SECRET.WITHDRAWAL OF ALLIED COMMISSION OFFICERS
FROM ITALIAN GOVERNMENT TERRITORY.

1. Para 2(a) of CCS telegram FAN 487 transmitting the directive on the "New Deal for Italy" directs that:

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

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

- (a) SARDINIA. All Allied officers will be withdrawn with the

exception of the officers and staff of the Mining Division

who will restrict their functions entirely to advice regarding

the output of the Sardinian coalmines. This will involve

the withdrawal of the Regional Commissioner and 10 officers,

and the retention of 2 Mining Division Officers.

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

exceptions:

(i) 2 Finance Officers

(ii) 1 Supply Accountant

(iii) 1 Property Control Officer

(iv) (i), (ii) and (iii) will work under Allied Commission

Liaison Officers who will be appointed:

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

Navy Base with the Italian authorities.

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

Area with the Italian authorities

Until 1st April 1945.

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

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

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

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

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

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

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

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

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

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- (vii) The 4 Export Officers loaned by the Ministry of Food (British) will be attached to the Commerce Sub-Commission and sent to SICILY as the occasion demands. There numbers will be reduced if possible.
- (viii) LAMPEDUSA and PANTELERIA will remain under Allied Military Government. CAO's will report to the AC Liaison Officer at PALERMO.
- (c) SOUTHERN REGION. All officers will be withdrawn with the following exceptions:
- Local.
- (i) ~~Provincial~~ Commissioner and staff for Allied Military Government, NAPLES Commune (See Appendix "A"). This officer will also act as AC Liaison Officer in order to correlate the functions of No. 3 District, FBS and other military authorities with the Italian authorities in the compartimenti of CAMPANIA and CALABRIA.
- (ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCANIA, together with the Province of CANOBBASSO. This Liaison Officer and his staff will work with the Sub-Areas operating in this area and the 15th USAF at FOGLIA. The AC Liaison Officer will have a small staff consisting of:
- (a) 5 Representatives of the Economic Section
(Transportation Sub-Commission) 3 of whom
will work in connection with truck pools and
will be withdrawn when truck pools are handed
over to the Italian Government.
- (a) LAZIO-UMBRIA REGION. All officers will be withdrawn with the exception of the Provincial Staffs of PERUGIA and TERNI who will

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following exceptions:

Local.

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

- (ii) There will also be established an AC Liaison Officer at BARI with the same functions in connection with the compartimenti of APULIA and LUCANIA, together with the Province of CANOBBASSO. This Liaison Officer and his staff will work with the Sub-Areas operating in this area and the 15th USALT at FOGGIA. The AC Liaison Officer will have a small staff consisting of:

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

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

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

-3-

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

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

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

3. The duties of the Allied Commission Liaison Officers retained in Italian Government territory will be to watch over the inter-relation of Allied and Italian interests insofar as the Allied war effort is directly concerned and to assist the Allied military authorities in their relations with the Italian local authorities. They will give advice to the Allied military authorities on any matter pertaining to Italian civil affairs **950** they will no longer be concerned with the assumption of control or advice or guidance to the Italian authorities. They will be careful not to assume functions which are properly those of the military authorities and must retain their purely advisory capacity. (It may well be that functions hitherto carried out by Allied Commission officers such as supervision of railroads, highways **assumed**

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-4-

Allied interests.

4. They will correspond direct with HQ. Allied Commission under whose authority they will work and to whom they will render regular and frequent reports on their day to day work and on the political, administrative and economic situation in the areas which they cover.
5. All withdrawals indicated above and the establishment of AC Liaison Officers will be completed by 1st March 1945.

Appendix "A".

COMPOSITION OF STAFF FOR ALLIED MILITARY
GOVERNMENT, NAPLES COMZONE.

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

Civil Affairs Section.

Legal	3
Public Health	3
Public Safety	4

Economic Section.

Commerce	2
Food	1
Industry	2
Finance	5
PW & Utilities	2
Transportation	5
Communications	

949

(Hemp Control)

DRAFT ONLY.

S E C R E T.

ANNEXURE "B" to 4001/EO
Dated 19 February 1945.

HEADQUARTERS ALLIED COMMISSION

APC 394

Office of the Chief Commissioner

My Dear Mr. Prime Minister:

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

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

3. The Political Section of the Allied Commission is being abolished as of February 1945. Your Ministry of Foreign Affairs will thus ^{no}943 direct counterpart in the Commission. It will deal with the Chief Commissioner on matters of major policy, and on matters of minor policy and routine business it will address itself to the Economic Section or the Civil Affairs section of the Commission, whichever may be appropriate to the subject involved. Matters involving the travel of diplomatic and other public officials will hereafter be dealt with on behalf of the Commission by the Office of my Executive Commissioner.

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

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

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

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

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

947

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

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

Generally represented.

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

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

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

-5-

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

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

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

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

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

12. It is our intention that, in respect of Italian Government territory, ^{94b} the advisory functions of the Education, Monuments & Fine Arts, Local Government, Legal and Labour Sub-Commissions should only be performed when requested by your Government.

13. It is essential that the Italian Government formulate and implement appropriate economic controls and take all other steps possible both in order to ensure that maximum production and effective and equitable distribution and

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

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

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

-4-

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

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

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

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

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

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supplies which fall into Category "I" follows:

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

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

(c) Those materials essential for the rehabilitation of such of the Italian communication facilities, power systems and transportation facilities as will further the military effort against Germany, ⁹⁴³ and Japan.

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

16. In addition to the programme of supplies for which the military assume responsibility for procurement (Category "I.") it will be our intention to assist your Government in the preparation of programmes of supplies designed to rehabilitate Italian industry. Such programmes, which we refer to as Category "B", are to be handled under procedures already notified to you in my letter of

.. It has been agreed that the purchasing of supplies in Category "B" programmes should immediately be undertaken, without reference to the present difficult shipping position in order that the supplies

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

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

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

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

20. Nothing in this letter should be taken as constituting a commitment

made in the case of industries involving the production or repair of munitions or other implements of war, which should be rehabilitated only to the extent required by the Supreme Allied Commander in the discharge of his military mission, and to the extent necessary to further the military effort in other theatres. It is contemplated that the priority order in which Italian industry will be rehabilitated (after the rehabilitation of industries essential for Allied military purposes) will be determined by the Italian Government, with the assistance and advice of the Allied Commission.

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19. The extent to which exports are to be stimulated and the development of machinery to handle export trade are for determination by the Italian Government. For the time being, the Italian export programme will

944

necessarily be limited by certain shipping, military, financial and supply factors which are controlled by the Allied Governments for purposes connected with the prosecution of the war. The applicability of these factors to individual programmes is to be worked out between your Government and our Economic Section, along the lines already discussed by the Economic Section with the Inter-Ministerial Committee for Reconstruction.

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

MILITARY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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

1. Civil Affairs Section.

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

2. Economic Section.

- (a) Commerce Sub-Commission. Export trade; reprocessing of salvaged clothing and footwear; uncovering of availabilities of local resources.
- (b) Industry Sub-Commission. Advice on sugar production; paper production; caustic soda and chlorine; sulphur mining; automobile spare parts; cement and bricks; requisitioning and derequisitioning of factories and industries.
- (c) Public Works & Utilities Sub-Commission. All work on military and secondary highways; reconstruction and maintenance of electric power plants and transmission lines.
- (d) Food Sub-Commission. Port clearance; checking and reporting of ship unloadings; movement of supplies to the interior; prevention of pilferage; procurement and movement of food.

943

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1. Civil Affairs Section.

- (a) Advice on maintenance of law and order: organization of police: stimulation Italian Courts of Law, particularly in dealing with offences against Allied troops.
- (b) Distribution of medical supplies: assistance in organization of civilian hospitals.
- (c) Treatment of civilian epidemics and diseases such as typhus, smallpox, diphtheria, etc., except that a team of officers stationed in NAPLES may be available to deal with typhus or malaria in an advisory capacity.
- (d) Appointment, transfer, promotion or dismissal of Italian officials.
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943

2. Economic Section.

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

1045

~~SECRET~~
CONFIDENTIAL

ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

CA: 55 7678
10 GEN 1945

TBJ/as

G-5: 091.112-2

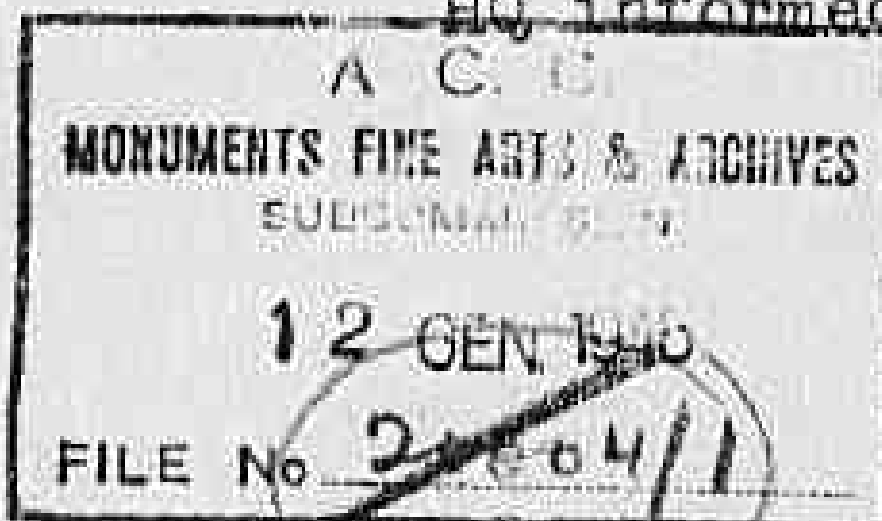
10 January 1945

SUBJECT: Natale Donato.

TO : Headquarters, Allied Commission, APO 394.

1. Attached is a copy of GBI.389.455/5 of 8 January received by this Section from G-2 this HQ pointing out the undesirability, in view of his past history, of the above named being employed in the Royal Park at Caserta.

2. It is requested that the matter be taken up and this HQ informed of the result of the action taken.



For the Acting Asst. Chief of Staff, G-5:

T. B. Jackman
T. B. JACKMAN
Lt. Colonel

Copy to: G-2(CI)

CONFIDENTIAL

20000-5

942

~~SECRET~~

~~SECRET~~
ALLIED FORCE HEADQUARTERS
G-5 Section
APO 512

TBJ/as

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For the Acting Asst. Chief of Staff, G-5:

J.
T. B. JACKMAN
Lt. Colonel

Copy to: G-2(OI)

941

~~SECRET~~

~~CONFIDENTIAL~~

ALLIED FORCE HEADQUARTERS
Office of the Assistant Chief of Staff, G-2
APO 512, U.S. Army

GBI.389.455/5.

8 January 1945

MEMORANDUM TO: Assistant Chief of Staff, G-5,
Allied Force Headquarters.

SUBJECT : NATALE Donato fu Francesco, Ercole.

1. Investigations made regarding employees in the Royal Park, Caserta, show that the above mentioned, who is at present a custodian at San Silvestro, was formerly a Squadrista and took part in the March on Rome.
2. It appears that he received his present job in 1942 from the Soprintendenza ai Monumenti (Naples), having previously held a less important job in the Park for many years, but that he was discharged by that authority in a letter dated 23 November, 1943, file number 2457. Subsequently, however, he was re-instated in his post on the authority of a letter dated 28 September, 1944, copy of which is attached together with translation.
3. It is understood from Major Gardner of the Fine Arts Sub Commission, A.C. that the re-employment of the man was probably irregular and it is therefore requested that the matter be taken up by the Allied Commission with the responsible Ministry with a view to securing his dismissal.
4. Although NATALE is a man of low mentality, it is considered that the re-employment of a former Squadrista in such a position has a bad effect on other employees and in view of the Allied connections with Caserta, is not desirable.

For the Assistant Chief of Staff, G-2:

E. DALY LEWIS,
Major, G.S.,
G-2 (CI) Section

940

~~CONFIDENTIAL~~

COPY

APPENDIX "A"

Regia Soprintendenza ai Monumenti

28 Settembre 44

No. 1757

Al Direttore di Caserta

OGGETTO: Custode NATALE Donato; Revoca
di Provvedimento di sospensione.

Resto in attesa di conoscere la data di riassunzione in
servizio del custode NATALE donato.

In data 28 Settembre 1944, in osservanza delle disposizioni
contenute nella circolare de lo stesso Ministero della Pubblica
Istruzione No. 97 del 26 Settembre 1944 No. 2152, Div. la Direzione
Generale Antichita e Belle Arti, devesi ritenere revocata la sos-
pensione del servizio del medesimo custode Natale.

Di questo revoca e stato informato il Superiore Ministero della
Pubblica Istruzione che decidera circa i provvedimenti da adottare
a suo riguardo.

933

OPYT R A N S L A T I O N

Royal Office for the Supervision of Monuments.

28 September, 1944

No. 1757

SUBJECT: The Custodian NATALE Donato;
Revocation of the Measure of Suspension.

I am waiting to learn the date of resumption of service by the custodian NATALE Donato.

On the 28 September, 1944 in accordance with the provisions contained in the circular of the Ministry of Public Instruction No. 97 of the 26th September, 1944, No. 2152, Dept. of the General Antiquarian and Fine Art Directorate the suspension from service of the above custodian is regarded as revoked.

The Higher Ministry of Public Instruction has been informed about this revocation and will decide on the measures to adopt regarding it.

938

3

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control and Military Government Section.

Ref: 778/8/CA.

SUBJECT: Neutrality - Republic of SAN MARINO.

TO : Distribution Below.

INFORMATION.

1. "The Commander-in-Chief has directed the neutrality of the Republic of SAN MARINO, MGP-Ref: 785545, to be respected and that Allied troops will not violate territory of this republic except where it is definitely established:

- (a) The enemy have first violated the neutrality of this State either by withdrawing through it or by fighting from within its boundaries, or
- (b) The Government and people of SAN MARINO have adopted a hostile attitude.

If it is necessary to enter the territory of SAN MARINO under the provisions of this paragraph, the greatest possible respect will be paid to the inhabitants and property within the State. The decision for armed forces to enter the territory will not be taken by an officer junior to a Divisional Commander".

2. In view of the decision to respect the neutrality of SAN MARINO, Allied Military Government will only be set up if it is necessary for troops to enter the Republic under the provisions of para. 1(a) and (b) but AMG will be responsible in any event for the supply of food and other requirements to the State of SAN MARINO (see paras. 11, 12 and 13 below).

3. An officer from HQ. AMG Eighth Army will enter the Republic of SAN MARINO as soon as the military situation enables him to do so.

A.M.C.L.O. with the Corps operating in the area is to notify HQ. AMG Eighth Army three days before it is anticipated that Allied troops reach the boundaries.

4. The AMG officer will enter the Republic not as a representative of Military Government, but as Liaison Officer. For the purpose of this instruction he will be known as P.L.O. He will be accompanied if possible by a representative from the Political Section, HQ. ACC.

AMG.

5. To ensure that there is a friendly neutral Government in SAN MARINO.

EXECUTION.

6. On arrival in SAN MARINO contact will be made with the representative Government of the State and it is found to be friendly and neutral, the function

Restricted
Newton
Maj AC
20 Jan 86
18th August 1944

INFORMATION.

1. The Commander-in-Chief has directed the neutrality of the Republic of SAN MARINO, Map. Ref: 765545, to be respected and that Allied troops will not violate territory of this republic except where it is definitely established:

- (a) The enemy have first violated the neutrality of this State either by withdrawing through it or by fighting from within its boundaries, or
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ATM.
5.

To ensure that there is a friendly neutral Government in SAN MARINO.

EXECUTION.

6. On arrival in SAN MARINO contact will be made with the representative government of the State and if found to be friendly and neutral, the function of the Political Liaison Officer will be to establish liaison between the Government and the Allied Military Government operating in the area around the Republic.

7. If it has been possible to observe the neutrality of the State but if on arrival the Political Liaison Officer finds the Government to be hostile to Allied interests or under Republican Fascist influence, he will arrange for a neutral Government friendly to Allied interests to be established as quickly as possible.

8. In the event of it being necessary for Allied troops to enter the Republic, a modified Military Government will be established by the Political Liaison Officer for such time as the troops are within the boundaries of the

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Republic, sufficient to ensure that military operations are not hampered in any way. A friendly neutral Government will be established as soon as the troops have passed through the Republic, and the P.L.O. will revert from his status of representative of Military Government to that of Liaison Officer.

9. As soon as a friendly neutral Government is functioning in SAN MARINO the P.L.O. will arrange for an accredited representative of the Republic to be sent to the Provincial Commissioner of FORLÌ Province, and to be located at the latter's discretion at the most convenient place, probably with the Civil Affairs Officer at RIMINI. The function of the SAN MARINO representative will be to make all local arrangements necessary for supplies, refugees, and similar matters of a non-political nature.

10. As soon as the representative of the Republic of SAN MARINO has reported to the Provincial Commissioner, FORLÌ, the P.L.O. will leave the Republic and all future local liaison with AMG will be conducted through the representative of the Republic and the Provincial Commissioner.

RESPONSIBILITY FOR SUPPLIES, ETC.

11. For so long as the Province of FORLÌ remains within Eighth Army area it will be the responsibility of AMG Eighth Army to ensure that supplies, medical stores, etc., are furnished to the Republic. This responsibility will pass to Region IX when the Province of FORLÌ reverts to under administration Region IX.

FINANCE.

12. Detailed instructions regarding the accounting and payment for supplies, medical stores, etc., furnished to the Republic of San Marino will later be issued by the Chief Accountant, Finance Sub-Commission. It is anticipated that such supplies will be charged to the Italian Government and acknowledged as received by SAN MARINO from ACC. This is in line with arrangements made for supplying the Vatican. A later financial settlement will be made in both cases.

13. As the currency circulation of SAN MARINO consist of Italian State notes (small denominations) and Banca d'Italia notes (large denominations), the local bank, The Cassa de Risparmio della Repubblica di S. Marino, should be directed to draw any additional currency needed from the Banca d'Italia branch at URBINO.

REFUGEES.

14. It will be the responsibility of AMG Eighth Army to deal with any problems of Refugees or Displaced Persons in the Republic in accordance with the General policy for such persons laid down by ACC.

15. Except for the above, other requirements of the Republic of SAN MARINO will be handled through ACC Political Section.

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Region IX (2)
G-5 AFHQ.

Brigadier,
Executive Commissioner.

local arrangements necessary for supplies, refugees, and similar matters of a non-political nature.

10. As soon as the representative of the Republic of SAN MARINO has reported to the Provincial Commissioner, FORLI, the P.L.O. will leave the Republic and all future local liaison with AMG will be conducted through the representative of the Republic and the Provincial Commissioner.

RESPONSIBILITY FOR SUPPLIES, ETC.

11. For so long as the Province of FORLI remains within Eighth Army area it will be the responsibility of AMG Eighth Army to ensure that supplies, medical stores, etc., are furnished to the Republic. This responsibility will pass to Region IX when the Province of FORLI reverts to under administration Region IX.

FINANCE.

12. Detailed instructions regarding the accounting and payment for supplies, medical stores, etc., furnished to the Republic of San Marino will later be issued by the Chief Accountant, Finance Sub-Commission. It is anticipated that such supplies will be charged to the Italian Government and acknowledged as received by SAN MARINO from ACC. This is in line with arrangements made for supplying the Vatican. A later financial settlement will be made in both cases.

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Political Sec (4)
British Resident Minister, ATHQ.
US Political Adviser, ATHQ.
Group I, List "C", less 33-41.

M. P. L. L.
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Executive Commissioner

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