ITALY

CONCERN OF THE UNITED STATES FOR THE SAFEGUARDING OF THE TERRITORIAL INTEGRITY AND INTERNAL SECURITY OF ITALY

Executive Secretariat Files

Report by the National Security Council

TOP SECRET

[WASHINGTON,] November 14, 1947.
NSC 1/1

THE POSITION OF THE UNITED STATES WITH RESPECT TO ITALY

THE PROBLEM

1. To assess and appraise the position of the United States with respect to Italy, taking into consideration the security interests of the United States in the Mediterranean and Near East areas.

ANALYSIS

[Here follow five paragraphs similar in substance to the sections entitled “Facts Bearing on the Problem” and “Discussion” in the memorandum by the Policy Planning Staff, Department of State, September 24, 1947, printed in Foreign Relations, 1947, volume III, pp. 976–981.]

CONCLUSIONS

7. The United States has security interests of primary importance in Italy and the measures to implement our current policies to safeguard those interests should be strengthened without delay.

8. The United States should:

a. Give full support to the present Italian Government and to equally satisfactory successive governments by means of measures such as the following:

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1 For previous documentation on related matters, see Foreign Relations, 1947, vol. III, pp. 861 ff.

2 A transmittal note by Sidney W. Souers, Executive Secretary of the National Security Council, to the members of the Council (the President; the Secretaries of State, Defense, the Army, the Navy, and the Air Force; and the Chairman of the National Security Resources Board) indicated that the report would be submitted to the President by the Secretary of State, with a notation that the section entitled “Conclusions” constituted an expression of the Council’s advice to the President.
(1) Shipment of wheat and other essential commodities under the pending interim program of aid to Europe, in order to maintain the current bread ration.

(2) Additional dollar credits.

(3) Further assistance to the Italian armed forces in the form of technical advice to increase their capacity to deal with threats to Italian internal security and territorial integrity.

(4) Gift to the Italian Government of the sunken ships off the Italian coast, now under control of the US Maritime Commission, in order to furnish a valuable supply of scrap material.

(5) Directive to Foreign Liquidation Commission to transfer, “in the national interests”, to the Italian armed forces under the Taff-del Vecchio agreement certain non-combat equipment essential to the proper function of the Italian armed forces.

b. Extend economic aid to Italy by means of favorable US foreign trade policies.

c. Press for the relaxation of unduly onerous terms in the Italian Peace Treaty, and meanwhile interpret these terms liberally.

d. Continue to support acceptance of Italy as a member of UN.

e. Actively combat Communist propaganda in Italy by an effective US information program and by all other practicable means. . .

f. Vigorously seek through diplomatic channels to bring about a more favorable attitude toward Italy on the part of the British and French Governments and to enlist their active support of our aims.

g. Draw any violations of the Peace Treaty to the immediate attention of the UN, and support Italy before the UN in the event that Yugoslavia attempts to seize Italian border territory.

h. Urgently adopt and effectively implement a long-range program for the rehabilitation of Europe.

9. The Italian situation should be discussed during the planned conversations with the British, in order to keep them informed of our policies and to seek their support of our plans.

10. In the event that the situation in Italy develops in such a way that it becomes impossible for the Italian Government to carry out terms of the Italian Peace Treaty, the United States should take the position that a treaty is a contract binding upon all parties thereto, and that unless all parties are in a position to carry out the contract the treaty ceases to be binding upon any of the signatories. The United States then should announce that it must reconsider its position with respect to the terms of the Italian Peace Treaty in the light of the new situation.

11. The United States should not use US armed force in a civil conflict of an internal nature in Italy.

12. In the event that a Communist-dominated Government is set up in all or part of Italy by civil war or illegal means, the United States should continue to recognize the legal government and actively assist it. Such Communist aggression in Italy should immediately be
countered by steps to extend the strategic disposition of United States armed forces in Italy and other parts of the Mediterranean area. A specific plan should include the following measures:

a. The Italian Government should inform the Ambassadors of the US, UK, France and the USSR in Rome (with the request that they notify the other signatories of the Italian Peace Treaty) that it is no longer able to maintain effective authority throughout Italy and that it consequently cannot accept responsibility for the execution of the terms of the Peace Treaty.

b. The United States should immediately and publicly express concern over the fact that disorder has broken out in Italy so soon after the entry into effect of the Peace Treaty and should notify the Italian Government and the UN that, in the light of the new situation, the United States must reconsider its position with respect to the terms of the Treaty.

c. The Italian Government should inform the US Government that in view of its inability to carry out the terms of the Peace Treaty it will take action within the limits of its ability to cooperate with the US under the changed situation. The US should then inform the Italian Government that it will require additional military facilities for the time being. Upon agreement with the Italian Government, the US should utilize selected naval and air bases in Italy. In order to accomplish preparations for such use of Italian air bases, steps should be taken at an appropriate time to have the Italian Government make available such facilities to the US for training flights of US air units.

d. The United States should announce the suspension of aid to Communist-dominated areas of Italy under the US relief program, at the same time making it clear that this aid will be continued for areas under the jurisdiction of the Italian Government.

e. If Communists seize control of all or part of Italy prior to December 15, 1947, the US should suspend withdrawal of its troops from Italy pending a consideration of the status of the Peace Treaty and of the US military situation at that time.

13. In the event that the elections in March 1948 should result in the establishment of a Communist Government in Italy, reconsideration of US policy with respect to Italy would be necessary. With that end in view, the present report should be revised not less than 45 days before the elections in the light of the political situation existing at that time.8

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8A memorandum of November 14 by Sidney W. Somers, executive secretary of the National Security Council, not printed, transmitted the report to the Secretary of State with the notation that the section entitled "Conclusions," (i.e., paragraphs 7-13), constituted an expression of the Council's advise to the President. The memorandum bears the handwritten notation: "ack'd—Report fwd to President 11/18/47 SE Walter C. Dowling] SMW". (865.00/11-1447)

A memorandum for the executive secretary of the National Security Council, drafted November 18, signed November 20 by Under Secretary of State Lovett, not printed, reads: "I have today submitted to the President for his approval the Report by the National Security Council on 'The Position of the United States with Respect to Italy'. (NSC/1/1)." (865.00/11-1447)

NSC 1/1 was approved by the President on November 24.
Memorandum by the Acting Director of the Office of European Affairs (Reber) to the Acting Secretary of State

TOP SECRET

[WASHINGTON,] November 28, 1947.

Subject: Present Italian Situation; Implementation of NSC 1/1

"The Position of the United States with Respect to Italy." ¹

Discussion

1. Preparation of the National Security Council’s report on Italy (NSC 1/1) was undertaken at the initiative of the State Department because of a possibility that the Communists might attempt to seize power in that country by extra-legal means in advance of the March elections. During preparation of the report the Italian Communist Party was defeated in its move to overthrow the present Italian Government by parliamentary means. Subsequently, they have turned to more direct measures and are now engaged in an attempt to undermine the Government by agitation, strikes and violence.

2. During the past three weeks the Communists have instigated intermittent work stoppages and disorders throughout all of Italy. Communist-led strikers have raided and wrecked rightist party headquarters and newspaper plants. In a number of instances they have laid siege to prefectures and police stations and have attacked prisons, seeking to release comrades arrested during the disorders. In other incidents political opponents of the Communists have been beaten or assassinated. Altogether some 21 persons have been killed in the past three weeks, with several hundred wounded. After several days of relative quiet, renewed incidents were reported this week, culminating in Communist-Socialist seizure of the Milan prefecture during a general strike in that city on November 28.

The present/Communist move may be designed primarily to “soften up” the situation in preparation for a real test at a later date, immediately prior to or during the electoral period in March. In fact, if the Communists could obtain participation in the government at this time, there seems no doubt that they would be content for the moment. It appears most unlikely that they can achieve this participation, however, and there are some indications that the present move is in fact the first, or preparatory, stage of an all-out effort to seize power by any possible means. Embassy Paris reports in its 4951 of November 18 ² a very reliable informant as saying it has now been decided in Moscow that the main efforts of the Cominform will be directed against Italy. The present situation is characterized as the “pre-revolutionary

¹ Supra.
² Not printed.
stage”, and the Communists are said to believe that with a mixture of legal and illegal action they can come into power within the next two or three months. Frankfort’s 448, November 19,a gives details of an alleged Communist plan for the seizure of Northern Italy, the general scheme of which has been reported from other sources, according to which Communist military action is to be undertaken the latter part of November. Rome’s 3723, November 18, regarding the work of the Four Power Naval Commission, reflects the care which the Soviet representative seems to be taking to prevent unfavorable publicity in Italy for the Soviet Union at this time as well as a seemingly high degree of confidence on his part in eventual Communist control of Italy. A CIA interview on November 17 with the Chief of the Italian Public Security Police shows that the Italian Government itself anticipates serious developments in the near future. The Chief of Police is said to be confident that the internal security situation can be controlled if no direct aid is forthcoming from the Yugoslavs; it is his opinion, however, that the Communists will attempt to seize and cut off North Italy to prevent the Government sending reinforcements until such time as direct aid has been received from Yugoslavia.

The De Gasperi Government has shown both patience and firmness in handling the recent series of disorders, and has obviously increased its support both in the Constituent Assembly and among the Italian people. In apparent acknowledgment of this development, the Communists have been attempting through intimidation to reach an understanding with the rightist parties in order to isolate De Gasperi and bring about the formation of a weaker government headed by an “independent” (Rome’s 3738, November 20 b). The alternative, the Communists have said, is continued disturbances “with no assurance as to ultimate eventualities”.

3. In addition to the proposals for action by the US in the event of a Communist seizure of power in Italy, recommendations in NSC 1/1 include measures designed to support the present Italian Government during the critical period of the next few months. If the present Communist move is intended merely to “soften up” the situation, it is believed that these measures, together with the interim aid now before Congress, will give the necessary support to the Italian Government provided they are promptly and effectively implemented.

If, on the other hand, the present move is an all-out effort to over-

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*a* Not printed.
throw the Italian Government, it seems doubtful that these or any other measures which the US could or would take are of sufficient scope or could be put into effect in sufficient time to improve the situation. The contemplated assistance would not, however, be lost in that event as it would be essential for the continued survival of the Italian Government. It must be concluded, therefore, that we should use all available means to support the present Italian Government and at the same time be prepared to move at once should the Communist bid for power succeed in spite of our efforts.

**Recommendations**

Since NSC 1/1 has now been approved by the President, it is recommended that the measures set forth therein be immediately communicated to all interested departments and agencies of this Government with the request that every effort be made to implement them without delay.

It is further recommended that the Departments of the Army, Navy and Air Force be advised that in our opinion developments in the Italian situation may shortly require implementation of the measures envisaged in paragraph 12 of NSC 1/1, and that it would therefore be prudent to plan accordingly. (Draft letter to the Secretary of National Defense, attached for signature.⁴)

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*The letter, not printed, went forward on December 1. It referred to paragraph 12 of NSC 1/1 and suggested that: “It would, therefore, be prudent that the appropriate plans be made at an early date.” (865.00/12-147)*

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740.00119 Control (Italy)/11-2847

*The Acting Secretary of State to the Secretary of the Army (Royall)*

**TOP SECRET**

**WASHINGTON, November 28, 1947.**

**MY DEAR MR. SECRETARY:** As you know, the President has today approved the request of Premier De Gasperi of Italy for a delay in the departure of United States forces in Italy until December 14.¹ Accordingly, it would be appreciated if appropriate instructions could be sent by the Department of the Army to the Commanding General, United States Forces, Italy.²

Sincerely yours,

ROBERT A. LOVETT

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¹ No record of this request has been found.

² The Acting Secretary’s teletype 2473, November 28 to Ambassador Dunn, not printed, refers to “your message to the Secretary concerning De Gasperi’s request” and informed the Ambassador that the Army was issuing appropriate instructions in compliance with the request (811.2365/11-2847).
The Acting Secretary of State to the Embassy in Italy

TOP SECRET  WASHINGTON, November 29, 1947—2 p. m.
US URGENT NIAC'T

2482. For the Ambassador. Decision set forth Deptl 2473 Nov 28 1 taken on basis National Security Council recommendations approved by President 2 for support Ital Govt during next few crucial months, copy of which being sent you by courier. Upon receipt please cable your comments or suggestions soonest.

In informing De Gasperi above decision, you shd say this action may possibly result in few days' delay troop withdrawal beyond treaty date, owning logistic difficulties, and we expect therefore Ital Govt will accept this notification as justification thereof if delay materializes.

You shd add that while we have been glad comply with De Gasperi's request in this instance, we are wondering what contingencies he envisages after Dec 15 (ref Willems msg from London 3) and what Ital Govt's plans may be for coping with situation.

LOVETT

1 See footnote 2, p. 729.
2 See p. 724, and footnote 3.
3 The message from London from Col. John M. Willems, Military Attaché of the Embassy in Italy, has not been identified.

The Acting Secretary of State to the Embassy in Italy

RESTRICTED  WASHINGTON, December 1, 1947—6 p. m.

2492. 1. Reurtel 3783 Nov 24. 1 Dept tentative interim aid program discussed with Cottam 2 and made available to Campilli and Ital Embassy here. Congressional developments emphasize highly tentative and conditional character all following data.

2. Present tentative limitation off-shore purchases would not prevent financing essential supplies mentioned reftel.

3. State Dept proposal submitted Nov 26 Congressional Appropriations Committees includes following commodities to be financed under Interim Aid Program covering shipments 1 Jan–30 Apr 48 in total value 211 mil dols. 16 mil reduction from previous 227 mil dols contained Rap 239 Nov 13 chiefly due reduced fats and oils requirement and lumber unavailability.

1 Not printed.
2 Howard Rex Cottam, first secretary in the Embassy at Rome since September 6. Prior to that appointment he had served there as agricultural attaché since April 1946.
a. US Grains 706 to 898 thous tons or 99 to 126 mil dols. Lower figure represents amount which Agri states likely available for shipment during period Jan thru Apr.

b. Possible foodstuffs to partially replace shortfall grains needed maintenance rations to extent not fully met from US, follows in thous tons: Dried eggs 3.6; Mexico pulses 40; soya flour 8; sugar 28; canned fish 10; Mexico canned meat 4. Cost such substitute foodstuffs not to exceed cost grain shortfall.

c. US pulses 18 thous tons or 5 mil dols.
d. US milk products 6 thous tons or 2 mil dols.
e. Surplus dried fruits 11 thous tons or 2 mil dols.
f. US coal 1870 thous tons; Ruhr coal 500 thous tons; total value 46 mil dols.
g. POL 10 mil dols.
h. Phosphate rock 400 thous tons or 5.6 mil dols.
i. Blister copper 15 thous tons or 8.3 mil dols.
j. Chile nitrates 42 thous tons or 2.7 mil dols.
k. Miscellaneous agri supplies one mil dols.
l. Medical supplies 2 mil dols including 280 billion units penicillin, 240 thous grams streptomycin and 320 thous gallons DDT.

4. Other dollar payments to be covered by Italy from its own dollar resources. List of such payments and resources during period Dec 1 thru Mar estimated as follows (all figures in mil dols):

A. Dollar Payments

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>25.0</td>
</tr>
<tr>
<td>Coal</td>
<td>13.0</td>
</tr>
<tr>
<td>Petroleum Supplies</td>
<td>15.0</td>
</tr>
<tr>
<td>Cotton and other textile fibers</td>
<td>15.0</td>
</tr>
<tr>
<td>Raw materials for chemical industry</td>
<td>10.2</td>
</tr>
<tr>
<td>Rubber and carbon black</td>
<td>5.1</td>
</tr>
<tr>
<td>Industrial fats and oils</td>
<td>1.3</td>
</tr>
<tr>
<td>Hides and Leather</td>
<td>4.0</td>
</tr>
<tr>
<td>Ferrous Metals</td>
<td>11.0</td>
</tr>
<tr>
<td>Non-Ferrous Metals</td>
<td>9.4</td>
</tr>
<tr>
<td>Minerals</td>
<td>1.0</td>
</tr>
<tr>
<td>Lumber</td>
<td>4.4</td>
</tr>
<tr>
<td>Other Industrial Materials</td>
<td>18.6</td>
</tr>
<tr>
<td>Other Foodstuffs</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Total Commodity Requirements 137.0
Invisible Items on Current Account 22.0
Total payments 159.0

B. Available Dollar Resources

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports of goods and services</td>
<td>77.0</td>
</tr>
<tr>
<td>Export-Import Bank Loans</td>
<td>53.0</td>
</tr>
<tr>
<td>Liquidation of blocked assets in US</td>
<td>10.0</td>
</tr>
<tr>
<td>Treasury Suspense Account</td>
<td>2.0</td>
</tr>
<tr>
<td>P.O.W.'s Trust Fund Account</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Total receipts 159.0
5. Dept fully appreciates need for intelligent orderly planning Ital Govt but wishes to emphasize highly tentative and conditional character preliminary program outlined under para 3 above.

6. Present plan involves early approval of target program of shipments thru Feb which we are preparing to discuss with Ital Tech Del within next few days.

LOVETT

811.2365/12-347

The Secretary of the Air Force (Symington) to the Secretary of State

TOP SECRET

WASHINGTON, 3 December 1947.

DEAR MR. SECRETARY: Pursuant to request from War Department, the State Department has been negotiating with the Italian Government during the past several months for military transit and landing rights in that country which will permit continuance of necessary military air operations in support of our occupation forces and other foreign commitments. It has been brought to our attention that considerable difficulty is being encountered in securing a workable agreement. It is felt in this connection that a clarification of Air Force minimum requirements and the reasons therefore might be useful to those responsible for the negotiations.

The Air Transport Command is charged with providing air lift to and between the zones of occupation. It is anticipated that scheduled service linking the two zones (Germany and Japan) of occupation will be reestablished in the near future. Experience has proved that such service is necessary for administrative reasons. In addition the Air Force is committed to the maintenance and operation of Dhahran Air Base until April 1949, and this base must be supported almost entirely by air. In addition the Air Transport Command has been directed to furnish air transportation necessary to the Greece and Turkey aid missions. For the safe and efficient operation of these services, the aircraft must continue to be routed through Rome, or a suitable alternate.

As you know, the United States Government is committed for an

1 In despatch 1922, November 24, 1947, from Rome, not printed, Ambassador Dunn forwarded copies of Notes Verbales exchanged between the Embassy and the Italian Foreign Ministry between September 13 and November 20 indicating procedures to be followed by U.S. military personnel from Germany, Austria, and the Free Territory of Trieste proceeding on leave to Italy. The Foreign Ministry hoped to propose a simplified procedure by December 15. (811.2365/11-2447)
indefinite period to the maintenance of a military force in Trieste. Not
only must air lift be provided these troops by theater aircraft, but
in view of the delicacy of the political situation in that area, pro-
vision must be made for any further support that might be required
in the event of an emergency. The use of Udine or a suitable alternate
without prior clearance is essential.

To support our occupation forces in Germany and Austria and to
insure the maintenance of order, it is necessary that we furnish combat
aircraft on a replacement or rotation basis. At the present time the
theater requirements for VHB aircraft are met by training flights,
thus eliminating costly maintenance depots overseas and increasing
the proficiency of the crews. To carry out these functions, it may be
necessary from time to time for these aircraft to overfly Italy and to
make use of the VHB base at Foggia or a suitable alternate. In this
connection reference is made to NSC 1/1, paragraph 12c dated Novem-
ber 14, 1947.

The number of landings per month cannot be accurately predicted
in view of the changing situation and unforeseeable requirements
which may result from the European aid program presently under con-
sideration by Congress. However, scheduled landings presently aver-
age approximately fifty per month.

The Department of the Air Force would concur in conclusion of an
agreement in principle for reciprocal overflight and landing privi-
eges. It is felt that such an arrangement would protect the Italian
Government from the embarrassment of similar requests from other
powers. It would be necessary, however, that this agreement be supple-
mented by an accord between appropriate United States and Italian
military authorities which would provide for standard requirements,
previously informally communicated to the State Department, and
other technical aspects of the operations.

In view of the imminence of military withdrawal from Italy in ac-
cordance with the terms of the peace treaty, it is requested that the
State Department continue the negotiations now in progress as a mat-
ter of urgency. When advised by the State Department that an agree-
ment in principle has been concluded, instructions will be issued by
the Department of the Air Force to its representative for negotiation
of the supplemental accord under supervision of the Ambassador.

A copy of this letter has been furnished the Secretary of the Navy.

Sincerely yours,

For the Secretary of the Air Force:

C. V. WHITNEY
TOP SECRET

[WASHINGTON,] December 5, 1947.

Subject: Suggestion of Embassy at Rome To Transfer U.S. Troops from Italy to Libya

NEA is concerned about the suggestion made in Rome's Top Secret telegram no. 3891 of December 2, 1947. It is our feeling that the implications of the proposal to transfer American troops to Libya are so grave that the proposal should not be supported. While it is appreciated that the object of the proposal is to have American troops readily available at nearly bases in the event of insurrection in Italy, it is felt that the obstacles to basing American troops in Libya are well-nigh insurmountable.

One of the most important deterrents is the present hostile attitude of the Arabs towards the United States. The current inflammatory situation with respect to Palestine renders any American action which would be interpreted as being anti-Arab or imperialist as being highly undesirable politically. The sudden appearance of United States military forces in Libya, with its predominantly Arab population, would probably be regarded with such hostility by the Arab world that serious consequences might ensue.

Even if such action were politically desirable it would be difficult, if not impossible, to reconcile with the provisions of the Treaty of Peace with Italy the proposal that United States troops share the administration of this former Italian Colony with the British. Paragraph 2 of Article 23 of the Peace Treaty provides that “pending their final disposal, the said possessions shall continue under their present administration.” Regardless of whether the British Military Administration of Libya would agree to the stationing of American troops in the area, it seems clear, therefore, that the agreement of the other signatories to the Peace Treaty would be required in order to allow United States forces to participate in the present administration of Libya.

An additional deterrent to the proposed transfer is the fact that the Commission despatched by the Deputies of the Council of Foreign Ministers is now investigating the former Italian Colonies. The presence of American troops in Libya would almost certainly be used by

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1 Not printed: in it Dunn suggested that U.S. troops be stationed in Libya where they could share with the British in the administration of the Italian colonies until a solution for the disposal of the colonies could be found, and where they would be nearby in case of insurrection in Italy (811.3891/12-247).
the local Arab population as grounds for alleging to the Commission that the United States had designs on their territory. Furthermore, their presence in Libya might well give rise to charges throughout the Arab world that they were being stationed there for eventual use in connection with the implementation of the partition of Palestine. In any event, the situation would be exploited with considerable effect by the Soviets to provide ammunition for another propaganda campaign against so-called American imperialism.

The Council of Foreign Ministers will attempt to determine the final disposal of the former Italian Colonies next summer. If the CFM cannot agree on a solution, the matter will be referred to the General Assembly of the United Nations after September 15, 1948, for a recommendation which the Four Powers have pledged themselves in advance to put into effect. The presence of United States military forces in Libya would seriously jeopardize the success of any proposals we might present to the CFM or to the General Assembly on the future status of those former Italian possessions.

For the foregoing reasons, NEA feels that it would be inadvisable to transfer United States troops to Libya.

J [OSEPH] C [HARLES] S [ATTERTHWAITE]

865.24/10-947 : Telegram

The Acting Secretary of State to the Embassy in Italy

SECRET

WASHINGTON, December 5, 1947—6 p. m.

2541. Reurnel 3159 Oct. 9. Non-combat surplus property transferred Ital Army; pursuant Deptel 2842 Nov 29 this material will be transferred Ital Govt under terms Taff-Del Vecchio Agreement without additional charge Ital Govt. OFlC will instruct representative negotiate amendment Taff-Del Vecchio Agreement to provide transfer this material not included original agreement.1

Transfer this additional material is contribution further US assistance Ital Govt in equipping Ital armed forces. You shd point this out FonOff and reiterate view material not covered original terms Taff-Del Vecchio Agreement. Dept considers shd be no publicity transfer or amendment Agreement.

LOVEIT

1 In a memorandum of December 2, not printed, General Connolly, the Foreign Liquidation Commissioner, was notified that President Truman approved the proposal that “U.S. Army surplus materials of non-combat nature of an approximate value of $20,000,000 currently the subject of negotiation with the Italian Government be transferred to Italy under the Taff-Del Vecchio Agreement without additional cost to the Italian Government.”

The action constituted implementation of the report of the National Security Council. (865.24/12-247)
811.2365/12-547: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

ROME, December 5, 1947—11 a. m.

3918. As a result of publication in Italian press of report by United Press that United States Government was considering favorably the sending of a military mission to Italy provided Italian Government made a request therefor, I received a message from Prime Minister, Mr. De Gasperi says that in present state of affairs here it would not be possible for the Italian Government to make a formal demand for military mission. In his opinion this would give to the enemies of the present government grounds for stating that they were alone the defenders of the independence of the country and of the dignity of its armed forces. Furthermore, the sending of a military mission here would be offset by fact that the neighbors in the East would increase their clandestine penetration. Mr. De Gasperi believes that the Italian forces well directed are sufficient to overcome the difficulties that come from within the country. He feels, however, that it is urgent that these forces should receive a strengthening of their arms and equipment. In this connection he is taking steps to have detailed information with regard to the state of armed forces conveyed to me.

On subject of departure of American forces from Italy about December 15, Mr. De Gasperi raises question as to whether the Russian forces are being withdrawn in accordance with corresponding treaties (probably referring to Bulgaria) and whether this would have any effect upon the withdrawal of American troops from Italy. He goes on to say that in any event the United States has a possibility of strengthening its troop contingent in Austria in order to fend off an attack which might be made from the East against Italy and that in addition to maintain a naval squadron in the Mediterranean we might also maintain a reserve of troops in some position in the Mediterranean from which, in case of need, they might quickly be sent into the peninsula. He emphasized above all the importance of strengthening the forces in Austria.

Mr. De Gasperi has been kept in bed for last few days by a sharp attack of rheumatism, but in the meantime has been maintaining communication with me through his confidential private secretary. In addition to having conversation with the military representative this afternoon I expect to see Prime Minister himself within a few days. He has told me that he wishes to speak to me about an idea that he has of the United States making a statement recalling the treaty of peace with Italy and the Charter of the United Nations and reminding the

1 Paolo Canali.
public of the proper right and duty of intervening whenever the territorial integrity of Italy might be in danger or the democratic antitotalitarian form of government of the country might be threatened. He is giving further thought to this possible suggestion and wishes to talk to me more precisely about it as soon as he is able to see me.

Because of the political atmosphere here Mr. De Gasperi asks not to have his name mentioned in connection with any of above subjects.

DUNN

800-48 FRP/12-647; Telegram

The Acting Secretary of State to the Embassy in Italy

SECRET

WASHINGTON, December 6, 1947—11 a. m.

US URGENT

2556. For the Ambassador. As you know, we have been concerned for some time over Ital cereals supply situation. On basis present US availabilities and assumption Argentine shipments will not be increased any appreciable extent, cut in Ital bread and pasta ration appears inevitable; question for debate is when and how much reduction must be made.

While it is anticipated substitute foods will be provided to extent possible under pending interim aid legislation (Deptel 2492 Dec 1) political implications bread ration cut are appreciated, and we feel question shd be discussed with De Gasperi in order minimize repercussions and avoid if possible furnishing issue of high propaganda and political value for extreme left campaign against Ital Govt.

In this connection, it would seem important that before ration is cut, Ital Govt shd have made endeavor to obtain wheat from USSR. In our opinion, it would be preferable for Ital Govt to inquire in Moscow whether 500,000 tons wheat (approximately amount needed beyond present availabilities to maintain ration through June) could be obtained from Sov Union and if so upon what terms. This approach shd be announced by Ital Govt immediately, and could then be followed up by US inquiry at Moscow, in which it could be pointed out US is supplying large part Ital cereal requirements without payment ¹ and hope expressed Sov Govt might do likewise. US approach would also be given appropriate publicity.

It seems most likely Sov Govt would offer Ital small amt wheat on terms similar those offered France. In this case it would be readily

¹ Statistics of the aid provided to Italy in the period October 1—December 31, 1947, under Public Law 84 (see Foreign Relations, 1947, vol. iii, footnote 1, p. 874) are to be found in President Truman's Second Report to Congress on the United States Foreign Relief Program, for the quarter ended December 31, 1947, Department of State Publication 3101 (Washington, Government Printing Office, 1948).
apparent Ital people that quantity supplied out of large Soviet surplus of grain is inadequate for maintenance Ital ration.

On other hand, it is conceivable Sov Govt might offer requested quantity or sizeable quantity on terms similar those incorporated in US post-UNRRA relief act and pending interim aid program, i.e. observation and publicity. We shd not dislike offer this nature, as it would demonstrate inconsistency present Soviet attitude towards US assistance generally, and make it difficult for Soviet propaganda to continue insist upon "imperialist? aims of US assistance if Soviet aid offered on same terms.

Moreover, while Soviet attitude might arouse gratitude on part Ital people, it seems to us it would reflect even greater credit upon US assistance, given over longer period and in greater volume.

Finally, it might be that Sov Govt would reject Ital request on political and other grounds. In this event, onus of difficult Ital cereals situation would rest squarely upon USSR.

In your discretion, you may discuss this matter with De Gasperi (prior discussions other Ital officials might appear inappropriate in view gravity of political aspects) and inform him Dept desires his views re above suggestion. Dept also desires your comments in light present Ital conditions.

LOVETT

865.20/12-747: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

US URGENT

ROME, December 7, 1947—4 p. m.

3957. The military representative sent me by De Gasperi to acquaint me in detail with situation of Italian armed forces including Carabinieri and police has after a secret study prepared a list of matériel needed to meet the possibility of an organized Communist attempt to take over the government by force. This list has been transmitted to Secretary of Defense by our Military Attaché in message MAR 345.1

In connection with my estimate of the situation here, reported in my 3851, November 28 (repeated London as 273 and Paris 463 2) and the Prime Minister’s concern that the Italian forces responsible for internal order should receive a strengthening of arms and equipment, reported in my 3918, December 5, 11 a. m. (repeated London as 281) the military estimate presented me by the Prime Minister’s representative is as follows:

1 December 7, 1947, not printed.
2 Not printed.
The Communists have been steadily losing ground politically throughout Italy and if free elections were to be held under present circumstances or those foreseeable by March it will result in their defeat at the polls. It is the belief of the Italian intelligence services that as a result of this trend the Communists have abandoned hope of a legitimate electoral victory and are now preparing for action by force. The series of strategically planned strikes and civil disturbances which they have already carried out and are expected to continue are the preliminary skirmishes leading to an attempt to overthrow the government. Any Communist coup d’etat must take place prior to and not after the election. If Communists do not succeed in the postponement of the March elections the attempt at general revolt will probably occur any time between now and March. It was military opinion however, that the revolt would not be attempted prior to the end of December in order that the workers may collect their thirteenth month pay, i.e. their Christmas bonus. Steps have already been taken to rearrange the Italian Army groups and Carabinieri into as favorable geographical position as possible to cope with an armed uprising organized throughout Italy. There is, however, grave doubt on the part of the experts who have studied the situation whether present military and police equipment is adequate even if there is a determined stand on the part of the government to put down force by force. According to their studies which do not envisage open armed intervention from the east it is necessary to bring the armed forces and Carabinieri fully up to the treaty limits, as well as to make naval preparations to protect the Adriatic coast from clandestine attempts at landing arms and Communist partisans from Yugoslavia. There does not exist, according to this survey, adequate military equipment in Italy to meet the last two objectives or to provide a marginal reserve for emergency, and the list of arms presented to us indicates what they consider essential to maintain order in the event of any organized revolt.

Above military estimate appears to confirm my own concern over Italian police and army reported in my 3851. I urge that an extraordinary effort be made on our part to supply as soon as possible the military equipment which has been so urgently requested by the government in this emergency. May I also again submit for the Department’s consideration the proposal contained in my 3891, December 2, that US troops be transferred to Libya.³

It is important to the situation here that the foregoing be handled in strict secrecy as requested by the Prime Minister.

Repeated to London for the Secretary.

Dunn

³ See footnote 1, p. 734.
The Acting Secretary of State to the Embassy in Italy

TOP SECRET  

WASHINGTON, December 9, 1947—6 p. m.

US URGENT

2571. For the Ambassador. In light of info contained ur 3918 Dec 5 and 3957 Dec 7, we have agreed Dept of Army shd order withdrawal US forces Italy on Dec 14. Possibility of strengthening US forces Austria not now practicable, and transfer US forces to Libya (ur 3891 Dec 2) considered inadvisable on military premises and because of general tension East Mediterranean re Palestine.

In connection with ceremonies upon departure US forces, Navy is ordering units Med fleet now at Naples to Genoa (ur 3958 Dec 7) for courtesy call, and Air Force is arranging flight of B29s from Germany over Italy, including possible landing at Amendola, as evidence of continued US strength in vicinity. Consideration being given possibility of statement along lines penultimate para ur 3918. Question of equipment listed MAR 345 ^1 from MA also under urgent study, and decision expected shortly.

LOVETT

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^1 Not printed.

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET  

ROME, December 9, 1947—8 p. m.

URGENT

3972. I fully agree that political implications bread ration cut should be discussed with De Gasperi prior to any action in that regard. Before taking this matter up with him as instructed in Deptel 2556, December 7 [6], I would like to have opportunity to study figures in Deptel 2492, December 1 which was delayed in transmission and has just come to me. It may be that Italian Govt might be able to make some readjustments in distribution of different kinds of foodstuffs in various parts of country by sending available cereals to points where most needed in manner which would possibly avoid actual announced cut in rations.

In response to request for my comments in light of present Italian conditions I submit following considerations:

Any cut in Italian bread ration at this time or during next critical months will of course greatly imperil success of our whole Italian policy and future possibility of free and democratic govt in this
country. It will be heavy blow to personal prestige of Prime Minister whose entire program of saving Italy from Communism is based on sufficient assistance from US to prevent anger [hunger?] It is particularly tragic that this step should be considered now. Prime Minister has burned his bridges as far as Communists are concerned and whole trend of public opinion is now going in his favor. Please see my tel. 3851, November 28, 3918, December 5 and 3957 December 7.

If Prime Minister is obliged to go hat in hand to Soviet to ask for bread because American assistance is not enough, will not Soviet Government be in position to stipulate their assistance must be to an Italian Government "friendly" to Soviet Union; and surely one in which members of Communist Party in Italy are not excluded? Furthermore will De Gasperi be in position before Italian people to refuse assistance should it be obtainable on such a basis? Communist Party in Italy cannot but profit from such a move.

Any such assistance now might very easily be used to overthrow present non-Communist government and prepare way for introduction of Communist or Communist-controlled agents into Italian Government.

As regards any recommendation that present government appeal to Soviet Union it is my considered opinion we should go very carefully indeed and any mention of such a proposal on my part should be exploratory in strictest sense merely for purpose of obtaining preliminary reaction from Prime Minister.

May I urge as of utmost importance that a further effort be made to find some way of meeting Italian bread ration requirement other than by Italian recourse to Soviet Union and that conclusion of NSC 1-1 paragraph 8 (1) approved by President be carried out.

Furthermore purely from political aspects of matter of timing it would be extremely inadvisable to make any approach to Italian Government on this subject before end of month at which time it is expected Constituent Assembly will have been dissolved and govt then will be in control of situation without having to refer to that body. It would be most unfortunate if a debate were to occur in Assembly concerning cut in bread rations and result might be so embarrassing to govt as to bring about its resignation which would of course be a triumph for Communists.

I notice in Deptel 2556, reference to gap of 500,000 tons as approximate amount needed beyond present availability through next June. It seems to me that we should deal at this time with a period from now through April or at least until elections which may be sometime in March and having that period in mind for obvious political reasons we

1 Not printed.
should make every effort to see that no cut be put into effect prior to elections whether in March or April.

We must also keep in mind that we are trying to instill into present govt a feeling of self-confidence and strength with view to have them take whatever measures are necessary to preserve freedom and democracy in Italy in event of display of force by Communists with a view to taking over control. It seems very hard on a man who is carrying responsibilities present Prime Minister has assumed to suggest that he be firm in resisting Communist insurrectionist activities and at same time take away from him support he has more or less counted on in being able to maintain at least meager bread ration this govt has undertaken to preserve.

If we are to carry through our program of trying to have Italy maintain and preserve its independence and liberty we must not reduce the bread ration.

DUNN

811.2365/12-947: Telegram

The Military Attaché in Italy (Willems) to the Intelligence Division,
Office of the Chief of Staff, United States Army

SECRET

ROME, December 9, 1947.

MAR 349. From USMILAttaché AmEmbassy Rome Italy sgd Glawe¹ to CSGID (pass to Departments of Air, Navy and State) info CG TRUST, EuCom and USAFE. Landing right agreement for United States military aircraft accepted 6 December in principle by Embassy and Italian Foreign Office. Requirements for discipline jurisdiction, customs, stationing personnel and locating communication equipment not decided. Exceptional circumstance clause of agreement permits clearance of aircraft on notification attaché with Italian Air Force rather than slow Foreign Office procedure. No limitation placed on number of flights, points of landing, nor route to be followed. Aircraft can continue flights on notification basis after 15 December but Air Attaché must receive following information as far in advance as possible (not later than 24 hours before landing): (a) Type and call sign of aircraft. (b) ETA and airfield of intended landing. (c) Name pilot and number persons aboard. (d) Point of departure and route to be flown. (e) ETD from Italy.

Formations or training overflights or ferrying combat aircraft must have week notice whenever possible to permit normal request clearance rather than notification. This point urged by Italians because of tense political situation.

¹ Col. Benoid E. Glawe was the Air Force Attaché at Rome.
Italians insist locating weather and communications facilities for possible additional aids to navigation can be met within terms of air service agreement. If equipment left in Italy insufficient under this agreement additional equipment may be supplied and transferred to new desired site as per said agreement.

Italians state additional technical personnel could be stationed Italy by means of request from Italians to United States for reorganization assistance rather than on basis written agreement (to which they object).

Indicated we will receive discipline jurisdiction on "gentleman’s agreement" but Italians do not desire place same in writing.

Indicated crew and intransit passengers may wear uniform and travel military orders until these points agreed.

Manner of handling United States Government consigned mail and discharged cargo not yet defined. Free transit cargo, mail, personnel for TRUST covered in Embassy note verbale to be agreed soon. Important that clearance notification be received so not to violate lenient procedure. Unfinished details still being negotiated.²

²The agreement was not concluded until April 10, 1948.

865.24/12-1147

Memorandum by the Secretary of Defense (Forrestal) to the Secretary of State

TOP SECRET

WASHINGTON, 11 December 1947.

Subject: Italian Requirements for U.S. Military Supplies and Equipment for Use in Controlling Internal Disorders

1. This will summarize information presented to me by the Department of the Army concerning Italian requirements for U.S. military supplies and equipment for use in controlling internal disorders.

2. As indicated in Ambassador Dunn's radio 3957 of 7 December 1947 (a copy of which has been furnished me as CM-IN 1474 of 9 December 1947) a list of items stated to be urgently required by the Italians has been received by the Department of the Army. It is the Army view that the list includes items of two types: (1) those which can be effectively employed in the immediate future (i.e., within the period of currently anticipated emergency), such as small arms and ammunition therefor and armored vehicles; and (2) those which might be desirable on a longer term basis. It is believed that immediate consideration should be given only to the former type, reserving the latter for more deliberate appraisal.

3. Analysis of the quantities requested indicates, on the basis of
information available to the Department of the Army, that in some instances the request is excessive and should be reduced. However, it is considered that the quantities and items, when thus reduced, will represent a proper requirement for material essential to the maintenance of internal order in Italy. While there can be no assurance that the provision of these items will insure the attainment of the desired end, it is nevertheless considered that this assistance will considerably improve the ability of the Italian Forces to control the situation and to contribute to the stability of the Italian Government. In this connection, the President has recently expressed to me his concern over the present situation and his desire to assist in any way practicable the efforts of the Italian Government to maintain order during the present crisis.

4. There are four points which should be considered in connection with any proposal to transfer U.S. Army equipment or supplies to Italy. First, it must be recognized that property of the United States may not be sold or otherwise disposed of without the authority of Congress and that the only present authority under which transfer of U.S. Army supplies and equipment to Italy may legally be accomplished is the Surplus Property Act. Since most of the items involved are not surplus to U.S. Army requirements, it appears that Congressional authorization will be required for the transfer of these items. Second, the Department of the Army has no funds available at this time to replenish stocks which might be authorized for shipment to Italy or to defray the cost of packing and shipping; and it will therefore be necessary to secure funds for these purposes from other sources. Third, the magnitude of the proposed undertaking is such that it can not be accomplished within the personnel ceilings now fixed for the Department of the Army by Congress (the “Byrd Law”); and so here also Congressional authorization for exception will be required. Finally, it should be noted that in order to insure the effectiveness of the assistance provided, some method must be found to establish an adequate number of U.S. representatives in Italy in order to control shipments and to insure the proper delivery of the equipment provided.

5. The Department of the Army will furnish separately, at an early date, full information as to (1) availability of the items considered necessary at this time for the Italian forces, (2) costs involved, and (3) estimated time required for shipment.3

FORRESTAL

1 Surplus Property Act of October 3, 1944; 58 Stat. 765, as amended.
2 Section 14 of Public Law 590 of the 79th Congress set a limit on civilian employees in the War Department at 176,000 by July 1, 1947; 60 Stat. 220 (which amended Section 607 of the Federal Employees Pay Act of 1945).
3 See p. 749.
VATICAN CITY, December 11, 1947—3 p. m.

49. In last few days Vatican contacts have shown anxiety as to manner in which Italian Government and people will face up to major Communist effort to win power which they consider imminent. Despite its outcome Troilo incident at Milan ¹ is regretted as successful test of Communist strength and discipline. They regard threat as almost wholly internal, not external, at present. Their diagnosis of situation at all points where this office has been able to learn it from Tardini ² and Montini, ³ the Vatican Under Secretaries of State, and others close to Pope, accords with that of Embassy Rome. Understandably in view their desire for US support of Italy which ipso facto adds to security of Vatican City, they do not underestimate the picture.

Their remedy is two fold, first a strong stand by government as in France wherever strikes and disorders take on rebellious character, and second, organization of reliable elements for service in negating expected Communist efforts to paralyze nation. Pope on December 8 exhorted Catholic Action Youth of Rome to personal courage in face of any odds and identified Catholic actions nonpolitical activities on behalf of Church with “civil order, justice and peace”.

While no Vatican contact has yet said so directly, it seems certain that Vatican view of need for firm policy both in action and in public expressions must have reached Italian Government with increasing insistence these past few days. Moreover, as highest Vatican officials have long regretted departure US troops at this time, it may be assumed Vatican has also urged government to consider what further US aid may be secured in all likely contingencies. Only yesterday Tardini said that despite relative proximity of USSR, noncommunist majority

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¹ Ettore Troilo was a political appointee to the office of Prefect of the Province of Milan. The move of the central government to transfer him resulted in a general strike in Milan and the temporary occupation of the prefecture (November 28). The general strike was suspended and the release of Troilo was affected after intervention of the Under Secretary of the Ministry of the Interior, Achille Marazza.

In telegram 3913, December 8, from Rome, not printed, the Embassy commented: “Troilo is certainly a fellow traveller. He was a leader during days of clandestine military activity of Committee of National Liberation for Northern Italy which established a quasi-government organization that continued to have effective power for several months after VE Day. Troilo, who was acceptable to CNLA, succeeded the first post-war Milan prefect, Riccardo Lombardi, when latter was brought to Rome as Minister of Transport in January 1946. Troilo was “political” rather than career appointee . . . .” (865.00/12-347)

² Domenico Tardini, Secretary, Congregation of Ecclesiastical Extraordinary Affairs.

³ Giovanni Battista Montini, Vatican Secretary of State.
in Italy would welcome any necessary US intervention in Italian internal affairs because majority’s interest in this crisis is identical to that of US.

Parsons

740.00119 Control (Italy)/12-1147: Telegram

The Acting Secretary of State to the Secretary of State, in London

WASHINGTON, December 11, 1947—10 p. m.

US URGENT

Telmar 70. Following statement on Italy, concurred in by Army, Navy and Air Force and Secretary Forrestal, has been approved by the President subject to your concurrence and will be released if you approve at 6:00 p. m. EST Dec 13 for publication 9:00 p. m. that date:

“Although the United States is withdrawing its troops from Italy in fulfillment of its obligation under the treaty of peace, this country continues its interest in the preservation of a free and independent Italy. The United States Government has been giving careful attention to recent events in that country and notes that a minority political faction has been making serious and intensive preparation for seizure of power in Italy by force and in pursuance of its expressed opposition to the European Recovery Plan has been endeavoring to disrupt efforts to achieve economic stability and recovery. It also notes that this faction which plainly operates under foreign inspiration has taken a position deeply hostile to this country.

“If the Italian Government with which the Allies so recently concluded a treaty of peace should lose control of any appreciable amount of Italian territory before the ink is really dry on that settlement, and particularly if this territory were to fall into the hands of elements openly hostile to the maintenance of a Government of free people in Italy, that would constitute a challenge to the Allied victory in Italy and a mockery of the sacrifices made by the men of the American armed forces and by the Italians themselves in that area. This country did not fight the war in Italy to see the Italian people again subjected to the totalitarian rule of a foreign-inspired minority. The responsibilities which the United States has assumed to the Security Council with respect to the administration of the Free Territory of Trieste are such that for this reason alone, if for no other, it could not be indifferent to a disruption of the stability of that general area.

“For these reasons it must frankly be stated that if any appreciable amount of Italian territory falls under the control of elements defiant of the legitimate Italian Government, this may undermine the entire basis of the Italian peace settlement and will oblige this Government in the light of its responsibilities as a member of the United Nations and of its continued interest in the welfare of this area to consider the situation and to review the obligations which it has assumed under the Italian peace treaty and under the Charter of the United Nations with respect to the maintenance of peace and security.”

Sent London as Telmar 70 rptd Rome as 2598.

Lovett
SECRET

ROME, December 11, 1947—midnight.

4000. In connection with Communist tactics involving disturbances and strikes on flimsiest pretext, the party is returning more and more to the militant slogans and forms familiar two and more years ago. This tendency is apparent in (1) crescendo of vituperation and charges of provocation against “Fascists” and “Fascist movements”, with the concomitant attempt to discredit the Government for condoning their existence; (2) reorganization of partisan formations, in all echelons; (3) announcement that party will be benevolent patron of “democratic communes”; and (4) agitation for establishment by law of workers councils having equal share with management in industrial operations. Promotion of “Constituent Assembly of the land” is a new tactic in current strategy, but is only a refinement of the old slogan “Agrarian reform” into something specific which can serve as rallying point for the rural voter.

Item (1) has been covered in previous telegrams so as to require no further elaboration here. Regarding (2) partisan rallies and parades information [in formation?] have taken place at Genoa and, in connection with the “first congress of resistance” at Rome (mytel 3964, December 9\(^1\)). The rallying cry is just what it was in 1945—resistance (to Fascism) and independence. (In this connection, I received a furious telegram from the Carrara section of the ANPI in protest at Acting Secretary’s allusion to Soviet responsibility for Communist activities here; the message assured me that “partisans fought against enemies of liberty and independence and are determined maintain integrity liberty struggle of liberation.”) Also we have had a plausible report that it is planned shortly to reconstitute in Milan the CLNAI military command under Longo,\(^2\) who was commander in spring of 1945.

The Democratic communes (Item 3) are, of course, the old CLNAI and its subsidiaries, which were formed alongside the Mussolini Republic administration and literally administered northern Italy at and for sometime after liberation. Apart from the Milan “citizens committee”, however, we have not as yet firm indication of where or how this part of the strategy will operate.

Finally, the “Consigli di Gestione” issue, which rallied the industrial workers in 1944 and 1945, has been dusted off and re-invigorated with

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\(^1\) Not printed.

\(^2\) Luigi Longo, vice secretary of the Italian Communist Party; Deputy in the Constituent Assembly.
meetings, concrete proposals, and appropriate fanfare. (See for example mytel 3642, November 12[13].) Like the citizens committee, the Milan Consigli tested their organization by virtually seizing control of many industries during the general strike there.

While developing this framework for fomenting disorder and attacking the authority of the state, both frontally and clandestinely, Communists do not appear to have entirely lost sight of purely political aspects of their program which in itself contributes considerably to the potency intimidation factor during pre-election period. For example Communists' propaganda is as usual concerned with charging their opponents—the Rightists and the government—with just those motives and plans which they themselves have. Communists take every opportunity given them by rightist accusations of violent intentions and by police actions to charge "provocation"; and they are at pains to refute any imputation that they themselves are provocative or aggression [aggressive]. Most recent instance of this is found in Scoccimarros' Turin speech (mytel 3978, December 9 and 3983, December 10) whether or not he actually referred to recourse to arise [arms?] in 48. "UNITA made no reference to speech day after its delivery, and day after that Scoccimarros went to elaborate lengths both to deny he used the words and to assert that by them he meant worker-management councils in factories.

Sent Department 4000 and Paris 479.

DUNN

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* Not printed.
* Mauro Scoccimarros, Communist Deputy in the Italian Constituent Assembly; former Minister of Finance, 1945-1947.
* Telegram 3978, December 9. From Rome, is not printed.
* The reference to telegram 3983 is incorrect.

740.00110 Control (Italy)/12-1247: Telegram
The Secretary of State in London to the Acting Secretary of State
TOP SECRET
LONDON, December 12, 1947.
URGENT
Martel 71. From Marshall to Lovett. Preconference material for 9:30 a.m. (Washington time) conference between Secretary and Mr. Lovett:

Reference Telmar 70, December 11, regarding statement on Italian situation. It is the consensus of opinion in delegation here that the statement in its present form would be highly inadvisable. Its references to internal political factions as a basis for US action would confirm the Communist assertions generally and particularly in France that we intend to intervene in the internal affairs of European na-
tions. Further, the opinion here is that we have not immediately available in Europe the means effectively to carry out the implications of the statement and therefore we would be in position of placing too much dependence on the effect of words rather than on the immediate positive action required. There must be no question of an empty threat with its dangerous consequences. The much larger question is whether this is the moment and the conditions under which we lay down in effect the gauge of battle.

The statement apparently stems from the message of Dunn in Rome 281, December 5, giving De Gasperi’s suggestion for such a procedure.\(^1\) I call attention to the fact that in this particular message of Dunn’s De Gasperi’s preliminary statement regarding the adverse effect of an American mission appears inconsistent with his final suggestion regarding the advisability of an American public statement implying the direct threat of military intervention.\(^2\)

MARSHALL

\(^1\) Not printed.
\(^2\) The statement released to the press by the White House on December 13 read as follows:

“Although the United States is withdrawing its troops from Italy in fulfilment of its obligations under the treaty of peace, this country continues its interest in the preservation of a free and independent Italy. If, in the course of events, it becomes apparent that the freedom and independence of Italy upon which the peace settlement is based are being threatened directly or indirectly, the United States, as a signatory of the peace treaty and as a member of the United Nations, will be obliged to consider what measures would be appropriate for the maintenance of peace and security.” (Department of State Bulletin, December 21, 1947, p. 1221.)

865.24/12-1347

Memorandum by the Director, Plans and Operations, General Staff, U.S. Army (Norstad) to the Secretary of State\(^1\)

TOP SECRET

WASHINGTON, 13 December 1947.

Subject: U.S. Military Supplies and Equipment for Use in Controlling Internal Disorders in Italy

1. The Department of the Army has carefully reviewed the list of military supplies and equipment, as submitted by the Military Attaché, Rome in his dispatch MAR 345 dated 7 December 1947,\(^2\) and has divided this list into two categories, (1) those which can be effectively employed in the immediate future (i.e., within the period of foreseeable emergency), such as small arms and ammunition, and (2) those which would be desirable on a longer term basis. Analysis of the quantities requested indicates, on the basis of information avail-

\(^1\) The memorandum was addressed to Mr. Samuel Reber of the Office of European Affairs.
\(^2\) Not printed.
able to the Department of the Army, that in some instances the request is excessive and should be reduced. However, it is considered that the items which can be effectively employed in the immediate future, in reasonable quantities, represent a proper requirement for matériel essential to the maintenance of internal order in Italy.

2. In view of the urgency of the situation and in anticipation of appropriate authorization, it is considered that the Department of the Army should immediately initiate necessary action to furnish to the Italian government those items which fall into category (1) and which are surplus to the needs of the Department of the Army. To this end the Department of the Army is prepared to furnish to the Italian government the following items of equipment and ammunition:

- Rifles, U.S. Cal. .30 M1903 50,000
- Pistols, Auto, Cal. .45 M1911 5,000
- Gun, Submachine, Cal. .45, Thompson 20,000
- Cartridge, Ball, Cal. .30 30,000,000
- Cartridge, Ball, Cal. .45 20,175,000

3. The Department of the Army can furnish the above equipment without cost to the Italian government. However, no funds are available to pay the cost for procurement of ammunition, the cost of inspection, or the cost of packing, handling and shipment of the equipment to Italian ports. It is estimated this cost will amount to approximately $3,754,190 for the items listed in paragraph (2) above.

4. If considered necessary by the Italian government and the Department of State, a token quantity of the above equipment could be shipped by air to Italy within 5 or 6 days with the remainder transported by water shipment and arriving in Italy in approximately 45 days.

For the Director, Plans and Operations:

W. H. ARNOLD
Major General, GSC
Deputy Director, Plans & Operations

FW 885.24/12–1347

Memorandum by the Acting Director of the Office of European Affairs (Reber) to the Acting Secretary of State

TOP SECRET

[WASHINGTON,] December 16, 1947.

Subject: Equipment for Italian Army

Discussion

The Department of the Army has reviewed the list of military supplies and equipment requested by the Italian Government (Rome's 2957, December 7), and has divided the list into two categories:
(1) items which can be effectively employed in the immediate future;
(2) items which would be desirable on a longer-term basis.

Provided the State Department will state that this action is in the national interest, the Department of the Army is prepared to make available from surplus equipment in the first category without cost to the Italian Government and to procure at cost certain needed ammunition. We are in agreement with the Department of the Army that the Chairmen of the Senate Foreign Relations Committee, the House Foreign Affairs Committee, and the Senate and House Appropriations Committees should be informed of our intention to make this equipment available to the Italians. The Department also desires that we give them a statement to the effect that the transfer of this equipment to the Italians would be in the national interest.¹

The Department of the Army has no funds for the packing and shipment of this equipment, however. Shipping charges, and the cost of the ammunition, totaling some $3,754,000, would have to be paid by the Italian Government unless a specific authorization and appropriation is obtained from Congress. While the Italian Government may have difficulty in meeting these charges, it is not believed feasible to go to Congress on the matter at present.

It is understood that the arrangements worked out by the Department of the Army were based on the President’s suggestion to Secretary Forrestal that assistance be given Italy if possible.

Recommendations

If you concur that the equipment should be made available to Italy, it is recommended that you inform the Congressional leaders of the intended transfer.

Subsequently, the Department will inform the Department of the Army that the transfer would be in the national interest, and the attached telegram will be sent to Ambassador Dunn authorizing him to discuss the matter with De Gasperi.²

¹ A marginal note reads: “Mr. Lovett saw rep. of these Committees except the Appropriations people. He feels it is not necessary to see them unless some compelling reason. H[arold] W. M[oseley].”

² The memorandum by the Department of State for the Department of the Army, December 18, 1947, not printed, stated: “If this arrangement is acceptable to the Italian Government the Department of State is prepared to inform the Department of the Army that the transfer would be in the national interest and requesting that the Department of the Army arrange to make this equipment available to Italy.” (865.24/12-1547)
4052. We have been reliably informed in strictest confidence by official close to Franzoni \(^1\) that Eugenio Reale (Communist and former Under Secretary for Foreign Affairs)\(^2\) called yesterday morning on the Foreign Office Secretary General. Reale stated in considerable excitement that Communist Party of Italy resented most strongly President Truman’s statement regarding Italy. He said that it was Togliatti’s \(^3\) intention to make a very strong interpellation against the government in this regard. He asked Franzoni what was the Foreign Office position in the matter. Franzoni then spoke at some length pointing out the pertinent provisions of the United Nations charter and the Italian peace treaty and summed up that the President’s statement was based on eminently sound grounds from a juridical viewpoint. Reale admitted that the US position was “clear and well taken”.

He then inquired whether the Secretary General thought the US meant to go to war; Franzoni replied in the negative but added that he did feel that the President’s statement meant that there were definite limits to the sort of action the Communists could take. Reale replied that, of course, if the US could intervene in Italy on unjust grounds Russia could, of course, do likewise. Franzoni pointed out that it would hardly be to Italy’s benefit to be crushed in a struggle between two great powers. Whereupon Reale replied that it was not the Communists’ intention to start anything up. He added, however, that of course no one could know what the people would do, particularly since they were under a reactionary government and faced by a hard winter. He then added “we will not be alone”...

We are informed that Franzoni’s reaction to this conversation was:

1. The Italian Communists are considerably shaken by President Truman’s statement;
2. They themselves will probably hesitate greatly before initiating violent action, but this is discounted because final decision will not lie with them;
3. While Saragat’s statement may well have been distorted in the Reale version, nevertheless it indicates that De Gasperi must receive the fullest kind of support from all loyal members of his government.

**Dunn**

\(^1\) Francesco Franzoni, Secretary General in the Italian Ministry of Foreign Affairs.

\(^2\) Reale had been Under Secretary for Foreign Affairs in the Bonomi cabinet (December 1944–July 1945) and again in De Gasperi’s third cabinet (February–June 1947).

\(^3\) Palmiro Togliatti, Secretary General of the Italian Communist Party.
ROME, December 17, 1947—4 p. m.

4065. My 4019 December 13. Entry of Republicans and PSLI into Government, after negotiations which proceeded with varying degrees of intensity ever since fourth De Gasperi cabinet was formed, is not, we believe, likely materially to alter Government’s policies nor direction which they have taken. Sforza’s comment to me that it will be a care-taker government is probably the best estimate. The sheer task of governing will, of course, be more complicated since the political objective of broadening the base has been achieved by expedient of increasing the size of the government, but De Gasperi has been in pains at final phase of negotiations clearly to define his terms, so that the price has not been excessive and should not be subject to renegotiation.

The gains to Italy and to the parties concerned must be measured in political terms and in light of fact that elections will be held in three or four months. Even though Republican and PSLI electoral strength is relatively slight, government now enjoys parliamentary stability through addition of 75 votes in Constituent Assembly (and thus in any interim assembly which may be convened between January 1 and convening of new parliament). Assuming the continued support of liberal deputies and even without that of Qualunquist, government can muster at least 303 certain votes (of total of 535) to 180 and [at?] command of Communists and Socialists.

Also, before electorate, the Christian Demos are now in large part relieved of the course of dependence on, if not alliance with, the extreme right, at same time that isolation of extreme left is correspondingly increased. The sarcasm and vilification with which the Communists and Nenni Socialists have greeted the new government are a measure of the discomfiture which they feel at their exclusion. The extreme disgust which many rightists entertain for Pacciardi may cost the Christian Demos some votes; a compensation is that De Gasperi now able to demonstrate the sincerity of his professions that the CD party, far from wanting a monopoly of government, welcomes support of any truly democratic group. Both Republicans and PSLI, whatever their failings, have the reputation of meeting this definition.

Sent Department as 4065, Paris 490.

DUNN
Rome, December 27, 1947—4 p.m.

4181. In discussion with the military representative of the Italian Government concerning emergency aid to Italian armed forces and police (Department's 2638, December 17 [18] and Department of Army cable 92863 2). While Italian Government's answer thereto not yet received, it appears critical shortage funds and foreign exchange will operate to reduce seriously the amount of equipment and ammunition which the present Italian Government can obligate itself to pay for.

The Italian military regime has suggested that we deposit in Italy the arms, equipment and ammunition that would most urgently be needed by them, since it is felt these items must be available immediately to the Italian Government at the onset of any Communist revolutionary attempt. The Italian armed forces and police would thus be permitted to utilize and therefore pay for only those items and amounts necessary to meet such emergency and of course in event no crisis arises to avoid financial obligation by the Italian Government. While it is appreciated that the foregoing is not practical, particularly in view of the necessity of delay for congressional approval for such a program, nevertheless in the interest of insuring the outcome, consideration should be given to the depositing of critical items of small arms, ammunition, and equipment in our occupied zones in Europe readily available for rapid shipment to Italy in event of a Communist coup. It is believed that certain essential items could be so earmarked from reserves already in the United States Zones of Germany and Austria including such surpluses which may be destined for later transfer to German economy. Should shipment of certain items be required from the United States, it would appear this can be accomplished without delaying for congressional approval since it could be considered as shipment to our United States forces in Europe. I suggest that this matter be passed to the Department of Army for consideration and exploration.

The feasibility of air delivery of an appreciable portion of this emergency military aid should be explored since it can be accepted as fact that events will move rapidly in Italy should the Communists attempt a revolution here. The outcome of the early days of the fighting would be all important in order to avoid peril of initial loss of control of major portions of Northern Italy with result and possibility of encouraging Eastern European intervention.

Dunn

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1 Not printed.
2 December 22, 1947, not printed.
WASHINGTON, December 30, 1947—7 p. m.


2. Use words “United States Foreign Aid Program” as official designation. Abbreviation is USFAP, but please use PL 389 in addition in cables to clearly distinguish from USFRP, PL 84.

3. Following is initial portion supply program for Italy approved by Dept. under USFAP, PL 389. Procurement will be initiated on signature agreement.

<table>
<thead>
<tr>
<th>Product</th>
<th>Quantity (Long tons)</th>
<th>Estimated CIF Value (Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>152,000</td>
<td>22,000</td>
</tr>
<tr>
<td>Soya Flour</td>
<td>2,000</td>
<td>360</td>
</tr>
<tr>
<td>Pulses (U.S.)</td>
<td>4,000</td>
<td>1,244</td>
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<tr>
<td>Rolled Oats</td>
<td>3,000</td>
<td>918</td>
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<tr>
<td>Coal (U.S.)</td>
<td>600,000</td>
<td>12,000</td>
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<tr>
<td>*Coal (Ruhr)</td>
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<td>5,500</td>
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<tr>
<td>Aviation gasoline</td>
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<td>300</td>
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<tr>
<td>POL from various countries</td>
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<td>6,800</td>
</tr>
<tr>
<td>Blister copper from Chile</td>
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<td>4,100</td>
</tr>
<tr>
<td>Phosphate rocks</td>
<td></td>
<td>2,200</td>
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<tr>
<td>Nitrates from Chile</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Medical supplies</td>
<td></td>
<td>600</td>
</tr>
</tbody>
</table>

Total 57,022

*December and January shipments.

4. Desirable that publicity covering this initial program be released when agreement signed.\(^3\) Send urgently substance ur press release for use in preparation simultaneous release here on signature of agreement.

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\(^{1}\) 61 Stat. 934.
\(^{2}\) 61 Stat. 941.
\(^{3}\) The Department's telegraphic instruction 2732, December 30, not printed, forwarded the text of the agreement which the Ambassador was authorized to sign (800.48 FAA/12-3047). For the text of the new agreement signed at Rome on January 3, 1948, see Department of State, Treaties and Other International Acts Series (TIAS) No. 1678, or 62 Stat. (pt. 2) 1807.

379-875—74—49
5. This message supplemental to request for publicity contained Deptel 2678, Dec. 20, Mefa 1, on agreement itself. Suggest single release covering (a) agreement and purposes program as a whole (b) initial portion program set forth para 3 above.

LOVETT

This telegraphic instruction, not printed, forwarded to Rome the initial draft of the proposed new agreement (800.48 FAA/12–2047).

865.20/12–2747: Telegram

The Secretary of State to the Embassy in Italy

TOP SECRET WASHINGTON, January 12, 1948—10 a.m. URGENT

Niact 63. General problem equipment Ital armed forces, including provision urgent requirements security forces under urgent consideration SANACC sub-committee (urteil 4181 Dec. 27) which has now concluded no possibility under existing authority transfer significant quantities without reimbursement cost and handling charges. Have considered fully possibility supply from surplus, under loan, or shipment to US occupied area of Italy for handover in event anticipated emergency and have determined no authority exists. Dept agrees your view request specific Congressional authorization on lines Greek-Turkish program precluded at present by Ital internal political considerations and further believes necessary authorization for Ital program or general authorization could not possibly be approved in time meet present problem.

Defense Depts have prepared comprehensive list equipment available and required on basis Ital request (your MA tel MAR 345 Dec 7) and Bathurst report (urteil 3185 Oct 10), including equipment Deptel 2638 Dec 17, which can be provided Ital promptly upon agreement reimbursement cost and handling charges approximately sixteen million dollars.

You shd explain De Gasperi legal obstacles which prevent furnishing needed supplies without charge despite our sincere desire assist Ital Govt's efforts increase capabilities Ital armed forces maintain public order. Decision as to amnt of above mentioned eqpt which is immediately essential is one for Ital Govt itself.

If they consider eqpt essential and agree payment, Army Dept can arrange early shipment equipment Deptel 2638 and will furnish details

1 See infra.
2 Not printed.
additional equipment available under sixteen million dollar program.

For planning purposes here require your earliest comments.  

MARSHALL

4 In telegram 187, January 15, 1948, not printed, Dunn reported he had conveyed the substance of the instruction to De Gasperi who felt he needed more information about the equipment included in the program, and hoped that payments might be effected on a deferred basis (865.24/1-1345). In a further telegram, 261 of January 20, not printed, Dunn reported that De Gasperi wished more details regarding terms for payment; that the Military Attaché had not yet received details of the $16 million program. Dunn explained that De Gasperi "is fully aware that political situation here will render the Prime Minister who will bear full responsibility subject to strongest kind of attack from the left incident to any expenditures of foreign exchange for the equipment envisaged. The nature of the terms which US Government can offer has consequently a tremendous bearing on feasibility of his accepting the aid which he has requested." (865.24/1-2048)

SWNCC Files, Lot 52M45.  SANACC390

Report by the State-Army-Navy-Air Force Coordinating Subcommittee

TOP SECRET

WASHINGTON, January 16, 1948.

SANACC 390/1  

PROVISION OF U.S. EQUIPMENT TO THE ITALIAN ARMED FORCES

THE PROBLEM

1. To prepare a report to the National Security Council on the possibility of furnishing U.S. equipment to the Italian armed forces, including an indication of what measures, such as legislation and appropriations, are necessary to accomplish the desired end.

Note: This is an interim report based largely upon requirements of Italian armed forces as expressed in Appendix "B". This report will be followed at an early date by a final and complete report in accordance with the directive from the National Security Council dated 18 December 1947 (SANACC 390).

FACTS BEARING ON THE PROBLEM

2. In NSC 1/1 3 the principle is accepted that the United States has security interests of primary importance in Italy and that the measures to implement our current policies to safeguard those interests should be strengthened without delay. While that study concludes that

1 Master set of numbered SWNCC (State-War-Navy Coordinating Committee) and SANACC (State-Army-Navy-Air Force Coordinating Committee) papers and related documentation maintained in the Department of State for the years 1945-1948.

2 With minor changes of wording SANACC 390/1 was approved by informal action on January 27, 1948.

3 Dated November 14, p. 724.
further assistance should be extended to the Italian armed forces in the form of technical advice to increase their capacity to deal with threats to Italian internal security and territorial integrity, no recommendation is made with respect to the furnishing of munitions.

3. The report by the U.S. Army Survey Group to Italy (reproduced as enclosure to SANACC 390) concludes that the Italian armed forces are not presently equipped so as to be capable of performing their missions within peace treaty limitations.

4. Ambassador Dunn has advised the Department of State that Prime Minister De Gasperi has expressed to him his grave concern that the military equipment available to the Italian security forces may be inadequate and that that factor would seriously handicap the Government in its efforts to combat an anticipated Communist-led insurrection (Ambassador Dunn’s telegram 3957*, Dec 7 – Appendix “A”). A list of equipment most urgently required by the Italian armed forces for the purpose of maintaining internal security and guarding the frontiers and coast against clandestine aggression from Yugoslavia has been forwarded to the Secretary of Defense by the Military Attaché at Rome (Military Attaché’s telegram MAR 345 Dec 7 – Appendix “B”).

5. The Departments of the Army and of the Navy have examined the Italian Government’s list and have prepared a comprehensive list of those items considered most urgently required and which can be procured or made available from existing stocks (Appendix “C”). Certain of the items are surplus to present U.S. requirements and can be transferred to the Italians without reimbursement under the Surplus Property Act provided the Department of State will establish that the transfer is in the national interest and that substantial benefit would thereby be received. The Department of State is prepared to give such assurances. The great bulk of the equipment, however, cannot be made available without reimbursement. The cost of this equipment including charges for inspection, packing, handling and shipment would amount to a total of approximately $16,000,000 to be paid by Italy.

6. The Department of the Army has advised that 50,000 rifles, 5,000 pistols and 20,000 submachine guns can be made available immediately from surplus and that certain urgently required ammunition can also be provided. The cost of the ammunition, plus handling charges for both weapons and ammunitions, amounts to approximately $8,750,000. On instructions from the Department of State, Ambassador Dunn has proposed to the Italian Government that the above equipment be

*Antc., p. 738. None of these appendices is printed.
*Not printed.
shipped immediately to Italy upon that Government’s agreement to reimburse the United States Government for the above-stated cost. On December 27 Ambassador Dunn advised that during discussions Italian military authorities have indicated that the critical shortage of funds and foreign exchange will operate to reduce seriously the amount of equipment and ammunition for which the Government can obligate itself to pay. The Italians have suggested that as an alternative to payment the munitions most urgently required might be deposited by us in Italy for acceptance and payment by them only in the eventuality of the expected emergency. Mr. Dunn has suggested that such a procedure would probably be entirely impracticable and has recommended as an alternative that the critical items of equipment might be transported to an area in Europe under U.S. occupation to be readily available for rapid shipment to Italy in the event of a Communist coup.

7. In connection with the Greek and Turkey aid programs the War Department evolved a policy for pricing supplies and services to be furnished Greece and Turkey. This policy was accepted by the other interested executive departments of the U.S. Government as a governmental policy. It provides for equitable pricing of supplies and services furnished the recipient governments without financial profit to the Services.

DISCUSSION

8. On the basis of the report of the U.S. Army Survey Group to Italy and of other military and diplomatic reports on the situation, it is apparent that the Italian armed forces are not adequately equipped to enable them to maintain internal security and the security of the Italian frontiers. While the problem of the establishment of armed forces capable of defending Italian territory from aggression by any but a major power is certainly of considerable importance to the overall strategic security of the United States and the successful prosecution of its foreign policies, it is a matter which can be properly considered only in direct relation to overall strategic plans and requirements and the required assistance program could be implemented only after a request by the Italian Government for such assistance and the passage of the necessary legislation and appropriations by Congress.

On the other hand, the equipment of the internal security forces of Italy to ensure that the Italian Government will be as fully as possible prepared to meet the threat of Communist-inspired armed insurrection, is a matter of immediate and paramount importance to the security interests of the United States. Therefore, it is the purpose of the present report to deal only with the problem of internal secu-

* See volume iv, section entitled, “United States Economic and Military Aid to Greece and Turkey: The Truman Doctrine.”
rity of Italy with a view to further separate consideration of the more general problem of the equipment and maintenance of Italian armed forces capable of repelling foreign aggression.

9. In view of the inadequacy of the present equipment of the internal security forces of Italy; the request of the Italian Government for assistance through the transfer to Italy of a specified list of urgently required equipment and supplies in order to ensure the fullest effectiveness of those forces; the very reliable indications that the Communists in Italy may attempt the seizure of power by force at some time prior to or immediately following the scheduled national elections next April; and the primary importance to the security interests of the United States of the prevention of Communist domination of Italy, it is considered essential to the national interest of the United States that the Italian Government be provided immediately with at least its minimum requirements for effective military and police forces necessary to preserve internal security.

10. In view of the apparent inability of the Italian Government, for internal political as well as for budgetary reasons, to undertake the financial obligations entailed in the acquisition of even the relatively limited amount of equipment urgently required, fullest consideration has been given to the possibility of transferring the equipment without cost to the Italian Government.

a. Consideration has been given to existing legislative authorization and, as conclusively expressed in reference b, the only known legislative authorizations for transferring federally-owned munitions to foreign nations are the Surplus Property Act and special legislation covering certain countries but not applicable to Italy.

b. An examination has been made of all known surplus stocks and only the equipment mentioned in paragraph 6 above has been found available in the categories and amounts required.

c. An examination has been made of the possibility of transferring equipment "on loan" without transferring title; such procedure is considered to be precluded by lack of authorization as well as unavailability of supplies which would not require immediate replacement and consequent expenditure of funds.

d.

e. Consideration has been given to the recommendation to the President by the National Security Council that he exercise his executive authority or special powers as Commander-in-Chief to direct the Secretaries of the Army and the Navy to transfer and deliver without cost to Italy the required equipment and supplies. Although the Committee is convinced that the immediate provision to Italy of certain military equipment and supplies is essential if the Italian Government is to be adequately prepared to meet the threat of a Communist-inspired insurrection; and the Committee is of the opinion that the prevention of the seizure of power in Italy or in any appreciable part of the territory thereof by the Communists or their adherents is of
paramount importance to the security interests of the United States, there appears to be no explicit legal justification for such action.

f. The question as to the ability of the Italian Government to pay the costs has been carefully considered and it has been agreed that the decision must rest with the Italians and be determined in the light of constantly changing national and international political conditions as well as by budgetary factors. The use of Italy's monetary gold, dollar credits in the United States, and other assets is conditioned by the same considerations which would govern the decision by the Italian Government to allocate general funds for the purpose of the purchase of arms.

11. Consideration has also been given to the advisability of recommending the request to Congress for special legislation and appropriations, either for the specific purpose of extending military aid to Italy or for the more general purpose of extending such assistance to unspecified countries. Such action is considered inadvisable and impracticable for the following reasons:

a. The presentation of a request to Congress for authorization of a military assistance program for Italy could be undertaken only upon request by and in agreement with the Italian Government. Not only has Italy not made such a request but the present Government is exceedingly anxious that nothing be done which might in any further way associate our assistance to Italy with our program of military assistance to Greece and Turkey. The Italian Prime Minister desires most positively to avoid any action at this critical time which would support the Communist accusations that his Government is militarily and politically subservient to the interests of the United States as well as any implication that his Government could continue in power only with foreign military assistance. If, under changed conditions the Italian Government should request the establishment of a program of military assistance for Italy, our position should be reviewed in the light of the new circumstances.

b. Although the passage of legislation and authorization for a general program of military assistance to unspecified countries would be a complete solution to the present problem, it is considered that even were it to be presented to the Congress immediately with the request for the earliest possible action, the necessary authorization and appropriations could not conceivably be approved in time to permit the shipment of supplies to Italy for the purpose of assisting the Italian security forces to suppress the disorders anticipated in the next few months.

12. The U.S. governmental pricing policy established in connection with the Greek and Turkey aid programs is considered to be applicable to possible provision of military assistance to Italy. The policy includes the following basic provisions:

a. Adequate financial support of the NME in implementing a program of military assistance without material detriment to other NME activities.
b. A basis for equitable charges against possible appropriations made or funds furnished for materials furnished and services rendered to a foreign government.

CONCLUSIONS

13. It is concluded that:

a. There is no specific legislative authority which would permit the transfer to Italy of the required quantities of U.S. equipment to the Italian armed forces.

b. The present political situation in Italy makes it undesirable to request specific legislation for the program of U.S. military assistance to Italy.

c. In any event the request for legislative authorization would not resolve the immediate problem of furnishing additional equipment for the purpose of providing assistance to the Italian security forces during a crucial period between January and April.

d. The Department of State should, in its discretion, continue to explore with the Italian Government the possibility of payment by the Italian Government of the cost and handling charges for the transfer of all or a part of the requested equipment and supplies.

e. The National Security Council should recommend to the President, despite the lack of specific legislative authority, that he, acting within his plenary powers as Commander-in-Chief and as head of the State in its relations with foreign countries and for the purpose of protecting primary security interests of the United States and of United States Armed Forces in Europe, direct the transfer, to Italy from stocks now held or to be procured by United States Armed Forces, subject to reimbursement to the forces concerned, of all or any portion of certain limited quantities of military equipment and supplies requested by the Italian Government and considered by the U.S. Secretary of Defense to be essential in order to increase insofar as practicable the potential ability of Italian security forces to maintain the internal security of Italy and to suppress anticipated attempts by subversive elements to seize power by force.

f. That the pricing policy established in connection with the Greek and Turkey aid programs should be used in the event that the Services are authorized to implement a program of military assistance to Italy.

g. That no transfers of Armed Forces equipment to Italy should take place until a feasible method of reimbursement to the appropriations of the services concerned is established.

RECOMMENDATIONS

14. It is recommended that:

a. SANACC approve the above conclusions.

b. Copies of this paper be transmitted to the National Security Council.
The Secretary of State to the Embassy in Italy

Washington, January 28, 1948—6 p. m.

URGENT

238. Reir 319 Jan 23; OFLC confirms your figure of approximately $14 million (reported by OFLC as 13.9 million) as amount of credit available to Italy for further purchases surplus property located abroad. This figure arises from short-falls in deliveries on 36 contracts entered into prior to Sept 9, 1946 embraced into the Bonner-Corbino Agreement.2

OFLC also confirms that a substantial underrun is expected in deliveries under Bonner-Corbino Agreement with respect to surpluses for which contracts had not been entered into prior to Sept 9, 1946 and which were contracted for by Bonner-Corbino Agreement itself.

Your figure of $40 million resulting from this underrun on the Bonner-Corbino Agreement does not agree with any figures made available by OFLC Paris in terms of either original cost or purchase price. Any arrangement to permit Italys to purchase surplus outside of Italy against the “credit” made available by this second type of underrun would, according to present thinking, require an amendment to Bonner-Corbino Agreement to (a) permit use of such “credit” for purchases of surpluses outside of Italy and (b) provide for charging such purchases at individual contract prices rather than at 18.2 percent of original cost. Before considering further the nature of such an amendment, OFLC Paris is hereby instructed to cable you (rpt Washington) estimated aggregate amount of underrun which will result when deliveries under Bonner-Corbino Agreement are finally completed.3 Amounts shd be stated in terms of both original cost and purchase price of all property transferred or to be transferred under that Agreement, excluding 36 prior contracts.

Pending receipt of this info and further consideration as to how Bonner-Corbino Agreement shd be amended to permit purchasing beyond 13.9 million dollar credit presently available, OFLC has agreed

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1 Not printed.
3 In telegram 646 of February 5, 1948, to the Department, repeated to Rome as 47, OFLC Paris expressed the view that $12 million was all that was available to Italy under the Bonner-Corbino Agreement without amending it, but that that sum would be adequate (865.24/2-548).

However, in Rome telegram 812 of February 25, Dunn referred to Paris 646 and stated: “Having studied in detail combat material needs of Italian armed forces we disagree with statement in reference cable that $12,000,000 is adequate to cover foreseeable requirements.” (865.24/2-2548)
that principle may be established permitting Italos to purchase surplus located abroad to extent that aggregate of prices for all purchases made does not exceed $160 million, including (a) total charges arising from Bonner-Corbo Agreement, including 36 prior contracts; (b) $18 million charge arising from TafT-Del Vecchio Agreement 4 and (c) charges for all new purchases made since TafT-Del Vecchio Agreement.

Dept considers unnecessary to contact NAC for authorization to charge further Ital purchases on basis outlined above. As you are aware no further purchases may be made after Jan 31, 1948 from declared surplus in Germany, except property of a type denied the German economy by Allied policy and excluded from the sale to Germany, principally combat material, aircraft and maritime equipment. There is no deadline for purchase of this type of property. Such material will be declared surplus for sale to Italy only after requirements have been examined, availabilities determined, and authority for their transfer issued by appropriate Dept offices.

OFLC is unable to include costs of transportation from German border or from US in contract price of purchases. OFLC has no appropriated funds with which to reimburse transportation agency. Purchases made in Germany will, however, be packaged and transported to the German border by US Army without charge to Italy.

Sent Rome as 238, rptd Paris for Hyssong OFLC as 262.

MARSHALL


865.24/2-448 : Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET


473. There have been no significant developments tending to make any less urgent the provision of those arms and equipment for the Italian armed forces which were set forth in Military Attaché cables MAR-345 1 and 357 2 of 6 and 15 December respectively. While there has been some amplification of desiderata, after considered study by the Italian Minister of Defense, the Category One requirements enumerated in the foregoing cables remain basic and imperative if the security forces are to be adequately prepared to maintain order in the face of impending trouble. Essential therefore, that Embtel 261, January 20 3 be answered without delay.

Even assuming that a satisfactory solution is reached by way of fulfilling the sixteen million dollar program set forth in Deptel 63, Jan-

1 Not printed.
2 Not found in Department of State files.
3 See footnote 4, p. 757.
uary 12, it is apparent that the arms and equipment which might be acquired will fall considerably short of requirements set forth in MAR-345 and 357. Consequently, we have explored (Embook 321, January 23 and Deptel 238, January 28) the possibility of utilizing other sources of supply. Excess stocks in Germany loom all the more important as the immediate pre-election period draws near. Admitting the general condition of EuCom excess stocks as reported in WAREX 59006, January 31 and the administrative difficulties attendant upon the preparation of such excess stocks for shipment, every combat item which can be made available from US Army stocks in Germany will represent a significant contribution to the overall efficiency of Italian armed forces.

There is no other area on the periphery of the Russian orbit, with the possible exception of Greece, where internal strife is as imminent or the force of insurrection as well organized and equipped. I endorse the view of the Italian Government that the readies of the security forces is the highest priority task for the coming weeks. I therefore urge the Department to take all possible action to insure prompt and favorable action on the part of the JCS with a view to declaring surplus and earmarking for purchase by the Italian Government, such excess combat stocks in EuCom as may be found fit for use by the Italian armed forces.

Dunn

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*In this telegram, not printed, Ambassador Dunn reminded the Department that “Without lists of equipment included in 16 million dollar program I am, of course, not in a position to discuss it further with the Prime Minister.” (S65.24/1-2348)

*Not found in Department of State files.

S/S-NSC Files, Lot 63 D 351, NSC 1 Series

Report by the National Security Council

TOP SECRET

WASHINGTON, February 10, 1948.

(NSC 1/2)

THE POSITION OF THE UNITED STATES WITH RESPECT TO ITALY

THE PROBLEM

1. To assess and appraise the position of the United States with respect to Italy, taking into consideration the security interests of the United States in the Mediterranean and Near East Areas.

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1 Serial master file of National Security Council documents and correspondence and related Department of State memoranda for the years 1947-1961, as maintained by the Executive Secretariat.

2 NSC 1/2 is a revision of NSC 1/1, p. 724. In approving NSC 1/1 the National Security Council agreed that the report be revised no less than 45 days before the elections in Italy in the light of the political situation at that time.
ANALYSIS

2. The basic objective of the United States in Italy is to establish and maintain in that key country conditions favorable to our national security. Current US policies toward Italy include measures intended to preserve Italy as an independent, democratic state, friendly to the United States, and capable of effective participation in the resistance to Communist expansion.

3. The National Security Council has concurred in the following:

"... The security of the Eastern Mediterranean and of the Middle East is vital to the security of the United States. ... The security of the whole Eastern Mediterranean and Middle East would be jeopardized if the Soviet Union should succeed in its efforts to obtain control of any one of the following countries: Italy, Greece, Turkey, or Iran. In view of the foregoing, it should be the policy of the United States, in accordance with the principles and in the spirit of the Charter of the United Nations, to support the security of the Eastern Mediterranean and the Middle East. As a corollary of this policy the United States should assist in maintaining the territorial integrity and political independence of Italy, Greece, Turkey, and Iran. In carrying out this policy the United States should be prepared to make full use of its political, economic, and if necessary, military power in such manner as may be found most effective. ... It would be unrealistic for the United States to undertake to carry out such a policy unless the British maintain their strong strategic political and economic position in the Middle East and Eastern Mediterranean, and unless they and ourselves follow parallel policies in that area. ..."

4. The majority of the Italian people and the present Government of Italy are ideologically inclined toward the Western democracies, friendly to the United States and conscious of the fact that US aid is vital to Italian recovery. The Government is now under strong and persistent Communist attack aimed ultimately at the creation of a Communist dictatorship subservient to Moscow. The political position of the Communist party is stronger in Italy than in any other country outside the Soviet orbit. This strength stems primarily from the prevailing economic distress which is conducive to agitation and unrest, and secondarily from Communist success in obtaining election support from other left-wing parties through formation of a "People's Bloc."

5. The current Communist campaign of strikes and political agitation appears to be the preliminary phase of a major effort to take over the Government either by winning the national elections now scheduled for April, by use of the general strike to create chaos, or by armed insurrection. However, the Communists will probably not resort to the general strike or armed insurrection until the elections are over, possibly not until the US Congress has acted on the European Recovery
Program. If ERP is not implemented before expiration of US interim aid on March 31, or if rations are further reduced, the “People’s Bloc” will be stronger in the April elections and may win participation in the government. If the Communists fail to gain admission to the government and if ERP is implemented, the Kremlin may then order armed insurrection in a final effort to prevent Italian recovery under a Western-oriented regime.

At present a Rightist threat to democratic government in Italy is too remote to require consideration.

6. The Italian armed forces, although numerically adequate, require additional modern equipment in order to enhance their ability to cope with a general Communist armed insurrection. Under present circumstances, the Communists—with an estimated para-military organization of 70,000—are believed to have the military capability of gaining initial control of northern Italy. If the Communists should receive material covert assistance from Yugoslavia and/or France, and the insurrections should be widely dispersed throughout the country, the Italian Government would probably require foreign aid to regain control of the area.

7. Italy’s position in the Mediterranean dominates the lines of communication to the Near East and flanks the Balkan countries. From bases located in Italy, it is possible for the power holding them to control Mediterranean traffic between Gibraltar and Suez, and to apply substantial air force against any point in the Balkans or the surrounding area.

CONCLUSIONS

8. The United States should make full use of its political, economic and, if necessary, military power in such manner as may be found most effective to assist in preventing Italy from falling under the domination of the USSR either through external armed attack or through Soviet-dominated Communist movements within Italy, so long as the legally elected Government of Italy evidences a determination to oppose such Communist aggression.

9. So long as the present or any other satisfactory successive Italian Government remains in power, the United States should maintain its policy of:

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3 For documentation, on ERP, see pp. 352 ff., “The Diplomacy of the European Recovery Program: The OEEC Level”.
4 In a memorandum dated March 16 for the National Security Council the Executive Secretary stated that on March 15 the President approved the conclusions of NSC 1/2 and directed that they be implemented. At the same time the President approved the conclusions of NSC 1/3 for which see p. 775.
a. Giving full support to the Italian Government by measures such as the following:

(1) Shipment of wheat and other essential commodities under the interim program of aid to Europe, one objective being the maintenance of the current bread ration at least until after the election in April.
(2) Extension of economic aid to Italy by means of favorable US foreign trade policies.
(3) Further assistance by all feasible means to the Italian armed forces in the form of equipment, supplies and technical advice to increase their capacity to deal with threats to Italian internal security and territorial integrity.

b. Continuing the display, with the concurrence of the Italian government in each case, of military forces in Italian waters and airspace.

c. Pressing for the relaxation of unduly onerous terms in the Italian Peace Treaty, and meanwhile interpret these terms liberally.

d. Continuing to support acceptance of Italy as a member of the United Nations.

e. Actively combatting Communist propaganda in Italy by an effective US information program and by all other practicable means

f. Vigorously seeking through diplomatic channels to bring about a more favorable attitude toward Italy on the part of the British and French Governments and to enlist their active support of our aims.

g. Making known the intention of the United States to insist upon compliance with treaty terms from all signatories and the determination of the United States to utilize to the full the machinery provided by the treaty itself, as well as procedures implicit in the Charter of the UN, in cases of violation of the treaty.

h. Urgently adopting and executing the European Recovery Program (ERP); and morally and materially encouraging effective Italian participation in this program.

10. US armed forces should not participate in a civil conflict of an internal nature in Italy; except as provided in paragraph 11 g.

11. In the event that a portion of Italy falls under Communist domination by armed insurrection or other illegal means, the United States should:

a. Suspend aid to Communist-dominated areas.

b. Continue to support the legal government and increase aid for areas under its jurisdiction.

c. Reconsider its position particularly as affected by the Italian Governments' ability to carry out the terms of the Peace Treaty.

d. Take measures to strengthen the potential of the U.S. National Military Establishment.

e. Strengthen its military forces in the Mediterranean area outside of Italy at such places and in such manner as would be deemed most effective.

f. Be prepared, upon request of the legal Italian government and
after consultation with the British, to deploy forces to government-controlled sections of peninsular Italy as a show of force in support of the legal government.

g. Deploy forces to Sicily or Sardinia or both, with the consent of the legal Italian government and after consultation with the British, in strength sufficient to occupy those islands against indigenous Communist opposition as soon as the position of the Communists in Italy indicates that an illegal Communist-dominated government will control all of the peninsula of Italy. Such deployment will be subject to the determination at the time by the Joint Chiefs of Staff that in the prevailing situation it is militarily sound. Such action would require partial mobilization.

12. A supplement to this paper, assessing the position of the United States with respect to Italy in the event that the Communists gain control in Italy by legal means, will be submitted as a separate paper at an early date. The National Security Council Staff will also in the near future prepare a report on the position of the United States with respect to the former Italian colonies.

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* Post, p. 775.
* See pp. 891.

S/S–NSC Files, Lot 63D351, NSC 1 Series

Memorandum by the Executive Secretary, National Security Council (Sovers) to President Truman

TOP SECRET

WASHINGTON, February 12, 1948.

Based upon consideration at its 6th Meeting, of the enclosed report (SANACC 390/1), the National Security Council recommends that, despite the lack of specific legislative authority, you, acting within your plenary powers as Commander-in-Chief and as head of the State in its relations with foreign countries and for the purpose of protecting primary security interests of the United States and of United States Armed Forces in Europe, direct the transfer to Italy from stocks now held or to be procured by United States Armed Forces, subject to reimbursement to the forces concerned, of all or any portion of certain limited quantities of military equipment and supplies requested by the Italian Government and considered by the U.S. Secretary of Defense to be essential in order to increase in so far as practicable the potential ability of Italian security forces to maintain the internal security of Italy and to suppress anticipated attempts by subversive elements to seize power by force.

Under this program it is planned that the Secretary of State will

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1 Ante, p. 737.
arrange for the necessary reimbursement to the forces concerned from the Italian Government.\footnote{In a letter of February 17, 1948, to the Secretary of Defense, not printed, the Under Secretary of State referred to the fact that the equipment could not be delivered in time to be of assistance in the period of the elections, and indicated that therefore the Italian program should not be given a priority which would interfere with the Greek-Turkish program. He urged that the U.S. should nevertheless go ahead with the program because of its psychological importance to Italy (865.24/2-1748).}

The National Security Council recommends that you direct that the actions contemplated above be implemented by all appropriate Executive Departments and Agencies of the U.S. Government under the coordination of the Secretary of State.\footnote{In a memorandum of February 13 for the National Security Council the Executive Secretary recorded: "The President has this date approved the recommendations of the National Security Council contained in the enclosed memorandum, and directs that they be implemented by all appropriate Executive Departments and Agencies of the U.S. Government under the coordination of the Secretary of State." (S/S–NSC Files, Lot 63D351, NSC 1 Series)}

SIDNEY W. SOUERS

\begin{footnotesize}
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\textsuperscript{2} In a letter of February 17, 1948, to the Secretary of Defense, not printed, the Under Secretary of State referred to the fact that the equipment could not be delivered in time to be of assistance in the period of the elections, and indicated that therefore the Italian program should not be given a priority which would interfere with the Greek-Turkish program. He urged that the U.S. should nevertheless go ahead with the program because of its psychological importance to Italy (865.24/2-1748).

\textsuperscript{3} In a memorandum of February 13 for the National Security Council the Executive Secretary recorded: "The President has this date approved the recommendations of the National Security Council contained in the enclosed memorandum, and directs that they be implemented by all appropriate Executive Departments and Agencies of the U.S. Government under the coordination of the Secretary of State." (S/S–NSC Files, Lot 63D351, NSC 1 Series)
\end{footnotesize}

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S/S–NSC Files, Lot 63D351, NSC 1 Series

\textbf{Memorandum by the Joint Chiefs of Staff for the Secretary of Defense}\footnote{In a letter of February 17, 1948, to the Secretary of Defense, not printed, the Under Secretary of State referred to the fact that the equipment could not be delivered in time to be of assistance in the period of the elections, and indicated that therefore the Italian program should not be given a priority which would interfere with the Greek-Turkish program. He urged that the U.S. should nevertheless go ahead with the program because of its psychological importance to Italy (865.24/2-1748).}

\textbf{TOP SECRET}

WASHINGTON, February 19, 1948.

Subject: The Position of the United States with Respect to Italy

In response to your oral request to the Director, Joint Staff, the Joint Chiefs of Staff submit herewith their views on NSC 1/2.\footnote{In a letter of February 17, 1948, to the Secretary of Defense, not printed, the Under Secretary of State referred to the fact that the equipment could not be delivered in time to be of assistance in the period of the elections, and indicated that therefore the Italian program should not be given a priority which would interfere with the Greek-Turkish program. He urged that the U.S. should nevertheless go ahead with the program because of its psychological importance to Italy (865.24/2-1748).}

With reference to paragraph 9 a (3) of NSC 1/2, it should be noted that, while it would be possible to assist the Italian armed forces with military equipment and supplies, all of the equipment and supplies requested could not be in the hands of Italian Armed Forces for effective use prior to the election scheduled for April 18, except for air shipment of limited quantities of small items such as ammunition and for such items of ammunition as may be available in EuCom. Moreover, should provision of this equipment and supplies to the Italian armed forces be given priority over the Greece and Turkey programs, delivery of equipment scheduled for support of an offensive by Greek Government forces this spring would be delayed with corresponding jeopardy to the success of the offensive, and the Turkey program,

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\textsuperscript{1}James Forrestal. Under cover of a memorandum of February 27, not printed, copies of this memorandum were sent to the Secretary of State, the Secretary of the Army (Kenneth C. Royall), the Secretary of the Navy (John L. Sullivan), the Secretary of the Air Force (W. Stuart Symington), and to the Chairman of the National Security Resources Board (Arthur M. Hill). (S/S–NSC Files, Lot 63D351, NSC 1 Series)

\textsuperscript{2}\textit{Ante}, p. 765.
which is already considerably behind schedule, would be further retarded.

There is a need for a decision on the highest level concerning the priority to be accorded United States military assistance to Italy, Greece and Turkey to enable the Joint Chiefs of Staff to give sound military advice on papers concerning the position of the United States with respect to these areas.

With reference to paragraph 11 e, the United States could strengthen its naval and air forces in the Mediterranean area outside of Italy without dangerously lowering its available reserve of such forces. However, deployment of ground forces in the same area would require commitment of part or all of our reserve in this category, a reserve which, in view of our extended military position, is already dangerously low. This should not be done unless a partial mobilization is undertaken to enable the United States to have available a comparatively large, trained strategic reserve with which to reinforce units outside the United States if required.

Implementation of the actions outlined in either paragraph 11 f or 11 g, regardless of whether or not the British concur and offer such assistance as they are able to give, would entail serious risks of global warfare and, in the opinion of the Joint Chiefs of Staff, should be preceded by mobilization.

From the military point of view it is unrealistic to conclude that the United States should, if necessary, make full use of its military power to prevent Italy from falling under the domination of the USSR, unless the United States has available sufficient military forces to accomplish this objective, particularly when identical conclusions have been approved concerning the use of these same limited forces in other areas to accomplish like objectives.

For the Joint Chiefs of Staff:
WILLIAM D. LEAHY
Fleet Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Armed Forces

The Secretary of State to the Embassy in Italy

TOP SECRET URGENT WASHINGTON, February 19, 1948—6 p. m.

Niall 461. State Army Navy Air Forces Coordinating Committee (SANACC) has approved paper (SANACC 390/1)¹ on Provision of

¹ Ante, p. 757.
US Equipment to Ital Armed Forces (copy to you by air pouch) and President, on recommendation NSC, has directed transfer to Italy (by US Armed forces), subject to reimbursement to forces concerned, of equipment and supplies Deptel 63 Jan 12. In separate tells Army and Navy advising MA and NA items, cost and estimated time delivery.

Dept must stress transfer dependent reimbursement and that no action involving expenditure funds can be initiated until payment received. Although we cannot emphasize too strongly great impetus to most efficient and expeditious delivery which payment full charges in advance would have, deliveries could be begun various items as and when funds become available to cover costs and charges items involved.

In event you consider probable delay acceptance entire program, suggest you urge PriMin immediately accept and arrange payment charges for items Deptel 2638 Dec. 17 or other items most urgently required which would prove effective in early reinforcement security forces. In this way at least some action could be initiated immediately.

Cost entire program reduced from approx sixteen million to approx ten million by means application “Greek-Turkish” pricing formula. In your conversations PriMin you may desire stress extremely favorable pricing which makes possible transfer non-surplus items on most favorable possible terms and transfer surplus items without cost except actual charges incurred in handling. For your info every consideration has been given declaration additional items as surplus, however, shortages our own essential forces and extremely difficult budgetary position armed forces absolutely precludes declaration as surplus items requiring immediate replacement through new procurement at prices inordinately higher than during wartime production.

Dept responsible arrangement necessary reimbursement to forces concerned before further progress can be made here. As you will see from Army and Navy tells, delivery schedules, which must be coordinated with top priority Greek-Turkish programs, leave dangerously small margin of time to effect deliveries prior anticipated critical period. Every day delay Ital agreement and actual transfer necessary funds, further postpones initiation delivery preparations here.

It is therefore of utmost importance Italss expedite agreement and completion necessary financial arrangements.

Surplus items indicated in Army’s tel to MA can be transferred under existing Bonner–Corbino Agreement.

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Marshall

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2 Not printed.
3 In telegram 791 of February 24, 1948, not printed, Dunn reported that he had transmitted the substance of inact 461 to De Gasperi (865.24/2-2448).
4 In Mar 53 of the same date, not printed, the Military Attaché, Colonel Willems, reported that the message had been delivered but there was no indication of the nature of the reply except that the Italians indicated willingness to accept matériel at the German border on an “as is” basis (865.24/2-2448).
The Secretary of the Army (Royall) to the Secretary of State

TOP SECRET

WASHINGTON, March 1, 1948.

Dear Mr. Secretary: The Department of the Army has initiated the carrying out of the recommendations of the National Security Council in its memorandum for the President dated February 12, 1948 (JCS 553/17), approved by the President on February 13, 1948,¹ which envisages the transfer of certain limited quantities of military supplies and equipment to Italy.

Steps have been taken to recover from the British, through re-capture of lend lease equipment located in Egypt, some 20,000 ready for issue caliber .45 Thompson submachine guns. In addition, it is expected to obtain from the same source a certain amount of unserviceable submachine guns which may be disassembled to provide spare parts or be repaired by the Italians. These guns will be transferred to the Italian Government under existing credits.

Separate action has been initiated to transfer to the Foreign Liquidation Commission for sale to the Italian Government under existing credits, certain excess equipment located in Germany. This equipment consists of 12,000 caliber .30 carbines, 10,000 caliber .45 pistols, 180 caliber .30 machine guns, 80 caliber .50 machine guns, 150 M8 armored cars and 120 light tanks. The foregoing equipment must be accepted by the Italian Government at the German border in an "as is" condition, inasmuch as the European Command is totally unable to repair this equipment due to lack of spare parts and repair facilities. The Italian Government has indicated willingness to accept this equipment under these conditions.²

With respect to that portion of the property which must be obtained from stocks of the U.S. Armed Forces, the proceeds of reimbursement for such property cannot under present law be made available to and used by the Armed Forces to purchase replacement property, but must be deposited in the Treasury.

The recommendation of the National Security Council, approved by the President, directed "the transfer to Italy from stocks now held or to be procured by the United States Armed Forces, subject to reimbursement to the forces concerned, . . . ." Since it has now been determined that any funds received from Italy for the sale of non-surplus property must be deposited in the Treasury, such funds cannot go to the Armed Forces for reimbursement.

However, in view of recent developments in Europe and the menace to our troops there, the immediate shipment of the required non-surplus supplies has been initiated. It is requested that the President

¹ See footnote 3, p. 770.
² See footnote 3, p. 772.
send the Secretary of the Army an authorization, proposed letter \(^a\) enclosed, in the form of a validation of the action already taken and a directive to proceed with the shipments.

Sincerely yours,  

KENNETH C. ROYALL

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\(^a\) The draft was amended March 5 and 6, in order to take into consideration the necessity for Presidential authorization of requisite action by the Department of the Navy as well as by the Department of the Army (Hickerson memorandum to the Secretary and attached draft, March 6, 1948, 865.24/3-148).

The draft was again revised in response to the letter of the Secretary of the Navy to the Secretary of State, March 9, 1948 (865.24/3-948).

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865.24/3-348: Telegram

The Secretary of State to the Embassy in Italy

SECRET URGENT WASHINGTON, March 5, 1948—noon.

592. Urtel 904 Mar 3.\(^1\) At press conference Mar 3, Under Secretary questioned re report Ital Govt had requested US send certain arms to Italy; requested to confirm or deny report, and state what we are contemplating doing. Lovett replied “I can deny that.” He stated report re request for something like thirty thousand machine-guns or hundred thousand rifles is “completely groundless”. He added “de Gasperi has not requested any such assistance”. Off the record Under Secretary added he would prefer not to have Dept comment on reports this nature. He told reporters he assumed they were aware that during war, after Ital armistice when Italy a co-belligerent was fighting against Germany, certain Ital troops were equipped by Allies. He added that Ital Govt has been obtaining through surplus Allied materials over a period of time. Lovett said that this the only information Dept has and that this may have been basis for story. He stated

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\(^1\) In this telegram, not printed, Dunn mentioned an Agence France press report which he believed to be the same as Drew Pearson’s report; and he suggested that the Department follow the same line as the comment authorized by the Italian Government (865.20/3-348).

In fact 597 of March 2, not printed, Dunn gave the text of comment prepared by the Italian Government: “Information is completely baseless (the Italian Government has neither sought nor obtained from Department of State weapons of any sort either to meet with possible disorders during elections or for any other aim).

“All material in possession of Italian armed forces comes from Italian deposits and from Allied surplus deposits obtained through year in accordance with agreements duly stipulated with Allies and within limits laid down by peace treaty.” (865.20/3-248)

In telegram 920 of March 3, not printed, Dunn forwarded, in translation, Facchinietti’s statement as reported in Messaggero: “report is lacking in foundation. Italian Government has neither requested nor obtained from American State Department arms of any kind either to meet possible election disorders or for any other purpose. All material of Italian armed forces comes from national depots and from Allied surplus war material camps through ARAR on basis of agreements previously concluded with Allies and within limits provided by peace treaty.” (865.20/3-348)
also for background that he did not know whether Italys had been buying this material or acquiring it from surplus stocks but that whatever amounts were involved are within treaty limitations. (End press conference comment.)

You may desire issue statement from Embassy along lines Lovett's on the record comments above.

While we agree desirability deny this false rumor, de Gasperi must realize continuing deliveries equipment involved in program now under negotiation will certainly be observed and become general knowledge. Accordingly, we consider he must be prepared to explain deliveries. We believe explanation that deliveries are in furtherance re-equipment program undertaken by Allies during early days Italys co-belligerency could be easily defended by Ital Govt as legitimate program within treaty limits entirely compatible and essential to Italy's vital security interests.  

MARSHALL

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*In telegram 935 of March 4, not printed, Dunn reported that the statement by Under Secretary Lovett in the press conference was reported in four of the leading Roman newspapers (865.20/3-448).*

S/3-NSC Files, Lot 63D351, NSC 1 Series

Report by the National Security Council

TOP SECRET

WASHINGTON, March 8, 1948.

POSITION OF THE UNITED STATES WITH RESPECT TO ITALY IN THE LIGHT OF THE POSSIBILITY OF COMMUNIST PARTICIPATION IN THE GOVERNMENT BY LEGAL MEANS (NSC 1/3)

THE PROBLEM

1. To assess and appraise the position of the United States with respect to Italy in the light of the possibility that the Communists will obtain participation in the Italian government by legal means.

ANALYSIS

2. United States security interests in the Mediterranean are immediately and gravely threatened by the possibility that the Italian Communist-dominated People's Bloc will win participation in the government in the April national elections and that the Communists will thereafter, following a pattern made familiar in Eastern Europe, take over complete control of the government and transform Italy

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*The document here printed is a report to the Council by the Executive Secretary on March 8, for consideration by the Council concurrently with NSC 1/2 at its next meeting scheduled for March 11.*
into a totalitarian state subservient to Moscow. Such a development would have demoralizing effect throughout Western Europe, the Mediterranean, and the Middle East. Militarily, availability to the USSR of bases in Sicily and southern Italy would pose a direct threat to the security of communications throughout the Mediterranean.

3. The present Italian Government is essentially Christian Democratic, although minor moderate parties are also represented. Its strength is derived from the active support of the Church and from popular identification with U.S. aid, without which the Italian economy would collapse. The survival of this politically moderate, anti-Communist Government is at stake in the national election scheduled for 18 April. The Communists, foregoing armed insurrection for the time being, are exerting every effort to achieve an electoral victory for the People’s Bloc, in which they are associated with the Nenni Socialists and minor leftist parties. To this end they are vigorously exploiting legitimate economic grievances, social unrest, and the prevailing fear of vengeance in the event of Communist domination, most recently stimulated by the Communist coup in Czechoslovakia. Aided by timely announcements of Soviet policy designed to appeal to Italian nationalist sentiments, such as those with respect to the former Italian colonies and to Tangier, and supported with ample funds, their well-organized and dynamic electoral campaign is proving dangerously effective. It bids fair to overwhelm the poverty-stricken anti-Communist parties by sheer preponderance of electoral expenditures. One of its most telling strokes is the assertion, as yet undenied by the U.S., that the People’s Bloc, when elected, will continue to receive U.S. aid as surely as would the Christian Democrats.

4. Should the election be held today, the best result that could be hoped for would be that the People’s Bloc would obtain no more than a plurality, which would not of itself prevent the formation of a majority coalition of anti-Communist parties under Christian Democratic leadership. If, however, the current trend continues unchecked until election day, a People’s Bloc majority is not improbable. Six weeks remain during which the United States might, by timely aid to the moderate Italian parties, check the current trend or even reverse it. Such aid would be far less onerous and would have greater prospect of success than the measures which might have to be adopted should a People’s Bloc victory at the polls result in Communist participation in and eventual control of the Italian Government.

5. Operating behind the facade of the People’s Bloc, the Communists would seek absolute control of Italy, first through the control of key ministries, such as those of the Interior, Justice, Communications, and Defense, then through a discreet but rapid infiltration of
the armed forces, the police, and the national administration. The end of the process would be a totalitarian police state, but that result could not be accomplished overnight. Even if the People's Bloc were to win a clear majority in the election, an indeterminate interval would be required to transform a People's Bloc parliamentary government into a Communist dictatorship and the trend in that direction might yet be reversed. Even in that case, then, the United States would still have one final chance to prevent Communist control of Italy.

6. A number of considerations indicate that a final effort to save Italy might have some chance of success. No Italian Government can maintain the national economy at the current level, much less improve it, without substantial U.S. aid. A majority of the Italian people would probably remain non-Communist and ideologically oriented toward the West. The Nenni Socialists, the Communists' principal partners in the People's Bloc, are not perfectly reliable from the Communist point of view. The parties of the Center and Right might retain considerable popular support and be disposed to offer a desperate final resistance to Communism. The Italian armed forces are strongly anti-Communist and would for the most part remain so until thoroughly purged and reindoctrinated. Demonstration of a firm United States opposition to Communism and assurance of effective United States support might encourage non-Communist elements in Italy to make a last, vigorous effort, even at the risk of civil war, to prevent the consolidation of Communist control.

7. If despite all efforts the Communists should succeed in seizing complete control of the Italian government, it would be necessary for the United States to adopt measures designed to minimize the effects of Communist domination of Italy and to facilitate continued opposition to it.

CONCLUSIONS

8. Between now and the April elections in Italy, the United States should as a matter of priority immediately undertake further measures designed to prevent the Communists from winning participation in the government, as a result of these elections. In addition to the measures in par. 9 of NSC 1/2, the United States should:  

[Here follow recommendations of measures to assist the Italian government.]

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2 In a memorandum of March 12, not printed, the Executive Secretary stated that "the President has approved paragraph 8 of NSC 1/3" and that he "directs that the conclusions in that paragraph be implemented by all appropriate Executive Departments and Agencies of the U.S. Government under the coordination of the Secretary of State." (Executive Secretariat Files)

3 In a memorandum of March 16, not printed, the Executive Secretary noted that the President had on March 15 approved the Conclusions of NSC 1/3 along with those of NSC 1/2. See footnote 4, p. 767.
c. Urge key members of Congress to announce immediately that the attitude of the American people is such that they would never support economic assistance to Italy if its government included parties inimical to the United States.

d. Announce without delay, after informing the British and French Governments, that the United States supports an immediate revision of the Peace Treaty that will provide for the return of Trieste to Italy.

e. Exploit as soon as possible and by all possible means the delay of the Soviets in the readmission of Italy into the Tangier International Regime.

f. Immediately initiate in this country, and encourage in Great Britain and France, a campaign of speeches by government officials and private individuals, including labor leaders, and a letter-writing campaign by private citizens, regarding the political issues in Italy.

g. Press for the immediate inclusion of Italy in negotiations for western union and the announcement thereof by the British and French.⁴

h. Announce at once that the U.S. favors Italian participation in allied consideration of German economic questions.

9. In the event the Communists win participation in the Italian Government by legal means, the United States should continue its efforts to prevent Communist domination of Italy. At the same time the United States should initiate measures designed to minimize the effects of Communist domination and to facilitate continued opposition to it should it be achieved. In furtherance of this basic objective, the United States should:

a. Strengthen the military position of the United States in the Mediterranean area.

b. Take measures to strengthen the potential of the US National Military Establishment.

c. Continue economic aid to Italy only so long as it assists in combating Communist control in Italy. If aid is terminated, the onus should be placed upon the Italian Communist Party.

d. Provide military equipment and supplies to Italy only if such equipment and supplies are received by anti-Communist elements and are not permitted to fall into Communist hands.

e. Continue efforts, by all feasible means... to detach the Italian Left-wing socialists from the Communists.

f. Continue to assist the Christian Democrats and other selected anti-Communist parties...

g. Intensify the US information program with respect to Italy to the point where it becomes a full-scale, vigorous and openly anti-Communist campaign along the lines of the wartime anti-Nazi program for Italy.

⁴See Ante, pp. 1 ff.

2. Continue support of the Italian application for membership in the United Nations.

3. Maintain the position of the United States in Trieste on the basis of the Peace Treaty unless the Treaty is amended.

4. Review, in light of the situation in Italy, the adequacy of United States aid to Greece and Turkey, as well as to the present government of France.

10. In the event the Communists obtain domination of the Italian government by legal means, the United States should:

a. Immediately take steps to accomplish a limited mobilization, including any necessary compulsory measures, and announce this action as a clear indication of United States determination to oppose Communist aggression and to protect our national security.

b. Further strengthen its military position in the Mediterranean.

c. Initiate combined military staff planning with selected nations.

d. Provide the anti-Communist Italian underground with financial and military assistance.

e. Oppose Italian membership in the United Nations.

S/S-NSC Files, Lot 63D351, NSC 1 Series

Memorandum by the Director of the Office of European Affairs (Hickerson) to the Secretary of State

TOP SECRET

WASHINGTON, March 8, 1948.

Subject: JCS Comments on NSC 1/2, “The Position of the United States with Respect to Italy.”

The following comments are submitted in connection with the Joint Chiefs of Staff memorandum of February 19 to the Secretary of Defense containing the JCS views on NSC 1/2.¹

The JCS comment on paragraph 9 a (3) of NSC 1/2 to the effect that military equipment and supplies for Italy cannot be in the hands of the Italian armed forces for use prior to April 18, except for air shipments of limited quantities of small items and items available in EuCom, is no longer valid as we have now informally been advised by the Department of the Army that implementation of delivery of the equipment listed in SANACC 390/1² has already been ordered and that excepting for heavy equipment such as tanks and vehicles,

¹ Ante, p. 765.

² Ante, p. 757.
it is anticipated that there is a good possibility that all items can be delivered by April 1.

With regard to JCS comment concerning the need for a decision on the highest level concerning priority to be accorded U.S. military assistance to Italy, Greece, and Turkey, it is believed that it would be impracticable to set forth a hard and fast priority as amongst the three programs. In the Secretary's letter of February 17 to Secretary Forrestal, the Department recommended that a secondary priority should be accorded the Italian program with respect to the Greek-Turkish program. This decision referred only to the limited program envisaged in SANACC 390/1 and was taken in the light of the Army Department's statement that even the highest priority, which would interfere with delivery of supplies required for the Greek spring offensive, would not enable delivery of the Italian supplies prior to April 18. In the light of that situation, EUR agreed that no useful purpose would be served by the establishment of a superior priority for the Italian program. It was agreed in principle that the Italian program should rank "with but after" the Greek-Turkish program, but that every effort should be made to expedite Italian deliveries. As things have worked out, the Army's estimate of the time required for delivery of the Italian program proved overly pessimistic and on the basis of the "secondary" priority accorded the Italian program it now appears that substantial deliveries can be made in time to be effective in connection with control of disturbances anticipated during and immediately after the election.

It is believed that the equally vital importance of the Greek-Turkish, Italian, Iranian, and probably also Korean and Chinese situations, must be recognized, and that only on the basis of consideration of each individual operation within each program in its relationship to our limited capabilities and in relationship to all other operations can realistic priorities be established.

While the JCS comment on paragraph 11 e would appear to be valid and pertinent, this is a matter for military assessment. We can, of course, give our full support to any measures which the United States Military Establishment might feel are required to meet the needs of the situation.

This observation is pertinent also to JCS comments concerning paragraphs 11 f and 11 g NSC 1/2, as well as to the final paragraph of the JCS memorandum under reference.

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3 See footnote 2, p. 770. The letter was signed by Lovett, the Under Secretary.
President Truman to the Secretary of Defense (Forrestal)

TOP SECRET

WASHINGTON [March 10, 1948].

MY DEAR MR. SECRETARY: Conditions in various localities in Europe have become such as to constitute a real menace to our troops and a threat to the primary security interests of the United States. Accordingly, I have determined that the immediate acquisition by Italy of the munitions and matériel covered in the memorandum from the National Security Council which I approved on February 13, 1948, is in our national interest.

Consequently, I direct that immediate steps be taken to expedite the assistance to Italy covered in that memorandum, even though some portion or all of the proceeds of reimbursement which may be received for the munitions and matériel may not be made available under existing law to the armed forces for replacement of certain portions of the equipment and to defray the cost of packing, crating, and shipping, but which reimbursement must be deposited in the Treasury.

I hereby validate the steps already taken to comply with these instructions.

Sincerely yours,

The text here printed is from the draft copy in the files of the Department of State and bears no signature, no date.

An attached "Note for File," by W. B. Sale, states: "The attached letter was (according to S/S Mr. Humelsine) signed by the President on March 10, 1948."

The draft was forwarded to the President under cover of a memorandum by Secretary Marshall, not printed, dated March 10, 1948 (865.24/3-148).

See p. 170, footnote 8.

865.24/3-1048: Telegram

The Secretary of State to the Embassy in Italy

SECRET URGENT

WASHINGTON, March 10, 1948—5 p. m.

Niac 635. Re Army's tel WARX 97122 March 7 which you have seen, President today approved amendment his directive approving

This telegram, not printed, was sent March 5, 1948, by the Plans and Operations Division, General Staff, U.S. Army to the Military Attaché in Italy and to Headquarters, EuCom in Frankfurt, Germany. It advised that the reimbursement feature of the President's directive was not yet resolved but that in view of the urgency of the situation the Department of the Army issued instruction to make immediate shipment to Italy of all items listed in the Army list, part one of the list of matériel of February 19 (WARX 96225). The Military Attaché was to inform the Ambassador of the message but to make no contact with members of the Italian Government on the subject until so directed by the Department of State. (Department of Defense Files)

WARX 96225 is also referred to in footnote 3, p. 789.
SANACC 390/1 to permit delivery items without reference prior reimbursement to forces concerned. Accordingly, you are authorized propose Ital Govt agree immediately acceptance full program subject only formal agreement to reimbursement amounts indicated Army and Navy tels at such time most convenient Ital Govt but prior to close current fiscal year.

In anticipation Ital acceptance in toto equipment offered Deptel 461 Feb 19 and related Army and Navy tels, and in order make possible earliest delivery to Italy, Dept Army ordered initiation movement of items both in ZI and EuCom preparatory delivery. As consequence, operations well advanced and delivery expected most items before early April. Navy advises naval items ready for shipment promptly upon notification Ital agreement accept. In view advance status delivery operations and serious dislocating effect non-acceptance program substantially as offered, you shd urge PriMin immediate acceptance entire program with undertaking eventual reimbursement in order deliveries may be made accordance plans now in operation.

In view operational urgency, require your immediate comments.

MARSHALL

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2 See supra.

S/S-NSC Files, Lot 63D351, NSC 1 Series

Memorandum by the Joint Chiefs of Staff for the Secretary of Defense (Forrestal)²

TOP SECRET

WASHINGTON, March 10, 1948.

Subject: The Position of the United States with Respect to Italy in the Light of the Possibility of Communist Participation in the Italian Government by Legal Means.

In accordance with your informal request, the Joint Chiefs of Staff have studied a draft report prepared by the National Security Council staff entitled, "Position of the United States with Respect to Italy in the Light of the Possibility of Communist Participation in the Government by Legal Means" (NSC 1/3) forwarded by you on 8 March 1948 and scheduled for consideration by the National Security Council on 11 March 1948.

The Joint Chiefs of Staff have reviewed this paper to the extent possible in the very brief time available, and have limited their comments to those portions having apparent major military implications.

With reference to the conclusion in paragraph 9 a to the effect that the United States should strengthen its military position in the Mediterranean area, little action, except increase of our Mediter-

² Copies were sent also to the Secretary of State, to the Chairman of the National Security Resources Board, to the Secretary of the Army, to the Secretary of the Navy, and to the Secretary of the Air Force.
ranean naval force, could be taken that would not involve actual stationing (with prior political arrangements) of United States forces either in Italy or its islands or on some other foreign territory such as Malta or Tripoli. As for forces available, the Joint Chiefs of Staff would reiterate the following comment made in their memorandum to you dated 19 February 1948 in connection with their study of NSC 1/2:

"... The United States could strengthen its naval and air forces in the Mediterranean area outside of Italy without dangerously lowering its available reserve of such forces. However, deployment of ground forces in the same area would require commitment of part or all of our reserve in this category, a reserve which, in view of our extended military position, is already dangerously low. This should not be done unless a partial mobilization is undertaken to enable the United States to have available a comparatively large, trained strategic reserve with which to reinforce units outside the United States if required."

The Joint Chiefs of Staff believe that the over-all world situation, of which that in Italy is only a part, dictates the necessity for strengthening immediately the potential of our National Military Establishment. Some form of compulsory military service is essential if timely and effective strengthening of our potential is to be achieved, since this is the only method short of mobilization which can produce desired results without long delay. The foregoing does not exclude the desirability of Universal Military Training but it is only from the long-range point of view that initiation of such training will be useful.

In view of the time elements involved in obtaining authorizations and appropriations and then in implementing any strengthening of the National Military Establishment (including selective service), it is the opinion of the Joint Chiefs of Staff that, if it be determined that it is essential to strengthen the potential of the National Military Establishment, measures to accomplish this should be initiated at once.

Regarding subparagraph 10 a, which concludes that, if the Communists obtain domination of the Italian Government by legal means, the United States should immediately take steps to accomplish a limited mobilization, the Joint Chiefs of Staff would point out that neither limited nor general mobilization will result in appreciable augmentation of our combat strength for at least one year after mobilization is actually initiated.

It must be emphasized that decision as to the timing of steps to accomplish any mobilization should take into full account the inherent lag between such steps and the combat availability of resultant forces.

For the Joint Chiefs of Staff:

William D. Leahy,
Fleet Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Armed Forces
SECRET URGENT

ROME, March 12, 1948—noon.

Niact 1062. RefDeptel 635, March 10. I explained fully to Prime Minister status of equipment. He expressed deepest gratitude to US Government for friendly and helpful manner in which we are making provision for Italy and particularly for the financial arrangement and asked me to explain that in view of the stage at which political situation and electoral campaign, in full swing here now, have developed he cannot agree to have shipment made before electoral date April 18 or arrivals in Italy occur before 15 May. He said he still wants the equipment requested and his desire not to have it shipped now is due to his judgment as to the adverse effect such shipment would have at this stage upon the electoral campaign. He said the government has seized large quantities of arms in the hands of Communists; is continually tracking down other such holdings; government has made progress in increasing the strength and equipment of internal violence with strongest possible resistance.

He said assistance must be viewed now in light of its effect on the elections. Anything helpful to victory must be undertaken and anything which would put in jeopardy such a victory must be put aside or postponed until after the election. He said the Communists are playing upon the fear of war on the part of all Italians and shipments of this equipment would be seized upon with avidity by Communists propaganda and would be detrimental to campaign he is now waging for democratic victory. It is his considered judgment that his cause would not be helped by agreeing to shipments now and if arrangements for shipping were made before April 18 tide of elections might be turned against him.

Reports coming from Washington of shipment of arms to Italy have caused government here to be put on defensive against Communist attacks and I hope therefore that every precaution will be taken to keep this discussion completely secret.¹

Dunn

¹ See p. 774, footnote 1.

TOP SECRET URGENT

WASHINGTON, March 12, 1948—9 p. m.

Niact 677. Personal for Ambassador’s eyes only from Hickerson and Dowling. De Gasperi’s decision as reported urtel 1062 Mar 12 has of
course come as complete surprise. On basis repeated requests for urgent action, which stressed vital importance this program, as well as on basis informal assurances De Gasperi’s personal endorsement (CA 46 from Stilwell), ships in US and trains in EuCom were actually standing by awaiting final instructions which were to have been issued immediately upon receipt favorable reply Deptel 635 Mar 10.

We wonder therefore if PriMin took foregoing wholly into account, and if he was fully aware postponement at this stage would mean no commitment could be given for future implementation this or similar program. At very best, postponement means many weeks intensive work will have been lost. We should have to begin again almost immediately to have any chance of getting eqpt to Italy in May, and to begin again we obviously must have without much delay firm assurance reimbursement.

We agree Communists will endeavor make political capital out of US eqpt to Ital armed forces, but are convinced this propaganda will be continued regardless of any factual basis. Has PriMin considered whether Communist propaganda is not in fact intended to prevent any strengthening forces upon which Ital Govt would have to depend for maintenance law and order, and whether postponement of program would not play directly into their hands.

In brief, has De Gasperi fully realized gravity of decision he is making. We want your own views this regard before considering whether you shd take matter up again with him.\(^3\) [Hickerson and Dowling.]

\(^3\) In niact 1112 of March 13, not printed, Dunn reported that he had explained to De Gasperi all of the points of the instruction, that De Gasperi thoroughly understood the background, and that he, Dunn, believed there would be no use in a further approach at this time (865.24.3-1348).

\[865.24/3-1348:\] Telegram

The Secretary of State to the Embassy in Italy

TOP SECRET URGENT WASHINGTON, March 13, 1948—5 p.m.

Niact 680. Personal for Ambassador’s eyes only from Hickerson and Dowling.

Since De Gasperi has taken into account (urteil 1112 Mar 13)\(^2\) all points suggested Deptel 677 Mar 12, postponement eqpt for Ital armed forces is more than ever disturbing. If program is of vital importance which all indications lead us to believe—and it is surely unwise to assume Communists would meekly accept electoral defeat without

\(^2\) See footnote 3, above.
resort to direct action—then decision, taken in conjunction FonOff view reported urtel 1047 Mar 11, reflects either a), attitude of defeatism, presumably arising primarily from Czech developments, which means Ital Communists have already achieved one major objective, i.e., intimidation of Ital Govt so as to preclude positive action in self-defense; or b), that Ital Govt has been lulled into feeling false security, which serves equally well for attainment ultimate Communist aims.

Thus decision may adversely affect US national interest, which requires maintenance Italy as stable, independent nation, by denying to Ital armed forces eqpt which is essential if they are to cope successfully with any Communist attempt to seize power. Implications thereof must be carefully considered in connection studies outlined Deptel 660, Mar 11, since liability for US and Western powers may be much heavier than we had estimated. Pls let us have your view this regard.

Re last para urtel 1112, you are of course aware of heavy demands from many sources for limited availabilities US eqpt. We could not hold large quantities eqpt now assembled on mere chance Italss might decide in future eqpt might be needed, and if eqpt is returned to points of origin, time and effort expended in getting it together would have to be duplicated. Only basis on which programmed eqpt might possibly be held briefly for Italss would be immediate assurance of eventual reimbursement plus firm agreement on early shipping date.

We accept view there is no use proposing De Gasperi reverse decision. In view of gravity of matter, however, we feel he must not be left under any illusion he can expect to receive eqpt as desired at some specified future date. We think you shd therefore see him at once to explain that only with greatest effort has it been possible assemble requested eqpt; that his decision has come as complete surprise in view of urgency which he had insisted upon and in which we continue to believe; and that survey shows no possible arrangement which would permit scheduling shipment as desired by him. We would be glad, if he desires, to endeavor to work out with Dept of Army arrangements for brief temporary storage at points embarkation; we do not yet know if this can be done, and in any event he must realize that in fairness to other claimants for limited availabilities US eqpt we could attempt such arrangements only if we receive from him at once assurance of eventual reimbursement as well as firm agreement shipment can be made at reasonably early and mutually satisfactory date. Otherwise, he must understand, no commitment can be undertaken for

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3 In this telegram, not printed, Dunn reported a conversation with the Undersecretary for Foreign Affairs who gave the view that Italy’s position with regard to “Western Union” was very delicate as long as the Yugoslavs could occupy the Veneto whenever they would wish: Italy would need a military guarantee (830.00/3-1148).

3 Ante, p. 45.
future implementation this or any similar program. [Hickerson and Dowling.]

MARSHALL

4 In naci& of March 15, not printed, Dunn reported that De Gasperi planned to consult Einaudi, Facchinietti, and General Trezzani, and that he had asked whether the matériel could be shipped to Germany to be held for delivery in Italy about May 15 (865.24/3-1548).

865.24/3-1848: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET URGENT

ROME, March 18, 1948—1 p. m.

Niacet 1195, Prime Minister has now notified me that his consultation with Einaudi, Facchinietti and Trezzani has resulted in his being ready to bind Italian Government to arrangement along following lines:

1. Shipment through Bremerhaven and by rail through zone of occupation in Germany with entry of material into Italy after April 18. Exception can be made for prior receipt such supplies as can be sent to Bolzano without their being discovered.

2. Full acceptance of American offer and payment of amount stipulated before June 30. He is ready to sign appropriate document to this effect. It is understood that cost may be increased because of longer journey required through Germany and that it would also be changed to accord with any reduction caused by non-delivery of materials.

3. General Trezzani is authorized to specify exact delivery arrangements.

De Gasperi again expressed his appreciation and reiterated his firm resolve to face issue of Communism through to end. He seemed confident and resolute.

I hope Department can succeed in persuading military authorities to make shipments through Germany as requested.¹ Prime Minister

¹ In MAR 97 of March 18, unnumbered to the Department, not printed, Colonel Willems vigorously urged that every effort be made to accommodate De Gasperi, emphasizing “that the initial goal toward which all efforts must be bent is electoral defeat of Communist Socialist block. There is no justification in abandoning confidence in sensitivity of De Gasperi to political implications pre-election period and it would appear doubly important now that we continue lend assistance to his Government in every practical manner.”

Regarding shipment of equipment now located in Germany, which De Gasperi viewed in a different light, Colonel Willems stated: “OFLC has sold to Italian salvage combine as scrap approximately 70,000 tons US surplus ammunition for demilitarization in Italy. Considerable portion of total is small arms ammunition, mainly grade 3 (this matter will be subject of separate cable). Ammunition has been moving through Brennero in sealed cars at minimum frequency 4 trains weekly for past month and will continue. No press comment whatsoever except repeat of EuCom factually pro release. Thus, while patently the shipment of arms and ammunition, purchased by government under either part of WAIK 96225 cannot be kept secret, we feel purpose of shipment can be cloaked particularly if cars routed initially to same destinations and under identical arrangements obtaining for scrap shipments.” (865.24/3-1848)
again emphasized absolute need for secrecy at this time and also inquired whether mention of shipment needed to be put in US budget. I should appreciate being able to reassure him on this point. Emphasis on supplies being sent through Germany appears to be based on an assumption that they can be sent to US forces there and that destination to Italy not be made public until after April 18.²

We have not yet heard re method of shipment desired for Navy supplies.³

Dunn

²In telegram 773 to Rome, March 20, Acting Secretary Thorp informed Dunn that the Army was exploring all possibilities for complying with De Gasperi’s request, and despite difficulties felt that acceptable arrangements could be worked out. Thorp instructed Dunn to get the Prime Minister’s signature on an appropriate instrument as soon as possible (865.24/3-1948).

³In telegram 1274 of March 22, not printed, Dunn reported that the Italian Admiralty had informed the Naval Attaché of their readiness to accept as soon as possible naval matériel shipped directly to Italy (865.24/3-2248).

865.105/3-2448: Telegram

The Chargé in Britain (Gallman) to the Secretary of State

SECRET

LONDON, March 24, 1948—6 p. m.

1217. Dennis Healey, head International Department British Labour Party, reported to Watson, sub-head Southern Department Foreign Office, today that he had had conversation with Italian Minister of Interior Pacciardi at Rome, recently, concerning Italian police. Pacciardi stated police is effective fighting unit equipped with all sorts of arms and had had battle training for use in quelling civil disturbances.¹ Pacciardi remarked that he hoped US and UK would not press satellite countries, principally Bulgaria, for information regarding para-military organizations those countries with view to accusations of violations of peace treaties. Pacciardi said that even if satellites were violating treaties and accusations proved, it would not bring down the Communist governments of those countries.

Pacciardi feared that if he accused satellites, Soviets would undoubtedly retaliate by making accusations re Italian police.

Foreign Office is rather concerned about this matter and feels that perhaps it would be unwise to press satellites with possibility of Russian retaliation re Italian police.²

Sent Department 1217; repeated Rome 77.

Gallman

¹In telegram 898 of March 2, not printed, Dunn reported that as of March 15, the Italian Army would number about 190,000 which with 75,000 carabinieri would represent an excess of 15,000 over the treaty limit of 250,000 (865.22/3-248).

²In telegram 1465 of April 2, not printed, Dunn states that he supported the British view on the unwisdom at this time of protesting para-military establishments in the satellites (865.105/4-248).
TOP SECRET        URGENT

ROME, March 26, 1948—6 p.m.

Nial 1347. Deptel 773, March 20. Following is translation of document deposited with me by De Gasperi’s private secretary.

“In conformity with the agreement reached in these days with the Chief of General Staff General Trezzani it is declared that the offer of material listed in document No. 72 R.P. is accepted with payment of the agreed sum of ten million dollars, granted that there may be an eventual increase because of a longer journey or a reduction for material that might not be available. The above sum in dollars must be paid to US prior to July 1, 1948.

It is agreed that the material will be introduced into Italy by transport under conditions mutually agreed on.

Further arrangements will be stipulated by General Trezzani Chief of General Staff. Signed by Minister of Defense Fachinetti, dated March 25, 1948.”

72 R.P. reference to above is list prepared by General Trezzani on basis US offer (WARX 96225 and Navy Dept 192241Z).

Dunn

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1 See footnote 2, p. 788.
2 Paolo Canali.
3 WARX 96225, February 19, 1948, not printed, but see footnote 1, p. 781.

865.24/4-648: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

ROME, April 6, 1948—7 p.m.

1358. For Hickerson and Dowling. Reference mytel 1347, March 26, WARX 98957 1 for Stilwell is most gratifying here. It is planned to bring material in question into Italy as soon as material will have traversed Germany.

After fully considering risks involved government determined to accept trials shipments on tentative basis. Daily shipments started arriving from Germany on 3 April with no repercussions. These have

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1 This message, sent April 5, 1948, from the Plans and Operations Division, General Staff, U.S. Army, not printed, informed the Military Adviser, Lt. Col. Richard G. Stilwell, and Hq. EuCom that the army transport Francis X. Mcgraw had cleared New York April 3, was due in Bremerhaven April 14, and had on board all of the equipment from the Zone of the Interior except 67 light tanks, 37 gun mounts, and some spare parts which would follow by separate shipments. It urged that Stilwell be at Bremerhaven to assist coordination of movement in EuCom.
even included small number of tanks (OFMC purchases) and considerable quantities of that portion 10 million dollar program located Germany. Naval shipments are planned to be transferred as Department knows at Poznuoli April 14 to 17.

These current arrivals and those expected represent an immensely valuable contribution to strengthening hand of the government in meeting the situation now and that which may occur after April 18. Both Prime Minister and General Trezzani are greatly appreciative of US Government having acquiesced in manner of shipment and prompt action now taken. Department of Army being kept currently informed of shipments as forwarded.

Dunn

811.2365/1-2048

The Ambassador in Italy (Dunn) to the Secretary of State

No. 651 Rome, April 20, 1948.

Subject: Transit Facilities through Italy for Trieste United States Troops.

Sir: I have the honor to refer to the Embassy's dispatch No. 1922 of November 24, 1947 which forwarded, as Enclosure 4 (Embassy Note 630, November 20, 1947), proposals submitted to the Italian Ministry of Foreign Affairs regarding transit facilities desired by Commanding General, Trieste United States Troops for maintenance of lines of communications with United States Occupational Zones, Germany and Austria. As a result of further negotiations on this subject, it developed that the Italian Foreign Office desired to maintain a wording similar to that contained in parallel arrangements involving the British element in Trieste. At the same time, however, the Foreign Office concurred in the necessity of extending the arrangements for United States Troops to include a communications link with Germany as well as Austria. Consequently, the Embassy's original proposals were modified and have now been agreed.

There are inclosed copies of the Italian Foreign Ministry's Note Verbale 11324/93 of April 10, 1948 and the Embassy's confirming reply in this regard.

Respectfully yours, James Clement Dunn

¹ Not printed, but see footnote 1, p. 732.
ITALY

[Enclosure 1—Translation]

NOTE VERBALE

No. 11324/93

In furtherance of Note Verbale No. 1099 of 12 December 1947 and in conformity with what has been agreed in recent conversations, the Ministry of Foreign Affairs has the honor to inform the United States Embassy as to the following:

In consideration of the special requirements set forth by the Embassy of the United States in Note Verbale No. 630 of 20 November 1947, the Italian Government agrees to give the facilities which are contained in Annex I and II attached to the present Note, concerning transit across Italian territory, of personnel and equipment of the United States on route to and from the Free Territory of Trieste.

If the Embassy of the United States will confirm the attached, the present Note and that which the Embassy will send in reply will constitute a definitive agreement between the two Governments on these questions.

Rome, 10 April 1948.

[Enclosure 2—Translation]

NOTE VERBALE

F.O. 1133

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and, with reference to the Ministry’s Note Verbale No. 11324/93 of 10 April 1948, has the honor to confirm that the provisions of Annexes I and II thereto, of which English translations are herewith enclosed, are agreeable as constituting a definitive agreement concerning transit across Italian territory of personnel and equipment of the United States en route to and from the Free Territory of Trieste.

Rome, 14 April 1948.

Annex I

The Italian Government agrees to the following facilities regarding the transit of United States personnel and material between Austria and the Free Territory of Trieste:
1. Transportation of personnel, mail, baggage and emergency supplies by railroad between Trieste and the Brenner Pass and between Trieste and Villach, Austria and return. Passenger and cargo space as required will be admitted on regularly scheduled trains and under the same conditions as are applicable to Italian citizens. In the event of the interruption of the normal method of maintenance of United States Forces in Trieste by sea, the said Forces will require one freight train per week of a capacity not exceeding 500 tons, moving either via the Brenner Pass–Trieste route or via the Villach–Trieste route.

2. Use, as necessary, of the principal road route between Trieste and Villach and between Trieste–Bolzano–Brennero for road transport. Except in the event of the breakdown of the normal method of rail transportation, the said routes would be utilized only for emergency medical evacuation or other special instances. In the event of serious interference with rail movement, transportation of personnel, mail or stores by motor convoy over the aforesaid routes.

3. Transit visas (two-way) will be granted to United States military personnel traversing Italy on route to or from leave in a third country.

Note—(a) The above facilities will not exempt United States military personnel from the observance of currency regulations in force in the Italian Republic nor will they exempt transported baggage and supplies from the control of the competent Italian customs authorities to whom, however, instructions are being sent with the purpose of simplifying the current formalities.

As regards, in particular, the transit of single motor vehicles or of any motor convoys travelling on the routes indicated above, whenever deviations (from these routes) become necessary, in particular exigencies, deviations will be reported in each case to the nearest Italian customs office. Motor vehicles will be exempted from the normal customs formalities (tryptiques, carnets de passage) providing they carry United States military registration plates.

(b) The names of military personnel of all grades who are moving in transit through Italian territory whether as escorts for supply trains, as drivers of motor vehicles or as passengers on any form of transport, will be shown on a roll of standard form drawn up by the competent United States authorities and consigned to the most senior in rank responsible for the discipline of the military personnel travelling with him. This list will be countersigned upon entry into Italian territory by the Italian frontier authorities who shall have the right to check the identity of the military personnel against presentation of relative documents. The same list will be given for a similar check to the Italian authorities at the point of exit from the territory of the Republic.
The Italian Government agrees that in the absence of more suitably located airfields, the United States Air Force shall be accorded the use of the Udine Airfield for transport aircraft for the purpose of maintaining air communications between United States Forces in Trieste and those in Germany and Austria. To this end, the Italian Government agrees to provide the following facilities:

1. The use of Udine Airfield by individual military transport aircraft in numbers not normally exceeding one aircraft per day, subject to clearance under normal procedure.

2. The use by these aircraft of the facilities and flying aids on Udine Airfield to which end the Italian Air Forces will maintain on said Airfield, the necessary equipment.

3. Facilities for the refueling and mechanical maintenance of the aircraft as may be required.

4. The use of the road between Udine and Monfalcone by motor transport for the movement of personnel, mail, baggage or emergency stores arriving or departing by such aircraft.

Note—For all that concerns currency regulations and customs formalities, transit of motor vehicles and individual control, military personnel and supplies crossing Italian territory from Udine to Monfalcone will be subjected to the rules set forth under (a) and (b) of the note in Annex I.

For the refueling and for the maintenance of aircraft under para 3 above, payment will be made according to the rules in force in Italy for aircraft of foreign nationalities.

United States military personnel who must proceed to the air port to assist the arrival and departure of aircraft, will be accorded the same treatment as personnel of foreign commercial airlines.

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Memorandum of Conversation, by the Director of the Office of European Affairs (Hickerson)

TOP SECRET

[WASHINGTON,] April 27, 1948.

Participants: Ambassador Tarchiani
Mr. J. D. Hickerson, EUR
Mr. W. B. Sale, SE

Ambassador Tarchiani informed me that in about ten days he expects to return to Rome for consultation. He pointed out that now that the elections have been decisively won the Italian Government must consider the next phase of its program and that the policy now must
change from the negative attitude of being principally anti-Communist to the institution of a sound positive policy of reconstruction. This program will be based primarily on social and economic reform promised by the government parties during the election campaign and will be within the framework and dependent upon the Marshall Plan. Aside from the economic and social problems which face the Italian Government is the problem of Italian participation in the military phase of Western European cooperation. Italy is placed by the treaty in a position of military inferiority which might cause Italy's participation in the Western Union alliance to weaken the system rather than strengthen it. He expressed the opinion that Italy does not require a large army but rather an extremely efficient small force capable of defending Italy's frontiers and making an appropriate contribution to the defense of Western Europe. In building such a force Italy would need the help of the United States. The Ambassador explained that he must be in a position to explain United States views in this problem to De Gasperi when he returns to Rome. Before this time he considered discussion of this subject might be premature, but now that the present government has been confirmed and strengthened by the results of the elections, the Italian Government desires to have an expression of our position in order to determine its own best course of action in the fullest cooperation with us.

I expressed the view that, while this is a matter for the determination of the Italian Government, the first problem of the Italian Government must be to determine what measures should be taken to counteract the disaffection of the large portion of the Italian electorate which voted for the Popular Front despite the Front's opposition to the Marshall Plan and all that it means to Italy's future. I stressed the fact that despite all of the help which we have provided the Italian people and despite open opposition of the Church to Popular Front parties, still more than 30% of the Italian people voted against the Government. I repeated that this is, of course, a matter to be decided solely by the Italian Government.

The Ambassador replied that it is not difficult to explain the size of the Communist vote in Italy for that vote is largely a reflection of deep-rooted non-partisan discontent on the part of a large segment of the Italian people with existing economic and social conditions in the country. The fundamental problem is that of providing nourishment for 47 million people in a country which can support only 35 million. Signor Tarchiani considers a solution must be found to the problem of immigration in order to relieve the pressure of present over-population and an annual increase of more than 500,000. Mr. Tarchiani said that in addition to the problem of over-population there is deep discontent amongst the more than 2 million unemployed and 5 million underpaid
Italian workers. The Italian Government has pledged to do everything within its power to alleviate this situation and with our help hopes to be able to make much progress in the solution of these problems during the four years of the Marshall Plan.

With regard to Italy’s position in the Western Union I explained to the Ambassador that we are studying the matter in order to determine our own position with regard to the problem of defense of Western Europe and that we hope for some development within the next few weeks. I pointed out that as everyone knows aggression against any of the Western powers would immediately involve United States participation in the conflict. I explained that it is difficult for this Government to make a positive commitment in this regard and that whatever we say must have bipartisan support which is particularly important in an election year. I added that for my own part I hope that Italy would join the Western Union powers but that it would be necessary to proceed cautiously in order to ensure full acceptance of Italy’s participation on the part of all powers concerned. I agreed that under the limitations of the Treaty Italy’s participation might add to the weakness rather than to the strength of the Western Union. I pointed out that the Peace Treaty provides only two means for the revision of the military clauses, namely, by agreement between Italy and the Allied and Associated powers or, after Italy’s admission to the United Nations, between Italy and the Security Council; both of which procedures would of course be subject to Russian veto. I expressed the opinion that the members of the Pact must examine all possible ways of resolving this apparent impasse and that at the proper time we would do all we could to contribute to a solution of the problem.

In reply to the Ambassador’s question, I stated that there were no plans for a meeting on this subject by the Foreign Ministers of the United States, United Kingdom and France but that it was to be expected that there would be a constant exchange of views among the three Governments. I informed the Ambassador that we had made it plain to the five present members of the Western Union Pact that the better and faster the progress of their joint planning the easier it would be for us to arrive at an early decision concerning our own position.

Ambassador Tarchiani said that there was considerable concern on the part of De Gasperi and others in Rome regarding the possibility that a decision had been made by us that in the event of a sudden attack on Western Europe Italy would be abandoned as strategically indefensible. I replied that I had no knowledge that any such decision had been made by our military strategists. I added that I felt very
certain that the only sure way of preventing the overrunning of any area of Western Europe was to stop World War III before it starts by making it so clear in advance that in case of aggression the United States would be involved immediately and that such a military adventure would be so unattractive as not to be worthwhile. I expressed the opinion that we should strive to establish unmistakably the clear understanding that an attack on any of the western powers would be considered an attack on each one of us within the meaning of Article 51 of the United Nations Charter. I stressed that such mutual assistance would of necessity be entirely dependent upon and proportionate to the determination and vigor with which the country attacked resisted the aggression and defended itself. I explained again that we are actively working on the problem.

The Ambassador stated that as regards the military clauses perhaps the only way the problem could be solved would be through Italy’s initiating as a matter of right, regardless of treaty restrictions, the rearmament necessary for her defense and her participation in the mutual defense of Europe. I replied that we hope to see Italy participate in Western Union, that we recognize the handicap of present military limitations and that we are prepared to consider the whole question at the proper time with all other members of the Western Union Pact. The Ambassador expressed his appreciation and added that all look to the United States support as the only hope for success of Western Union at this moment. He expressed the opinion that none of the other powers could object to Italy’s participation if that participation is looked on with favor by the United States.

I asked the Ambassador to stop in to see me again the day before departing for Rome and assured him that I would then review our position as of that date and give him whatever further assurances might be possible in the light of the progress made by then. Before leaving the Ambassador expressed the desire to see the Secretary for a few minutes before his departure for Rome. I agreed that such a visit would be desirable if it could be arranged and asked him to let me know as soon as possible the exact date of his departure and that I would endeavor to arrange a meeting for him with the Secretary before that time.

S65.00/4-2948: Telegram

The Acting Secretary of State to the Embassy in Italy

TOP SECRET

WASHINGTON, May 4, 1948—6 p. m.

1278. Prior to his departure for Rome, Di Stefano inquired whether in view Ital electoral situation Dept contemplated reinforcing Presi-
dent’s statement Dec 13 re Italy ¹ (urteil 1989 April 29).² He was informed some consideration had been given to possible statement in this connection, but no decision had been reached and there was some question re advisability. It was pointed out De Gasperi had not requested such assurance be given by US, either privately or in form public declaration. Di Stefano then implied he might raise this matter with De Gasperi, and it was suggested subject was one De Gasperi shd discuss with you.

Assurances which Dept had in mind were along lines previously suggested by you and subsequently authorized in Deptl 1131 Apr 20.³

Di Stefano’s remarks re Trieste presumably based on statement, in response to his inquiry, that US had no present intention withdrawing forces from Trieste until satisfactory settlement that area obtained, and that maintenance this position might be expected if Itals also maintain their present position re eventual settlement FTT question. In response to further query, he was told that in unlikely event by Yugo aggression against Anglo-Amer zone FTT, it seemed safe to assume such aggression would be resisted by force.

LOVETT

¹ See telmar 70, December 11, p. 746.
² In this telegram, not printed, Dunn reported that the oral statement brought by Di Stefano on the position of the U.S. was approximately: “Trieste is frontier of United States and will remain so as long as Italians maintain it as such. Any aggressive action against Trieste will be resisted with all force by USA. If De Gasperi would like assurances of American military assistance in this area, they will be sent him through regular channels or eventually contained in public statement.” Dunn asked for instructions. (865.00/4-2948)
³ Post, p. 876.

S65.00/5-648

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] May 6, 1948.

Participants: The Secretary
Ambassador Tarchiani
Mr. Dowling

The Italian Ambassador called at his request this afternoon to say that he was returning to Rome for brief consultations, now that the elections were successfully over. He said he had no doubt that his Government’s future policy would be full cooperation with the West, but that the military aspect of this cooperation did present a problem.

At present, Tarchiani continued, it appeared that the Soviets had decided against direct action by the Italian Communists. It might be assumed therefore that Moscow was in doubt as to what course to follow in Western Europe. The Italian Government was still appre-
hensive, however, regarding the Yugoslav attitude, which remains menacing in spite of various conciliatory moves from Italy.

Tarchiani explained that the Yugoslav attitude, together with the feeling that the Soviet Union was now in effect a neighbor of Italy, resulted in an awareness of Italy’s vulnerable position. He pointed out that the Italian Army was at present able to maintain only seven infantry divisions on the Yugoslav frontier, and went on to say that the Italian Government realized Italy could not stand alone but must if possible enter into a scheme of Western European defense, which would have the support of the United States if that could be obtained. In this connection, he referred to the limitations on the Italian armed forces under the Italian treaty.

With regard to possible American support for the defense of Western Europe, I reminded the Ambassador of the President’s statement of March 17 and said that we are now considering our position in this regard. I added that as regards the military limitations of the Italian treaty I realized that the normal procedures for revision were subject to Soviet veto, and that this created an awkward situation for the Italian Government. Tarchiani interjected that he himself felt that Italy’s requirements could best be met by a small, efficient armed force; that this force was also required in the European interest; and that its limitations might be worked out in the European defense scheme. He agreed that quality and leadership were of paramount importance to the Italian armed forces, and that budgetary considerations must be given much weight by the Italian Government.

After some further discussion of the Italian military situation, I inquired of Tarchiani regarding the Government’s program for carrying out the reforms promised during the electoral campaign, and alluded to the importance of the attitude of the people toward the government in assessing a capacity for defense. Tarchiani said that many of Italy’s problems were three thousand years old, but he was convinced De Gasperi would do everything he could to put through a program of economic and social reforms. He added that Italy’s greatest problem was insufficient land for its large population, and spoke of the necessity for increased emigration. I told him I was glad to hear of De Gasperi’s plans to carry out the promised reforms, as we regarded this as of great importance.

In conclusion, Tarchiani inquired regarding our attitude toward Italy’s entry into the Western Union. I replied that although I ap-

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1 For the text of the President’s message to the Congress on March 17, see Department of State Bulletin, March 28, 1948, p. 418, or Public Papers of the Presidents, Harry S. Truman, 1948, p. 182.
preciated the complications on both sides, I hoped Italy would join. Tarchiani thanked me and said he was grateful for this conversation before his departure.

2 In a memorandum of May 4, 1948, briefing the Secretary for Tarchiani's visit, not printed, Hickerson suggested "that you explain to Tarchiani that we are studying our own position with regard to the defense of Western Europe and that we hope for some development within the next few weeks. Finally, you may wish to give Tarchiani some assurance that Italy would not be abandoned by the United States in the event of aggression against the Italian people." (71165/5-448)

865.24/5-2448 : Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

ROME, May 24, 1948—4 p. m.

2349. Subject is provision of equipment for Italian armed forces. Italian Minister of Defense has recently made inquiries with respect certain items of interest to Navy which were included in original request submitted by Embassy Military Attaché cable MAR 345 dated 6 [7] December 1947 ¹ but not furnished or indicated as available in CNO's topsec 192241Z February to Alusna Rome. ² We have informed Minister of Defense and in particular Navy General Staff that non-inclusion of originally requested items in Navy portion of $10,000,000 purchase program indicates that US Navy is not in position to furnish these items either from excess stock or under replacement system operative in case of Greek-Turkish program. Notwithstanding this Minister of Defense has asked us to confirm foregoing and to request details as to possibility of securing any or all of desired items from civilian supply concerns on straight procurement basis.

Equipment involved although covered briefly in Mar 345 is repeated herewith in detail for your information:

1. Fifty each search radar units for installation on fleet units or coastal patrol boats on Adriatic watch.
2. Twenty each search radar units mobile or semimobile for positioning on Italy's Adriatic coast to supplement fleet and coastal patrol boat screen. If not truck mounted unit must be portable.
3. Forty each 40 mm, automatic guns on naval mountings (presumably pedestal type). These are intended as anti-ship rather than anti-aircraft and are planned for installation on coastal patrol craft.
4. 16,000 rounds 40 mm ammunition for weapons described in paragraph three above.
5. Sixty each radio telephone sets, for coastal craft to establish rapid inter-ship communication.

¹ Not printed.
² Not found in Department of State files.
6. Sixty each radio sets CW, ship to shore for installation on coastal craft.

7. Forty each radio sets CW, shore to ship for fixed coastal installations. Sets to be capable of operation on same frequency as those cited in paragraph six above.

8. Ten each radio sets truck mounted to work with shore station outlined in paragraph seven above.

9. Ten each radio direction finder sets truck mounted for use along Adriatic coast to locate clandestine radio stations and ships afloat.

10. Five thousand tons gasoline, one hundred octane. In this connection, Italians are aware of inability US Navy furnish this item (per CNO’s Topsec March 101415Z) but desire details on procurement possibilities from other sources.

While data is not available locally regarding current nomenclature of communication and detection equipment listed in this cable it is felt that outline of intended use will permit local determination of specific types envisaged by Italian Navy.

It is requested that we be informed:

a. Whether or not there is any possibility of furnishing any or all of foregoing under a program similar to one now nearly completed or,

b. Whether or not any or all of foregoing may be procured by Italians on straight purchase basis from US civilian concerns. If this latter is feasible approximate on of cost involved would be helpful.

Dunn

* Apparently garbled.

865.24/5-2448

The Assistant Secretary of State for Political Affairs (Armour) to the Secretary of Defense (Forrestal)

TOP SECRET

WASHINGTON, May 28, 1948.

MY DEAR MR. SECRETARY: With reference to the memorandum for the National Security Council dated February 13 concerning Provision of United States Equipment to the Italian Armed Forces and advising of the President’s directive that the recommendations contained in the National Security Council’s memorandum for the President of February 12, 1948 be implemented by all appropriate Executive Departments and Agencies of the Government under the coordination of the Secretary of State, there is transmitted herewith a copy of telegram no. 2349 of May 24, 1948 from the American Embassy at Rome concerning the request of the Italian Minister of Defense for assistance in the procurement of certain items required for the equipment of the Italian Navy.


In its memorandum of February 12, 1948 to the President the National Security Council recommends the transfer to Italy from stocks now held or to be procured by the United States Armed Forces, subject to reimbursement to the forces concerned, of all or any portion of certain limited quantities of military equipment and supplies requested by the Italian Government and considered by the United States Secretary of Defense to be essential in order to increase in so far as practicable the potential ability of Italian security forces to maintain the internal security of Italy and to suppress anticipated attempts by subversive elements to seize power by force. It is requested, therefore, that, in accordance with established priorities the Secretary of Defense consider the request of the Italian Minister of Defense contained in the enclosed telegram in order that the Department of State can inform the Italian Government as to the possibility of facilitating procurement of the requested equipment and supplies.

Subject to the determination by the Secretary of Defense that the requested military equipment and supplies are essential for the maintenance of the internal security of Italy, the Department of State recommends, in so far as practicable, favorable consideration of this request of the Italian Government.3

Sincerely yours,

NORMAN ARMOUR

3In an interim reply of June 2, not printed, Secretary Forrestal stated that he was taking steps to determine the availability of this equipment, and asked for an explanation of "established priorities." (865.24/6-248)

In a letter of June 26, not printed, Mr. Armour referred to the Department's letter of February 17 regarding SANACC 390/1 which "recommended that a secondary priority should be accorded the Italian military equipment program with respect to the Greek-Turkish program." Mr. Armour noted that this Italian request was supplementary to the equipment program formulated in February. He further referred to paragraph 9, a, (3) of NSC 1/2. (865.24/6-248).

In a letter of August 6, 1948, not printed, Secretary Forrestal stated that he had now received the advice of the Joint Chiefs of Staff and of the Secretary of the Navy; that the "Joint Chiefs have determined that provision of the military equipment requested by the Italian government would be useful and desirable but not essential for the protection of the internal security of Italy. In their view, the situation in Italy has improved since approval by the President on 13 February 1948 of the recommendations of the National Security Council and they consider that, short of an emergency which is not now evident, the matter of further military assistance to Italy should now be considered and determined in connection with the over-all foreign military assistance policy which is currently being developed." (865.24/8-648)

865.24/6-948: Telegram

The Secretary of State to the Embassy in Italy

TOP SECRET

WASHINGTON, June 11, 1948—5 p. m.

1626. Urbel 2572 Jun 9. Since all negotiations carried on Rome between Emb and Ital Govt Dept desires you arrange with Govt payment costs and charges incurred in accord Mar 25 agreement MinDe-

3Not printed.
fense. Your MA and NA shd obtain exact figures total amount involved. Since Dept gave assurances defense services here Ital would effect reimbursement prior July 1, 1948 request you make every effort arrange complete transfer funds before that date.  

MARSHALL

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2 See nact 1347, March 26, p. 789. 
3 In telegram 2775 of June 25, not printed, Dunn reported that De Gasperi had instructed the Minister of the Treasury to make payment to the U.S. of $9,320,754.00 (865.24/6-2548).

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865.24/6-2948

The Italian Ambassador (Tarchiani) to the Secretary of State

WASHINGTO, June 29, 1948.

No. 6351

The Italian Ambassador presents his compliments to the Honorable the Secretary of State and has the honor to draw his kind attention to the following.

As the Honorable the Secretary of State is certainly aware, Italian aviation, after the destruction of war and the limitations imposed by the Treaty of Peace, has been entirely crippled and is encountering the greatest difficulties even for elementary purposes of training of personnel and minimum needs of defense and protection.

The Italian Government, while strictly abiding by the clauses of the Treaty of Peace, has under study a program of reconstruction of its aviation, which, while being far from ambitious, aims solely to ensure the maintenance and continuation of the essential training and operations of Italian aircraft and aviation personnel.

The Italian Ambassador is transmitting the enclosed list 1 of the matériel which the Italian Ministry of Defense believes to be the bare minimal essential needs for the purposes outlined above. The Italian Government would deeply appreciate it if the American Government would examine the possibility of supplying to Italy the matériel listed in the enclosure possibly out of its surplus both in Europe and in the United States.

In this respect the Italian Ambassador has the honor to point out that the Italian competent authorities have instructed him to draw the attention of the American Government to the fact that should such request be denied, the Italian aviation would find itself in a most difficult predicament and certainly not in a position to perform its services.

The Italian Ambassador would be very grateful to the Honorable the Secretary of State if he would take under the utmost consideration

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1 Not printed.
the request outlined above, and in case of an affirmative answer if he would indicate the terms and conditions under which the matériel listed in the enclosure would be supplied. In this connection the Italian Ambassador has the honor to refer to the possibilities offered by the agreements Corbino–Bonner, of September 9, 1946.²

The Italian Ambassador has the honor to thank the Honorable the Secretary of State for his kind interest in the matter.³

A[LBERTO] T[ARCHIANI]

³ In telegraphic instruction 1973 of July 26, not printed, the Department requested the Embassy’s views on the Italian request for air force equipment which had been discussed in Washington with Stilwell, Military Adviser at the Embassy in Rome (865.20/7–2648).

865.248/8–1848: Airgram

The Chargé in Italy (Byington) to the Secretary of State

TOP SECRET

ROME, August 18, 1948.

A–832. Reference Embtel 3232, 30 July,¹ transmitting preliminary comments on Italian Embassy N.V. 6351 ² in which equipment for Italian Air Force was requested.

The Italian note is the culmination of a series of requests which have been placed before the Embassy, on a service level through the Air Attaché, since the original aid gesture as represented by the supply of 50 P–51’s in the Taff–Del Vecchio agreement. The several demands have centered about the critical need for trainer and transport aircraft.

Subsequent to the Italian Government’s decision in January 1948 to sanction purchases directly for the Armed Forces out of that portion of the Bonner–Corbino credit underrum applicable to acquisition of surplus located outside Italy, efforts were directed towards procuring this category of equipment from stocks in Germany through OFLC Headquarters, Europe. Because of the aircraft stock level in Germany, the established priority of other foreign aid programs, and the control features subsequently introduced as respects sale of flyable units, the OFLC negotiations were, in general, fruitless. The only major units obtainable were those listed in paragraph 2, Embtel 3232 and recapitulated herewith: 10 C–45s, 20 L–5s, 13 AT–6s, 10 ANT

¹ In this telegram, not printed, Byington mentioned that the Embassy had consistently emphasized that the Italian Air Force was inadequate and needed assistance which could come only from the U.S., but that it would be useless now to submit a formal project pending crystallization of the U.S. position toward regional alliances. On the other hand he urged encouragement of the Italians regarding future consideration of their needs. (865.248/7–3048)
² Supra.

379–875–74——52
Link Trainers and 5 Pratt Whitney R–1830–92 engines. Italian Government has accepted the offer of these items at OFLC sales price of $378,415.00 (chargeable to B–C credit) and contractual papers are under preparation. This contract represents, of course, but a fraction of the minimum Italian Air Force requirements.

When it became apparent that OFLC stocks in Europe were inadequate, or at least unavailable, to cover any appreciable portion of Italian desiderata, the Air Attaché transmitted the global major item request to the Department of the Air Force by cable MAR–241, dated 12 May; this list roughly parallels the first page of the Inclosure to the subject Italian N. V. In its reply, WAR–81918, the Department of Air Force re-emphasized the non-availability of equipment in European surplus and suggested that the Italians initiate request at diplomatic level through the Department of State—thus, the presentation of N. V. 6351.

It is worthy of note that while on the one hand the Embassy has repeatedly assured the Italians that the surplus situation in Europe is as reported and, on the other, has indicated that surplus availabilities in the United States are not likely to be promising, the Italian Air Force is of the unvarying opinion that adequate surplus material exists but is being withheld until the foreign policy, political, economic and military of Italy vis-à-vis the remainder of Western European nations is clarified. This feeling gains credence, in Italian eyes, by reports circulating locally to the effect that British propaganda is directed towards discouragement of United States military assistance to Italy.

Viewed within the framework of Treaty limitations, the effectiveness of the Italian Air Force as a combat arm would appear to be slight. The allowed 350 aircraft would be inadequate for the air defense of Italy while their potential contribution to an allied air offensive would be negligible. However, it is appreciated that Italy could be of considerable assistance in the air phases of a conflict in two important instances: first, in furnishing an immediately available reservoir of trained technicians to relieve or supplement allied manpower; second, in preparing and maintaining, in usable condition, airfield and air facilities which might be required on short notice. These two points are of such value as to make it highly advisable for the United States, in its own interests, to provide the necessary wherewithal to help the Italians toward the ultimate execution of these missions.

Directly related to the future availability of a technicians’ pool is the current training situation, in both the regular and reserve force. Only sufficient serviceable craft are available to provide flying for approximately 500 of the 1600 pilots presently on active duty, and
this on a minimum basis. Very little equipment is on hand in Aero Clubs for the instruction of new pilots or for sustaining training for reserve pilots on inactive status. As a result, the experience developed during the war is rapidly disintegrating and no new personnel is being trained to replace those pilots beyond the age limits for combat flying. But of even greater seriousness, is the continuing loss and dispersion of skilled ground technicians and for reasons parallel to the foregoing. Thus, the Italian Air Force is atrophying. The remedy revolves upon the provision of new training aircraft in sufficient numbers to make possible an augmented program of instruction, both for pilots and technicians. In a few years the Italian Government hopes to be able to manufacture sufficient training and transport type airplanes for its needs but until production is underway, stop-gap aid is essential. There appears to be no equipment source other than the United States.

In its plans for future aircraft production, the Italian Air Force contemplates maximum conversion to United States design and standards for engines, electrical motors, hydraulic systems, landing gears, propellers, etc. Planning along these lines stems from realistic appraisal of two facts: first, the only dependable source of replacement parts under war conditions would be from American production; second, the deterioration of Italian aviation industry, as a result of the war, makes it just as economical to revamp, in rebuilding, all production methods along American lines as to continue on Italian standards. Standardization would seem to be advisable as a basis for any United States approach towards association with or assistance to any grouping of the free democracies and it would therefore appear most desirable to encourage Italian production planning in this direction. On timing, the earlier positive encouragement is furnished the better, for the aviation industry today is at a standstill. There is reluctance to resume production on Italian design basis while initiation production on basis United States standards awaits the stimulus of our active support.

It is our conviction that the supply by the United States of training aircraft, presently in surplus stocks or which could be declared surplus, would be of tremendous value to Italy and the Italian Air Force and ultimately to the United States. It would ameliorate the critical training situation, in the air and on the ground, and would mean a substantial beginning in the creation of a reserve of skilled manpower acquainted with United States equipment, methods and techniques in training, operation and maintenance. It would provide the incentive for conversion of production facilities to United States types and standards, with important implications for Western Europe and ourselves. Such assistance would also have a direct bearing in influencing
the trend of Italian foreign policy towards a courageous stand with the other free democracies against totalitarianism.

Accordingly, it is strongly recommended that efforts be made to furnish the Italian Air Force with 200 training type aircrafts from surplus or potential surplus and that financing be arranged either through WAA or by revision of the Bonner–Corbino credit to make it applicable to purchases in the United States. The aircraft types envisaged are L-5, C-45, C-47, and AT-6.

Airgram containing technical appraisal of detailed enclosure to Italian N. V. 6351 follows.\footnote{Not printed.}

BYINGTON

\footnote{Not printed.}

865.24/9–248

The Acting Secretary of State to the Embassy in Italy


No. 291

The Acting Secretary of State refers to the Embassy's telegram No. 2349 of May 24, 1948 concerning the request of the Italian Minister of Defense for assistance in the procurement of certain supplies and equipment required by the Italian Navy. The matter was referred to the Secretary of Defense with the recommendation that the requested military equipment be made available to the Italian Government on the same basis as that supplied under authority of SANACC 390/1\footnote{Ante, p. 757.} should it be determined that the supply of the requested equipment was essential for the maintenance of the internal security of Italy.

The Secretary of Defense has advised the Department of the view of the Joint Chiefs of Staff and the Secretary of the Navy that the situation in Italy has improved since approval by the President on February 13, 1948 of the transfer of military equipment to Italy (SANACC 390/1) and that, short of an emergency which is not now evident, the matter of further military assistance to Italy should now be considered and determined in connection with the over-all foreign military assistance policy which is currently being developed. The Secretary of Defense has approved this conclusion and has expressed the opinion that in view of international developments leading to current consideration of various forms of military assistance to numerous foreign governments, particularly in Western Europe, further aid to
Italy should be considered in that context. The Department of State has advised the Secretary of Defense of its concurrence in this position.

As to the procurement of the requested military equipment and supplies on a commercial basis through private channels, the Secretary of Defense has advised that 100 octane gasoline may be available in Europe from either the British-Mexican Oil Co. or the Standard-Vacuum Oil Co. Mr. Forrestal has advised the Department that other items requested by the Italian Government may be obtained commercially from the sources indicated in the enclosure hereto, but that direct negotiations will be necessary to determine their immediate availability. The Secretary of the Navy has therefore been asked by the Secretary of Defense to instruct his representatives to assist the Italian Government in its negotiations for commercial procurement of this equipment should the Italian Government desire to attempt to obtain the required equipment through commercial channels.

It is not considered desirable to inform the Italian Government at this time of this Government's basic position concerning the supply of military equipment to Italy. The Italian Government should merely be informed that although requested equipment and supplies are not available from United States supplies on hand it may be possible for the Italian Government to procure the required equipment through commercial sources, as indicated in the enclosure, and that representatives of the United States Navy will be pleased to extend all practicable assistance in such negotiations as the Italian Government may undertake for the procurement of this material. At the same time the Italian Government should be reassured of the continued interest of the United States Government in the efficient and effective organization of the Italian Navy and of the determination of this Government to extend all practicable assistance in that respect.

For the information of the Officer in Charge, the Secretary of Defense has further informed the Department of State that should the danger to the internal security of Italy be greatly increased by future events, the Military Establishment will be prepared to review its policy with regard to the request of the Italian Government for assistance.

[LOVETT]

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1 See footnote 3, p. 801.
2 Not printed.
The Ambassador in Italy (Dunn) to the Secretary of State

ROME, October 21, 1948—2 p.m.

4066. Late yesterday I took up with Sforza substance of Deptel 2594, October 19. Foreign Minister appeared entirely in agreement regarding desirability of proposed visit General Marras to US as guest of US Army. He pointed out, however, that it would not be timely to make public announcement of visit at present in order it might not be linked with current press stories re recent visit Rome of Secretary Marshall. Sforza said that if two stories were tied together it would have effect of nullifying very beneficial effects of both. I inclined to agree with him and strongly recommend no press release be prepared until shortly before Marras departure. During next days we will discuss with Foreign Office and Minister Defense suitable text for announcement. My first reaction here is to link up this invitation to visit of General Bradley in Italy last year.

Sforza requested that Military Attaché extend invitation through Minister Defense and said that he would speak directly with Pacciardi in favor of acceptance. Willems is also informing Marras in confidence in order that he can make necessary plans. We assume invitation includes US military air transport for Italian Chief of Staff and would be grateful if Department could confirm foregoing with Department of Army as soon as possible. Agree fully with MAR 454 and strongly recommend above means of transport be authorized since effect here of visit would be considerably diminished should Marras depart as commercial passenger.

Dunn

1 In this telegram, not printed. Dunn was instructed to see Sforza and say that the U.S. Army had requested that an invitation be extended to General Marras to visit the United States for about three weeks beginning November 12, the purpose of the visit to see U.S. Army installations and to observe the organization, training, and equipment (033.6511/10-1248).


3 For Secretary Marshall's visit in Rome, see pp. 883 ff.

Press summaries regarding Secretary Marshall's visit are to be found in Rome telegram 4047, October 19 (865.9111 RR/10-1948), Rome telegram 4058, October 20 (111.11 Marshall, George C./10-2048), and in Rome telegram 4074, October 21 (865.9111 RR/10-2148).

4 Not found in Department of State files.

The Ambassador in Italy (Dunn) to the Secretary of State

ROME, October 21, 1948—7 p.m.

4072. Reference Embtel 3232, Embassy's airgram 832, 18 August. Italian Government request for purchase surplus aircraft as em-

See footnote 1, p. 803.
bodied Italian Note Verbale 6351 to State and other similar requests here have received only minimum results. To date OFLC has been authorized to negotiate sale of 10 C-45's, 20 L-5's, 13 AT-6's and 5 PW R-1832-92 engines. This transaction now being firmed up with Italian Government. Italians have again urgently requested that authorization be granted for purchase of following additional surplus equipment: (a) 30 L-5's, 10 in flyable condition and 20 for spare parts. (b) 40 C-45's, 20 flyable and 20 for spare parts. (c) as many C-47's (up to 80 in original request) as are available. (d) 7 PW R-1340-AN-1 engines for AT-6. (e) Additional 20 PW R-1830-92 engines.

OFLC indicates that items a, b, d, and 6 C-53's under item (c) could be made available from USAFE surpluses in Germany pending authority from Munitions Division of Department. All surpluses must be declared authorized for sale by 31 October therefore action in this theater depends on decision prior that date.

Urgently and most strongly recommend that authorization be granted to OFLC for sale of equipment listed in a, b, d, and e above within the limits of USAFE availability and favorable consideration be given for sale of six C-53's under existing surplus credit.

Equipment is urgently required for training purposes as outlined in airgram 832 to replace obsolete aircraft that must be salvaged. Earliest decision requested with corresponding instructions to OFLC Paris. USAFE being queried for concurrence on availability.

Please pass to Department of Air.

DUNN

2 Ante, p. 802.
3 The note of the Italian Embassy, 9632 of October 22, not printed, requested that some 70 aircraft, thought to be available as surplus in Germany, be transferred to OFLC, Paris, for transfer to Italy (865.248/10-2248).
4 In a letter dated November 10, 1948, not printed, the Acting Secretary of State, Lovett, urged the Secretary of Defense that consideration be given to the emergency needs which might affect Italy's security in the period prior to the implementation of any future over-all program. Noting that the greater part of the Italian Air Force needs could not be met from surplus available in Europe, Mr. Lovett asked about the possibility of transferring matériel to Italy from other sources (865.248/10-2248).

In Forrestal's reply of November 20, not printed, he stated that after informal discussion with representatives of the State Department and of the Air Force, he had referred the question to the Joint Chiefs of Staff (865.248/11-2048).

S65.20/10-2248: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

ROME, October 22, 1948—6 p.m.

4081. Military Attaché has cabled Dept of Army regarding approach by Italian Army Chief of Staff Marras suggesting exploratory US-Italian staff conversations on Italy's defense position and needs. I
concur generally with analysis and recommendations in his MAR 453, September 24, and have following comments:

Government here is making progress in weaning public opinion away from illusion of neutrality to necessity of western alignment, and beginning has even been made with idea of bringing up to full efficiency their armed forces in order be better able protect Italy's internal security and primary defense. However, there exists fear that neither Western Union nor ourselves really attach importance to defense of Italy and that at first sign of trouble Italy will be abandoned. This fear will grow as increasing publicity is given to reports of our intention to contribute to rearming of countries already in Brussels pact, to the exclusion of Italy.

Government leaders have impression that they are not wanted in Western Union, that France and UK consider them more liability than a help, and that they had better, therefore, rely on bilateral arrangements with US from whom all real help for Europe must in any case come. Added to this may be a certain reluctance on Italian side give up bargaining power for purposes of treaty revision and military aid which they may feel they have in any move to get them into Western Union. Italians may also feel that they can more easily get what they need directly from US than through intermediary of Western Union.

We thus have a delicate threefold problem:

1. To give continued encouragement to those leaders who want Italy promptly and unreservedly in western alignment. In doing this we must show appreciation for what has been done recently in educating public opinion here and must dispel any idea on their part that our interest in Italy is secondary or sentimental.

2. At same time, we must keep alive in Italian mind our primary thesis of real and effective European unity as condition precedent for US economic and military aid, and we must keep their thinking planning in that direction.

3. We must take advantage of interim period before Italy is included in effective European arrangements in order to get Italy's defenses built up to maximum possible efficiency both in her interest and in our own.

When General Marras visits US (Embtel 3955, October 11 and Deptel 2594, October 19) he will probably again put out feelers for staff talks. While we may not be ready for all that that term implies I think that there would be great value in informal discussions with him or with officers designated by him, on purely military level, with objective of allowing Italians to elaborate state of their own planning and of giving US opportunity to advise what Italy can do now in way

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1 Not found in Department of State files.
2 In this telegram, not printed, Ambassador Dunn expressed agreement with the suggestion of the Military Attaché that a visit by General Marras to the United States would be very desirable (033.6511/10-1148).
3 See footnote 1, p. 508.
of reorganization, training, planning, et cetera, with continued emphasis on eventual Italian participation in European defense system. US participants could no doubt take advantage of experience gained in staff talks which Brussels pact countries have already had. It would probably be better for me not to raise matter in advance with govt, but allow it to proceed on responsibility of Marras. We should naturally keep Western Union countries informed of anything we do, both to encourage them in moving faster with Italy and to forestall any false idea that we are resorting to bilateral arrangements in preference to extension of European system.

Dunn

501 BB/10-2548: Telegram

The Secretary of State to the Acting Secretary of State

SECRET

PARIS, October 25, 1948—5 p. m.

Martel 82. Upon my departure from Rome, Count Sforza drew me aside and commented on what he said were Hickerson’s statements to Italian Ambassador. I subsequently asked Dunn to obtain informally from Sforza the substance of these comments. The following was provided by Sforza:

“Excerpt from telegram from Count Sforza to Ambassador Tar-chiani following Secretary Marshall’s visit to Rome:

It was at the airport that, going apart from the diplomatic crowd, I said to him (the Secretary of State):

That I wanted to repeat clearly what we had explicitly and implicitly said the night before, namely that knowing how much neutrality is now a vain formula, we were as one (toto corde) [but accordo?] with the United States for the protection of western civilization, and that thus we were aware that, in view of the supreme interests at stake, we, accepting Hickerson’s advice to Tarchiani— you certainly know them—we did not intend to place conditions (especially since in a new atmosphere much would be clarified and resolved);

But, seeing that Italy is much more exposed than the other countries, even is doubly so because, disarmed as she is, she can be the objective of two different aggressions, it was our duty to warn him that on one single point we could not compromise: no hiatus between possible pledges by us on the one side and guarantees and assistance in rearmament on the other. This was necessary for us not only for our conscience, but also to build necessary Italian unanimity.

With rearmament and guarantee—I added—we could face any danger. And our resolution would be invaluable because it would annul the risk of a totalitarian govt imposed by the lowest minority in the event of commencement of foreign invasion. Remember—I said—that what happens in Italy soon happens in France.”

Marshall

1 See telegram 2652, October 26 to Rome, p. 267.
Memorandum by the Director of the Office of European Affairs (Hickerson) to the Acting Secretary of State

TOP SECRET

[WASHINGTON,] December 1, 1948.

Subject: Position of the Department of the Army in Matters to be Discussed with General Marras, Italian Chief of Staff

The attached paper which has been prepared by the Department of the Army in connection with this subject has been approved by the Office of European Affairs and the Department of the Army has been informed of the tentative concurrence of the Department.

It is suggested that you review the Army's paper in order that we may pass along to them any comments which you may have.

J[ohn] D. H[ICKERSON]

[Attachment]

[Here follow statement of The Problem, enumeration of Facts Bearing on the Problem, and Discussion.]

CONCLUSIONS

1. As long as Italy remains firm in her decision to resist the advances of communism and to utilize to the maximum her own resources:

   (a) The U.S. should continue its efforts to obtain Italian membership in the Brussels Pact.
   (b) The U.S. should continue to press for Italian participation in a North Atlantic Defense Pact.
   (c) Independent U.S. military aid for Italy may be considered as a last resort.

2. The U.S. should obtain Italian emergency plans for the defense of northern Italy.

3. The integration of U.S. emergency plans in Austria and Trieste with the Italian Armed Forces will require prior agreement with the British and no commitments regarding such integration should be made now.

4. Italy can be provided with military equipment only as a result of congressional legislation.

5. From the short range viewpoint, Italy's major immediate contribution to the security of Europe is the assurance of its own internal security.
RECOMMENDATION

It is recommended that General Marras be apprised frankly and in general terms of the U.S. positions indicated in this study.1

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1 In a memorandum dated December 1, 1948, not printed, the Director of the Executive Secretariat, Humelsine, informed Hickerson that he had discussed the paper with Lovett who advised regarding its conclusions:

"(1) That it was his and the Secretary’s feeling that we should not push the Brussels Pact group into accepting Italy into membership, but that their feeling was that this was a decision to be made by the Brussels Pact group when in their judgment Italy would be an asset rather than a liability.

"(2) That it was their feeling that Italy would necessarily have to come into the North Atlantic Defense Pact through the Brussels Pact group." (840.00/12-148)

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The Director of the Office of European Affairs (Hickerson) to the Director, Plans and Operations Division, General Staff, United States Army (Maddocks)

TOP SECRET

WASHINGTON, December 3, 1948.

MY DEAR GENERAL MADDOCKS: The Department of State has reviewed the Department of the Army’s paper on “The Position of the Department of the Army in Matters Which may be Discussed with General Marras, Italian Chief of Staff” informally presented to the Department for its concurrence.

Certain aspects of the problem are receiving further consideration by the interested offices of the Department and additional comments will be forwarded to the Department of the Army at an early date. In the meantime, it is recommended that officers of the Army refrain from communicating to the Italian authorities specific comments concerning this Government’s position with regard to Italy’s participation in any regional arrangements to which the United States may eventually adhere. Should the Italians bring up the question during initial conversations, it is suggested that they be informed that while the United States is sympathetic to Italy’s eventual association with whatever regional arrangements may be undertaken for the defense of Western Europe, we are still discussing through diplomatic channels the question of membership and do not know what the final conclusions will be.

Should it be possible to avoid discussion of this question with the Italian authorities until shortly before the end of General Marras’
visit, it is hoped that he might at that time be given more specific information and assurances concerning our position.\(^1\)

Sincerely yours,

JOHN D. HICKERSON

\(^1\) No such message of the Department of State to the Military Establishment or to any of its components prior to General Marras' departure from Washington on December 22 has been found in the files of the Department of State. See, however, the document of December 16, "State Department Guidance Reference Discussions with General Marras," infra.

**Defense Department Files**

**Memorandum by Colonel Douglas V. Johnson of the Military Establishment**

**SECRET**

WASHINGTON, 16 December 1948.

[Subject:] State Department Guidance Reference Discussions with General Marras

In answering the questions of General Marras, it must be clear to him that all answers are conditioned upon the following facts:

There is no North Atlantic Pact and there is no assurance that the U.S.A. will join one if formed. Even should the U.S.A. join such a pact, there is no assurance that there will be any foreign military aid program. Hence these questions are not questions that the Executive Branch of the Government can decide and they must be answered affirmatively by the Congress.

The general thinking in the Executive Branch of the Government is that if a North Atlantic Pact is formed, membership therein would be limited to those countries washed by the North Atlantic or associated with the Western Union. Although membership in Western Union is a question for the body to decide, we would consider that Italy is a natural member of Western Union, due to its cultural, economic and political orientation to the West. We see no means by which the treaty limitations on the defense forces of Italy can be removed. The ECA funds cannot be used for the purchase of munitions but if the Italian Government desires to initiate the rehabilitation of western industries which, although not solely within the category of a war industry, would still contribute to the development of Italy's war potential, the Italian Government should make such representations to the ECA. The Italian Government will no doubt find it necessary to provide armaments for its military forces. Expenditure of its own funds to develop internally the facilities for so providing is reasonable. Should it desire to purchase armaments in the U.S. in order to maintain those forces, it would appear that there would be no objection. In the event there are any emergency requirements necessary to enable the Italian
forces to maintain internal security, a request for assistance in meeting such requirements would be considered by the U.S.

For General Bradley Only:

It is felt that the visit of General Marras to the U.S. and his reception here cannot fail to have impressed the other nations of the world with the interest which the U.S. has in the defense of Italy.

D[ouglas] V. J[ohnson]

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Editorial Note

General Efisio Luigi Marras, Chief of Staff of the Italian Army (1947–1950) arrived by air in Washington on December 2 and was met by the Chief of Staff of the United States Army, General Bradley. On December 3 he had a brief, personal conference with General Bradley after which he left a ten-page memorandum delineating Italy’s strategic and military situation and needs. On December 6 and again on December 20 he held some rather extensive discussions with representatives of the United States Army, Navy, and Air Force. In these conferences he was accompanied by three officers who had flown over with him: Colonel Domingo Fornara, Lieutenant Colonel Umberto Turrini, and Captain Giuseppe Cognazzo. He was also attended by three members of the staff of the Italian Embassy: Colonel Carlo Unia, Air Attaché; Naval Captain Franco Baslini, Naval Attaché; and Lieutenant Colonel Umberto De Martino, Military Attaché.

At the conference of December 6 General Marras discussed the Italian Army, its numerical strength, organization and equipment and its morale. He spoke of Communism in Italy, emphasizing the distinction between the 2 million registered party voters and the small number of active members. He stated that Italy considered herself a Western power and was ready to enter into pacts with the Western powers. He indicated the equipment which Italy would need: (1) if Italy were to form part of a Western pact; (2) for units presently organized or to be organized in the near future; (3) for repair of the present equipment. He outlined the general operations planned in case of aggression from the East.

At the close of the conference of December 6, General Marras left with Major General Ray T. Maddocks, Director of Plans and Operations Division, Department of the Army, a series of 16 specific questions to which he requested answers. These questions were assigned to appropriate officers of the United States Army, Navy, and Air Force who presented the official answers in the conference of December 20. Records of these discussions are in the files of the Department of Defense.
During the visit in the United States General Marras received, with the approval of the Department of State, the award of the Legion of Merit, Degree of Chief Commander. He returned to Italy by air on December 22.

UNITED STATES EFFORTS IN SUPPORT OF THE DEMOCRATIC FORCES IN ITALY

865.00/1-1248: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, January 12, 1948—11 p.m.

140. With national elections three months off, tempo of party politics in Italy has been noticeably increasing. As the various parties are meeting to perfect their organizations and platforms, it is possible to make a preliminary survey.

Christian Democrat and Liberal Party Congresses have already taken place. Following Communist Congress now in progress at Milan, Republican Party will meet at Naples January 16, Nenni Socialists at Rome January 18, and PSI at Naples February 1. (PSI meeting originally scheduled for January, but Party member tells us that preparation of basic “political report” has lagged and therefore Congress had to be postponed despite knowledge that delay cuts into time [left for election campaigning]. UQ and] 2 Liberal directorates will also meet during January.

One of principal tactical problems which will be discussed at these meetings is that of formation of electoral blocs, tendency toward which has been increasing. On extreme left, Communists have conducted series of “Congresses” clearly designed to provide foci for attracting through their front organizations voters in various walks of life. PSI Congress will be faced by decision whether to confirm alliance with Communists in “Blocco del Popolo” despite opposition of prominent party members (Lombardo, Morandi and Romita). 3

Both the Republican and PSI meetings will undoubtedly attempt to take a stand on proposed “Democratic League”, (remytel 79, January 8) 4 which would be bloc comprising these two parties, former

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1 For previous documentation, see Foreign Relations, 1947, vol. III, pp. 861 ff.
2 The portions of the text enclosed in brackets have been supplied from the copy in the Rome Embassy files, File 800-Italy, Elections, Rome Lot file 56 F78, now FRC-ACC 59 A 543, Part 8 (Box 2619).
3 Ivan Matteo Lombardo, head of the technical mission to the U.S. to discuss financial and economic matters.
4 Rodolfo Morandi, Minister of Industry and Commerce in the second De Gasperi cabinet.
5 Giuseppe Romita, an active member of the P.S.I. since 1924.
6 Not printed.
Actionists who are still unaffiliated, disaffected Liberals, as well as
Leftists from other parties individually discontented with their present
association. There is certainly no unanimity of view in either Repub-
lican or PSLI Parties, but two factors will bear consider-
ably in the discussion: 1) fact that both will have to find some way to
campaign for votes without doing damage to [participation with]
Christian Democrats in government which involves both prestige and
much advertised pledges of loyal collaboration; 2) the somewhat in-
tangible factor inherent in the preoccupation of the Italian mentality
with bella figura (which is not really translatable but roughly means
making a good showing). In its political application this factor means
wariness [of alliances] and attempts by politicians of similar persua-
sion to upstage rather than cooperate with each other.

The Christian Democrats will stand by themselves in the campaign
and are strong and homogeneous enough not to need or benefit from
alliance with any other party.

On the right, the negotiations between Giannini of the UQ,
Lucifero of the Liberals, and Nitti, for the formation of a pro-
essedly Centrist National Bloc have been accompanied by much
sound, some fury (Cattani has been only Liberal to resign from his
party, but others are plainly unhappy; and with signature of agree-
ment January 11, former UQ Secretary Tieri resigned from party
with several other UQ members who had publicly complained at
Giannini’s allegedly single-handed part in the negotiations), and very
little substance (the text of the Bloc’s agreement and program will
be published as and when ratified by parties concerned). The principal
stumbling bloc has apparently been, and will continue to be, the per-
sonalities of the men concerned and their preoccupation with the
bella figura. It is hard to conceive of Giannini and Nitti, both of whom
are personalities rather than heads of parties, maintaining a really
effective political alliance.

In the campaigning thus far, the Left has taken and is holding an
initiative in most of the issues. It may be expected that as the campaign
progresses, these issues will, in general terms, be:

(1) National independence;
(2) the essentially economic and social “problem of the South”;
(3) the politico-economic “class struggle”;
(4) the Catholic Church;
(5) good old-fashioned mud-slinging;
(6) the maintenance of peace and order in the country.

Guglielmo Giannini, journalist, playwright, and politician; founder of the
Uomo Qualunque movement and of the newspaper of the same name.
Roberto Lucifero di Aprigliano. Secretary of the Liberal Party.
Francesco Saverio Nitti, Prime Minister of Italy, 1919-1920.
Leone Cattani, former Secretary of the Liberal Party.
Vincenzo Tieri
Re (1), it is interesting to note that Interior Minister Scelba has been replaced by Foreign Minister Sforza as the Leftists' target of the day, for his alleged failure to protect Italy's independence from the American imperialists. In campaign appeals to nationalism the name of the United States has been and will be dragged about in some astonishing ways.

Re (2), The problem of the South is two-fold; in terms of national unity, and of amelioration of the lot of the peasant. Both these aspects have already emerged, and contest during campaign will be between professed champions of both aspects. It is no accident that so many Party Congresses are being held at Naples.

Re (3), obvious and seemingly inevitable social-economic disparity between large number of Italian people, both industrial worker [labor] and peasant, on one hand and privileged aristocracy on other lends itself to Leftist demagogy which government finds hard to counter with details of effective but highly technical fiscal amelioratives. Energy and publicity which Government parties have devoted to current campaign for winter aid to unemployed (idea for which originally came from CGIL) have helped their electoral cause temporarily (remytel 129, January 12), but past experience indicates they will have difficulty finding and exploiting similar opportunities in coming months. On the labor front, it is significant that neither social-Communists on one hand nor Christian Democrats (with Republicans and PSLI) on the other were willing to precipitate a final break in façade of unity during recent discussions in CGIL executive council.

Re (4), the importance of the Catholic Church as a campaign issue derives from the historic Italian distrust of "clericalism" in government, existing from the days when the Popes exercised temporal power. The current Communist attack on the Vatican and its "agents", the Christian Democrats, is linked demagogically with both "independence" and "the class struggle" against reaction, thus cleverly combining immediate, tangible issues with latent sentiments. The opponents have few weapons on this plane, and must perforce fall back on irrelevant dogmatic condemnation of Communism.

Nitti's National Bloc is also a reflection of the Church issue; one objective of the bloc is admittedly to provide a rallying point for those of the middle classes who are anti-Marxist and anti-clerical and who distrust or fail to comprehend the anti-Communism and anti-clericalism of the Republicans and PSLI. The Liberal Party is qualified by tradition for membership in such a bloc, and UQ membership was possible after the withdrawal from the party of Patrissi and the expul-

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10 Mario Scelba; Carlo Sforza.
11 Not printed.
sion of Selvaggi,\textsuperscript{12} with their far-right, monarchist associates, who remain alone on the extreme right.

Re (5), the Left is apparently prepared to stop at nothing in its attacks on members of the government, especially the Christian Democrats; the latter are not especially effective at mud-slinging, nor inclined to start it.

Although, as suggested above re (6), question of public order is for the moment not preeminent in the campaign, it is to be expected that more will be heard and familiar Communist attempts to disturb and subvert will continue. Possibility of a Communist grab for power of course exists; on the other hand, a Republican source has opined to us that Communists will maintain a degree of ferment sufficient either to force government to postpone elections or, if elections are held, to aver after votes are counted that they were not free. The Communists have apparently decided to drop the question of police and the Ministry of Interior as unrewarding to their cause but the solicitude they have shown for army class being kept under arms, together with bitter attacks on alleged war criminal General Orlando \textsuperscript{13} (Secretary General of Ministry of the Army) may be stepped up to include attacks on Pacciardi \textsuperscript{14} and Facchinetti \textsuperscript{15} and on the whole military structure. This is one issue, of course, in which it is difficult for government to take campaign initiative, or even, for reasons of security, to defend itself in public.

Sent Dept 140, repeated Paris 22.

Dunn

\textsuperscript{12} Emilio Patrissi, editor of the daily \textit{L'Ora d'Italia}; Vincenzo Selvaggi, editor of the daily \textit{Italia Nuova}.

\textsuperscript{13} Gen. Taddeo Orlando. He had been captured in North Africa in May 1943.

\textsuperscript{14} Randolfo Pacciardi, Vice President of the Council of Ministers in 1947; Minister of Defense 1948-1953; a member of the Republican Party of Italy.

\textsuperscript{15} Cipriano Facchinetti, Minister of Defense in the fourth De Gasperi cabinet (May 1947-May 1948) for the period after December 15, 1947.

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865.00/1-2148: Telegram

\textit{The Ambassador in Italy (Dunn) to the Secretary of State}

CONFIDENTIAL

Rome, January 21, 1948—3 p. m.

314. There is no doubt that extreme leftist parties, not only because of their known strength and popularity throughout Italy but also because of the feverish activity in their present pre-electoral campaign, will play an extremely important role in the spring elections. The Communists and left-wing Socialists have, as Department is aware, formed a popular democratic front (to be distinguished from the proposed electoral peoples bloc) made up of countless labor, agricultural,
veteran, feminine, youth, cultural and social organizations, all Communist controlled or inspired, for the purpose of popularizing their cause and, most important of all, of getting people, especially women, to the polls. Many new front organizations have sprung up in recent weeks; for example, the Garibaldi Avant Guard (youth); the Feminine Alliance for Peace and Democracy, and the Association of Female Farmers. The latter group is advocating the same benefits for pregnant farmers as is accorded to industrial workers, a proposal which will certainly have considerable appeal among prolific farmers' wives and daughters. Many new Communist propaganda publications have appeared, as well as countless directives to sections and federations, exhorting members to increase their agitational electoral work. Money, newsprint and energy is not lacking and it may be anticipated that the efforts of the Communists and Socialists, who will undoubtedly run on single ticket, if not throughout Italy at least in the south, will be even more intensified as election day approaches. It is not unlikely that extreme left, through the media of their countless front organizations, and with their luring campaign slogans and false promises, will succeed in attracting to their cause many Italians, especially among the semi-literate classes.

Present indications are that Communist policy here is to stick to quasi-legal parliamentary methods and rely on the elections in order to reenter the government and ultimately to control it. Togliatti certainly emphasized this point at Milan conference (see Embtel 159, January 13) although he left the door open to extra-legal activities—general strikes, violence and probably insurrection—in order to achieve Communist objectives in Italy, i.e. the attainment of "progressive democracy" (Soviet style) and the crippling of the Marshall Plan. Present Communist policy may of course be a smoke screen to divert attention from their extra-legal plans. However, their press, as well as Nenni's, reflects growing optimism over coming elections. It would seem that they believe that they, running with the Socialists on a joint ticket, will gain a plurality in the elections which would make it impossible to keep them out of the government—in fact, might make it mandatory for the President to ask Togliatti to form the new government. This in itself would assure the attainment of their objectives. On the other hand, if they feel at a later period in the electoral campaign that they will be defeated, a shift to extra-legal tactics may well be anticipated, culminating in an intensification of violence and possibly insurrection if they are defeated at the polls. As justification therefore they will accuse the Demo-Christians of reactionary tactics in suppressing strikes and in maintaining public order and of illegal tactics

1 Not printed.
in the elections. Either course, i.e., reentry into the government following an electoral plurality or a resort to revolutionary action would in their view insure their primary objectives, and those of Moscow. And finally, although at the present time there is no substantial indication of a Communist-armed coup d'état despite countless unfounded rumors, this possibility should not be completely discarded especially if there is a sharp deterioration in the general international situation.

With respect to the specific question raised in the Department’s 2724, December 31, we offer the following comments:

(1) The Actionist group which joined the PSI is insignificant in number, a mere two or three thousand and weak in influence. We are advised that its leaders, Lussu, Cianca and Foa, although anti-fusionist, will probably support the Nanni–Basso line. They are primarily interested in obtaining seats in the new Parliament. In fact, the Actionist Party has lost practically all its appeal since the Parri days and now amounts to a small group of leaders with little mass support.

(2) Regarding the attitude of the PSI at the directorate and popular level on a leftist electoral bloc, we are informed by Lombardo that 85 percent of the Socialists at a popular level do not desire such a bloc. In fact, the press has reported that the Romita motion for autonomy won out in the provincial congresses in Piedmont, Tuscany, Veneto, and Liguria, and that the Basso motion for the bloc won a majority on Emilia, the Marche, Umbria, Lazio, Lombardia and Sicily. It would appear that the Socialists in the north, where there is a strong independent Socialist tradition, dislike for Communist insistence on discipline and strong Socialist organizations, favor independent action, whereas the less organized Socialists in the south are more inclined to go along with the Communists. Although Nenni may have serious misgivings regarding this latter course he is reportedly so compromised by the Communists that he will continue to advocate it. Basso is said to be playing a double game since he is at heart anti-Soviet. But in order to be on the winning side he will also go along with Nenni. If the Socialist Congress, now in session, advocates the establishment of a single bloc with the Communists which seems almost a certainty, Lombardo may well leave the party. In order to reach a compromise and avoid another split it is possible that the Socialists will decide to run independently in some provinces of north and

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2 In this telegram, not printed, the Department requested that it be kept currently informed on the activities and objectives of the PSI and PCI at the level of the party directorates and at the popular level (665.00/12–3047).
3 Emilio Lussu; Alberto Cianca; Vittorio Foa.
4 Lelio Basso, confirmed as Secretary of the PSI after its congress of January 1948.
5 Ferruccio Parri, President of the Council of Ministers, June–December 1945.
jointly in the south. We should have an answer to this question by early next week.

(3) With respect to the attitude of the Communist Party on this question, although the Milan Congress revealed some dissensions in the higher echelons of the party, Togliatti, the boss strongly advocated the creation of a common leftist electoral bloc. He pointed out that the Communist Party was a mass party, that it must appeal even to the middle class and that there must be mass unity and alliances with other political groups in elections. The political committee of the Congress supported the bloc as did the final motion of the Congress which "fathered" the plan of the Socialists for a single electoral list.

Dunn

S11.911/1-2848

The Chargé in Italy (Byington) to the Secretary of State

CONFIDENTIAL

No. 139


Subject: Italian Language Daily Newspapers in the United States

Sir: I have the honor to submit, for the Department's consideration, an idea suggested by several Americans in Italy who are not connected with the Government, with the view to make available to the Italian people one more channel through which they can learn of the tremendous American efforts to help Italy rehabilitate herself without cost to her sovereignty or rights as a free nation.

We have been told that Italian language daily newspapers in America have devoted a good deal of space to the subject. The stories in these papers are described as being full, factual, and pregnant with good will toward Italy and with appreciation of America’s unselfish motives.

It has been suggested that the editors of these papers should be requested by the Department to recommend to their readers the practice of clipping stories describing American aid to Italy and sending them to their friends and relatives in Italy. The attached list of Italian language dailies in America is submitted as a working basis should the Department find the idea feasible. Since the reference books in our OIE Library are not current the list may not be complete or entirely accurate. Some consideration might be given to Italian language weekly papers. However, we have been warned that some weekly papers have editorial policies which are critical of American policy of aid to Europe and therefore should not be approached with any plan such as this.

If the Department views this suggestion favorably some value might be obtained from the enclosed sample letter which was drafted as one
which might influence the editors of Italian language newspapers to co-operate.\footnote{In telegram 474 of February 4, not printed. Ambassador Dunn urged that the Department give attention to this despatch (811.911/2-448). In telegram 573 of March 3, not printed, the Secretary informed Dunn that the suggestion was under consideration (811.911/2-248).}

Respectfully yours,

For the Ambassador:
HOMER M. BYINGTON, JR.
Counselor of Embassy

Enclosure 1

LIST OF ITALIAN DAILIES PRINTED IN THE UNITED STATES

*L' Italia-Voce*—San Francisco, California, L'Italia Press Co., Publishers; Ettore Patrizi, Editor; 1500 Stockton Street.

*La Notizia*—Boston, Mass., G. N. Longarini, Publishers; L. Z. Lo Presti, Editor; 34 Battery Street.

*Il Progresso*—New York City; Generoso Pope, Publisher; I. C. Falbe, Editor; 42 Elk Street.

*Il Popolo Italiano*—Philadelphia, Pa.; Remo Zueca, Editor and Publisher; 1012 Catherine Street.

*L'Opinione Progresso*—Philadelphia, Pa.; Costintino Costantini, Editor and Publisher; 8th and Christian Streets.

Enclosure 2

**DRAFT**

DEAR ————: A number of Americans who have visited Italy in recent weeks have suggested that the following idea should be submitted for your consideration as an excellent means of providing the Italian People with information about the extent and nature of American efforts to help Italy's recovery.

Your newspaper has devoted a good deal of space to factual accounts and comment about the various programs of American aid during the past five years. Your interest in American aid to Italy can be of special service in helping the Italian people in Italy to learn the facts.

The suggestion is that you recommend to your readers, many of whom are of Italian origin, that they clip stories and editorials on American aid and send them to their friends and relatives in Italy. This source of information should prove very helpful in complementing the information distributed in Italy by our various American news agencies and the State Department's Office of Information and Cultural Exchange.

I would appreciate your thought on this matter as well as any criticism or advice you may wish to offer.

Sincerely,
The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET URGENT

ROME, January 29, 1948—noon.

383. Situation such that Embassy does not preclude possibility that Communists may possibly endeavor overthrow present government by force. Critical period seen as that just prior to or just subsequent to forthcoming elections. Should such coup be attempted civil war would inevitably result with consequent serious danger to American lives and property.

Embassy currently engaged in drawing up plans for protection and possible evacuation of Americans on assumption that violence, if it breaks out, will break out first in northern cities and that Rome and southern areas will remain, temporarily at least, comparatively safe with refugees streaming into Rome from northern provinces. Plans envisage necessity that financial assistance against promissory notes will have to be afforded American citizens for temporary quarters, food and transportation to US or to such intermediate point as may later be decided upon.

In order to be in position to act quickly and effectively should necessity arise, Embassy requests that it be given by telegraph an emergency allotment of $100,000 and that consideration be given now to fact that, should outbreak occur, additional funds would in all probability be required.¹

Dunn

¹The Department's telegram 264 of January 30, not printed, granted a supplementary emergency allotment for $100,000 for possible loans to American citizens (363.1115/1-2948).

Editorial Note

On February 2, 1948 a Treaty of Friendship, Commerce and Navigation between the United States of America and the Italian Republic was signed in Rome. For the text of the treaty and exchanges of notes see Treaties and Other International Acts Series 1965 (63 Stat. (pt. 2) 2255). Documentation on the negotiations in 1947 and 1948 leading to the treaty is found in file 611.6531.
SECRET

WASHINGTON, February 4, 1948—6 p. m.

304. For Tasca from State and Treas. Following is thinking re use local currency counterpart PL 389 \(^1\) (urteil 4226 Dec 31)\(^2\) but does not cover PL 84 \(^3\) which concerned with use for relief and work relief.

1. a. Interim aid agreement (Deptel 2732 Dec 30)\(^4\) provides flexibility in utilization local currency counterpart USFAP. While preferred uses to which such counterpart should be put stated explicitly Sec I para 2a of Annex, para 2b provides flexibility within framework of general intent of this Section.

b. Aware of efforts of Ital Gov in recent months to arrest inflationary process resulting in some deflation by late 1947. Local currency counterpart of USFAP should most appropriately be used to encourage and facilitate financial and economic stabilization measures preliminary to and dovetailing with larger program of individual and cooperative action pledged by CEEC countries. Although no commitment now possible regarding ERP it is felt to be in interest of countries concerned to act as soon as possible during interim period to implement above objective. Interim aid funds should be used to encourage and facilitate such implementation.

2. Following may be used as general guide in evaluating specific uses of USFAP funds:

a. Local currency equivalent should be disposed of in accordance with procedures which have been formulated by participating govs in agreement with US.

b. Such procedures should utilize local currency equivalent to best minimize inflationary pressures as part of a general program of monetary, fiscal and other measures designed to reduce budgetary deficit so far as possible and promote maximum output of essential goods and services.


\(^2\) In this telegram, not printed, Dunn explained that the local currency counter value of relief to be sent to Italy would total over 600 billion lire; that control of the lira fund would mean control of the Italian economy. He urged that the U.S. exert control despite the possible outcry against interference, and suggested several possible ERP programs. (800.48 FAA/12-3147)

\(^3\) Public Law 84, 80th Congress, approved May 31, 1947 (61 Stat. 125).

\(^4\) Not printed, but see footnote 3, p. 755.
c. Following uses considered appropriate:

(i) Sterilization to assist in measures of financial reform and currency stabilization;
(ii) non-inflationary retirement of national debt;
(iii) local currency costs incident to exploration for and development of additional production of raw materials in probable long term short supply in US; and
(iv) local currency costs of mutually agreed projects contributing to European economic recovery.

3. a. We note from urtel 219 Jan 16 that Ital Gov has approached Emb with proposal to use lira fund for vocational training program and Alpine hydro-electric development also mentioned urtel 4226. Before commenting re specific uses local currency counterpart of USFAP, request that you discuss with Ital authorities whole problem of how local currency counterpart might best be integrated with such stabilization and recovery program as Ital Gov may have in mind. Seemingly only indication of general Ital thinking on use of lira counterpart available here contained Emb despatch 1448 August 8, stating intention is to apply it to extraordinary budget for reconstruction. We are prepared to consider use of lira fund to cover approved projects already included in Ital budget.

b. In connection with such specific projects as Ital propose you should procure detailed info re magnitude of expenditures contemplated and estimate of anticipated contribution toward Italian recovery; also obtain statement of relationship of such expenditures to projects already provided for in Ital budget. Projects covered by USFAP funds should preferably be short term and productive in nature although genuinely feasible long term projects upon which significant short-term progress can be made not precluded. Also limited expenditure for humanitarian projects might receive consideration. Seriously doubt whether use local currency counterpart USFAP directly for security purposes (para 3 urtel 4226) appropriate or feasible.

c. Size of amts released for expenditure considered important from point of view of overall effect on Ital economy. Decision regarding overall amts of funds to be released will be made here altho Emb might be authorized to release nominal amts to Ital Gov for approved purposes.

4. Agreement as to use of local currency arrived at cooperatively with Ital Gov will offset possible communist attacks against US "interference." . . . Recognize that Ital political situation must play

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*See footnote 2, p. 873.
*Not printed.
large part in determination of uses made of USFAP funds but feel that impetus to financial and economic stability through appropriate use these funds will aid greatly in achieving our general objectives. [State and Treasury.]

MARSHALL

865.00/2-748: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

ROME, February 7, 1948—1 p. m.

543. In compliance with Deptel 260, January 29, my comments re Pope's pessimism over forthcoming Italian elections are:

1. The emotions that in April will sway the Italian electorate are still in balance;
2. The present electoral situation justifies grave concern and calls for serious consideration;
3. US policy of assisting Italy has constituted our major obstacle confronting the Communists;
4. Full implementation of US policy is essential to an electoral decision by the Italian people for democratic as against totalitarian government.

Ever since the formation last May of a government without Communists, the popular strength of Communism has remained static. Some gains in the south have been offset by a slow development of anti-Communism in the north. The Sicilian elections with their slogans of “Votate Garibaldi” represent the former and the recent manifestations in the north of PSI independence (see Embtel 314, January 21) against fusion with the Communists represent the latter. From every side we have received reports that what appeared last winter to be an irresistible Communist avalanche has been checked and in many places even lost ground. Until last summer the Communists followed a policy of official respectability. It was only last fall that they turned to political strikes and open violence. That change of policy appears to have been dictated by Soviet dissatisfaction over the good progress toward stability made by the Italian Government. There now appears to be a Communist return to the policy of “respectability” presumably aided by the April elections. Agitation against the government continues but without widespread political strikes which antagonize the Italian worker.

The same Prime Minister who appealed desperately one month ago

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1 In this telegram, not printed, the Department requested Ambassador Dunn's views on the Pope's pessimism regarding the coming April elections, as reported in messages from the Vatican; and suggestions regarding steps which the United States might take in the situation (865.00/2848).
for arms for the police a few days ago was apparently so calmed by the present lull as to speculate to me in confidence on the bad effect on the Christian Democrat Party of the disintegration of the right. He appeared disturbed that an influx of votes from the right to his party would harm the center position of the Christian Democrats.

We can reasonably expect that the present lull which has momentarily calmed the nerves of the government will not continue. There will be an aggressive violent, well-organized electoral campaign by the Communists and their fellow travelers, the PSI. Should prospects of their electoral success diminish further, there may well be a resort to force. In any event throughout Italy, a vast emotional upheaval will take place in the next few months. A turning point in the elections may be a last-minute revulsion against the slogans of Communism and against another Italian adventure into totalitarianism. There was in the last two weeks of the plebiscite in June of 1946 a swing of public opinion favorable to the monarchy which almost upset the entire outcome. Even the most sanguine royalist never believed the vote would be so close. It was fear of Communism that helped the monarchists. On the other hand, with the labor movement completely dominated, unlimited funds, and the best electoral organization in Italy, the Communists may, by combining the use of fear and their trojan horse, the PSI, succeed in forestalling a last-minute popular revulsion against Italy's commitment to Communism and a policy of alignment with the Soviet Union.

The situation is the more serious because no party except the "Blocco del Popolo" has become associated in the mind of the people with the basic reforms urgently required for the peasants, the workers and the humble white collar class so numerous in this country. Up to the present the Communists have been successful in rendering completely ineffective the dissident Socialists who should represent the main hope for the Italian worker.

We have not found any observers who are willing to predict less than 30 percent of the popular vote for the Blocco del Popolo, and the general consensus appears to waver around an estimate of 40 percent which is of course, extremely dangerous. If the Communists and PSI succeed in getting into the government again, there is every reason to believe that another tripartite government in Italy will this time lead to Communist dominance and not follow the path taken during past year. On other hand, there is no doubt but that Christian Democrats themselves and especially the Prime Minister have increased in prestige throughout the country. Even an observer such as Saragat, while dubious about his own prospects, readily predicts that the Christian Democrats will succeed in maintaining undiminished their present
position as the largest mass party in Italy. While we must view with great concern the strong position of the Communists created by their victory over the anti-Nenni PSI forces, the continuing strength of the Christian Democratic Party itself is a reassuring bulwark.

There is no doubt that the increased prestige of the present government rests principally on American policy towards Italy. The vast majority of Italians recognize American political and economic help and are grateful. They hope that this assistance will increase and prefer it to any political alignment of Italy with the East. Communist propaganda in Italy is doing everything possible to discredit the US and to convince the people that the De Gasperi Government’s cooperation with the US is drawing Italy into a western bloc and inevitable involvement in a possible war with the Soviet Union. The international situation and the issue of friendship with the US will in Italy play fully as great a role in the forthcoming elections as will the internal domestic situation. Every action of the US will have a direct bearing on the outcome.

In compliance with Department’s request, I outline those measures which appear to me of importance and which should be taken if the defeat of communism is to be assured.

1. Continued support of the present government. The sine qua non of that support is the furnishing of sufficient wheat to prevent any reduction in the bread ration prior to holding of the elections (see mytels 3972, December 92 and 313 January 23); a

2. Prompt furnishing of the military equipment already listed by the government as essential to the maintenance of internal order (see mytel 261, January 204 and previous);

Here follow other measures to assist groups interested in economic reforms and friendship with the West.

4. A further statement of US policy should be made. It should be so designed as to leave no doubt in the minds of the Italian People over the international issue involved in the Italian elections and the position of the US.

During the past year I have worked constantly in my speeches to clarify US policy in minds of Italians. It is extremely important that there should be a major declaration of American policy from the President or Secretary of State designed to reach every Italian. At the critical moment we must see that Italians are not deceived by Communist claim that Communism in Italy will combine the advantages of aid from the West with that of political safety and benefits from the Soviet Union.

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2 Ante, p. 740.
3 Not printed.
4 See footnote 4, p. 737.
We must demonstrate convincingly that peace and independence belong to western civilization as does subjugation and tyranny to the totalitarian system of Soviet Union. If every Italian could know the real issues at stake there would be no doubt as to the outcome, but if the US is unwilling or unable to go all out to meet Soviet policy in Italy move for move, then I would be inclined to agree with the forecast attributed to the Pope.

Dunn

865.00/2-1848

Memorandum of Conversation, by the Assistant Secretary of State for Political Affairs (Armour)

SECRET

WASHINGTON, February 15, 1948.

Participants: Assistant Secretary Armour
Ambassador Tarchiani
W. C. Dowling, SE

The Italian Ambassador called at his request this afternoon to discuss several matters—all of which, he said, were of particular significance in connection with the April elections.

Tarchiani said first that he wanted to leave with me a note regarding the possibility of speeding up wheat shipments to Italy during March. He reminded me that Italian grain stocks were being reduced each month, and said that the Italian Government was most anxious that any delay in wheat shipments should not endanger maintenance of the bread ration in the electoral period. He added, however, that imports from Argentina would also have to be maintained if difficulties were not to arise.

I said we would give most sympathetic consideration to this request.

The Ambassador then mentioned the possible purchase by Italy of a number of small vessels, which he had discussed with Assistant Secretary Thorp several days ago, and said he hoped favorable action could be taken at an early date, as this assistance would surely receive most favorable publicity in Italy in the electoral period, providing yet another contrast between the tangible aid received from the US and the flow of propaganda from the east.

I told the Ambassador that I was not familiar with this matter, but promised to look into it.

Turning then to the general question of propaganda and its influence on the Italian elections, Tarchiani referred to the recent Soviet broadcast of its note to the Italian Government reiterating Soviet sup-

1 No. 1557, February 18, 1948, not printed.
port of Italian trusteeship for the former colonies.² He said this announcement was obviously intended to serve Soviet political aims, but that it would nevertheless have a favorable effect in Italy. The Italian Government was constrained, of course, to welcome the announcement officially, and it was to be expected that this would raise in the minds of the Italian people the question of the attitude of the other powers. The Foreign Office had therefore taken the responsibility of permitting the Italian press to infer that the US, UK and France might not be too unfavorable to Italian trusteeship, and that there was at least a possibility of further announcements in this regard.

I reminded Tarchiani that the Soviet announcement had been made at a time when the Commission of Investigation was still at work in Somaliland, and that it would seem most improper for us to indicate a final decision until the Commission’s reports on the wishes of the inhabitants had been studied and we had heard the views of the other interested governments. I feared therefore it might be unwise for the Italian Government to give an impression that an announcement of our decision might be expected. I added that I felt sure the Italian Government would want to take discreet action to insure that the Italian people understood the political implications of the Soviet move.

Tarchiani replied that he thought the majority of the Italian people understood the Soviet statement was an “election promise”, but that it would nevertheless have an effect, since it was the kind of news the Italians like to hear.

In this connection, he referred to the general attitude towards Italy of France and the UK, and especially the latter, which he felt could be handled more wisely. Actually, he said, Italy’s relations with both France and the UK were progressing extremely well, and the Italian Government was gratified by the increasing friendliness of the British and French as evidenced in official contacts and discussions. On the other hand, the public attitude of the British Government was still something less than friendly to Italy, while the French attitude also was frequently unfavorable; this had created an atmosphere in which Soviet propaganda was having a greater influence than need be the case if all of the Western powers were to demonstrate friendship for Italy.

Here follows a discussion of specific issues between the Italian Government and other governments.

Tarchiani said that he had brought up the foregoing only because in the Italian mind the UK, and the West generally, was so closely associated with the US. Any unfriendly attitude on the part of either

² See p. 896 and footnote 3.
the UK or France could therefore only detract from the effectiveness of
the friendship and assistance which the US had so consistently dis-
played towards Italy. He added that Latins were always quick to
take offense at being slighted, and in their present circumstances the
Italians were inordinately anxious for indications that they were
regarded as equals.

In conclusion, Tarchiani reverted to the question of the Soviet decla-
roration, saying he hoped the British at least might find it possible to
indicate that, subject to the findings of the Commission, they were
prepared to give favorable consideration to Italian trusteeship.

I reiterated to the Ambassador our position regarding any state-
ment on the former colonies at this time, but suggested that if the
Italian Government felt a need further to counteract the Soviet decla-
roration, it might wish to consider the possibility of issuing a statement
recalling the economic assistance and political support given Italy
in the past by the US, as well as the UK and France, pointing out that
a Commission of Investigation was now in the former colonies so that
the Council of Foreign Ministers might have additional data on which
to base their decisions, and expressing the Italian Government’s con-

865.00/2-2148: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, February 21, 1948—1 p. m.

781. 1. In the June 1946 elections the Communist Party of Italy,
which numbered at that time approximately 2 million members, re-
ceived about 4,343,000 votes (18.7 percent), a ratio of 2.17 votes per
party member. The Socialist Party, which claimed approximately
860,000 members, polled 4,745,000 votes (20.7 percent) or approxi-
mately five votes per member. The Communists and Nenni-Socialists
claim membership today of roughly 2,330,000 and 790,000, respectively.

Applying the 1946 ratio to the April elections, the CPI would re-
ceive 5,130,000 votes and the SPI 3,950,000 votes, a total of over 9
million. However, it is not believed that Socialist influence would
catch the same number of non-party votes in the coming elections
inasmuch as they, compromised by the Communists in the eyes of
certain sectors of the electorate and discredited by such outstanding
leaders as Saragat, Faravelli ¹ and Lombardo, have lost considerable

d—1946. On other hand, it is likely that the CPI ratio has

¹ Giuseppe Faravelli, member of the Central Committee of the PSLI and editor
of L’Umanità of Milan.
increased especially in the south where they made great strides during 1947. We are inclined to believe that the ratio for the Communist-
Socialist popular bloc may well turn out to be three votes per party
member. This would give the bloc approximately 9,400,000 votes or
almost 40 percent of the estimated electorate of 24 million. The con-
senus of qualified observers in Rome concedes 8 to 10 million votes
to the extreme left. At this early stage in the electoral campaign we
are inclined to favor the higher figure and would place our preliminary
estimates at perhaps 9,500,000 (40 percent). If this is correct, the left
bloc would receive a plurality with the Demo–Christians obtaining
perhaps 35 percent of the votes and the other minor parties running
individually (Republicans) or united (UQ and liberals; PSI and
Lombardo Socialists; etc.) receiving 25 percent. There is, of course,
the possibility the leftist bloc will win a majority. This, however,
is not anticipated by most observers here unless through a violent
awe-inspiring political campaign the Communists should succeed at
the last moment in intimidating large numbers of voters into staying
away from the polls. In this connection the Prime Minister informed
me in confidence that he had reliable information that the Commu-
nist electoral expenditures planned for the three northern industrial
provinces alone amounted to over 3 billion lire—a fantastic amount in
Italy which means that the Communists have in fact unlimited funds.

2. A study of the results of the communal elections held during 1947
(reEmb despatch 237 February 10) and 1948 at Pescara. (reEmbets
719, February 18) shows that the center parties selected 1577 munic-
ipal candidates, the right 156, the extreme left 1241, with 1881 “un-
known”. An attempted breakdown of the unknowns, based on
geographic and other considerations, gives 955 to the center-right,
682 to the extreme left, and 244 still unknown. On a percentage basis
we figure that the right-center received 55 percent of the votes in the
communal elections, the left 40 percent, with 5 percent unknown.

3. The minister of the Interior has stated that there are approxi-
mately 30 million persons eligible to vote (reEmbtel 506, February 4). We
figure that abstentions will be high because of fear of a sizable
proportion of the electorate, caused by Communist intimidation, to
take a stand against the extreme left. We estimate that somewhere in
the neighborhood of 24 million people will vote (80 percent of the
electorate) electing approximately 600 deputies.

4. On the basis of the calculations contained in paragraphs 2 and 3
above, and figuring that Communists will put forward three candidates

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2 This despatch, not printed, transmitted tables of the electoral returns of 1947
compiled by the Italian Central Statistical Institute (865.00/2-1048).
3 Not printed.
to every one Socialist, the lineup of the future Chamber of Deputies might be well somewhat as follows: Christian Democrats 210; Communists 180; Socialists 60; others 150.

5. Although the non-Communist parties are participating in the elections individually or in separate blocs, it is probable that they will form some sort of a non-Communist parliamentarian bloc in the next government. Thus, at the time of formation of that government there may well be a non-Communist bloc made up of forces ranging from Saragat-Lombardo group on the left to the UQ-Monarchists on the right representing 60 percent of the people and a leftist, Communist-controlled bloc representing 40 percent of the people. In some respects a two-party system would be setup.

6. De Gasperi or some other non-Communist leader might form a government without the Communists or Socialists. It is generally believed however that if he endeavored to do so, in view of the great strength of the Social-Communist minority and of the fact that his United group may well obtain a plurality in the elections, such a government would lead a precarious life since the Communist-Socialist forces would resort to “direct action” in order to blackmail themselves into the government.

7. Another possibility would, of course, be the formation of a government in which the Socialists and Communists were invited to participate. It is probable that in such case the Communists would not demand key ministries (Interior, armed forces, or Foreign Office) but would insist that some of them would be given to the Socialists whom they, of course, control. Once in the government we are inclined to believe that it would only be a matter of time before they had complete control of it.

8. It is also possible that, should the popular bloc win a plurality, the president might ask the Socialists and Communists to form a government. However, it is not believed that the two would be able to do so in view of the antagonism of the non-Communist forces, the majority.

9. It would therefore seem at this writing that we are faced with the responsibility of: (1) the creation of a new government, similar to the present one, which would exclude the Communists and Socialists, or (2) one which would include them. The first might well lead to civil strife and the second to the eventual formation of a Communist government in Italy, it is our assumption that the Communist-controlled bloc will not win a majority, and thus legally take over immediate control of the government.

10. As we have pointed out in press and other telegrams the Communists have adopted an electoral line that US aid would continue
notwithstanding a popular bloc victory. Terracini himself has made a public speech to this effect which has so far been unrefuted (see Embtel 579, February 10). It is of the greatest importance that the US position in regard to this damaging line of Communist electoral propaganda should be clarified. At the appropriate period in the electoral campaign (probably a later stage) it seems to us desirable that a high official in the US should publicly point out (possibly in reply to a request or comment on Terracini's allegation) that the Soviet Union and the satellite countries have refused to participate in ERP, that Communist propaganda in Italy has constantly attacked the US and American aid to Italy; that therefore there is no reason to believe that a Communist-controlled Italy subserviently assimilated into the Soviet orbit of totalitarianism would in any way be willing to participate in ERP or be eligible for US aid which is predicated upon the maintenance of true democracy and cooperation with other democracies towards general European recovery.  

Dunn

4 This telegram, not printed, summarized the accounts of the campaigning as given in Messaggero of February 8. In regard to Umberto Terracini, President of the Constituent Assembly, it reported that "He stated that Front will assume a policy of independence both towards US and towards Russia, and asserted his conviction that democratic America will send its aid to democratic Italy even if Front should take over direction of government." (865.9111 RR/2-1048)

5 Telegram 814 of February 25, not printed, reported that a secret survey undertaken by the Christian Democrats indicated that if elections were held that day, they would receive 37 percent of the vote, something which, Ambassador Dunn commented, was certainly not encouraging (865.00/2-2548).

765.00/2-148: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, March 1, 1948—6:58 p. m.

877. Count Sforza yesterday gave me following message for you which he is also transmitting to Bevin and Bidault through their Ambassadors here. Sforza is deeply impressed not only with the developments in Czechoslovakia but by the immediately following moves by Soviets to take over Finland. He said we must recognize we are now in a stage of Russian expansion corresponding to Hitler's 1938 and that 1939 inevitably follows. He said he has accepted invitation to go to Paris for meeting of 16 Western European countries March 15 but that something positive is needed now to consolidate Western

1 For documentation regarding the Communist seizure of power in Czechoslovakia, see vol. iv, pp. 733 ff., and for Soviet relations with Finland, see ibid., pp. 759 ff.

2 For documentation regarding United States relations with CEEC countries, see pp. 352 ff.
European resistance to Soviet expansion. He says the only thing he sees which could be done now would be a joint declaration by the United States and Great Britain that Soviets have now reached the limit of expansion of their control and that they will not be permitted to extend their control to other Western European states. He said he feels that Italy is the next point of attack by the Soviets either by infiltration or through Yugoslav action but that it would not be desirable for electoral purposes here to mention Italy specifically in any such warning as suggested above. He said the effect would be broader and just as pertinent if it were to apply to all Western European countries.

The Minister said that the anti-Communist forces in Italy would play up the Czechoslovak grab as a warning to Italians who might think Communists could be trusted and that every advantage would be taken of this opportunity to make them the issue in Italy clear as between liberty and totalitarianism. This was done yesterday by De Gasperi, Pacciardi, and others in their Sunday political speeches.

The Minister stressed, however, his grave concern over the European situation and while he expressed his complete confidence in the success of the anti-Communist forces in the Italian elections he said he felt that the Communist expansion program was now about to be carried out with a complete contempt for public opinion, public expression, and the feelings of people generally. He feels that in face of the weakness of the western states some such support and encouragement as contained in the above suggested warning is absolutely essential to maintain the solidarity and resistance of Western Europe to the Soviet program of expansion.

Dunn

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Randolfo Pacciardi, PRI, Vice President of the Council of Ministers.

865.00/3-148: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

[Extract]

TOP SECRET

Rome, March 1, 1948—7 p.m.

879. Mytels 543, February 7, 761, February 21, 814 February 25, indicate my growing concern over the outcome of elections in Italy. I am sure that Department will agree with me that if the Communists and the Communist controlled PSI should succeed in obtaining a sufficient electoral strength to ensure their reentering the government it will mean the defeat of our entire Italian policy and the beginning of a trend towards totalitarianism in Italy that it will be practically impossible to stop. The responsibility of such development will of

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1 See footnote 5, p. 835.
course rest with the Italian people but a Communist electoral victory will also mean a victory for Soviet policy regarding Italy as opposed to the policy of the US. The Soviet Union in its policy in Italy has quite obviously concentrated entirely on direct support of Communist Party in Italy and the unlimited funds now being spent by the Communists for electoral purposes are the result of Soviet support.

As the election campaign develops, the weight of the well-organized, dynamic, and costly campaign of the Communist-Socialist front becomes clearly and disturbingly evident. Through sheer preponderance of expenditures for posters, leaflets, busses, flags, bands, and general paraphernalia of demagogy the front is pulling in masses in almost every area in Italy. This campaign, of course, is largely based on the dangers of imperialist monopoly inherent in American aid and the Marshall Plan to which are added promises of nationalization of industry and division of the land to the peasants. The successes of what they call the “democratic forces” of Gottwald in Czechoslovakia, Pauker in Rumania, and Rakosi in Hungary, are headlined as indication of the strength of the “peoples” Communist movement which will inevitably take over all of Europe. With considerable skill and alarming success they are playing up the Italian propensity to flock to the winning banner.

Practically all the non-Communist Italians with whom we have conversed during the past two weeks appear greatly concerned over the present trend of public opinion. They see their own campaigns as pitifully small and inadequate as compared with the blazing fanfare of the Communist-Socialist front, yet they claimed to have gathered every available lira from industry and from individuals. They state that the business recession, the stringency of bank credits, the severe drop in the value of securities on the bourse, and the heavy demands of the patrimonial tax have made it impossible for them to raise funds which are comparable to those available to the Communists.

The Prime Minister himself has remarked to me on the wave of alarm which has penetrated quite generally since the Pescara elections.

Dunn

865.00/2-2548: Telegram

The Secretary of State to the Embassy in London

TOP SECRET

WASHINGTON, March 2, 1948—7 p. m.

721. For the Ambassador. Dept is repeating for your info Rome’s 543, Feb 7 and 814, Feb 25\(^1\) giving Amb Dunn’s estimate results Ital elections Apr 18. As you will see therefrom, outlook is none too favor-

\(^1\) See footnote 5, p. 835.
able, but we agree with Dunn balloting will be influenced in large measure by developments intervening weeks.

We also concur US actions will have direct bearing on elections, and will take all feasible steps to evince firm US friendship toward Italy. It is obvious that effect these measures would be greatly enhanced if accompanied by steps showing UK and France also fully support present moderate Ital Govt. We hope therefore UK will take every opportunity during electoral period to join with US and France in demonstrating to Ital people their attachment to West is reciprocated; that real issue faces them in coming elections; and that only truly democratic govt can achieve for them that equality in family of nations and reasonable prosperity which they ardently desire.

Pls discuss this matter with Bevin at early date and impress upon him seriousness with which we regard situation as well as urgency we attach to remedial measures, which have now assumed particular importance in light For propaganda to Italy. You shd say that aside from measures we may be able to take, on which we shall keep FonOff informed, and in addition to steps planned by Fr Govt (Paris’ 1061 Feb 27, rpt London 120) it seems to us immediate action shd be taken in connection with presentation Ital views re German economy, transfer to Ital Govt of proceeds German assets in Italy, closer consultation with Ital Govt on CEEC and other matters of general European interest, and admission Italy to Tangier regime without delay. We feel that such measures will further identify Italy under present Govt with western democracies and go far to remove feeling Italian people that Italy occupies indecisive position between East and West.

Another and highly important matter would be Labor Party support of those Ital Socialists opposing Communists. While we admit these groups constitute small minority of all Socialists in Italy, we are nevertheless convinced that rank and file Socialist Party are basically opposed . . . subservience to Communists, and might well be won away . . . if Labor Party and FR Socialists were to give wholehearted support to Saragat, Lombardo and other Socialist leaders who are openly fighting Communism.

*This telegram, not printed, reported that the French were severely shaken by Moscow’s “naked action” in Czechoslovakia and considered that Finland was already lost. In Italy they considered the situation touch and go, and explained that Bidault was planning:

1) To inform the Italians that they might accredit military and naval attachés in Paris;
2) To recede to Italy a portion of the Alpine area ceded to France by the Treaty;
3) To reconstitute an Italian national organization in France favorable to De Gasperi in place of the Communist-dominated “Italia Libera”;
4) Himself to visit Turin about March 15 to sign the Franco-Italian customs union agreement;
5) To support Italian trusteeship over its former colonies. (865.00/2-2748)
In conclusion, you may say we wish continuing consultations this subject and are most anxious for any suggestions Bevin may have for further action.

Urtel 755 3 indicating Bevin thinking along similar lines received subsequent drafting foregoing and being given further consideration.

Meanwhile also, Bonnet saw Lovett Mar 1 re Ital colonies (point 5 Paris Tel 1061) and urged US support proposed French statement. Lovett indicated appreciation importance issues involved but, in reiterating previous US position against expression US views while four power study problem in process, added maximum we can do is continue consider possibilities.


MARSHALL

*Not found in Department of State files.

865.00 3-348: Telegram

The Ambassador in France (Caffery) to the Secretary of State

SECRET

PARIS, March 3, 1948—8 p. m.

1148. Department's 662 March 2 1 just received (Department's 663 March 2) 2 and I will discuss the Italian question at once with Bidault. The following information obtained today from high Foreign Office official is of interest as an indication of latest French thinking:

Foreign Office continues to view the situation in Italy with utmost gravity (my 1061 February 27) 3 and feels that while US, UK and French Governments may each independently be able to take certain steps to strengthen the present Italian Government, the combined efforts and cooperated action of the French, British and US Governments in certain questions is essential.

The following measures which the French can take themselves without tripartite cooperation being necessary or even desirable have been approved by the government:

1. In addition to accepting Military and Naval Attachés (on the condition they are not Communist, my 250 January 15 4) French have informed Italians they may now also accredit consular representatives to France and consular agreement will soon be signed.

2. The French Government will retrocede certain territories acquired recently from Italy as a result of the peace treaty. The delimitation of such areas is being worked out by the National Defense Minister.

3 Same as 721 to London, p. 837.

2 Ante, p. 628.

3 See footnote 2, p. 838.

4 Not printed.
3. Bidault has accepted Sforza’s invitation to visit Turin for the signing of the Franco-Italian customs union agreement. While definite date not yet fixed he envisages about March 10. As former President of the National Council of Resistance he will decorate Italian resistance heroes and will also make a speech where he will announce that French will retrocede certain territories. He will also announce France is not demanding full compliance with naval protocol of Italian treaty insofar as repairing Italian ships is concerned which will assist Italian economy and that France will not take all vessels allocated her.

While my source said that the above measures may be helpful to De Gasperi Government the French believe that they are of very secondary importance compared with the vital question of the colonies and to lesser extent the question of Trieste. Foreign Office believes Italian people are more interested in the fate of the colonies than anything else and that Communists as a result of Moscow’s stand on Italian colonies are making much hay. He said French believe that it is imperative that the US and UK join with the French in some tripartite formula which “must be announced before March 25 if it is to do any good,” which would place three governments in support of principle of Italian sovereignty over colonies. He expressed hope that US would go along with the French on this, and would also work on the British, who, he believes, are the main stumbling block for any such action.

Foreign Office is also seriously concerned about Communist exploitation of Trieste. According to Foreign Office’s information the Soviets have through Belgrade put forward some feelers to the Italians indicating that if the Americans and British will get out of zone A Moscow would not be opposed to Italy re-acquiring sovereignty over zone A. He said Italian Communists are spreading the story publicly and in governmental and parliamentary circles in Italy that Moscow is not opposed to the reestablishment of Italian sovereignty over Trieste (implying all of Trieste) and that it is the US, France and UK who wish to deprive Italy of the area. While French thinking on how to combat this propaganda has not yet fully crystallized, the present thought of Foreign Office is that the US, British and France would counter this by stating that they do not oppose the return of all of Trieste to Italy. Foreign Office appears convinced that the Soviets have no intention of ceding zone B to Italians and that they would be obliged to come out and say so whereby putting themselves squarely on the spot and knocking the props from under their propaganda.

In conclusion our informant expressed again the “imperative necessity” for tripartite action in the colonial question and to lesser extent on Trieste.
Repeated to London 143, to Rome 94, to Moscow as 73, to Berlin as 80, and to Belgrade as 13.

Caffery

840.50 Recovery/3-348: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL

Rome, March 8, 1948—8 p. m.

922. Members of Embassy staff had conversation today along following lines with Santi, Socialist (Nenni) secretary of CGIL.¹ Santi had attended CGIL Executive Committee meetings at Milan and Bologna last weekend at which 13 to 4 decision was taken declining invitation participate London TUC Conference on ERP.

1. At Rome meetings of committee prior to Milan, Santi had attempted find compromise formula for Italian participation through “observer”, but Di Vittorio ² for Communists opposed. This is best indication position of PSI on ERP. Santi says Communists in CGIL, of course, are dead against ERP, regardless what some of them may say publicly, and that although Socialists go along for “obvious” political reasons they emphasize in CGIL and elsewhere that Italy’s economic dependence upon foreign aid precludes outright opposition to ERP by Italian labor and that accordingly door must be kept open. PSI position formally is that they are undecided about ERP and need to know more about it. They believe that they would have some suggestions to make, and complain that Italian (i.e.) De Gasperi government has not consulted them nor told them what “Marshall Plan” consists of.

2. Communist-Socialist majority in CGIL is united desire not take any action which weakens their support of WFTU. Majority opinion shared by Santi, is that London Conference is political. This view reinforced by Saillant ³ during Milan talks.

3. Compromise reached by CGIL, while deciding not to attend London, was to indicate “interest” in ERP by inviting discussion on subject between CGIL and CIO leaders (telegram was sent yesterday to Philip Murray,⁴ Santi said, suggesting a meeting). Also, albeit unwillingly, majority has decided to make no issue of the liberty of minority elements to send observers to London meeting on personal informal basis.

¹ Fernando Santi, a member of the directorate of the P.S.I.; a member of the C.G.I.L. delegation to Russia in 1945.
² Giuseppe di Vittorio, Communist; Secretary of the C.G.I.L.; Vice President of the World Federation of Trade Unions.
³ Louis Saillant, Secretary General of the W.F.T.U.
⁴ Philip Murray, President of the Congress of Industrial Organizations.
4. Attitude of CGIL obliged by De Gasperi Government's partisanship toward ERP from which De Gasperi seeks to derive strength, to be politically opposed. Santi pretends that election issue in Italy is De Gasperi Government, not Communism.

5. In regard CIO report of ERP before Congress, we asked, after CGIL talks with CIO, what would PSI do? His reply was evasive; for example he observed there is doubtless also a minority view in CIO and that CGIL would like to get full picture. We hit back at once that in democracy minority views are not stifled, and summarized recent developments in regard Communism in CIO Union of Auto Workers.

6. "What", we asked, "would CGIL position be if Communists did not control CGIL and dominate PSI?" He sighed that life would indeed be much easier.

Sent Department as 922, repeated Paris 119, London 81, Moscow as 24.

Dunn

811.911/3—548: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

Rome, March 5, 1948—6 p.m.

950. Responsible Foreign Office officials, who have been most interested in recent campaign in Italian language Progresso and in other American newspapers requesting their readers to write to relatives in Italy to present political situation (see my despatch No. 139, January 28), have now come forward with the suggestion that this campaign be placed squarely on electoral issue of communism or democratic government friendly to the US. They say that the effect of letters or postcards written to relatives, particularly in southern Italy, would be tremendous, especially should those communications urge the addressees to vote in the elections for some party other than the present Communist dominated Fronte Democratico Popolare. Would Department be disposed to support such a proposal which would be very helpful in the elections? 1

Dunn

1 In a subsequent telegram, 1114 of March 13, not printed, Ambassador Dunn suggested that the writers in America include the statement that they would no longer be able to send gift and food packages if the Italians voted the Democratic Front into power (811.911/3—1348).
863.00/3-648: Telegram

The Ambassador in Great Britain (Douglas) to the Secretary of State

TOP SECRET

LONDON, March 6, 1948—7 p.m.

910. For Douglas's eyes only. To be delivered personally to Ambassador Douglas. Following is record of March 6 talk with Bevin:

Douglas called on Bevin this morning to have final talk, before leaving for Washington, on number pending matters. Following subjects were covered during talk:

Possible ways strengthening De Gasperi government; withdrawal of ambassadors from Praha for consultation; reparations' ERP; and CEEC.

A. De Gasperi Government

Bevin opened conversation on subject. Careful thought, he said, is being given to steps British Government can take to strengthen De Gasperi government, particularly during period of electoral campaign. He then reviewed what British were prepared to do.

The TUC, he said, had invited Christian Union trade group to send observers to trade union talks on ERP opening in London next week. Bevin here explained that while French have now three trade union groups, the CGT, Force Ouvrière, and also a Christian Union group, all of which are recognized by TUC, and therefore, under TUC rules eligible for formal invitations, there is but one comparable organization in Italy, the CGT. But the TUC did not want to invite it to send delegates. It turned, therefore, to the break-away Christian Union group and while being barred from asking it to send delegates, it had asked that observers be sent. As observers they will not be able to vote. The move does show, however, that the TUC wants friendly relations with Italian trade union group close to De Gasperi government.

As to some move by British Labor Party to strengthen position of Saragat wing of Italian Socialist Party, Bevin explained that word was still awaited from Morgan Phillips, Secretary General of British Labor Party, as to what can be done in this field. It is actively under consideration. The thing that had to be kept in mind in this connection, Bevin pointed out, was how to weaken Nenni and his group without making a martyr of Nenni.

On the question of future of Italian colonies, Bevin said nothing

2 Ambassador Douglas planned to fly to Washington, leaving London March 6, but had to postpone his flight by one day because of fog (London telegram 908, March 6, 1948, File 123 Douglas, Lewis W.). He arrived in Washington March 7 (Departmental telegram to London 794, March 8, ibid.). Presumably Douglas proposed to show the message directly to Secretary Marshall.
could now be done. British Government maintained position that nothing could be said or done until commission investigating colonies had completed its task. Douglas stated here that that, too, was position of US.

"As to readmission of Italy to Tangier administration, Bevin agreed with Douglas that now that Soviets had agreed to Italy's readmission, everything should be done to make Italy's readmission effective as soon as possible. A message in this sense had just been sent by Foreign Office to Washington, Paris and Tangier.

"British Government, Bevin continued, is now consulting with French Government to see whether France will agree with British to waive surrender by Italy of war criminals guilty of crimes against French and British subjects. Effect of this would be to leave Yugoslavia as only other country still calling for surrender of this category of war criminals and leaving it to Italy to deal with them under Italian law.

"Bevin also said a ship was being sent to Trieste for repairs. He suggested that if we had any ships in that part of Mediterranean that needed repairs, it would be good if we did same thing.

"He was doubtful of advisability of sending Naval ships at this time on visits to Italian ports. Douglas said he shared Bevin's doubts.

"Bevin then said that if the elections go along in ordinary way in Italy, British did not want to interfere. But if between now and election day De Gasperi government should be threatened by another regime, De Gasperi government should not resign but insist on remaining as the legitimate government and then, Bevin said, question of military support for De Gasperi government should be considered. That was the line his thinking was taking. (For what it might be worth, he said, he had received a report that Russians were now easing up on Greece but preparing for some kind of putsch in Italy. A record of this, he emphasized, could be made for Douglas' personal memory.)

"At this point, Douglas brought up question of giving Italy opportunity present her views on German economy.

"Bevin replied to this that he would discuss with his colleagues whether they would be agreeable to handing Italians synopsis of Cabinet paper covering tripartite talks on Germany. If this were done, any Italian views or comments could then be considered at next tripartite talks on Germany. Douglas here said he saw no objection giving Italy such synopsis.

"Bevin then said, and emphasized that this should be kept very guardedly, that if he could get Cabinet clearance he would next week, when he hopes to see Bidault, have a 'behind the scenes talk with Bidault' to get French agreement to Italy's admission to African
Development Council. If this could later be cleared with Belgians and Portuguese, it would pave way for using Italian manpower in various agricultural and building projects in Africa.

"B. AMBASSADORS IN PRAHA

Douglas told Bevin we had decided not to withdraw our ambassador in Praha for consultation. Bevin said he was glad of that, and that British ambassador would also not be called home.

[Here follow summaries of Mr. Bevin's views on Reparations, the European Recovery Program, and the Committee for European Economic Cooperation.]

DOUGLAS

863.00/3-1048: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL URGENT

ROME, March 10, 1948—8 p.m.

1030. Week ending March 6 saw intensification of Italian electoral campaign in further clarification of real issues involved: western democracy versus eastern totalitarianism. The campaign of posters has just begun. First samples on Popular Democratic Front side include bloody violent colonial scene (Mogadishu) attributed to "Anglo-American imperialists" alongside hand of Soviet friendship being extended to Italy across map of central Mediterranean showing Libya as Italian territory (see my 895 March 2)1 Democratic Christian's early contributions are handbills showing number of hours Russian, Italian and American laborers must work to earn a kilogram of bread, of meat, of sugar, a man's woolen suit, et cetera, all of course greatly to detriment of Soviet economy. Campaign speeches previous weekend of De Gasperi at Ancona, Togliatti at Naples, Saragat at Brindisi, Simonini at Bergamo, Pacciardi at Venice and Lucifero at Cosenza dealt increasingly with the conflict of views between east and west, between democracy and dictatorship, between "reactionary forces of imperialism" and "progressive democracy," between human liberties and the supremacy of the state. From the Liberals of Lucifero to the Socialists of Saragat the campaign orators praised American aid, supported the Marshall Plan and warned the electorate of the ominous significance of the Communist coup in Czechoslovakia, while the Popular Front speakers claim that only they represent the working classes and strive for peace against "American imperialists" and "Vatican reactionaries", i.e. the Christian Democratic Party and the De Gasperi government.

1 Not printed.
The fight between the Communist Party and the moderate democratic elements was, during the week, carried into the CGIL (Italian General Confederation of Labor) when the minority therein composed of Democratic Christians, Republicans and PSI (Italian Socialist Workers Party) refused to be governed by decision of Communist-controlled majority and announced its intention of sending representatives to Trade Union Congress discussions in London on Marshall Plan. While minority decision is in substance a break in Italy’s united labor organization it may well presage end of nominal labor unity represented by CGIL (see mytel 977 March 6). None of the various factions represented therein, however, wish to assume responsibility before laboring classes for complete break.

The implications of the Communist victory in Czechoslovakia are not lost on the Italians and the apparent ease with which it was achieved has impressed average Italian voter with the strength of the Communists as a political party and of the USSR as a powerful and all too close neighbor. While it may have confirmed in the minds of the more thoughtful voters their views of Communists complete disregard of democratic processes, its general effect on average Italian electorate unhappily has probably been to increase the prestige of the local Communist Party and direct the politics... toward the Communist bandwagon.

Embassy has had reports of large-scale hedging in the middle and upper classes to preserve fortunes and political futures. Evidences of growing anxiety in these classes are increased flight of capital, clandestinely, abroad; preparations to emigrate abroad; and even hasty inscription in the Communist Party by professional men and well-to-do landowners. While this feeling in the middle and upper classes has not yet reached anything like a stage of panic, it might, if it continues to accelerate, result in large-scale absenteeism from the polls by a normally anti-Communist electorate or even isolated resorts to violence by extreme rightist.

Deepening anxiety and pessimism on the part of the non-Communist elements is evidenced in the increased and overt activity of the Roman Catholic Church in the Italian election. The Archbishops of Milan, Palermo and Turin have separately and in varying degrees attempted openly to influence their congregations away from the Communist front in the coming elections. Qualified observers agree that the Italian hierarchy of the Church is now firmly following Pope’s lead, given several months ago, that the Church cannot remain aloof from any sectoral struggle the outcome of which obviously affects its existence and the very seat of its power.

*Not printed.*
The failure of Lucifero's plan to unite central and right wing parties into "anti-Communist bloc" for electoral purposes has pointed up the disadvantage at which the non-Communist political groups find themselves confronting the single ticket of the Communist front. While it is generally conceded that the front will win as many or more votes than the Democratic Christians there is widespread difference of opinion on effect Popular Front plurality would have on formation new government. Competent observer Foreign Ministry opines that Popular Front electees will, at Parliament's convocation twenty days after election, reform their traditional Socialist and Communist parliamentary groups therein and that politico called to form government will be leader of strongest single party, presumably Democratic Christians. On the other hand member of Prime Minister's entourage is of opinion that Popular Front will maintain its identity after elections and that President of Republic may feel obliged to call upon its leaders to form new government if that list should win plurality. While any new government formed must eventually submit itself to Parliament for confidence vote, this could of course be sufficiently delayed to give Popular Front incumbents opportunity to do considerable harm to democratic structure and institutions. This official believes that present government will administer country during interim period between elections and convocation Parliament and that new government will be formed only after Parliament has elected new President of Republic. Consequently role of new President will be of first importance and his political sympathies of significance.

Sent Department 1030, repeated Paris 139, Moscow 27, London 100.  

Dunn

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3 A summary of this telegram was sent to Kennan on March 12, Departmental telegram 319 to Manila, not printed (865.00/3-1248).

840.50 Recovery/3-948: Telegram

The Secretary of State to the Embassy in Great Britain

SECRET URGENT

WASHINGTON, March 10, 1948—7 p. m.

848. For Berger. 1 Advise Carey 2 object of DiVittorio meeting him London (urteil 944 Mch 9) 3 seems obviously to make political capital for Italian Communist Party in coming Italian elections by implication that non-support ERP, even Communist victory, does not mean

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1 Samuel D. Berger, First Secretary of Embassy in London.
2 James B. Carey, Secretary-Treasurer of the C.I.O.
3 In this telegram, not printed, the London Embassy reported that the Trieste delegation had been seated as visitors to the Trade Union Conference on the E.R.P., and that the C.I.O. and A.F.L. had asked for full status for the minority in the C.G.I.L. but were unwilling to make an issue of it (840.50 Recovery/3-948).
Italy will fail to get American aid. Mere fact meeting occurred would support that impression in Italy. Carey may wish avoid giving Di-Vittorio and Santi slightest encouragement and issue statement after meeting that he informed them Italy's best interest, if she desires American aid, is to support ERP.  

Marshal

4 Rome's press telegram 1109 of March 13, not printed, reported that several Rome newspapers carried Carey's statement to Di Vittorio and Santi saying: "CIO fully supports Marshall Plan and considers it completely non-political. Allegedly added that if CGIL so desired there would be no difficulty in requesting the government in Washington to exclude Italy from ERP. Di Vittorio allegedly replied Italy wished aid but objected to certain conditions; whereupon Carey said that ERP was not a marmalade from which could be picked only the cherries or nuts." (540.50 Recovery/3-1348)

761.00/3-1548: Telegram

The Director of the Policy Planning Staff (Kennan) to the Secretary of State

TOP SECRET  PRIORITY  MANILA, March 15, 1948—noon.

419. For the Secretary and the Under Secretary from Kennan.
I have naturally been much concerned over trend of events in Europe, as reflected in informational items Department has been kind enough to send to me, and thought perhaps a word of comment might be helpful to you.

I have always felt that the Russians neither wanted nor expected a military contest with US and that no military complications were likely to occur in our relations with them unless: (a) their political fortunes were to advance too rapidly in Europe and they were to become dizzy with success; or (b) they were to become really alarmed for security of their power in eastern Europe and to take foolish and precipitate action to prevent its dissolution.

Strangely enough, in their recent actions in Europe I think there is something of both these elements. I suspect that many of the European Communists, partially victims of their own propaganda, are excited by recent successes and by prospect of seizing rich prizes in western Europe. On the other hand, the savage abruptness and cynical unconcern for appearances of recent action in Czechoslovakia leads me to feel that Kremlin leaders must be driven by sense of extreme urgency. They probably realizing that they are basically over-extended in eastern Europe and that unless they can break unity of western Europe and disturb ERP pattern it will be difficult for them to hold on in eastern and central Europe, because resulting material contrast, added to the incurable desire of all eastern and central European
peoples to be considered part of western civilization, would probably prove decisive in the end.

If this analysis is correct, then there is indeed a real and new element of danger in present situation, and we must be prepared for all eventualities. Top priority is of course due to effort to improve our basic military reserve position at home. As far as Europe is concerned, Italy is obviously key point. If Communists were to win election there our whole position in Mediterranean, and possibly in western Europe as well, would probably be undermined. I am persuaded Communists could not win without strong factor of intimidation on their side, and it would clearly be better that elections not take place at all than that Communists win in these circumstances.

For these reasons I question whether it would not be preferable for Italian Government to outlaw Communist Party and take strong action against it before elections. Communists would presumably reply with civil war, which would give us grounds for reoccupation Foggia fields or any other facilities we might wish. This would admittedly result in much violence and probably a military division of Italy; but we are getting close to the deadline and I think it might well be preferable to a bloodless election victory, unopposed by ourselves, which would give the Communists the entire peninsula at one coup and send waves of panic to all surrounding areas.¹

¹ A handwritten notation at the end of the document reads:

"1. Action to outlaw C.P. before election or to postpone election would be certain to cause civil war.
2. Non-communist parties have a good chance of winning election without any such drastic steps.
3. Therefore action recommended by GFK seems unwise. Instead, U.S. Govt. should do everything it properly can to strengthen non-communist forces and parties. J[ohn] D. H[ickerson]"

840.50 Recovery/3-1548

Memorandum Prepared in the Department of State²

[WASHINGTON,] March 15, 1948.

(A) Should Italy fall under Communist control, what would be the effect on the European Recovery Program generally?

¹ The memorandum, prepared for the Secretary of State, was initialed by the Assistant Secretary for Economic Affairs, Thorp, by the Ambassador to the United Kingdom, Douglas, the Director of the Office of Near Eastern and African Affairs, Henderson, and the Director of the Office of European Affairs, Hickerson.

² The memorandum was in response to an "urgent" memorandum of the same date, not printed, which was addressed to the four by the Secretary who requested answers to the two questions as stated. Senator Vandenberg had asked the Secretary that morning for answers which he could use in the debate on the Greek-Turkish program. (840.50 Recovery/3-1548)
(B) Should Italy fall under Communist rule, what would be the effect on Greece and Turkey, particularly in relation to the proposed aid program?

It does not seem probable that in a free and fair election the Italian people would abandon their liberties and vote in favor of a regime controlled by the Italian Communist Party which has openly declared its opposition to the European Recovery Program and to the American aid which is to make that recovery possible.

Should the Italian Communists seize power in Italy by illegal means, this would create a situation which would so seriously affect the national security of the United States that we would be compelled to re-examine all our Recovery Programs and the entire European situation.

We cannot afford to postpone action upon the Greek and Turkish program pending the outcome of the struggle now taking place in Italy. We must make clear to the Greek people that they have our support in their heroic efforts to maintain their independence. Also we must demonstrate to the Turkish people that they, too, can continue to depend upon our assistance.

665.00/3-1648 : Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL      URGENT      ROME, March 16, 1948—9 p. m.

1162. Public currents of opinion here toward forthcoming election since March 6 (mytel 1030 of March 10)¹ show popular Democratic Front channel is broadening. Responsible observers agree PDF will poll 40 percent of vote with several reputable American correspondents predicting 45 percent for PDF and 35 percent for CD with remaining percentage divided among other government and right parties. Regardless of outcome opinion is unanimous upon inevitability of dealing with heavy PDF demand for democratic government posts.

Effect upon Italians of international events such as Czech coup, Masaryk death, ERP and steps toward western European unity has been varied depending upon political convictions and awareness of each voter. Press has undoubtedly pointed up sharpening of east-west issue, but each paper—and none are without convictions—has slanted these events in line with its political views and those of its subscribers. The greatest result however has been to shock into political awareness many left of center and independent elements, who had up to present

¹ Ance, p. 845.
entertained a certain tolerance toward collaboration with Communists. Net effect on the electorate at large however is still believed to be unfavorable to anti-Communist parties and electoral lists.

Meanwhile intensity of Italian electioneering struggle has continued to increase. No disorders except for Saragat’s experience at Pistoia (see mytel 1021, March 1). The “political truce” continues in force and apparently suffered no serious strain either from Communist complaints of tone De Gasperi speeches or Saragat’s experience of political intolerance. Reports indicate Communists are satisfied with present “controlled unrest” prior to elections. The church through the Pope has taken a resolute stand against the Front as reported in mytel 1030; the CDs are showing energy in giving their electoral story, and are offering telling poster and handbill propaganda competition to Front. March 14, as specimen of every future Sunday until election, saw political leaders speaking throughout country with leading spectacle in Rome being bloc-sponsored women’s agency holding a “court of peace” to protest trend to war (see mytel 1086 of March 12). Dove of peace is new and growing motif in bloc propaganda and reflects defensive attitude fundamentally underlying bloc press in past week with its major offensive directed upon alleged Vatican Cippico scandal (my A-228 of March 11). Government and right press unceasingly dwelt upon electoral issues as between Communism and liberty.

New element in campaign is formation of “Democratic Front of Government Employees” which represents PDF views on bureaucratic reform. It sponsored statement to press criticizing public administration (see mytel 1057, March 11) which was in fact vehicle for attack on De Gasperi government. Importance of “civil servants front” as Communist fifth column in government presently discounted by responsible minister (see mytel 1115 of March 13). Movement has been somewhat discredited by denials from certain government officials, whose names appeared in early press accounts, that they had any connection with this new Front appendage.

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2 Telegram 1021, March 9, 1948, not printed. It reported that Saragat was prevented by heckling of members of the Popular Front from addressing a political meeting at Pistoia. He was, however, able to deliver his speech next day at Florence. (865.00/3-948)

3 Not printed.

4 Not printed. It summarized press reports regarding the case of the priest Edoardo Prettner Cippico, accused of many forgeries and swindles. He was expelled from his office in the Vatican archives, and reduced to a layman’s status so that the police could take action if necessary. (860H.20266A/3-1148)

5 In this telegram, not printed, Dunn reported having learned from Pacelardi, Vice President of the Council of Ministers, “that most of the Communists who were put into the bureaucracy when their party was in government have since been removed, and those who have not been removed have been transferred to innocuous positions and isolated.” (865.00/3-1348)

379-875-74——55
Only bright spot in week's political developments, and that more apparent than real, was publication of Doxa Poll (see mytel 992, March 8)\(^6\) which gave Christian Democrats large plurality and reduced the Front's strength in the new Parliament to one-half present current estimates. It also showed increased strength of De Gasperi's personal position in north Italy beginning of 1948. Poll is not considered to present accurate picture election results by most competent observers for reason set forth mytel 1012 of March 9.\(^7\)

While government and politicians and press have emphasized flow of US aid is contingent only upon existence of non-Front government it has been PDF tactics to becloud this most damaging argument and to forestall any break with US and ERP until after the election. The move of CGIL president Di Vittorio and Santi in traveling to London for Carey meeting (remyel 1109, March 13)\(^8\) is a prime case in point. The outcome, ignored by the Front press in accordance with the Communist "drift" policy, has been gleefully played by government journals as confirmation of their thesis upon the American position.

The colonial issue remains one of outstanding electoral factors ever present in press items and political remarks but they have not changed their position in general public perspective. This sole event bringing extensive comment was statement of FonOff Under Secretary Brusasca (mytel 996, March 8)\(^9\) giving Italy's proposed program for the colonies.

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\(^{6}\) This telegram, not printed, summarized results of the poll by the Doxa Public Opinion Institute. The poll was taken at the end of January and released March 7. (865.00/3-848)

\(^{7}\) This telegram, not printed, reported: "Percentage of vote going to Demo-Christians according Doxa poll (48.6 percent) is larger than figure hazarded by most optimistic appraisals of observers here. Defect in poll, in Embassy's opinion, stems principally from fact that it does not measure greater discipline of leftist parties in getting its voters to polls, as well as intimidation, overt or covert, by which Popular Front will keep others from voting." (865.00/3-948)

\(^{8}\) See footnote 4, p. 848.

\(^{9}\) This telegram, not printed, quoted Messaggero regarding Brusasca's radio message to the population of Libya outlining the program which the Italian Government proposes to realize if Italy is given trusteeship. "Brusasca's promises include Parliament elected by popular suffrage, freedom of speech, press and assembly, and equality between native elements and Italians. He gave assurance no one would be punished for past political opinions or actions and that wrongs inflicted by Italy would be compensated for. 'New parliamentary and administrative organs' would be empowered to regulate immigration from Italy and abroad Brusasca added, concluding that two countries are economically interdependent and promising that Italy would rapidly lead Libya to independence." (865.014/3-848)
ITALY

840.50 Recovery/3-1648: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

ROME, March 16, 1948—7:55 p.m.

1165. Several Rome papers March 16 report McDermott's statement on continuation of ERP shipments to Italy should Communists win elections. All reports something at variance with radio bulletin version of McDermott's remarks. Saragat Socialist Umanità and Independent Rightist Tempo, in similar dispatches, quote McDermott as stating that if in elections Italians vote Communist it will not benefit

2 Michael J. McDermott, Special Assistant to the Secretary for Press Relations.
3 The "Memorandum of the Press and Radio News Conference, Monday, March 15, 1948, 12:30 noon" reads as follows:

"Mr. McDermott . . .
Q. There was a story in the New York Times by Sulzberger—
A. I saw that John.
Q. It says that the United States is going to make some sort of an announcement of barring aid from Italy if the Communists take over.
A. There is no such decision reached by the government of the United States. Cy Sulzberger says this Government will make an announcement and then I am saying this: No such decision has been reached by the Government of the United States. The story may well have originated from the Senate debate on ERP in the course of which the intent of the Senate was pretty clear. The Communists in Italy have said they don't want ERP and if the Communists should win, which we cannot believe will be the case, knowing the spirit and feeling of the Italian people, there would be no further question of assistance from the United States.
Q. The decision apparently was made to make the announcement. Who is making the statement?
Q. This confirms the story.
Q. This confirms the decision.
Q. This makes the announcement.
A. It is a comment on the story. It is not an announcement.
Q. Mac, has not the Senate Bill made it clear—
A. The reason I made it, there is a definite line of demarcation here. I have been asked about a question about a story written out of Paris and I just cannot let that story go without making an answer.
Q. You mean you had no plans to issue this statement until we asked?
A. This is not a statement. This is my answer to your question.
Q. If the story had not been published, you would not have made this comment?
A. Absolutely not. I am answering your question.
Q. Is this a State Department answer?
A. You can attribute it to me, if you want.
Q. . . ."

(Daily News Conferences—Office of the Special Assistant to the Secretary in Charge of Press Relations—Department of State, 111, 1948)

3 In telegram 1189 of March 17, not printed, Dunn reported that the Communist organ, Unità, of March 17 stated: "USIS hurried yesterday to publish official text of declaration (State Department's declaration) . . . on aid. In text it is affirmed 'spokesman of State Department denied yesterday news from Paris according to which US Government intended to declare that American aid to Italy . . . would be interrupted if Communists won elections.'" (840.50 Recovery/3-1748)
further from economic help from United States. Both say McDermott stated that PCI had signified it did not wish ERP and therefore if Communists win “the United States will suspend all assistance to Italy.” Tempò features article in middle of front page with large headline “America Will Suspend Aid If Front Wins Elections.” Umanità prints item in inconspicuous back page report headlines “Grave American Declaration. No Help To Italy In Event Of Communist Victory.” Tempò and Messaggero also publish McDermott’s denial that President Truman has given me special powers to order marines to Italy if Communist coup seems imminent before election. Independent Conservative Messaggero in conspicuous front-page article headlined “America Will Suspend All Aid If Communists Win In Italy” says that while McDermott statement regarding aid refers only to Marshall Plan it has been learned from “authoritative sources” that Communist government in Italy would not receive aid of any kind from US. Leftist Paese in small page four article reports McDermott’s statements regarding aid in article entitled “Electoral Maneuver. No More American Aid To Italy In Case Of Communist Victory.” After reporting McDermott’s statements on aid, however, Paese says it has learned from other sources that Republican circles opposing Truman’s policy have other plans and that in event of victory of Front, economic and commercial relations with Italy would not be ruptured or slowed down.  

Dunn

* In telegram 1223, March 19, not printed, Dunn mentioned that McDermott’s statement had not been adequate to survive Communist distortion and forwarded a suggestion by Sforza for a new declaration by the United States along the following lines: “If the Communists were to come to power in Italy, in view of the declared opposition of the Communist-controlled countries to American assistance toward European recovery, the United States would reluctantly have to withdraw assistance to Italy in that case and apply its assistance to other non-Communist countries whose governments were cooperating in the efforts to provide economic improvement in Europe.” (840.50 Recovery/3-19/48)

865.00/3-1748: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET URGENT

Rome, March 17, 1948—5 p.m.

1176. It would appear that the conversations that Morgan Phillips* and Denis Healey* had March 12 and 13 in Rome with members of several strains of Italian Socialists were very animated, what the British Socialists had to say to the representatives of Nenni Socialists was blunt and uncompromising.

*General Secretary of the British Labour Party.
*Secretary of the International Department of the Labour Party.
Phillips and Healey cleared the boards with Guy Mollet in Paris before coming to Rome. They were able to finish their two all-day meetings Friday and Saturday before press learned of their presence. The ostensible purpose of their visit was to invite the Italian Socialists to the forthcoming Socialist international conference at London.

The general line which Phillips and Healey took was that there are only two ways of reconstructing Europe; one is the democratic Socialist way and the other, the Communist. There is no middle ground. US aid is indispensable and to be welcomed for the democratic reconstruction of Europe.

1. At the Friday meeting with the PSLI group the English were exceedingly friendly and undertook to do everything to have the Italians seated at London (according to British contact, borne out by Lombardo, the British gestures might have been much more effective, as might their statements to the Nenni Socialists the next day, if made last January at the time of PSI Congress). In connection with the question of how to address the invitation Healey and Phillips suggested, according to British source, formation of an executive committee of Socialist unity, inasmuch as an invitation to PSLI would exclude Lombardo group. (This is contrary to Lombardo allegation who reported that British came to Rome to invite his new Socialist movement to London meetings, but that since this would have excluded PSLI Lombardo prevailed on the British to extend the invitation to the Socialist unity list which includes both his and Saragat’s groups). See in this regard London’s 55, March 13. The British feel that this executive committee can form the nucleus of a new Socialist party with which the British will cooperate after the elections. (It seems that the British prematurely assumed that the invitation was accepted and the Italians had to return the following day, in embarrassment, to say that their going to London was subject to concurrence by Saragat who was still unhappy about British Socialist coolness particularly at Brussels last fall, toward PSLI). However, morning press March 17 reports Lombardo as secretary of Union of Socialists movement, Simonini as secretary of PSLI and Treves PLSI will make the trip to London. In any case it seems that the British assured the Italians in behalf of both the British Socialist Party and French Socialist Party of their support of a new-born independent Italian Socialist Party.

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² Secretary General of the French Socialist Party.
³ Not printed.
⁴ Alberto Simonini, deputy in the Constituent Assembly; member of the PSLI.
⁵ Paolo Treves, deputy in the Constituent Assembly; member of the PSLI; had served with Saragat on the mission to Paris 1945-46.
2. With Vecchietti, Basso and Morandi (PSI), the British were, we are told, brutally frank. They rejected the Italian argument that the Socialists were allied with the Communists not against US aid, as such, but against De Gasperi. They scoffed at the Italian assertion that Italian Socialists alone among the Socialist parties of Europe would not be crushed and extinguished in the Communist embrace. They said that the Nenni pretence of “neutrality” is untenable; it has been amply proved by Moscow itself.

They purportedly said that the fraternal relations between the Italian (Nenni) Socialist Party and the British Socialist Party, which the Italians said they “rely” upon, could not continue so long as the Italian Socialists on every issue relating to the welfare of Italy and Europe continued to take a position contrary to that of the British and French Socialist parties. “How”, reportedly asked the British, “can you justify telegram of congratulations to Prague when we and French sent condolences?”

The Italians kept saying that their present alliance in the democratic front is a tactic to rebuild Italian socialist strength which had been suffering from lack of touch with the masses. In reply to the British question what would the PSI do with respect to an endeavor to form a non-Communist government after April 18, the Italians are reported to have stated categorically that they were “completely free to enter the government without the Communist Party”. The Italians were unable to satisfy the British on the question how PSI could justify working in combination with the Communists against aid to the Italian people, and pretend to participation in a government which would presumably be committed to rebuilding Italy with American aid and within framework of European cooperation.

However violent these exchanges may have been the Italians accepted in behalf of PSI the invitation to attend the Marshall Plan meetings in London on the twentieth, and the party issued a cordial press release in this regard Saturday night. However, it seems that the PSI representatives who will probably go to London are lower level people without much say in the party’s councils. (A member of the British Embassy explained to us that the only reason Nenni himself, so far as the British were concerned, had not participated in the conversations was his absence from Rome.)

Dunn

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⁷ Tullio Vecchietti, head of the international office of the PSI.
⁸ Lello Basso, member of the directorate and Secretary of the PSI.
⁹ Rodolfo Morandi, member of the directorate of the PSI; he had served as Minister of Industry and Commerce in the second and third cabinets of De Gasperi.

¹⁰ A condensed version of this telegram was forwarded to Kennan in Tokyo, March 19, not printed (865.00/3-1948).
The Ambassador in Italy (Dunn) to the Secretary of State

ROME, March 20, 1948.

1241. Secretary Marshall’s California speech ¹ prominently reported in Rome independent and right press March 20 with emphasis on suspension of US aid to Italy in event of Popular Front victory April 18. Independent conservative Messaggero reported under Washington dateline that manner in which some news agencies handled Mr. McDermott’s statement re suspension aid to Italy if Communists won election had furnished Communist orators and press pretext to assert voters could vote Popular Front in assurance Italy would continue receive aid. In California address Secretary Marshall spoke clearly on issue, continues article, to dispel grave perplexity in Italian electorate that might have been caused by these Communist assertions.

Footnote to independent conservative Tempo story said Communist Unità March 17, mutilating Washington official statement, dared to assert De Gasperi had lied, since there was proof US would continue sending Italy aid even if Communists came to power. ² “Good propaganda for April 18”, continues Tempo, “but it was no trouble for US to show it was based on falsehood. Doubts in matter...are today definitely eliminated by...Marshall’s speech...His language is crystal clear and renders comment unnecessary; we shall see now whether Italian Communist leaders will be able to distort it. Meanwhile, it is well to recapitulate what would happen April 18 if electorate should not reveal itself to be aware of its duty; (1) refusal of visas for entering America to all Italian Communists; (2) suspension of American aid with resulting economic catastrophe in Italy”.

Communist Unità editorialized, “Marshall’s language clearly shows how US intends to use aid as electoral weapon of blackmail against Italian people. Secretary of State pretends not to know Communist Party has repeatedly declared it is not opposed to American aid, but to...political and economic provisos harmful to our independence...Marshall’s statement confirms aid is intended and reserved not for Italian people but for Christian democracy, which...distributes it on party basis without any democratic control.”

Short fusion Socialist Avanti item reiterates stand Popular Front opposed only “to those clauses of plan which mean adherence to policy of division in Europe and of encirclement of USSR”. Same paper carried lead editorial by Mario Bracci minimizing possible effects of victory by Front which conservatives so fear and declaring, “we will

¹ For text see Department of State Bulletin, March 28, 1948, p. 424.
² See footnote 3, p. 853.
continue to be friends of America because we have many interests in
common with her and because politics is art of protecting interests of
people. We will perhaps change forms and methods in way that will
probably be more useful to America, Europe and ourselves. We will
create closer bonds with eastern Europe and Russia, obeying both our
natural function of bridge between East and West and needs of our
economy; this will be most useful to cause of peace.”

Editorial by left *Paese* editor Tomaso Smith entitled “scandal”
takes line Secretary’s statement reflects aspirations of Wall Street
and not American workers and violates principle of Italy's freedom to
determine own destiny for which American troops declaredly fought;
“How is it possible accept hypothesis that others force us to ban
Social-Communists, as if they did not have right to citizenship in
our country”? Editorial concludes with query to De Gasperi on what
course of action he will follow if elections give Social-Communists
majority necessary to form government.

Dunn

865.00/3-2248: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL

Rome, March 22, 1948—8 p. m.

1256. International events completely dominated Italian electoral
stage during past week with final act having strong appeal to Italian
national feeling but their full influence upon public is as yet difficult
to appraise. However, President Truman’s speech,¹ American official
statements upon aid to Italy if Communist front should win election,²
developing western European unity, and culminating *démarche* con-
cerning Trieste undoubtedly have had a most salutary effect in clarifying
issues for the confused Italian voter. Morale among Government
parties has been raised, while the PDF (Popular Democratic Front) at
the moment appears on the defensive in campaign.

There is undefinable but certain optimism in non-Communist politi-
cal circles which was not evident at beginning of March. (See my 1030,
March 10).³ In addition to recent positive utterances and acts from

¹ For the text of President Truman’s “Special Message to the Congress on the
Threat to the Freedom of Europe,” delivered March 17 to a joint session of the
Congress, see Public Papers of the United States: Harry S. Truman, 1948, pp.
182–186, and for his Saint Patrick’s Day Address in New York City delivered at
10:30 p. m. that same evening, pp. 186–190.

² See also the Statement by the President, “Transfer of Passenger and Cargo
Vessels to Italy,” released to the press by the White House March 16, text in the
Department of State Bulletin, April 4, 1948, p. 454.

³ *Ante*, p. 845.
abroad the increased activity of non-Communist parties and civic 
organizations in campaign has in itself generated a growing confidence 
among these party workers and their moderate Democratic following.
Appearance of excellent anti-Communist but otherwise non-Partisan 
wall posters (for example: one bearing head of Stalin followed by 
letter of disassociation from Giuseppe Garibaldi to Giuseppe Stalin 
posted throughout Italy on Feast Day of San Giuseppe March 19); 
the beginning of “V” campaign by non-Communists; reports of growing 
strength in north of social unity (Saragat–Lombardo and com-
pany) and considerable success reported for government and rightist 
party political rallies throughout country are encouraging tangible 
evidence of belated but vigorous reaction to front’s campaigns.

While it is difficult to assess true basis for this new though moderate, 
optimism which may not be justified we must renew it as factor in 
development of campaign which, if nothing else, will have salutary 
effect on timid, uncertain elements in electorate. Importance to elec-
toral result will, of course, depend on ability of government and other 
moderate elements to maintain and increase tempo of their activity 
up to April 18. The election truce continues but speeches are becoming 
sharp, including such matters as De Gasperi’s charge (see mytel 1225, 
March 19)\(^4\) of Communist plot. Communists are now referring to their 
political opposition as “De Gasperi–Truman” and L’Unità urged its 
readers to “reply to Truman by joining the bloc”. Warmonger charges 
are hurled at government where the PDF holds itself to be only hope 
of keeping Italy at peace. On other hand, Nenni Socialist Avanti on 
March 20 minimized effects of a PDF victory upon Italy’s “common 
interests with US” and sought to climb back upon well-known 
Socialist East-West bridge which others might unkindly call the fence.

Two glaring examples should be mentioned of Communist attempts 
to keep public uncertain about US attitudes. One was in quoting only 
first part of McDermott press statement upon post-election aid to 
Italy (remytel 1187, March 17).\(^5\) Happily the Secretary’s subsequent 
remarks have obliged Communists to drop pretense (remytel 1241, 
March 20)\(^6\) and openly to denounce US position. Second instance in-
volved CGIL Secretary General Di Vittorio who on returning from 
his London meeting with Carey of CIO gave conflicting views on 
substance of their talks to effect American labor would see Italy re-
ceived every aid.

Question of Trieste had been quiescent until public received com-
plete surprise welcome weekend news that western powers had 
specifically requested Trieste be returned to Italy. Communists tried

\(^4\) Not printed. This press telegram has no reference to a Communist plot.

\(^5\) Not printed, but see telegram 1165, March 16, p. 853.

\(^6\) _Ante_, p. 857.
to lessen its excellent effect upon public opinion by Togliatti declaring Trieste could only return to Italy when there was democratic independent regime in country. L’Unità also demanded Bidault help in getting revision of treaty boundaries between Italy and France.

On matter of colonies main event of interest was presentation by Italian Government of memo to London conference asking trusteeship for Libya (see mytel 1178, March 17).  

Signs were unmistakable to Italians of country’s participation in international events upon basis of complete equality with other states. The proceedings of 16-Nations Conference Paris were extensively publicized, with Italy’s role being expounded at first session by Foreign Minister Sforza. The signature March 20 of Franco-Italian protocol for eventual Customs Union was featured in this matter but naturally was subordinated in popular mind to announcement by Bidault concerning proposed return of Trieste to Italy. In addition to actions already discussed important events were turnover of 29 ships to Italian Government with warning to prospective immigrants to US that they were inadmissible if Communist Party members. Soviet acts were at minimum with one report quickly dying that Soviet held Italian ships would be returned, while another involved possible dispatch to Italy of 25,000 tons of scrap iron from Russian zone in Germany to assist country economically (see mytel 1255, March 22). Soviet attempt to link reparations to commercial treaty negotiations with Italy had a mixed public reaction. It must be emphasized that retention by US and other western powers of this balance of initiative may be a decisive factor in outside elections.  

Sent Department 1256, repeated Paris 179, London 131.

Dunn

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7 Not printed.
8 In telegram 1273 of March 22, not printed, Dunn reported a favorable reaction in the independent and right wing press to Secretary Marshall’s address at the University of California at Los Angeles, March 20, 1948 (711.00/3-2248). For text of this speech see Department of State Press Release No. 221, March 19 (future release).

840.50 Recovery/3-2248: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL

ROME, March 22, 1948—9 p. m.

1269. This message is intended to bring up-to-date our thinking with respect to Italy’s economic problems, on the eve of ERP.

Signature of the interim aid agreement marked the end of the policy of straight relief. Under that system it had been demonstrated that

1 For information on the interim aid program, see Foreign Relations, 1947, vol. III, p. 494 and ante, p. 755.
Italian resources fall far short of the needs for reconstruction and recovery (multiplied and complicated by the unprecedented burden of social charges). Congressional approval of interim aid "to prevent economic retrogression" was tantamount to approval of the principle that continued US aid was essential to recovery if the limited progress already made under the relief policy were not to be lost.

Fact that Italian industrial production has failed even to maintain its slow pace of recovery under relief makes it advisable to reexamine at this point some basic factors conditioning Italy's economic reconstruction and recovery. In this way we can be prepared to assure the maximum efficiency in the application of US aid to Italy under ERP when it comes.

Production is the key to recovery and ERP is designed to stimulate it to the level where CEEC countries become self supporting.

In the case of Italy the degree of expansion to make this economy solvent is relatively greater than is the case with most of the other CEEC countries. Italy's invisible assets even before the war were almost never sufficient to balance the trade deficit, the country for years drew on its reserves, to the point where they now scarcely exist. Italy had lost in percentage more of its earning capacity, domestic and foreign, visible and invisible, than the majority of the countries of Western Europe (Germany excepted). For instance:

1. Italy's shipping fell to about 10 percent of pre-war; it has recovered to 55 to 60 percent of pre-war. In this recovery US credits for purchases of liberties contributed 45 percent of the added tonnage, but before these can add to Italy's earning power this cost must be amortized in dollars. Amortization is also a charge on new and rebuilt ships leaving Italian yards.

2. Italy's emigrants have grown distant from relatives over the years, and the mass emigration prospects for the 400,000 additional population per year are dim. This means an added feeding and social burden without compensating remittances, for even before the war savings to expand industry and agriculture sufficed to provide employment for only a quarter to a third of the new supply of labor.

3. Although Italy's foreign investments were never large, those in the Balkans are committed to reparations; their earnings will no longer be available to buy the Danubian products which used to help bridge the food margin.

4. War damage to industrial plant, transportation, communications, ports, warehousing, power and housing, and the accumulated effect of deficient maintenance are very large. To these losses must be added the plant taken by the Germans, the gearing of Italian industry to German war economies et cetera.
5. An important portion of Italy's scarce mineral resources have passed to Yugoslavia, while Italians in ceded areas have returned to live in a yet poorer Italy.

6. Tourism will not entirely recover so long as there is political turbulence and until more adequate facilities (of secondary priority compared with industrial, agricultural and housing construction) can be provided.

7. The accumulated effects of fertilizer shortages, and forced abandonment of crop rotation practices, in order to meet primary food needs during a world shortage, will be overcome only after years of intensive effort and large applications of capital. Before the war imports filled a net caloric deficit in a normal adult diet of 6 percent; last year's recourse was had to import for 25 percent of the calories in a sub-normal diet.

8. The virtual disappearance of the German market, especially for fruits and vegetables which traditionally paid for Italy's coal needs, represents an important exchange loss, and threatens the life of an important future source of exchange.

9. Italy's 1 percent annual population increase exceeds increasing standards of living, in the absence of expansion of the productive capacity of industry, agriculture and power on a scale for beyond Italy's capital availabilities.

10. Italian industry is essentially a processing industry, importing raw materials and fuel and exporting manufactures. The inflation of world raw material, food and fuel prices being greater than that of the prices of manufactured products, Italian industry, especially since the anti-inflation and credit control policies were inaugurated, is in a serious squeeze.

Two foregoing factors suggest that Italian recovery will require expansion of pre-war earning power.

(1) To defray the capital cost of reconstruction, modernization and extra-maintenance;
(2) To provide for a greater population in a smaller territory disposing of fewer natural resources.
(3) To bridge the gap left by disappearance of invisible earning assets, and at same time to permit reconstruction of an adequate reserve.

In addition to these longer-term considerations, there is now the fact that Italian industrial production has reportedly tapered off to 71 percent of 1938-40 from the postwar peak last September of 82 percent. A number of factors besides the seasonal one are responsible: the political campaign, of course, and the fears concerning the April 18 results; the continued pressure from labor (aggravated and intensified for political purposes by the Communists) for increased social benefits, for
labor participation in management, et cetera; the reduction in the volume of available working capital below required levels owing to the government's tenacious application of controls on private banking credit (which has however arrested the course of inflation); and many expensive and inefficiently applied social measures (blocks on layoffs, multiplicity of social institutions with high overhead, inexperience of the new post-Fascist personnel, feather bedding, et cetera).

All of these factors require progressive correction by Italy. The weight of them must really be serious, considering that the devaluation of the lire last November produced no spurt in exports.

Italy's recovery must be accomplished by a small scale industry in competition for dollars with a gigantic scale American industry which has increased both its capacity and its efficiency since the war and which has almost all of its fuel and raw materials at its doors, not across the Atlantic; and of course in competition with British and French industries which also have some advantages in size and accessibility of fuel and raw materials. Admittedly this is an Italian problem, but, the US should facilitate its solution, if only in the interest of the American taxpayer. We must accept the conclusion that Italian production and exports must outstrip by far the 1938 levels if the Italian economy is to be made solvent; we must accept the conclusion that it is to the interest of the taxpayer to receive payment, in kind of course, rather than to subsidize his surplus industrial and agricultural production and services, and rather than to put Europe on the dole. This is indeed the hypothesis upon which the Italian balance of payments estimates in connection with ERP should be based.

We must also expect that the trend toward socialization in Europe will be accelerated. Social direction of the basic activities, i.e. power, heavy industry, credit, transportation and communications, may indeed become a necessity on the Italian side for the efficient and productive use of our aid and of the distribution of its benefits over the whole population. ERP stands less chance to succeed if labor believes ERP to be in the interest of conservative industrialists alone. Effect on private enterprise will depend largely upon mechanism by which aid is made available.

Realizing that the question of socialization is controversial and requires careful attention, we are hoping to go into it more deeply with the intention of trying to discover some of the answers which may be helpful for the purposes of our policy. We merely mention it here in passing as a factor we can not discuss merely on grounds of distaste.

Moreover, there should be maximum flexibility in the implementation of ERP. Ready adaptability to varying conditions in the several
countries should not be obstructed by non-essential conditions nor frustrated by inadequate central and periphery organization. On the other hand, in the adaptation and actual execution of ERP, the role of US aid in the foreign economies should be frankly recognized for what it is, and that role can be best played indirectly through CEEC.

Some examples of procedures which should be open to Italy which are within our competence to provide during ERP period are submitted below to illustrate the need for flexibility and good recognition:

1. A number of raw materials, and particularly coal, which are financed by US are coming to Italy from unnatural sources, are traveling unusual distances, and are paying unnatural freight charges. Coal, as the best example, in the last years before the war came 2/3 from Germany and 1/3 from England. Its landed cost was around $6, of which about 20 percent was freight; and this coal was carefully selected for quality according to purpose. Today 3/4ths or more of the coal comes from the US at an average price of $8 but at a landed cost, after traversing the Atlantic, of close to $20. The effect on the Italian steel industry is greatly to increase cost of production as compared with that of other industrial countries. The high cost of steel is further reflected in many Italian processing industries, especially the mechanical industries. (The steel and mechanical industries are known as the reddest in Italy). It would seem obvious to us that so long as Italian industry must pay the landed cost equivalent in lire to fuel coming from an entirely unnatural source (and moreover for fuel which before the war was paid for largely by exports of fruits and vegetables which are not acceptable to us as payment), Italian exports will not be able to compete in hard currency markets.

To assist in removing unnecessary handicaps on Italian production so long as it is dependent on our dollar financing of acquisitions from abnormal sources, industry should pay economic tire prices for its fuel and raw materials, that is, prices not bloated by the cost of the long Atlantic haul. The formula in its simplest terms would be this: the price to be paid by the Italian consumer for a commodity included in ERP shall be the lire equivalent of the f.o.b. price in the western hemisphere plus the freight between the normal source of supply (that is the Ruhr in the case of coal) and Italy. Under such a formula Italian industry might get started and in due course, accompanied by measures within the competence of the Italian Government and of industry itself (as fast as political circumstances permit) and measures of CEEC cooperation, might be able to compete in dollar markets, including the indispensable US market. Such a formula should have the further virtue of inducing reduction of the price of Polish, Ruhr and British coal, now covered by the American umbrella.

2. In a capital-poor country faced with the necessity to spend large amounts on reconstruction and development programs, as is the Italian
case, the importation of goods alone may well be insufficient for attainment of the production objectives of ERP, and the overall problem of executing certain development programs (we think of electric power expansion and of the reconversion and modernization job in heavy industry) may be solved only through appropriate disposal of lire proceeds so as to make working capital available to supplement private capital which is in deficient supply. There are many ways in which this can be done and many aspects which need careful study; the essential point at this time is that no policy be laid down as to the use of these funds. In this respect there will presumably be close coordination with financing programs requiring dollar credits (Eximbank, World Bank, et cetera).

3. The recent production decline in Italy illustrates the inter-play of political factors, financial policies and purely productive considerations, leading to unforeseen or at least unplanned situations for which there may be no simple remedy. Those who best understand the complexities of the Italian economy (that is the Italian themselves) and also those who are immediately available on the field to study the situation at first hand, should have ample scope to deal with these problems without injuring Italian pride or frustrating Italian initiative. The field administrator under ERP, in connection with country import programs, for example, might recommend maximum and minimum requirement figures within which he could negotiate directly at the local level. The maneuverable portion of a program could be considered either as margin for error or a margin for adjustment, and in either case would serve as a lever for the local administrator and as an incentive for the local government. These margins could do much to provide incentive to the Italians to take the many measures which can only properly be taken here.

4. In regard to our local ERP organization, it is to be hoped that maximum advantage can be taken of the experience and talent of the personnel which the Department has sent out for earlier program.

These are some suggestions among many which the Department has undoubtedly very much in mind. Our main concern is to contribute what thoughts occur to us in field to purpose that nothing be overlooked in our anxiety to see ERP auspiciously launched and efficiently pursued.2

Sent Department 1269, repeated London 134, and Paris 181.

Dunn

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2 In telegram 2028 of May 2, not printed, Dunn reported on a review presented to top members of the Italian Government by Campilli, delegate for international economic cooperation, of the outlook for Italy under ERP. It stressed that ERP alone would not resolve the problems of Italy which primarily depended on the solution of European and world problems; that Italy was short of capital; needed the development of world markets to increase her production, especially the German market for fruits and vegetables; and needed outlets for emigration. (840.50 Recovery/5-248)
865.00/3-1848: Telegram

The Secretary of State to the Embassy in Italy

CONFIDENTIAL

WASHINGTON, March 24, 1948—3 p.m.

812. In reply to journalist who pointed out that certain elements of Ital press were saying a person who voted Communist could still immigrate US, official Justice Dept called attention to Congressional law passed October 1924 which specifically denies entry into US of anyone advocating overthrow of US Govt by force (urtel 1207, Mar 18). This has habitually been invoked in cases members Communist party, and there shd be no doubt left minds Ital that policy this regard unchanged.

MARSHALL

2 In telegram 1113 of March 13, not printed, Dunn reported a shift of concentration of effort by the Communists to central, southern and insular Italy, regions of poverty where the dream was to migrate to the New World. He urged a statement that no visas would be issued to persons espousing the Communist cause. (865.00B/3–1848)

3 Departmental telegram 886, March 20, not printed, corrected the reference "to Act of Congress approved October 18, 1918, as amended by the acts approved June 5, 1920, and June 28, 1940" (865.00/3–1848).

811.42700 (F)/3–1348: Telegram

The Secretary of State to the Embassy in Italy

CONFIDENTIAL

WASHINGTON, March 24, 1948—4 p.m.

814. Embtel No. 1100, March 13. Gala showing "Thanks America" DC March 20 included statements by notables. Sec. Marshall unable to attend, has recorded statement for newsreel presentation. Ital Emb reception after showing covered by newsreels for use by INCOM.

Gov. will support wide distribution "Thanks America".

Dept. materially assisting Pallavicini newsreels activities in this country. Suggest Emb. make efforts ascertain if INCOM is augmenting normal American coverage.

MARSHALL

1 In this telegram, not printed, Ambassador Dunn mentioned a letter from Drew Pearson suggesting more Hollywood and governmental assistance for the film, "Thanks America," and outlining plans for photographing the gala showing in Washington as a means of demonstrating to Italians the American friendship for Italy (811.42700 (F)/3–1348).
SECRET URGENT

WASHINGTON, March 24, 1948—6 p. m.

819. Murray and Carey indicate willingness send 2 or 3 sound Ital speaking CIO trade union leaders to discuss ERP with Ital trade unionists but believe visit prior to elections might be resented Ital labor and play into Communist hands. They think visit after election preferable.

Dept. feels that split away of CGIL minority and formation non-Communist trade union center will inevitably occur as in France since Communists will almost certainly call strikes designed cripple Ital economy and ERP if they lose election. We indicated to Murray and Carey they can help materially if disposed to encourage CGIL minority breakaway and give moral support and financial aid.

Carey and to some extent Murray still seem reluctant take active steps in this direction but AFL will cooperate fully in any such effort. Will you evaluate possibility and timing of CGIL split; advise us whether CIO-AFL visit would be useful and best time for such visit. Invitation to AFL and CIO should we think come from CGIL minority on basis of relations already established at London ERP conference.

MARSHALL

1 In the convention of the CIO at Boston in 1947 Secretary Marshall spoke, emphasizing the need for aiding the countries of Europe and following the address the CIO unanimously adopted a foreign policy resolution embodying the principles stated by Marshall.

2 In Dunn's press telegram 1378, March 27, not printed, it was reported that Popolo (Christian Democratic) and Umanità (Saragat Socialist) reported Carey's declaration that the Communist version of the conversations with him in London were grossly false. Unità (Communist) and Avanti (Nenni Socialist) did not mention the report. (840.50 Recovery/3–2748)

365.1115/3–3148: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

ROME, March 31, 1948—11 a. m.

1416. Deptel 842, March 26. Embassy not advising any Americans to leave Italy at this time nor is it taking any steps now to repatriate Americans even though, by so doing, number of possible eventual evacuees would be decreased as knowledge of any such action on its

1 In this telegram, not printed, the Department advised that Navy facilities might be used in case of hasty evacuation; that possible ports of embarkation would depend on local conditions at deadline (365.1115/3–2548).

379–875–74—56
part would be bound to become widely well-known and would be immediately interpreted as indicating lack of confidence in election results and in present government’s ability to maintain order. Evacuation plan (Deptel 850, March 26)\(^2\) being sent Department in confidential air pouch leaving Rome April 4.\(^3\)

Dunn

\(^2\) Not printed.
\(^3\) Despatch 547, March 31, 1948, not printed.

865.00/4-748 : Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL

Rome, April 7, 1948—1 p.m.

1563. There is unanimity in accumulating reports from varied sources including our consular posts throughout Italy that government oriented parties are gaining ground and an adverse trend is setting in against the Front. Optimism verging on over-confidence has been encountered in government circles as Front vote recedes in most recent estimates. This ebb tide of Popular Democratic Front (PDF) generally is attributed to increased popular realization of importance of US aid program, Czechoslovakia and Trieste issues, positive acts of US toward repelling Communist danger in Europe, Secretary Marshall’s clarification re no aid to a Communist Italy and action of British Labor Party in favoring Italian Socialist Unity group over Nenni Socialists (PSI). On sobering side there was electoral flurry that might have become serious over congressional attempts to include Spain in ERP while more significant is growing violence as electoral campaign drives toward its climax.

Tactically observers feel Front efforts are bogging down because they were put into high gear too soon. At present government parties are matching them stride for stride and proving superior in pattern of their meetings and in color and content of poster and leaflet flood. At PDF meetings attendance is falling off and reception less enthusiastic in locales where only weeks ago its adherents had given unmistakable signs of fervor. There also is marked and increased activity of Christian Democrat, Independent Socialist and other non-Communist parties and Catholic action proselyting among voters even in normally Communist strongholds. Gloves are now off in government discussion of Communist menace to Italy while it is sensed Front charges of Vatican financial scandals and church interference in election are wearing thin upon electorate. Communist propaganda portraying PDF as standing for peace and US as warmonger does have
some public effect. However, Socialist Unity coalition is drawing strength in industrial areas by presenting itself as "third force" alternative to preserve peace.

Great influence which US policy toward Russia has in calculations of Italian voter can be seen in typical press reaction to events in Berlin and Defense Secretary Forrestal's draft proposals to Congress. (See mytel 1511, April 3)\(^1\) Assistant Secretary Thorp's statement upon post-election aid to Italy (remyel 1461, April 2)\(^2\) served to keep this issue fresh in public mind. Surge of letters and packages mainly to southern Italy from America definitely is harming Front vote prospects to extent that loud protests have been made (see mytel 1449, April 1).\(^3\) However, Italian sensitivity to US moves was strikingly demonstrated in Communist field day and chill among moderate parties occurring when Spain provisionally was named by House of Representatives vote as eligible for ERP. (See mytel 1451, April 1).\(^3\) Italian Government and moderate left heaved sigh of relief when final congressional action changed this. Expeditious American approval of ERP bill also contributed to Italian Government and public feeling of well-being that US was implementing its principles by acts.

Very helpful toward democratic cause has been reaction in workers' circles to realization Nenni Socialists are outside main stream western European socialism as reported in my last weekly analysis (mytel 1414, March 31).\(^3\) In north, as Socialist Unity elements operate with blessing of British Labour Party, this is having beneficial effect most noticeable in Milan area where indications are Front will not obtain majority. Possibilities of eventual PSI schism and growing recognition of inevitable General Labor Federation (CGIL) split after election (remyel 1481 and 1488, April 2) add to Front difficulties.

Treaty revision talk received its stimulus from western powers Trieste démarche. Since that time there have been reports various parts of treaty deemed undesirable by Italians will be amended. Two events, Italo-French agreement upon Montecenisio power plant (see mytel 1457, April 1)\(^3\) and western nations request for speedy consideration Italian entry into UNO, have served to feed this theme. It

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\(^1\) In this telegram, not printed, after mentioning the press coverage of developments in Berlin and of Forrestal's proposals for resuming the draft, Dunn added the comment: "It is clear that Italian public opinion is deeply interested in what happens in Germany and particularly in evidence ... of Soviet pretensions." (740.00119 Control (Germany)/4-348)

\(^2\) In this telegram, not printed, Dunn reported that several Rome papers of March 31 carried Thorp's statement before a congressional committee that aid to Italy would cease if the Communists were to win the election (865.00/4-248).

\(^3\) Not printed.

\(^4\) Neither printed.
is frequently mentioned that Russia and France will be asked to return their portions of Italian fleet (see mytel 1496, April 2) and optimism is expressed, however warranted, that government electoral victory may see favorable solution to colonial question (see mytel 1456, April 1).

Violence, including shooting and bomb tossing, is becoming disquieting feature. Observers claim this is arising through activities of both right and left extremists. Front partisans watching success recede are straining at fraying leash of electoral truce and neo-Fascists are losing inhibitions. CGIL called general strike in Sicily for part of day in protest to shootings and disappearance several Communist leaders. Communists are also screaming loudly that rightist plot to disrupt popular will on election day has been uncovered. (See mytel 1490, April 2. This is interpreted as either beginning of defeat alibi or as justification for growing Communist disorders. Government officials replied by calling so-called plot spurious and recalled only caches of Communist arms are being constantly uncovered. On gloomy side some qualified observers are predicting serious trouble even envisaging possible insurrectionary action before election by widespread Communist cellular network if there is not prospect of material increase over previous Communist-PSI strength in Constituent Assembly (approximately 30 percent).

To offer reassurance of government ability to maintain nationwide order Interior Minister Scelba has emphasized on radio large number of armed effectives at government’s disposal. Sunday, April 4, was taken as occasion to celebrate reconstitution of Sardinian Grenadiere Division by large parade in Rome of 15,000 troops with full fighting equipment witnessed by Defense Minister, other officials, foreign military attaches and large public.

Minister Facchinetti lauded discipline, morale and material efficiency of renovated armed forces which guard country in which competent observers concurred. Since no current event is neglected for electoral propaganda purposes, this day city wide posters appeared addressed to Italian Army which recalled in ignominious detail Mr. Vishinsky’s memorable scathing characterization at Paris conference of Italian troops in late war as being among other things better at running than fighting.

Sent Department 1563; repeated Paris 223; London 165 and Moscow 46.

Dunn

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*Not printed.
Memorandum of Conversation, by the Assistant Secretary for Economic Affairs (Thorp)

[WASHINGTON,] April 7, 1918.

Participants:  Mr. Thorp
               Mr. Tarchiani, Italian Ambassador
               Mr. Ronchi, Italian High Commissioner for Food
               Mr. Rogers, Italian Technical Delegate
               Mr. Dowling, SE
               Mr. Linville, IR

Subject:  Italian Grain Requirements

The Italian Ambassador said that Mr. Ronchi had just come over from Rome and wanted to outline the critical food situation which Italy faces.

Mr. Ronchi showed a chart indicating that stocks of grain on hand and afloat assure all of the Italian provinces of enough grain to insure existing cereals rations beyond the election. The chart also indicated that additional supplies which are in prospect will only carry Italian consumption until about June 10. Additional supplies are needed for the remainder of that month. When questioned about the amount of grain which it is anticipated will be obtained from Argentina, it was found that only 514,000 tons was included for arrival in the January-June period, of which about 450,000 tons was shipped by the end of March. The Italians hope that they will be able to obtain an additional 100,000 to 150,000 tons, but this has not yet been purchased, and Mr. Ronchi emphasized that at best, Argentine shipments are most uncertain as well as expensive.

Mr. Ronchi was told that United States officials have been assuming that only very small stocks of old-crop grain will be required as of July 1. Mr. Ronchi insisted that 250,000 tons would be needed. Bakers and pasta manufacturing plants will have sizeable stocks on hand. Considerable stocks of rice and corn will also be needed, since the new crop of these grains will not be harvested until later in the year.

Mr. Ronchi said that Italy should not plan to consume any of its 1918 wheat in June. It would, of course, be possible to make some early collections, as was done last year. However, this would make the peasants feel that their grain will be badly needed during the coming year, and would make them reluctant to part with it. An active collection campaign would also be unpopular politically at a time when conditions in Italy are likely to be unsettled.

When asked about the saving of rice which had resulted from the failure of some consumers to purchase their entire rice ration, Mr.
Ronchi stated that the amount involved would not amount to more than 20,000 or 30,000 tons. Even if Italy purchases 100,000 to 150,000 tons of wheat in Italy, Mr. Ronchi stated that an additional 110,000 tons would be needed from the United States. This would mean that the United States May allocation of 40,000 tons should be raised to 150,000 tons.

The Ambassador emphasized that there are likely to be strikes and disturbances in Italy after the elections, and that inadequate supplies of grain might have most serious consequences. He said that he and his colleagues had talked with Under-Secretary of Agriculture, Mr. Dodd, earlier in the day. Mr. Dodd had expressed the opinion that Congress will eliminate the requirement that the United States have a carry-over of 150 million bushels of wheat on July 1, 1948. If this provision is eliminated, U.S. exports can be increased substantially. The Ambassador emphasized the importance of making substantially larger shipments to Italy if this should occur.

Mr. Thorp told the Italians that the United States is very anxious to do what it can for Italy. He hoped additional quantities of grain can be made available for that country. However, we do not know whether we can increase our total shipments above the levels now programmed. If this becomes possible, we shall have to examine the requirements of the various importing countries in order to see which need supplies worst. It is not clear whether Italy will be one of these. It is unfortunate that Italy must depend heavily on Argentine supplies but that can hardly be avoided. Italy has been more successful than most other countries in obtaining supplies from Argentina, and we must depend on countries which can obtain supplies there to buy as much as possible. It would be a mistake for the Italian Government to refrain from maximizing its procurement in Argentina because of the hope that it can obtain more from the United States.

Note—After the meeting Mr. Linville told Mr. Rogers that the United States had been considerably concerned about the psychological effect of announcing the greatly reduced wheat export allocation for Italy in May. It is felt here that this allocation will be quite adequate to permit Italy to maintain its ration, but it was feared that uninformed people might think that the United States was making an unjustified reduction in shipments to Italy, and the opposition in Italy might take advantage of this fact. As a result, the following statement was included in the Department of Agriculture press release announcing the May allocation:

"The Department stated that the May allocation to Italy, in addition to quantities being exported to that country from other sources, appears to be adequate to maintain the cereals rations until indigenous supplies become available. However, it was stressed that if subsequent
developments threatened maintenance of the Italian cereals ration at present levels, such as a sudden, drastic reduction in shipments from other supplying areas, the United States would make every effort to allocate and ship such emergency quantities as might be required.”

This statement was made to quiet unwarranted fears, but it appears unlikely that the United States will be able to ship more than 40,000 tons of grain to Italy in May. The possibility of such shipments is so slight that Italy should by no means relax its efforts to obtain grain from Argentina. Mr. Linville said that if the above statement from the press release has been sent to Rome, he hoped Mr. Rogers would also transmit the interpretation which had just been given to him. Mr. Rogers said that he would be glad to do this, and that his country would certainly buy as much grain as possible in Argentina.

840.50 Recovery/4-848: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

URGENT

ROME, April 8, 1948.

1581. We regret that delay in receipt of Depciert, March 25,1 with reference to the findings to be made in respect to CEEC countries as required by subsection (B) of Section 15, has resulted delay in reply.2

In connection with Italy our findings are as follows:

(1). Italian Government is taking all favorable measures to promote industrial and agricultural production with view to rendering economy eventually independent of extraordinary outside assistance. As result

1 This circular telegram, not printed, was sent to the capitals of the European countries participating in the European Recovery Plan. It explained that both the Senate and the House bill required a bilateral agreement with each participating country, but that for a three-month interval after enactment, the Administrator could perform all functions with the given country provided: (1) that the country adhered to the purposes of the Act and announced intention to conclude a bilateral agreement; (2) that the Administrator found the country to be complying with the relevant provisions of the Act. This included continuous effort of the country to accomplish a joint program through multilateral undertakings for which the CEEC meeting in Paris appeared to establish a basis.

It also included immediate finding by the Administrator (or until his appointment by the President): (1) that the country was promoting industrial and agricultural production so that it would be independent of emergency outside aid; (2) that it was taking financial measures to stabilize its currency and maintain a valid rate of exchange and balance its budget; (3) that it was cooperating with the other countries in increasing the interchange of goods and reducing trade barriers; and (4) that within the Program it was making efficient use of its own resources.

A cabled summary statement as documentation for such a finding when the Act had been passed was requested, and reference to earlier reports as supporting data (840.50 Recovery/3-2548).

2 In telegram 219 of January 16, not printed, Dunn had reported that Italy had most enthusiastically embraced the Marshall Plan, and he listed 18 programs and actions undertaken as measures of self-help and cooperation (840.50 Recovery/1-1648).
of government stimulation and measures aimed at expanding industrial production, the level of Italian industrial production in second half of 1947 rose to 78 percent of 1938 from 62 percent in first half of the year. In recent weeks, notwithstanding the difficulties of programming and planning during period of intense electoral activity, Italian industrial production is reported to be expanding slightly. Special lines of credit have been opened by government for mechanical and electrical industries. With respect to agriculture, and especially cereals, government has taken measures to facilitate the distribution of fertilizer and to provide favorable conditions for crop collections. As a result area planted to wheat this year has increased and the grain harvested may be expected to expand from 5 to 20 percent. To assist agriculture in the south and in Sicily, the government has established credits approximating 60 billion lire for irrigation projects, reclamation, control of erosion and acquisition of seeds.

(2). Present government since it took office in June 1947 has adopted and put into execution numerous anti-inflationary measures which are having the effect of stabilizing the currency, holding prices down, stabilizing wages, increasing tax collections, and narrowing percentage wise the gap between government collection and expenditures. By adroit management of a system of imports known as “Franco-Valuta”, hidden private assets abroad have been applied to purchase of consumer goods. The flight from the lira has been arrested, hoarding has decreased, and the supply of goods has increased in relation to the monetary circulation.

(3). Italian Government has been among most active in promoting inter-European cooperation. It has entered trade agreements designed to stimulate exchanges of merchandise and as time goes on has advanced toward clearing agreements from the primitive barter and reciprocity arrangements of earlier last year. It has important trade agreements with France, Great Britain, the Low Countries and Switzerland, as well as with a number of non-participating countries. It has obtained a large credit in Argentina to acquire foodstuffs. It has entered a commitment with French Government to establish a Customs Union which is to be developed into an economic union, providing eventually free flow of capital, goods and persons between the two countries, increased efficiency of production and a greatly expanded domestic market. Representatives of Italian economic associations, such as the Confederation of Industry, Confederation of Wine Growers, et cetera, have talked with like organizations in France with a view to increasing exchanges and remove obstacles to trade. On Italian initiative a manpower conference was held in Rome in January of CEEC countries to examine the requirements of labor deficient countries and
the availabilities of workers in labor surplus countries. Without being a member of UN, Italian representatives have participated in work of sub-committees and study groups of ECE. Without having a vote, the Italian Government sent delegation to Habana ITO Conference.

(4). Italian Government has taken necessary legal action to make available to the Italian economy the private holdings in the US of Italian citizens. Similar arrangements are also being worked out with regard to Italian assets in Great Britain. Italian Government has had to use up its own exchange and gold reserves to an extent much greater than prudence would dictate, and the Italian Government now with the assistance expected, should be encouraged to rebuild its reserves.

Dunn

840.50 Recovery/4-1548: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

REstricted

ROME, April 15, 1948—8 p. m.

1768. For IBD. One-hour Hollywood platter [sic] show which broadcast over RAI Red Network Tuesday April 13 (remytel 1700, April 13)¹ at 2100–2200 was popular success.

Italians all walks life generally liked program because of spontaneity of tone, cordiality, and because expressions goodwill and friendship by Hollywood big names for Italians. Radio station said received numerous phone calls completion broadcast stating had greatly enjoyed it. President National Association Families of Fallen and Mutilated Aviators expressed great appreciation adding families pilots extremely moved.

Because of informal character program and popular music listeners found it "very American in spirit" although some pointed out only novel aspect program was representation. Some mild objections voiced "obvious buttering up" of Italian listeners. This attributed fact program "obviously broadcast this time for electioneering purposes," others contrarily stating "great delicacy and restraint shown in avoiding controversial issues". Another criticism was there too much self-praise although some references generous American aid were deleted together with Star Spangled Banner finale.

Flattering to Italians was effort made by Crosby, Pidgeon, Shore, others, to speak Italian. While Italo-Americans expected know some Italian listeners generally both surprised pleased that stars took time rehearse few lines.

¹The reference is incorrect. Rome's telegram 1700 of April 13, not printed, refers to letters of intent preliminary to a bilateral ERP agreement (840.50 Recovery/4-1348).
Since broadcast announced campaign raise funds being initiated US, USIS would like be kept informed on progress registered.

Dunn

365.1115/3-2548 : Telegram

The Acting Secretary of State to the Embassy in Italy

TOP SECRET

WASHINGTON, April 16, 1948—6 p.m.

1104. Your 1321, Mar. 25. Discussion with Army, Navy, Air reveal following:

1. Navy under standing instructions evacuate should situation deteriorate.
2. Navy recommends, Dept. concurs you deliver copy evacuation plan Admiral Sherman.
4. Air advises that should situation remain local and not spread Europe possible air lifts contemplated 500 mile maximum haul. Clay being read in on today’s conversation but suggest you not communicate direct with him but coordinate through Dept.
5. Army suggests that consideration be given to contemplating additional evacuation ports north of Naples and both coasts Italy. Advise Dept.
6. Advise Dept. plane gas situation Rome. Contact Esso Standard Export. This info will be passed to Air.
7. Advise Dept. of internal plans. Embassy personnel and disposition of officers’ families and dependents.

Lovett

1 In this telegram, not printed, Dunn asked if the Department had taken up the possibility of sending an evacuation ship to an Italian port on short notice (365.1115/3-2548).
2 Adm. Forrest Percival Sherman.
3 In telegram 1846 of April 20, not printed, Dunn reported that a copy of the plan was being sent to Admiral Sherman; that the Embassy had considered other ports but had concentrated its attention on Naples because of its size and facilities, its transportation connections, and the presence of the U.S. consulate (365.1115/4-2048).

865.00/4-2048 : Telegram

The Acting Secretary of State to the Embassy in Italy

SECRET URGENT

WASHINGTON, April 20, 1948.

1131. You may say to De Gasperi we are reassured by Ita Gov’t’s public declarations that firm, unhesitating action will be taken in event attempts challenge govt’s authority prior convocation Parliament. We are confident of Ital Gov’t’s ability maintain law and order, but would of course support them in any way practicable and appropriate shd they find it necessary to call upon us for further assistance.
You will understand, of course, that no specific commitment could be undertaken at this stage, and shd make this plain to De Gasperi. It shd also be made clear that our support would not contemplate assistance of US armed forces.

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865.00/4-2048: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

URGENT

ROME, April 20, 1948.

1849. Presstel. ReEmbtel 1815 April 17.1 With incomplete returns indicating sweeping CD (Christian Democrat) victory, all but Communist line papers rejoicing April 20. Most interpret results primarily as striking defeat for communism. Minor party papers still claiming successes though returns indicate CD may have attracted much of their following. Liberal Risorgimento Liberale full page headlines “Certain Defeat of Front.” Far rightist Ora d’Italia headline “No To Stalin!”

All papers claim elections prove political maturity Italian people. Republican Voce Repubblicana says Italian people have discredited detractors who accuse them of having little democratic sense. Adds that if minority ever shows desire impose its will by violence, yesterday’s trial of democracy guarantees it will be suppressed at birth by firmness of government with sure support of great majority of citizens. Christian Democrat Popolo declares elections have definitely opened way to national redemption making possible wider prosperity and greater social justice within framework of new European solidarity. Declares Christian Democrats know how to use victory for perfect political liberty and social justice and they swear to do so. Catholic action Quotidiano declares victory resulted from fact that many minor-party Italians oppose communism above all else, and supported party they considered to combine most effectively opposition to communism and adherence to democracy and Christianity of Italian civilization. Says they could have voted for neo-Fascist groups, if anti-communism had been only consideration. Conservative independent Messaggero lead editorial agrees fundamental factor was opposition to communism. Says PCI abandoned by Russia and since it failed to protest anti-Italian stands taken by Russia on ERP, Trieste and UN, it could count only upon votes of its inscribed members. Says Italy’s votes went more to De Gasperi than to CD Party, and he cannot fail therefore to rise above his party and curb its absolutist tendencies. Says he must represent national vision. Concludes that victory against Com-

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1 Not printed.
munist must not mean and will not mean persecution of anyone and least of all a defeat for laboring classes.

Strongly conservative independent Tempo declares Italian laborers who have defeated Front now ask of government that they no longer be molested in their daily work and that method be found to guarantee recovery without waste of precious common riches in sterile agitations.

Fusion Socialist Avanti and Communist Unità still claim Front success. Former declares "Front in dominant position in country while right braces itself on CD for Senate".

Unità editorial expresses satisfaction Front has emerged as "great political formation" pointing out that national bloc, PSLI, PRI and Monarchists have won only minor positions. Avanti remarks elections proving small reactionary groups think CD is best weapon to combat "advance of masses". Attacks government for "shameless campaign of false news" and premature rejoicing over CD victory. Intimates government may intend instigate uprising "with possible foreign backing", attempting place blame on Front. Other items emphasize governments alleged provocative campaign. Unità also charges government plotted provocations but says they failed. Both carry five-column headlines accusing CD of electoral cheating. Avanti complains rightist papers allowed publish extra editions April 19, while permission refused fellow traveling Repubblica. CD Popolo replies that Unità in unauthorized April 19 edition falsely accused CD of cheating. Popolo also accuses Front of preparing illegal ballots. Neither side this discussion yet presented proof of large scale dishonesty, and all papers say voting concluded in complete tranquillity.

Independent conservative Messaggero prominently quotes Front leaders as having denied plans for insurrection and promised respect elections' results. In general, papers accord little space to rumors of possible insurrections.²

Dunn

² In telegram 1864 of April 21, not printed, Dunn reported:

"With returns in both Senate and Chamber of Deputies voting virtually complete, it appears that CD's have astonished many and left popular Front aghast by obtaining about 48 percent of the total votes cast. Popular Front percentage of about 31 in Senatorial vote and 32 in Chamber vote loses its punch under CD strength . . . ." (865.60/4-2148)

865.61311/5-2148 : Telegram
The Acting Secretary of State to the Embassy in Italy

TOP SECRET URGENT WASHINGTON, MAY 27, 1948—noon.

1485. Dept fully appreciates desirability June allocation 50,000 tons to aid Ital Govt in program abolish political prices and subsidies
(reurtels 2320, May 21 and 2321, May 21). US Govt unable on export supply grounds to meet Ital request (Dept's 1374 May 14). Already appears some of US May program will slip over into June and June schedule does not permit of proposed addition. However ECA officials have suggested possibility Italy may try secure, against later repayment from allocations made to Italy, diversions of wheat going to Britain from Australia in order insure desired stock position beginning July. Emb might wish suggest Ital's bring this up in OEEC. Such arrangement if it could be effected, would constitute notable instance cooperation among ERP countries.

LOVETT

1 In this telegram, not printed, Dunn reviewed the cereal position of Italy, stating that "If no additional wheat imports forthcoming Italians will meet deficit either by delaying issue pasta ration or by rapid amassing 1948 wheat crop thus compromising success 'grain price policy'". An essential part of this policy was the abolition of political prices, the consumer subsidies on all cereal products except rice. Dunn added that "Embassy believes abolition political prices indispensable for sound fiscal policy and economic recovery" (800.48 FAA/5-2148).

2 In this telegram, not printed, Dunn continued with the argument, and urged the allocation of an additional 50,000 tons of wheat to Italy for June so that the Italian Government might carry through with the policy of abolishing political prices of grain (865.61311/5-2148).

3 In this telegram, not printed, the Department commented rather critically on the data supplied by the Italian Government to the Embassy in Rome and indicated there was no elasticity in the export program of the U.S. for May and June permitting additional shipments to Italy in view of allocations already made (840.50 Recovery/5-748).

4 In this telegram, not printed, Dunn reported that the Italian Government would immediately make the proposal to the OEEC for diversion of Australian grain from Britain to meet the June needs in Italy, and he suggested that the Department support this proposal in Paris (865.61311/5-2848).

This action was taken in the Department's telegram 1882 to Paris, May 29, 1948, not printed (865.61311/5-2948).

865.00/6-1048

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET

Rome, June 16, 1948.

Dear Mr. Secretary: With reference to Undersecretary Lovett's top secret message of March 3 (telegram no. 566),1 you, Mr. Lovett, and some of your advisers on European affairs will probably be interested in a summary of what this Embassy did of a concrete nature to support the democratic, non-Communist elements and political groups in Italy during the pre-election period. In the light of the major victory against the Communists won by the Italian people, it is of interest to evaluate the part our efforts may have played in this reaffirmation of the democratic processes in Italy. During the last six weeks of the pre-election period a small committee composed of the heads of the Politi-

1 Not printed.
cal and Economic Sections, of my Economic Adviser on the Treaty and of the Military, Naval, Air and Treasury Attachés, functioned in the Embassy as a "political action committee" to consider scores of suggestions from friendly outside sources and initiate and produce suggestions for ways and means to encourage, support and make more effective the electoral campaign being waged by the non-Communist democratic parties in Italy.

The various proposals which emanated from the Embassy or were supported by it, and which may have had an influence on the elections are briefly summarized under the headings of the peace treaty, official American statements, and political, informational and economic activities. These are outlined below:

1. Peace Treaty.

a. The Tripartite Proposal on Trieste (my telegram 1965, July 15, 1947; and my telegrams 883, 943, 966 and 1154 of March 1, 4, 6 and 16, 1948).

b. Prompt and affirmative action upon Count Sforza's suggestion that surplus submarines be scrapped rather than sunk (my telegrams 3865 and 4028, November 29 and December 13).


a. The Secretary's mid-March statement at the University of California regarding the removal of Italy from ERP benefits if the Communists gained an election victory (Embassy telegrams 543 and 761 of February 7 and 21, and 1223 of March 19).

b. Statement upon an inevitable decline in American tourist trade if a Communist Government should gain power (our letter to Ray Murphy, EUR, of February 24).

c. Pertinent quotes from United States immigration laws upon inadmissibility of Communists given to non-Communist party leaders. (My telegram 1207, March 18.)

d. Foreign Ministry denial of a Communist-spread rumor in Southern Italy that any persons voting would be ineligible to emigrate to America (my telegrams 1446, 1524, and 1639 of April 1, 5 and 10). American consular offices in Italy also made proper statements on this.

3. Political Actions.

a. Letter writing program from America to relatives and friends in Italy. . . .

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2 Not printed.
3 See footnote 1, p. 509.
4 Ante, p. 509.
5 See footnote 3, p. 510.
6 Ante, p. 514.
7 Ante, p. 827.
8 Ante, p. 832.
9 See footnote 4, p. 854.
10 See footnote 3, p. 866.
11 None printed.
b. Circular letters to about 5,000 United States Veterans’ Administration beneficiaries in Italy, from well organized anti-Communist civic group, warning the beneficiaries of the uncertainty of their remittances if a Communist regime were elected.

c. Statement of support for the Italian autonomous Socialist movement (my telegram 1367, March 27) from Norman Thomas, which when received was extensively employed by the independent Socialists.

d. Anti-Communist material made available to and effectively used by democratic political organizations and newspapers. (This appeared in posters, leaflets and articles comprising subjects such as the notorious anti-Italian army statements by Vishinsky at the Paris Conference and stories of comparative life in the United States and USSR.)

4. Informational Activities.

a. Effective aid provided to iron out copyright difficulties, thus permitting the Italian language publication of Kravchenko’s “I Chose Freedom”.

b. Support given to secure the greatest number of prints of the film “Ninochka,” which satirizes life in the USSR, and which enjoyed even greater nationwide success following the protest of the local Soviet Ambassador (my telegram 1452 April 1).  

c. Maximum showings of newsreels and topical shorts upon democratic processes such as elections facilitated by local Italian film board (see my telegrams 967 and 1101, March 6 and 13).

d. The role of radio was limited through Government restrictions upon pre-electoral political broadcasting and since only a small number of people have radios able to receive American broadcasts. However, the suggested relayed broadcast (my telegram 1536 [1356], March 26) by Hollywood stars for the benefit of widows and children of Italian aviators got good advance publicity, was well received, and added its healthy effect to the general campaign.

5. Economic Aid.

a. The American relief program (AUSA) and the interim aid program, as well as advance information and publicity upon ERP operations. (The Italian Government with Embassy cooperation used 500 million lire for six million posters on American assistance, as well as varied newsreels on the subject; it spent 8 million lire additional on leaflets and public conveyance signs; it used a postage cancellation stamp reading “Assistance from America”; it printed with appropriate Vatican approval 10 million prayer cards to Mother Cabrini (American saint) that American aid would continue, and it arranged publicity displays.)

b. Italian Government projects, financed by the lire fund, entailed relief projects, mainly for southern Italy. (These included a 1,500 million lire contribution to relieve the unemployed which was used for educational training and 1,800,000 food packages; a 20 million lire land reclamation project; irrigation and repair of roads; 28 billion lire for railways; 4 billion lire to refit the passenger ships Conte

12 Not printed.
Biancamano and Conte Grande, and a recent 7 billion lire enterprise of agrarian aid and development for southern Italy.) (See quarterly report on American relief programs dated March 30.)

c. Speeches by American Ambassador in various parts of Italy on every appropriate occasion, to explain the role and true purpose of American aid. (These were reported to the Department by despatch and telegram as they were made.)

d. Pre-election settlement of Italian war prisoner claims against the United States (Embassy telegram 662, February 1), the resultant ceremony at the Treasury Ministry being favorably covered by the press and newsreels (Embassy telegram 1477, April 2).

e. Export of fruits and vegetables to Germany (see my telegram 541, February 7) for dollar exchange with resultant favorable publicity (my dispatch 602 and telegram 1661 of April 12).

f. Department's statement suggested in Embassy telegram 1319, March 30, upon imports of steel scrap from Germany to offset the unfavorable reaction occasioned by exports of steel scrap from Italy to the United States (radio bulletin, April 8).

g. Suggestion that the British make a timely export to Italy of gas coal (my telegram 1604, April 8), which was done prior to the elections.

h. Despatch of two experts (my telegram 939, March 4) from the United States to study agricultural and hydro-electric development possibilities in southern Italy (see radio bulletin 91 of April 16).

I cannot, of course, bring a letter of this nature to a close without expressing my profound admiration for the services of the Department in responding to our various suggestions. The imagination and industry which under your direction characterized the responses of our colleagues in the Department during this critical period made possible whatever success we may have achieved in supporting and helping the forces of democracy in Italy.

Sincerely yours,

JAMES CLEMENT DUNN

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**Editorial Note**

On June 28, 1948 the United States Ambassador, James Clement Dunn, and the Italian Foreign Minister, Count Carlo Sforza, signed the Economic Cooperation Agreement between the two countries. For the texts of the agreement and of the exchange of notes see Treaties and Other International Acts Series 1789 (62 Stat. (pt. 2) 2421). The agreement entered into force on the day it was signed.

For the exchange of notes signed at Rome on September 28 and October 2, 1948, amending the agreement, see Treaties and Other International Acts Series 1917 (62 Stat. (pt. 3) 3815).
The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET  Rome, October 20, 1948.
No. 1499

Sir: I have the honor to transmit a copy of a memorandum prepared by the Minister Counselor of Embassy with regard to the conversation between the Honorable Alcide De Gasperi and Count Sforza with the Secretary of State at my residence during the Secretary's visit to Rome. Secretary Marshall did not read this memorandum prior to his departure, but according to Martel 66 repeated Rome as 402, October 20, the Secretary has approved it without change.

Respectfully yours,

JAMES CLEMENT DUNN

[Enclosure]

Précis of Conversation Between Secretary of State George C. Marshall, President of the Council of Ministers De Gasperi, Foreign Minister Sforza, and Ambassador Dunn, October 18, 1948

ITALIAN ECONOMY

In reply to the Secretary’s inquiry regarding the present general state of the Italian economy, the President of the Council of Ministers stressed as foremost the need for an immediate solution of the problem of Italian surplus population. He pointed out that Italian industry (particularly the mechanical industry in the North) had more workers on the pay rolls than was economically sound. This resulted in a vicious circle which tended to vitiate the benefits of the European Recovery Program. For instance, Americans supplied coal to Italian industry, but due to the excessive number of workers on the pay rolls and the resulting high production cost of the products, Italian industry did not yield a sufficient return for Italy to purchase itself the coal that was needed to restart the cycle. He said that a solution of putting excess workers on relief was politically most undesirable because the workers themselves felt strongly that they wanted work and not relief. He pointed out that public works took considerable time and heavy financing, both of which Italy did not have. The only solution politically

1 Secretary Marshall, accompanied by Mrs. Marshall and his staff of personal assistants arrived by plane from Greece at Ciampino Airport near Rome at 4:00 p.m. Monday, October 18. Accompanied by Ambassador Dunn, the Secretary that afternoon called on the President of the Republic, Luigi Einaudi, and on De Gasperi and Sforza. Tuesday morning Secretary and Mrs. Marshall drove to Castel Gandolfo where they were received by the Pope. After saying goodbye to Count Sforza, Secretary Marshall departed by plane for Paris at 3:30 p.m. (Rome Despatch No. 1508, October 21, 1948, 111.11 Marshall, George C./10–2148)
practicable was the export of Italian labor to the other countries of Europe and South America. He appealed to the Secretary for the good offices of the United States in persuading other European and South American countries to accept Italian immigration.

In answer to Secretary Marshall's inquiry with regard to the magnitude of unemployment in Italy, the Prime Minister pointed out that it was over two million and that the annual population increase was over 400 thousand a year. The Secretary of State mentioned that he had had recent exploratory discussions on this problem with the Foreign Minister of Brazil, and he inquired what effect the proposed Italo-French Agreement would have in this regard. Both De Gasperi and Sforza said that France could readily absorb almost immediately a vast number of Italian workers which would have an immediately beneficial effect on both French and Italian economy. Sforza pointed out that Italy itself, through the proposed Agreement, was ready to sacrifice some of its heavy industry in return for the French sacrifice of some of its mechanical industry which employed a larger proportional number of workers. Sforza gave one explanation for delay on the part of the French in concluding the accord in that there was a latent political concern on the part of the French that Southern France might tend to be Italianized through too hasty admission of Italian immigrants. He also pointed out a fundamental French complex that France was a country of greater wealth and political importance than Italy and consequently somewhat more conservative in the adoption of such new ideas as the Customs Union. Italy, which felt more keenly the dire pressure of necessity, was more ready to take new steps. Secretary Marshall expressed the keenest interest and understanding of the need for the early conclusion of the Italo-French Customs Union. He also pointed out its importance in connection with the January-February hearings in Congress of the concrete results obtained so far through ERP. He said he would pursue this matter further in Paris and with Mr. Harriman.

Aside from over-population De Gasperi stressed that another problem facing Italian economy was the present industrial recession in Northern Italy. He gave as his primary explanation the fear of war which paralyzed the undertaking of new activity. Sforza added that business people in Northern Italy believed that in the event of war the first military line would be the Gothic Line and that Italian industry in the North would immediately fall into the hands of the Russians. In this connection he referred to the immediate memory of what a formidable obstacle the Gothic Line had proved in the campaign of the Allies against Germany. He then alluded to the importance of a feeling of military and political security in the solution of
the economic problems of Italian industry in the North. He referred
to his recent speech regarding Italy's common interests with the
Western Democracies and mentioned his own belief that the OEEC
nations could develop further from an economic basis into a strong
political and military front against the Soviet menace if supported
by the United States.

The Secretary traced the development of American public opinion
with regard to support of the Western Democracies from the initial
attitude of Congress following the war in slashing military appropri-
tions to the present strong support of a firm United States foreign
policy. He stressed the tremendous importance of the Vandenberg
Resolution and that American public opinion since that date had pro-
gressed much further in favor of the firmest sort of stand against
Soviet aggression. He felt confident that in the forthcoming Congress
it would be possible to obtain a more liberal policy with regard to
military help for the Western Democracies and that appropriations
would be passed. Moreover, the surplus materiel which had been
scattered about and to a great extent disposed of at the end of the war
was now being reorganized to a point where the time lag between
shipments and an authorization from Congress would be considerably
cut down from what would have been possible last June. He pointed
out that the United States had to go slowly in this whole matter be-
cause it was our great preoccupation not to make any declarations that
we could not fully back up with action.

**World Situation**

With reference to the concern of both the Prime Minister and
Sforza over the tenseness resulting from the Berlin situation, the
Secretary reviewed the developments leading to that situation and his
own personal experiences in dealing with Stalin and Molotov. He
related step by step the great personal effort he had made to convince
them of his utter sincerity and he outlined some of the evasions and
falsehoods with which he had been confronted. At the same time he
pointed out that the Russians had lived up to their commitments
during the war.

He explained in detail the developments surrounding recent reports
with regard to the proposed sending of Judge Vinson to make an
appeal to Stalin, including the fact that the proposal had been aban-
doned by the President immediately on the Secretary's recommenda-
tion, and, prior to the Secretary's recent departure from Paris to the
United States for consultation with the President. He referred to the
President's unique position of responsibility in being the only man in

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For documentation on the Berlin situation, see *volume II*. 
the world who would be faced with making the decision as to the use of the atom bomb, and that already twice in the war the President had had to bear the terrific responsibility of making that decision. He said the President realized this most keenly and with grave preoccupation. He mentioned the President’s great concern that no possible step should be left untried towards convincing the Soviet Government that no one desired peace more than President Truman, but that if forced the point could be reached where the bomb would have to be used. Public opinion in America, due to intense Soviet provocation, had now reached the stage where it would fully support and demand the use of the bomb, and the Soviet Government knew this.

In describing the world situation the Secretary made an analogy of his recent trip to Greece where he found that everyone was concentrating on one mountain rather than on the general situation; he said that the countries of Europe seemed to be rather like a general who in an engagement of five divisions was devoting all his time to the action of one regiment; he was speaking of the Berlin situation. When he looked over the developments in Europe and the world as a whole he could not but be impressed by the great strides that had been made in the past two years towards a general improvement of both economic and political conditions and a resulting general setback of aggressive Communist expansion. He pointed to production figures in many countries that had already exceeded the estimates of their and our experts and to continuing favorable political developments such as the Italian and other elections. He thought that the Soviets had adopted their Berlin policy in a desperate effort to re-assert themselves against the tide of world resistance to their expansion. He gave statistics with regard to the extraordinary successes of the air-lift which now had established the ability of our occupation forces in Germany to continue indefinitely the provisioning of the non-Soviet zones in that city. For instance, in one day when 80 per cent of the transport planes had to be landed by instruments 7,000 tons of coal had been brought in as against the estimated requirement of 4,500 tons. Taking into consideration the tremendous factor of the atom bomb, the united American public opinion, the favorable political and economic developments already taking place in Western Europe, he did not believe that the Russians would force the international situation into war. The principal danger lay in the possibility that they might undertake an incident which could lead to war, since the American people, not subject to dictatorship control, could not safely be experimented with in incidents.

ERP

The Secretary outlined the historical development of legislation governing the appropriation of monies by the Congress, and he ex-
plained in that connection the importance of the ERP hearings next January–February before the Appropriations Committees and not before the Senate Foreign Relations Committee, which was far less subject to isolationist control and broader in perspective. He referred again to the importance of the Italo-French Customs Union as a concrete proof of the efforts these two countries were making to work together under the over-all European Recovery Program and he stressed the tremendous importance of each of the ERP countries being in a position to put forth evidence of the progress it was making towards full recovery.3

3 In telegram 4060 of October 20, not printed, Dunn expressed his view that “Secretary's visit here has unquestionably in my opinion had an extremely beneficial effect on our present relations with Italy. Aside from the favorable publicity concerning his visit, I consider that he has considerably strengthened De Gasperi's policy of orienting Italy with the free democracies. The Secretary's talk with De Gasperi has also strengthened the Prime Minister in his struggle against Communism in Italy, an issue which is of course not yet resolved.” (111.11 Marshall, George C./10-2048)

711.66A/10-1948

Memorandum of Conversation, by the Secretary of State

SECRET

[PARIS,] 1 October 19, 1948.

I called on His Holiness at his country estate in the Alban Hills at 9:15, Tuesday morning.2 He received me with Mrs. Marshall present, and we had a conversation of about twenty or thirty minutes.

After the usual polite expressions he made some very direct statements about the situation. He expressed his gratification that I (he used the personal pronoun generally when really referring to our Government) had been unmistakably firm, that this attitude was the only one understood by the Soviets (I believe he used the term Communists). He considered the situation serious, but he thought our determined stand was for the best. He described in some detail the activities of the Communists in Italy, their methods of infiltration, their discipline (he emphasized this) in carrying out the instructions from Moscow, and their persistent intensity of purpose.

His Holiness spoke in very complimentary terms of the European Recovery Program, American assistance generally to Italy, of my part

1 No place is indicated in the memorandum which was typed on stationery with the letterhead “United States Mission to the United Nations” which at that time was meeting in Paris.

After saying goodbye to Count Sforza, Secretary Marshall left Rome by plane at 3:30 p.m. that same day, headed for Paris (Rome Despatch No. 1508, October 21, 1948, 111.11 Marshall, George C./10-2148). It seems probable that Marshall dictated the memorandum that same day at Paris. See footnote 1, p. 883.

2 October 19.
in it. He was most frank throughout with no evidences of diplomatic circumlocution.

I resumed the situation as I saw it and explained very frankly what I thought was the procedure we should follow. I described the status of the airlift, as to its quantity, delays and durability through the winter.

I then referred directly to the atomic bomb, the fact that I thought the fear of it made somewhat improbable Soviet resort to military action.

I explained the facts of the turmoil in the United States about the President's suggested approach to Stalin, emphasizing and elaborating on Mr. Truman's deep concern and terrible predicament in being the sole individual responsible for the use of the bomb. I did this in the light of the impression I had already gained from the Pope regarding his strong approval of our determined position. I thought it was advisable to get these matters clear in his mind. He seemed to indicate a general approval of all that I said without making specific comments. I did not ask for any and maybe did not give him a good opportunity to make any at the proper moment in the discussion. His sincerity of view, clearly expressed, was reassuring.

G. C. M.

840.50 Recovery/11-1248: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

CONFIDENTIAL URGENT Rome, November 12, 1948—9 p.m.

4312. I fully concur that reduction overall first year ECA allotment would be inadvisable both economically and politically (reurtel 2765, November 10). 1

ECA mission fully expects Italy can and should utilize the full 601 million dollars. However, in the interest of balanced stocks and regularity of flow of raw materials, adjustments in commodity programming are necessary because industry has not been able to alter amounts forecast for first six months. Recommendations have already been made for certain shifts and others will follow. Italian Government is being urged to step up its industrial programs.

Increase of about $30 million have already been made for larger cereals imports to permit raising pasta ration from 2 to 3 kilos monthly, thereby combatting price increase free market cereals and at same

1 In this telegram, not printed, it was explained that the Department was reviewing the annual program for ERP and weighing suggestions for substantial cuts in individual commodities; it asked for the Ambassador's views (840.50 Recovery/11-1048).
time contributing to general price stability. (Toeca 303, October 11).\(^2\) This was regarded as recovery measure as well as restoration prewar cereal consumption and as useful political move. Free market price bread dropped three percent and pasta seven percent as result government measures October 15 to 25.

I believe and ECA agrees other useful shifts in programming possible as industrial activity increases and internal financial problems solved.

ECA mission replying Ecato 290 today.\(^2\)

Any decrease in allotment not only would elicit unfavorable publicity from opponents of program but would lessen confidence of all classes in ERP and in US “promise” and might accordingly slow down productive efforts.

Sent Department 4312; repeated Paris 678.

Dunn

\(^2\) Not found in Department of State files.

840.50 Recovery/11-2348

The Acting Secretary of State to the Italian Ambassador (Tarchiani)

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Italy and has the honor to refer to his note No. 10485 of November 23, 1948\(^1\) transmitting a memorandum setting forth the new proposals on the functioning of the O.E.E.C. which have been presented by the Italian Government to the countries participating in the European Recovery Program.

The Acting Secretary of State is gratified to note that the Italian Government has made suggestions to the other governments concerning measures which might be taken to strengthen the O.E.E.C. As the Ambassador is aware, the Government of the United States shares the view of the Italian Government that it is desirable for the countries participating in this program to consider this new organization as one which may outlive the European Recovery Program and serve

\(^1\) In this note, not printed, Ambassador Tarchiani enclosed a translation of a memorandum dated November 19, 1948 addressed by the Italian Government to the Governments adhering to the ERP. This memorandum urged that:

“All the Governments associated in the E.R.P. should at once direct their efforts towards a double goal; the gradual building-up of a community of inter-dependent countries—just as Italy and France are now attempting by means of the establishment of a customs union—and the promotion of an increase in production resulting in an intensification of interchange of products between the various countries. This would bring about a reduction in production costs, a greater employment of labor and the improvement of the standard of living of the populations.” (840.50 Recovery/11-2348)
to bring about a lasting economic cooperation among the participating countries.

WASHINGTON, December 14, 1948.

865.5018/12-1648: Telegram

The Chargé in Italy (Byington) to the Secretary of State

ROME, December 16, 1948.

4663. Council of Ministers December 11 made following decisions re bread and pasta rations.

1. Abolished use mixtures minor cereals in bread;
2. Established single extraction rate, reducing percentage for rations bread from 83.6 to 80;
3. Made permanent the temporary increase in pasta ration fixing it at 3 kilos per month;
4. Owing to savings on reduced cost of imported wheat, lowered sale price of wheat at mills from 7,800 to 7,450 lire per quintal. This allows reduction in price by one lire per kilogram for rations bread and 4.5 lire per kilogram for rations pasta.

Ronchi, High Commissioner for Food, announced these changes in radio address immediately following Saturday evening news bulletin. Stated changes made possible by increased imports from United States under ERP and by success negotiations in Argentina. Assured people that supplies assured to meet Italian requirements until new harvest.

In addition, referring to recent rises in olive oil prices, Ronchi announced decision to import oil seeds and seed oil to offset poor outlook for olive oil production. Sharply warned speculators that government will immediately begin selling its stocks of 47-48 oil (about 40,000 M.T.) to counteract upward trend.

Pass to ECA.

Byington

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Editorial Note

On December 30, 1948 the Agreement signed on January 3, 1948 between the Government of the United States of America and the Italian Government, providing for assistance to Italy under the Foreign Aid Act of 1947, was extended to June 30, 1949. For the texts of the Notes Verbales exchanged between the Italian Ministry of Foreign Affairs and the United States Embassy providing for this extension, see Treaties and Other International Acts Series 1885 (62 Stat. (pt. 3) 3650).
THE UNITED STATES PARTICIPATION IN DISCUSSIONS ON DISPOSITION OF THE FORMER ITALIAN COLONIES IN AFRICA

SECRET

WASHINGTON, January 15, 1948—noon.

142. Colit 51. At their last meeting on November 22, 1947, CFM Deputies on Italian Colonies did not fix date for their next meeting since it had been agreed no meeting would be held during CFM session. It was understood Deputies would meet after CFM session to schedule further hearings of views of “other interested Govts” on disposition Italian Colonies. Since US Deputy would be Chairman next meeting suggest Gallman informally ascertain and report to Dept views other Deputies and Secretary-General Paton-Smith regarding desirable date and agenda of next Deputies meeting.

Dept considers this meeting should be held fairly soon in order to schedule hearings requested by those “other interested govt” which have not yet presented views and to draft letter informing govt concerned of hearings scheduled. Present feeling in Dept is that all remaining hearings should be held during as brief period as possible, perhaps early in March.

Dept is not planning send adviser London for next meeting Deputies but will consider sending adviser, if needed, for hearings of other interested govt.

MARSHALL

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1 For previous documentation, see Foreign Relations, 1947, vol. iii, pp. 569 ff.

865.014/1-2348

Memorandum of Conversation, by the Assistant Chief of the Division of African Affairs (Palmer)

TOP SECRET

[WASHINGTON,] January 23, 1948.

Participants: Mr. W. D. Allen, Counselor, British Embassy
Mr. Joseph Palmer 2nd, AF

Mr. Allen called today at his own request and left the attached note regarding present British thinking on the future of Libya.
In presenting the note, Mr. Allen stated that he had been instructed to emphasize to the Department that the ideas set forth in the note only represented current thinking, although such thinking was in an advanced stage.

He also stated that the group which was working on this question in London was hopeful that, in the event the American Government found it possible to support British trusteeship over both Tripolitania and Cyrenaica, it would also be willing to associate itself with the British Government in explaining the reasons therefor to the French and Italian Governments.

Mr. Allen also revealed that the working group was somewhat disturbed about the timing of this whole matter in view of the fact that, if the decision were taken to place all of Libya under British Trusteeship, the plan would be known by August or September and might have repercussions affecting the Italian vote in the November elections.

Mr. Allen was told that, as he already knew, we had not made up our minds on the Tripolitanian question and that we have been anxious to see the findings of the Commission of Investigation and to await the outcome of the Italian elections on April 4 before doing so. We would, however, give every consideration to the British note and would pass along any thoughts we had on the subject as soon as possible.

[Annex]

Ex Italian Colonies

As regards the future of Libya, the Foreign Office are on the verge of deciding that the advantage lies in working for a United Kingdom trusteeship for Libya as a whole (with the possible exception of the Fezzan). It will be recalled that in the recent talks the possibility was discussed that the United Kingdom might try for a trusteeship for Tripolitania, as well as for Cyrenaica. Apart from the strategic advantages, British representatives on the spot point out that the inhabitants of the Arab countries wish for the eventual unity of Libya and are more likely to agree to an intervening period of United Kingdom trusteeship (with full internal self-government) leading to full independence after a term of years, if the trusteeship enshrines the principle of the unity of Libya. They also point out that any attempt to place Tripolitania under Italian trusteeship would meet

1 Presumably a reference to the "Pentagon Talks of 1947", which are documented in Foreign Relations, 1947, vol. v, pp. 488 ff.; for specific references to Tripolitania and Cyrenaica, see pp. 543, 586, and 588.
with such violent Arab opposition as to react extremely unfavourably on the prospects of a trusteeship for Cyrenaica alone.

At the same time, the Foreign Office are inclining towards an Italian trusteeship for Somaliland and at least part of Eritrea, including Massawa. In Tripolitania the Foreign Office are thinking of the return of Italian settlers now in Italy (about 60,000), the organization of Italian settlers, where possible, into community groups, adequate arrangements for courts, a bureau or special representative for the Italian community in the administration, and a proportionate number of representatives of the Italian settlers in the eventual legislative body. With regard to the last point, it would of course be necessary for the Italian settlers to renounce Italian citizenship and to become nationals of Libya, if they are to participate in any legislative body, and this seems to the Foreign Office to be in their best interests.

The Foreign Office consider it to be most important that the Emir, and also the leaders in Tripolitania, all of whom have asked for the advice of the British Government, should be told of the British Government's general line before the Four-Power Commission visits Libya early in March. They would be informed that British policy would be independence for Libya as a whole, but that since further internal development was necessary before Cyrenaica and Tripolitania could stand by themselves, the British plan was for an intervening period of United Kingdom trusteeship, with complete internal autonomy. It would be pointed out to them that this might be the only alternative to Italian trusteeship, at least for Tripolitania. The Foreign Office hope that, while they would probably ask the Commission for immediate self-government, they would say that, failing this, a period of United Kingdom trusteeship on the lines suggested would be acceptable.

If the way is to be prepared in Cyrenaica and Tripolitania in the middle of February (the latest practicable date), something will have to be said to the French by the British Government in the near future in order to avoid their hearing first through Arab sources. This is also desirable in order that the French representative on the Four-Power Commission may receive suitable instructions if the French can be persuaded to agree with these ideas. Since the French will almost certainly tell the Italians, something may also have to be said to the latter.

The Foreign Office hope that the United States Government will agree to their going ahead on these lines.

WASHINGTON, 23 January, 1948.
Editorial Note

The Deputies for the Italian Colonies of the Council of Foreign Ministers met thirty times from February 2 to August 31, 1948 at Lancaster House in London to continue the discussion of the disposition of the former Italian Colonies. The British Deputy was Sir Noel Hughes Havelock Charles, former Ambassador to Italy; the French Deputy—René Massigli, Ambassador in the United Kingdom; the Soviet Deputy—Georgy Nikolaevich Zarin, Ambassador in the United Kingdom; and the United States Alternate Deputy—Waldemar J. Gallman, Counselor of Embassy in the United Kingdom. In June Gallman was recalled to Washington in preparation for his appointment as Ambassador to Poland, effective July 7, 1948. Ambassador Lewis W. Douglas replaced Gallman, with John E. Utter, United States Representative on the Field Investigation Commission, occasionally acting as United States Deputy in Douglas' absence. Documentation on the meetings including the minutes and records of decisions of the Deputies is in Lot M-88, Box 111. The telegraphic reports of the meetings are in file 865.014.

865.014/2-248: Telegram

The United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman) to the Secretary of State

SECRET

LONDON, February 2, 1948—11 p. m.

396. Itcol 100. DepItcol met this afternoon with Gallman presiding. Only agenda item disposed of concerned British request commission be instructed study disputed boundary between British and Italian Somaliland. French and US supported British request on basis it was similar to French request regarding boundary between Eritrea and French Somaliland approved by deputies last November but Soviet refused recognize similarity.

British agreeable to commission only collecting available data and not visiting disputed section boundary if that should entail too much time or expense. British were eager for immediate decision by deputies since commission expected go Bender Cassim Zakhin next few days.

Zarin prolonged discussion with unexpected proposal that Italian Government be asked present facts regarding boundary rectification desired by British to include town of Bender Ziada in British Somaliland. French and British deputies protested strongly that Italian Government should not be consulted on such matter since Italy renounced
all rights to Italian territorial possessions in Africa in peace treaty.¹ Zarubin persisted in saying commission should not consider subject at all until facts had been reported by Italian Government. British and French deputies pointed out that such a procedure, due to short time of two weeks commission will remain in Italian Somaliland, would make investigation of boundary question by commission virtually impossible.

Agreement finally reached as follows:

1. Secretary-General to communicate British note to Italian Ambassador London immediately requesting factual memorandum on disputed section boundary sooner possible emphasizing that commission scheduled leave Italian Somaliland February 18.

2. Secretary-General to telegraph British note to commission now with instruction that commission is not to begin considering question until it has received Italian factual memorandum.

3. Italian memorandum to be telegraphed to commission when received by deputies although he agreed to such conditions as only way to get subject considered. French deputy stated Italian Government should not be consulted and that commission should not have to wait for information from foreign source until it could investigate facts on spot. Massigli therefore accepted the solution only on understanding that it did not create a precedent. British and American deputies agreed with French statement.

In opening statement on air transportation costs of commission Zarubin said commission should adhere original estimate expenses. Sir Noel Charles introduced new letter from BOAC explaining why costs could not be reduced. BOAC letter will be circulated and question of transportation costs will be taken up again at next deputies meeting tomorrow afternoon.

Gallman

¹ According to Article 23 of the Italian Peace Treaty Italy renounced all rights to Libya, Eritrea and Italian Somaliland.

865.014/2-348: Telegram

The United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman) to the Secretary of State

SECRET

LONDON, February 3, 1948—9 p.m.

414. Itcol 101. Nineteenth meeting DepItcol (Deputies Italian Colonies) held this afternoon with Gallman presiding. Deputies reached agreement on basis for proceeding with questions of transportation costs of commission and hearing views other interested governments. [Here follows a discussion of transportation costs of the commission.]

Gallman suggested deputies consider Czechoslovak request present
views after receiving report of commission as basis for scheduling hearings of other interested governments. Zarubin suggested establishing timetable of all hearings since Czechoslovak letter, as he put it, was just one of many requests for hearings. All deputies agreed to US suggestion that hearings interested governments be scheduled on basis replies already received from each government. Deputies agreed secretaries should prepare timetable of hearings based on these replies for deputies approval. Secretaries also instructed to draft letters informing each government when it will be heard. Effect of Soviet agreement to this proposal is to remove vexed question of whether hearings should be held before or after receipt of commission’s reports. Reasonable timetable of deputies meetings and hearings of governments concerned should now be worked out without too much difficulty.

Deputies readily agreed that procedure for circulating reports of commission is clearly stated in paragraph 5 of document IC 29, which states that deputies shall send copies of the reports to governments concerned immediately upon their completion.

Next meeting deputies will be held after secretaries discuss transportation costs with BOAC representative and draft timetable of hearings.

GALLMAN

1 Three interested Governments (Egypt, Ethiopia, and Italy) stated territorial claims, while sixteen Governments: Australia, Belgium, Brazil, Byelorussia, Canada, China, Czechoslovakia, Greece, India, Netherlands, New Zealand, Pakistan, Poland, Ukraine, Union of South Africa, and Yugoslavia, wished to express their views on the disposition of the Italian Colonies.

2 Not printed.

865.014/2-1948: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

Rome, February 19, 1948—10 p.m.

736. The Minister of Foreign Affairs 1 asked me to see him this morning and made following two requests:

1. He referred to a message he had conveyed to me through Count Zoppi 2 as reported in mytel 707, February 17, 8 p. m., 3 on subject of Italian colonies. He said this question had become of major political importance in Italy because of the widespread interest in former colonies and had been brought to the fore by the incident at [Moga-

1 Count Carlo Sforza.
2 Count Vittorio Zoppi, Secretary-General in the Italian Foreign Ministry.
3 Not printed: it reported that Zoppi had given Dunn a copy of the Soviet note of February 17, which stated that the Soviet Government favored the return of the former Italian Colonies to the protection of the Italian Government. Zoppi had also warned of the effect of this note on the Italian elections unless the United States made some statement to counteract it. (865.014/2-1748)
discio] in which the lives of some sixty Italians were lost. He also pointed out the manner in which the Soviet Government had taken advantage of the feeling here toward the colonies through the announcement by Moscow that the Soviets were favorable to restoring the former colonies to the "protection" of Italy. He said this expression of attitude combined with the previously announced favorable policy by France was being made the most of by the Italian Communists in their campaign against the government and against the Americans and British. He said he hoped very sincerely the United States would be able to make some expression which would put us in the position of favoring Italy and would also help toward inducing Great Britain to adopt a similar attitude in general even if there had to be some qualification in their attitude covering the question of Cyrenaica. Upon my return to the Embassy after luncheon I received a note from him saying that the Italian Ambassador has presented this case in a conversation with Mr. Armour, but he asked, in view of the importance of the matter, that I also convey his request to the Department.

2. Count Sforza also asked that consideration be given to an announcement by our government that the unused quotas for Italy for the war years be made available for immigrant visas now. He said that this was a matter of particular importance to the Italians of southern Italy and Sicily, regions where the Communists have been making substantial gains recently. He said it might be possible to consider this matter on the same basis as the manner in which the Italians in United States were by governmental decision not declared enemy aliens during the war. He said that on that basis the Italians who were not able to avail themselves of these quota numbers during the war might now be granted the right to immigration visas.

I heartily endorse both of these requests in view of their importance in the electoral campaign now proceeding. Whatever we can do to help the prestige of our present government it is to our interest to do and that well before the date of the elections, April 18 next. All the reports coming to us indicate that the Communist propaganda is making headway in the south, largely because of the difficult economic conditions there, as those regions are predominantly agricultural and the agricultural markets abroad having been almost entirely dried up. A statement of a favorable position on the colonies could be used by the

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4 The incident under reference occurred January 11, 1948, during the Field Investigation Commission's examination of conditions in Italian Somaliland. It stemmed from a clash between pro-Italian and native demonstrations which resulted in sixty-five deaths, fifty-one of which were Italian.

5 Alberto Tarachini, Italian Ambassador in the United States.

6 Mr. Norman Armour, Assistant Secretary of State.

7 For documentation on the U.S. interest in the Italian elections see pp. 816 ff.
government greatly to its advantage in proving its solicitude for Italian interests and would at least help to nullify the favorable position taken by the Kremlin on that subject, which, as we know, is entirely a matter of words for electoral purposes.

I do not know technicalities of the immigration matter but if an announcement could be made of the availability of the war year quotas with an intimation at the same time that, of course, the existing regulations would not permit Communists to avail themselves of these numbers it would create a general feeling of hope in the south for the alleviation of their economic situation and would I am sure prevent a great many people from going over to Communist side.

Dunn

865.014/2-2048: Telegram

The Secretary of State to the United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman)

SECRET

WASHINGTON, February 20, 1948—5 p. m.

581. Colit 58. Soviet attitude on question hearing other govs now appears clear in light Soviet statement support Italian trusteeship for former Colonies. It is now apparent Soviet intention is to force Dominions to state views prior to Italian elections thereby hoping indication of Brit attitude toward future of colonies will be revealed. It is obvious Communists could make good political use any such indications in forthcoming elections, especially when contrasted with Soviet support to Italy on colonial issue.

In view foregoing, instructions sent in Colit 55 \(^1\) are withdrawn and US Deputy should insist on procedure laid down Colit 48 and 53. \(^2\)

Marshall

\(^1\) Not printed; it instructed the U.S. Deputy to permit preliminary hearings of the interested governments prior to the Italian elections (865.014/2-648).

\(^2\) Not printed; they instructed the U.S. Deputy to permit an interested government to present its views after the Commission had made its reports and added that failure to state its views before the Commission had reported would not prejudice its ability to do so later (865.014/11-1047 and 865.014/1-2048).

865.014/2-1848: Telegram

The Secretary of State to the United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman)

CONFIDENTIAL

WASHINGTON, February 20, 1948—7 p. m.

600. Colit 57. Following is line Dept taking in reply press inquiries re Soviet note to Italian Govt supporting Italian trusteeship for former Italian Colonies (Itcol 108): \(^1\)

\(^1\) Not printed.
“According Joint Declaration Feb 10, 1947 by Govts USSR, UK, US and France concerning Italian territorial possessions in Africa, which comprises Annex XI of Italian Peace Treaty, Four Powers agreed jointly determine final disposal Italian Colonies within one year coming into force of Treaty. It was agreed final disposal territories would be made in light wishes and welfare inhabitants and interests peace and security, taking into consideration views other interested govt. Also agreed commissions investigation would be sent colonies in order supply Deputies with necessary data on question and ascertain views local population. Four-Power Commission of Investigation now in former Italian Colonies to implement this provision of joint declaration. Commission has completed its tour Eritrea and now completing its work in Italian Somaliland preparatory visiting Libya.

“In view this agreed-upon procedure, US Govt considers it would be improper for it to make final decision as to position which it will take on disposal these territories until after it has had opportunity study reports Commission on wishes inhabitants and hear views other interested govt.”

It is suggested you take similar line in reply inquiries. [No decision yet taken re possible additional statement suggested Rome’s 707 Feb 17.]

Sent London as 600; rapt Rome as 477; Paris as 551; Moscow as 216; Cairo as 206; and Nairobi for Utter as 27 (Ficus 13).

MARSHALL

*Not printed. Brackets appear in the source text.

865.014/2-2548: Telegram

The Minister in Ethiopia (Merrell) to the Secretary of State

SECRET

ADDIS ABABA, February 25, 1948—3 p.m.

40. Although Aklilou and Spencer have indicated that Emperor considers Soviet declaration most serious, it is noteworthy that published Ethiopian official reaction to Soviet communication to Italian Govt re return of former Italian colonies in Africa to Italian control has so far been of mildest sort. This may be attributed to belief that Soviet statement was merely intended to influence Italian elections and not meant (as stated by Soviet Chargé, in talk with Foreign Minister (Legtel 38, February 24)) to be against interests of Ethiopia but to avoid establishment of American and British bases in Libya, Eritrea and Italian Somaliland. This was theme developed in editorial in govt controlled Ethiopian Herald, February 23. It sees great powers jockeying for control of Italy and its former colonies, particularly for Libya.

1 Ato Abe Wold Aklilou, Ethiopian Vice Minister of Foreign Affairs.
2 John H. Spencer, Advisor to Emperor Halle Sellassie I.
3 Vasili A. Kharnamov, Soviet Chargé in Ethiopia.
4 Not printed.
Libyan air bases in British or American control would make Balkans highly vulnerable to air attack in event of war “which world fears might break out sooner or later” and would be threat to Soviet defense. Justice of Ethiopia claims to Eritrea and Somaliland is evidently not controlling consideration in this Soviet move. Soviet note seen as means of trying to win hand of “bawdy heroine” and part of drama in which “tragedy is almost visible on horizon”.

Sent Dept, repeated Rome as 2; repeated Moscow as 2.

Merrell

865.014/2-2548: Telegram

The United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman) to the Secretary of State

SECRET US URGENT LONDON, February 25, 1948—6 p.m. NIACT

717. Itcol 110. Soviet insistence on procedural requirement that other interested governments must present preliminary views may prevent any schedule hearings being adopted or letters to those governments agreed to. In view of this, Massigli 1 sent Leroy, 2 Minister-Counselor French Embassy, this morning to see Saksin, Counselor Soviet Embassy. Leroy reports there is practically no chance of agreement between Russian and other three deputies on this point and that the most Soviets are willing to concede is that dominions could present views about end of March. Soviet intention to force dominions to make statements before Italian elections is what we understand Department wants to prevent (Colit 58). 3 Soviet deputy apparently has strict orders from Moscow and is unwilling to ask for new instructions. Consequently, serious split between Soviet and other three deputies may disrupt meeting DepItcol on Friday, 27th.

In such situation, Massigli may state French Government would want to hear all other interested governments whenever they want to present their views, even if Soviet deputy should veto hearings for certain governments on basis procedural requirement. Noel Charles would support such position. If US also supports Massigli, it could lead to situation where the three powers would hold hearings of governments concerned outside framework of CFM and DepItcol. In such situation, as we see it, blame would fall on Soviets, while other three powers would be upholding rights of small powers to express their views on future of colonies. It occurs to us that this might rebound

1 René Massigli, French Ambassador in the United Kingdom.
2 Jean Leroy, Second Counselor at the French Embassy in the United Kingdom.
3 Dated February 20, p. 598.
favorably for US if question Italian colonies should be referred to GA. We say this while fully appreciating that if developments take the turn where the future of the colonies is left to the GA, a certain measure of control over this issue now in our hands would be lost to us. This is only one of a number of factors that must now be carefully considered.

Please instruct urgently what position US deputy is to take at Friday morning meeting.

[GALLMAN]

865.014/2-2648 : Telegram

The Secretary of State to the United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman)

SECRET US URGENT LONDON, February 26, 1948—6 p.m.

652. Colit 59. When question hearing other interested Govts raised (Itcol 110 and 111) ¹ US Deputy should initially maintain stand in accordance with procedure laid down Colit 58 ² and previous tels. In stating US position he may wish reiterate Dept’s view that Soviet requirement would subject “other interested Govts” to different procedure than that required for Four Powers who are not obligated state views until after reports commission received. He may add that insistence on this procedure appears to us to come with ill grace from a power, which, by its action in recent days, apparently has prejudged the question under consideration and, in so doing, has made it evident that its interest in taking into consideration views of other interested Govts can only be regarded as pro forma.

If deadlock continues, US Deputy may accept text draft letter quoted Itcol 111 provided dates of hearing changed to May 1 to 15. If this not accepted, he may move for adjournment until May 1.

US Deputy should not support any proposal, such as that suggested by French, which might lead to three Powers holding hearings other interested Govts outside framework CFM and DepItcol. Dept feels this could only lead to Soviet charge that Three Powers ignoring procedure laid down by Italian Peace Treaty. Such charges might have considerable appeal to Italian electorate and prejudice our position in Italy.

MARSHALL

¹ Itcol 110, supra; Itcol 111, not printed; it would have permitted the interested governments to present their views before the completion of the commission’s reports, but after the Italian elections (865.014/2-2648).
² Dated February 20, p. 898.
SECRET         US URGENT

PARIS, March 4, 1948—8 p. m.

1167. As pointed out in my 1159 March 4, Bidault is very seriously worried about the situation in Italy. While he agrees completely with the views set forth in the Department's 663 March 2, and said that France would do all in its power to bolster Gasperi government, said he disagrees with our present stand on the colonial problem and thinks that we are being "very unrealistic." He said that he is convinced that some form of combined US, UK and French support of the Italian thesis on the colonies is more important than anything else to bolster the Gasperi government and disarm Communist propaganda in vital pre-election period. He went on to say, "if time were not of the essence and if the question were largely intellectual and theoretical he would agree with your position that until the four-power study on the Italian colonies has been completed the US, Britain and France should not express an opinion. However, the problem is not theoretical but very real. In the first place the Communists are launching a major assault on Italy, and despite the fact that the four-power study is not complete the Soviets have already come out in favor of the Italian thesis, thus putting the rest of us on the spot. Every day that we permit the Communists, through their powerful propaganda machine, to continue to hammer away on the Italian people that it is the US and Britain which wish to deprive Italy of her colonies whereas Soviet Russia wishes to hand them back, that many more votes will be lost. The time has come when in my opinion it is essential that US, UK and France find a suitable formula on the colonial issue which will take us off the spot." He said, "When your next door neighbor lives in an adjoining house and his quarters catch on fire there are two courses of action: one is to aid him to put out the fire with any means at your disposal, in the certain knowledge that your dwelling will go up in flames with his. The other course of action is to hold that you do not have proper firefighting equipment and do not know how and that it is the proper function of the municipal fire brigade to put out the fire since nothing can be done until the firemen arrive. Your position, that no formula can be found on the Italian colonial problem before the

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1 Not printed.
2 Georges Bidault, French Minister of Foreign Affairs.
3 Not printed; it stated that the United States shared the concern of the French Government over the Italian elections and desired a concerted action to aid the De Gasperi government (865.00/3-248).
4 Alcide de Gasperi, Italian Prime Minister.
5 The Italian thesis was that all the colonies should be returned to Italy as trusteeships.
completion of the four-power study, appears to me to be similar to the second course of action outlined above."

Sent Department as 1167, repeated London as 150, Rome as 98, Moscow as 74 and Berlin as 83.

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865.014/3-648: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET URGENT

ROME, March 6, 1948—7 p. m.

982. Paris telegram 1167 of March 4 to Department repeated Rome as 98. We entirely agree with Bidault's appraisal importance of Italian colonial issue on forthcoming national elections Italy and his realistic view that positive prompt action by US, UK and France is essential to meet in some measure Communist election propaganda based on recent Soviet declaration policy. Embassy, therefore, submits for Department's urgent reconsideration our earlier recommendation for immediate statement of US policy (in concert with UK and France if possible) which would be no less favorable to Italians than colonial position recently taken by USSR (see Embtel 707, February 17 and 736, February 19). Such action would, of course, be far more effective than formula contained in Embassy's later telegram 881 of March 1 submitted in light of Deptel 477, February 20.

Sent Department as 982; repeated London as 94; Paris 131.

Dunn

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865.014/3-1148: Telegram

The United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman) to the Secretary of State

SECRET

LONDON, March 11, 1948—6 p. m.

1004. Itcol 117. Twenty-fourth meeting DepItcol held yesterday afternoon with Gallman presiding. Record twenty-third meeting approved.

Deputies considered French proposal for scheduling hearing of interested governments without reaching any agreement. Prior to meeting Embassy officer obtained British support for US position as in-
structed in Colit 62. At meeting Zarubin, while agreeing in principle to French proposal, refused agree paragraph seven that proposal and insisted all hearings should be completed by April 7. UK and US deputies noted that Soviet had not changed position nor made any new proposal. In view Soviet intransigence French plea for reconsideration was ineffective and US and UK deputies maintained position that no hearings should begin until May 1 in order allow interested governments receive reports on Eritrea and Italian Somaliland. Deputies decided to report their inability agree on timetable of hearings to their respective governments. Thus question was temporarily shelved although it remains on agenda for consideration at some future meeting deputies.

Recent note from Italian Government to deputies concerns subject of hearing views of Italian refugees from former colonies now in Italy. Last November deputies asked commission for its views on this subject and commission postponed its decision until reaching Libya (document IC 85). Deputies decided to inform Italian Government that they agreed in principle to hearing views Italian refugees and were consulting with commission on best means obtaining those views. Deputies also decided to ask commission its view of Soviet proposal to hear Italian refugees by sending one representative each delegation in commission to Italy for that purpose after commission completes work in Libya. All deputies expressed general approval this proposal subject to receiving views of commission on its practicality.

Secretary General yesterday received memorandum from Italian Government presenting its views on Libya. Since deputies had previously sent similar Italian memoranda on Eritrea and Italian Somaliland to commission it was agreed send this memorandum on Libya to commission also.

Deputies considered recent letter from commission concerning security of persons testifying before commission. Letter refers to requests made by several political organizations in Mogadishu to have commission leave observer in territory to see that public order was respected and that reprisals were not taken against any persons or groups. Since this matter was outside scope of commission it advised deputies of requests. Deputies agreed matter was outside their functions and powers as well and that maintenance of public security was responsibility of government administering territory. Therefore, deputies

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1 Not printed; the French proposal suggested that hearings begin March 17 and end May 14. Colit 62 instructed the U.S. Deputy to delay all hearings until May 1, since the satellites would support the Soviet position, while the other interested governments might embarrass the Western Powers with their views (865.014/3–948).

2 Not printed.
decided forward letter to British Government for its information without any comments. Commission will be informed that its letter this subject is being forwarded British authorities.

English text commission's report on Eritrea received by Secretary General few days ago and was circulated to deputies March 9. French and Russian text will not be received and reproduced before March 20. Since commission has not yet agreed on appendices to be included in report copy English text appendices may not be sent deputies for about three weeks. French and Russian translations appendices will have to be done in London and since they comprise some 200 pages Secretary General considers entire job translation and reproduction may not be completed until about May 15. US, UK and French deputies generally agreed that report as received should be sent all interested governments as soon as French and Russian translations ready in order allow interested governments as much time as possible to study report before presenting views. They also thought appendices should be distributed whenever they are completed. Zarubin took contrary view and declared report should not be sent to any other interested government until all of report, including appendices, had been received and translated. Zarubin used paragraph five, document IC 29 as argument for saying reports should not be distributed until they were completed, and pointed out that secretary of commission, in letter covering report, stated “no date can be given for completion of appendices to Eritrea report as agreement has not yet been reached regarding materials to be included.” In view delay appendices, Zarubin contended, interested governments would not receive report before hearings even if hearings did not begin until May 1. Faced with this pronounced disagreement, deputies postponed further discussion re distribution report until after deputies and their governments had studied report.

Deputies did not discuss chapter of Eritrea report on results of investigation wishes of inhabitants on which commission was unable to agree. Secretary General has received draft texts this disagreed chapter with statements delegations in commission which are being reproduced for circulation to deputies. Copies will be forwarded to Department as soon as possible.

Gallman, as chairman, summarized discussion and noted items retained on agenda: hearings interested governments; hearing Italian refugees; and report on Eritrea. Gallman then stated next meeting could be held after deputies have further considered these subjects and have consulted their respective governments, and thus next meeting could be held whenever the deputies desired. Zarubin objected such

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*Not printed; for text, see Four Power Commission of Investigation for the Former Italian Colonies, Official Reports, 3 vols., 1947–8.

*Not printed.
procedure might postpone next meeting for weeks or months. But French deputy, who will be next chairman, stated they would request meeting next week.

French informed us privately they want deputies at next meeting to instruct commission to investigate boundary questions concerning French territories and Libya in regions of: west of Nalut, Gadames, west of Gat, Tummo, and northern Tibesti.

Gallman

863.014/3-1148: Telegram

The Secretary of State to the United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman)

SECRET NIAC'T

Washington, March 17, 1948—6 p. m.

942. Colit 63. Dept approves principle hearing views Italian refugees in Italy after Commission's visit Libya (Itcol 117), but is apprehensive Soviets might endeavor obtain agreement Commission's sending delegation to Italy before Italian elections for propaganda purposes. If Soviets should make such proposal, U.S. Deputy should firmly maintain position visit Italy should not take place until after Commission has completed investigations Libya in order not interfere efficient functioning commission.

Sent London as 942; repeated Utter as Ficus 19; and Rome as 724.

Marshall

1 Supra.

863.014/3-1848

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Forrestal)

TOP SECRET


In accordance with the memorandum from your office dated 11 March 1948,¹ the Joint Chiefs of Staff have considered an enclosed letter from the Secretary of State dated 10 March 1948 ¹ in which he requests the views of the Joint Chiefs of Staff concerning the matter of disposition of the former Italian colonies in Africa, together with a statement as to whether their opinion of 8 July 1947 on the subject (SWN-5543)² remains unchanged.

The views set forth in SWN-5543 are applicable to all former Italian colonies in Africa and are unchanged. In summary form, they may be restated as follows:

² Not printed.

a. No disposition of the Italian colonies giving the USSR either unilateral or joint control of any colonies is acceptable.

b. No disposition of Italian colonies giving a Soviet satellite, or a non-satellite communist government, control of any Italian colony is acceptable.

c. It follows from subparagraph b above that Italy should not be allowed to resume control of any of her colonies unless it has previously become clear that Italy’s government will remain non-communist.

d. Even in these circumstances (subparagraph c above), there should be no resumption of control by Italy unless, for maintenance of peace in the colonies, she is allowed appropriate increases in the armed forces granted her by the treaty of peace.

e. For the successful implementation of British strategic policy in the Middle East and eastern Mediterranean, which area is of great and mutual strategic importance to the United States and to the United Kingdom, it is increasingly important that British armed forces have the bases in that area necessary for effective operation. Thus it is, for example, essential that the British, rather than the Italians, have control of necessary Libyan bases.

With respect to subparagraph e above, the Joint Chiefs of Staff would point out that the United States recently concluded agreements with the British for certain rights to air facilities in Libya, which may become increasingly essential to support of United States policies in the Mediterranean. Other areas of Libya may also acquire greater importance in British and/or United States strategic policies.

While the Joint Chiefs of Staff believe that, from the military point of view, the United States does not have appreciable specific interest in Eritrea or Italian Somaliland, it would be most desirable to support the British in attaining, with respect to these colonies, their military requirements, consisting of rights for use of military bases, communications and areas essential for the security thereof.

It is highly important that a friendly government be maintained in strategically important Italy and that friendly relations be regained, and thereafter maintained, with the Arab states, because of the significance of Italy and the Arab states in assuring us access to the militarily valuable Middle East oil resources.

It would appear, however, that raising the question of disposition of Italian colonies at this time would serve neither of these objectives, since the Arab states are opposed to the return of the colonies to Italy, and since Italy would be satisfied only with resumption of her own control, which is, if military considerations are given full weight, impracticable.

For the Joint Chiefs of Staff:

WILLIAM D. LEAHY
Fleet Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Armed Forces
865.014/4–3048: Telegram

The Secretary of State to the United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Gallman)

SECRET

WASHINGTON, April 30, 1948—5 p. m.

1548. Colit 69. When question distribution Commission’s reports and hearing views other interested governments discussed next meeting Depitco (Itcol 124),¹ US Deputy should generally endeavor take positions best calculated meet reasonable desires those governments whose support will be valuable if matter goes UNGA.

With regard distribution reports, Dept prefers continue take position outlined second pgh Itcol 121 and Colit 66.²

Re hearings other interested governments, Dept prefers revert our original position that presentation views before receipt Commission’s reports should not be considered condition precedent to presentation supplemental views after receipt reports. It might be pointed out matter now somewhat academic in view fact Eritrean report ready for distribution and Somaliland report should be ready soon. We might therefore suggest that hearings be scheduled on following basis:

1. Deputies should hear as soon as possible any other interested govts that may wish be heard at this time;
2. Any govts heard now may present supplemental views after having studied report on Libya;
3. Any govts not wishing be heard now may present views after having studied report on Libya.

Please discuss foregoing with your Brit and French colleagues with view towards coordinating your positions before meeting if possible.

Dept agrees undesirability any of Western Powers precipitating break-down meetings and is prepared accept reasonable compromises on foregoing procedures.

MARSHALL

¹ Not printed.
² Neither printed; they supported the proposal for the immediate circulation of the Commission’s reports to allow the interested governments sufficient time to present their views based on the reports (865.014/3–3048).

865.014/5–648

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Lovett)

TOP SECRET

[WASHINGTON,] May 6, 1948.

Subject: Discussions with British on Former Italian Colonies.

Problem

To decide whether, in the light of the current situation in Palestine and the resulting unrest in the Near East, we should comply with the
British suggestion that further Anglo-American talks should be held in the near future on the disposal of the former Italian Colonies.

Discussion

On April 20th, Mr. Dennis Allen, Counselor of the British Embassy, suggested informally on instructions from Michael Wright in the Foreign Office that further talks between the British and American Governments should be held “at a fairly early date” regarding the future of the former Italian Colonies. I replied at that time that we would be glad to consider this suggestion and that I would take the matter up with the interested officials in the Department. I added, however, that I was extremely pessimistic about the general situation in the Near East and that it seemed pointless for us to discuss at this time problems like the Italian Colonies while developments in Palestine were nullifying all of our efforts in the Near East. I expressed some doubt as to whether there was any point in discussing the Colonies until a better idea was obtained as to what would happen in Palestine.

The Four Power Commission of Investigation will have completed its field investigations by May 23rd, at which time it will return to London in order to write its report on Libya. After the report has been completed and studied by the Four Powers, the Deputies will proceed to discuss the future of the territories. It is probable that this will take place the latter part of June or early July and it will be necessary for this Government to be prepared with its final position on the matter at that time.

Recommendation

In view of the foregoing, it is recommended that I be authorized to talk to Dennis Allen along the following lines:

“We have carefully considered Michael Wright’s informal suggestion that further talks be held between our two Governments regarding the future of the Italian Colonies. As I told you on April 20th, however, we think that it would be useless to discuss this matter until a better idea can be obtained as to what will happen in Palestine. Moreover, we are still in the process of formulating our own tentative position on this subject. Although we realize that there is an important time factor in this situation, we feel that it would be better to postpone further talks until after we have had an opportunity to observe how the Palestine situation develops and to clarify our own thinking. Before adopting a final position, we do, however, wish to discuss the matter with the British Government in detail.

“The Four Power Commission of Investigation will complete its field work on May 23rd at which time it will return to London to write its report on Libya. Based on experience to date, it would seem unlikely that the report will be finished before the latter part of June. We are

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1 For documentation on the Palestine question, see volume v.
tentatively giving ourselves until the 1st of July before we have to take a definite position in the Deputies' meetings regarding our proposals for the future of these territories. If any of the other Powers involved should suggest that the actual problem of the disposition of the territories should be discussed before that time, we would take the attitude that we require at least until July 1 to study the report on Libya. We hope that the British Government will support us in this point of view.

"Assuming that we shall have until July 1 before having to take a definitive position, we wish to suggest that the talks should be held during the week of June 7th. Due to preoccupation with other problems, it would be very difficult for us to send anybody to London and we would, therefore, prefer to have the talks held in Washington.

"We understand that Sir Noel Charles informally suggested to Mr. Gallman the desirability of holding joint Anglo-French-American talks on this subject. We are in accord with the desirability of such talks and suggest that they should be held as soon as possible after the conclusion of the Anglo-American talks".

L. W. H[ENDERSON]

865.014/5-2148: Telegram
The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET

LONDON, May 21, 1948—6 p.m.

2199. In informal conversation today Scott Fox spokes as follows re Libya:

1. While Foreign Office thinking is “fluid” re Eritrea and Italian Somaliland, it is firm re Cyrenaica. Conviction is growing in Foreign Office, however, that British Government can only develop Cyrenaica properly and peacefully if British Government takes on in addition to Cyrenaica Trusteeship for Tripolitania. According Scott Fox, taking on Tripolitania will be thankless and expensive task but British Government sees no other government on horizon as locally acceptable as itself, unless it be US Government, although recent developments re Palestine may have reduced latter’s local acceptability.

2. Speaking personally, Scott Fox said British Government has tried unsuccessfully to convince French Government that any attempt by Italians to reinstate selves in Tripolitania would “create another Palestine”. As solutions French Government would prefer see Tripolitania first under Italians, second under French, thirdly under British and (least acceptable of all to French Government) independent.

1 R. D. J. Scott Fox, Assistant Head, Egyptian Department, British Foreign Office.
3. Scott Fox believes that in any US-British talks on subject, His Majesty's Government would endeavor convince US Government of firm conviction of HMG that interests of all concerned will suffer through any attempt get Italians back into Tripolitania. Guerilla warfare trip [sic] would adversely affect British base Cyrenaica and provide "wonderful opportunity for USSR which probably had this in mind in advocating return of Tripolitania to Italians".

4. French Government, said Scott Fox, appears determined not to believe British Government predictions and in consequence "only US Government can convince the French". Best strategy in this connection should be discussed. (Dept's 1814 May 19).*

5. Asked whether Egyptian Department Foreign Office is encountering difficulties in persuading Foreign Office officials dealing with France and Italy of validity its views, Scott Fox said that there is now full agreement in Foreign Office "although our Rome Embassy doesn't like it".

6. Replying to Embassy officers inquiry, Scott Fox said that question as to whether British Government as trustee for Libya would have right to grant base to another power was put recently to Foreign Office legal Department. Legal Department has just expressed view that trustee powers, under a clause comparable Tanganyika Defence Clause would have right to grant base to third power.

Douglas

*Not printed.

865.014/5—2948: Telegram

The Ambassador in France (Caffery) to the Secretary of State

SECRET

Paris, May 28, 1948—4 p. m.

2849. From Utter USfic 49. During three day visit Rome heads delegation FIC Commission heard eight organizations of former residents in Italian colonies, including group Libyan Moslems mostly employed in Italian Colonial Office, and visited two camps near Rome. While publicity given commission’s visit no incidents occurred. All persons interviewed wish return to former homes and naturally expressed desire for Italian trusteeship. Only useful purpose served by visit was to placate Italian authorities and refugees by registering latter's views. Many publications and memoranda submitted, avidly received by French who will doubtless endeavor incorporate
them in Libya report. Soviets show little interest in investigation.¹ [Utter.]

CAFFERY

¹ In telegram 2138 from Rome, May 11, not printed (865.014/5-1148), Ambassador Dunn had warned that a visit of the Field Investigation Commission to Italy would adversely affect the position of the United States in Italy. The United States, nevertheless, in telegram Ficus 26 to Benghazi, May 13, not printed (865.014/5-1348), agreed to have the Field Investigation Commission visit Italy, but instructed its representative, Utter, to maintain close contact with Embassy Rome and avoid any incidents.

865.014/6-348: Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET

LONDON, June 3, 1948—1 p. m.

2430. USfie 51 from Utter. The following are our recommendations on the future of Libya:

The unity of Libya is not indispensable, although it would doubtless be advantageous economically to the inhabitants. While the Tripolitanians could probably be persuaded to accept Idris as Emir, their failure to ask for him at the time of the commission's visit indicates an important difference in the political outlook of the two territories. The Cyrenaicans are united in their devotion to the Senussi House and look forward to a hereditary monarchy, benevolent but authoritarian in nature, on the traditional Arab model. In Tripolitania, where urban life and sedentary agriculture are more important, the inhabitants look forward more to a constitutional government on European lines. They would probably accept the Emir as a monarch with limited powers, but not his heirs. If complete unity under one administration were imposed from the outside, it would certainly be a source of future trouble and the question had best be settled by free negotiations between the leaders of the two territories. Probably the Tripolitanians would refuse to accept the Cyrenaicans' wish for a Senussi hereditary dynasty.

In both territories independence has become the ruling passion. Trusteeship is in bad order and is regarded as a disguised form of colonialism. Italian trusteeship would certainly lead to serious troubles in both territories, and more especially so in Cyrenaica where the tradition of resistance is still strong. How serious in Tripolitania would depend on the military competence and political skill of the Italians. We are not in a position to judge the former but our experience in the colonies and in Rome has given us grave doubts of the latter. It should be recalled that the original Italian conquest was never completed by
democratic Italy and took the Fascists eight to ten years. Even the return of the Italian farmers to Cyrenaica under the aegis of another power would be vigorously opposed since they occupied most of the best land. Italians are definitely personae non gratae in Cyrenaica. Perhaps the most the inhabitants of Tripolitania would accept is a limited immigration of Italian technicians if it were quite certain that there would be no harmful political consequences.

American trusteeship, we consider, would be acceptable in Tripolitania and perhaps in Cyrenaica as second best.

We believe it would be preferable, however, for both territories to be granted independence after a very brief period of a few years, of preparation under Great Britain without international supervision. While the inhabitants are certainly not fully able to govern themselves, they would not be unwilling to accept outside assistance after independence is achieved and indeed in Cyrenaica the people take it for granted that they would be aided by their ally, Great Britain. If the US and UK were to support such a solution, the gain in good will, both in Libya and in the Arab world, would more than outweigh, we believe, the undoubted loss of administrative efficiency and would serve as a lasting basis for our friendship with those peoples. It would, moreover, help to offset the hostility in the Arab world which the US has incurred over Palestine. Moreover, the strategic interest of the US and the UK might more easily be achieved through treaties of alliance and assistance with independent governments than through trusteeship agreements. While it is for the Department to judge, we might suggest that American public opinion would probably support an American alliance with an independent Tripolitania much more easily than American trusteeship and thus a foothold in the eastern Mediterranean could be obtained.

If the Department should decide to support British trusteeship, we still believe that it would be advisable (as a tactical measure in order to obtain the good will of the Libyans) for the US and UK Deputies to advocate at the outset independence after a brief delay. The French deputy can be counted on to insist that a long period of preparation will be necessary, and British trusteeship can be our second proposal. It has occurred to us that joint UK–US trusteeship of Libya (with British administration over Cyrenaica and US over Tripolitania) might be practicable and desirable, although we have given no thought to the details.

As far as the Fezzan is concerned, we see no justification for giving it to France. It would be economically irrational and detrimental to the inhabitants and would surely lead to Tripolitanian irredentism. The French proposals for frontier adjustments seem to indicate that
they are not confident of obtaining trusteeship over the whole of the Fezzan. We see no particular objection to giving them the region of Ghat (see USIfc 31) and the uninhabited area south of the Tropic of Cancer, but US support of these changes might well be used for bargaining. In Ghadames, Tripolitanian nationalism is strong and west of Nalut French efforts to win over the inhabitants do not appear to have achieved success. (See USIfc 31.) Nevertheless, the population involved is small and the point might well be conceded if really necessary to obtain French support for our position.

The frontier changes desired by Egypt have no basis whatsoever. (See USIfc 44.) [Utter.]

DOUGLAS

1 Not printed.
2 Not printed; in it Utter outlined the Egyptian claims to Massawa, Bardia, the Bay of Sollum and the areas around Djarabub (865.014/5-1648). In August Egypt dropped its claims to Massawa.

865.014/5-2548 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET

WASHINGTON, June 11, 1948—6 p. m.

2198. Embs A—1124 May 25, 1 Dept giving thought question CFM on Italian Colonies. While no decision has been reached, Dept does not consider personal meeting of Foreign Ministers is required by terms Peace Treaty on following grounds:

1. Pgh 4 Annex XI is only section Peace Treaty which mentions CFM in connection Ital Colonies. All other pertinent parts Art 23 and Annex XI speak of decisions by Four Powers or Four Govts.

2. Protocol of Proceedings establishing CFM at Berlin Conf makes it evident Council set up “to do the necessary preparatory work for the peace settlements”. Fact that FonMins could not attend personally at all times recognized by provision for appointment of high ranking deputy duly authorized carry on work of Council in absence his FonMin. Council also authorized adapt its procedure to particular problems under consideration.

3. In view provisions Berlin protocol, CFM considered to be an organizational unit for handling appropriate matters in connection peace settlements rather than exclusive body consisting of FonMins themselves. It would therefore not appear necessary for FonMins to meet personally to consider DepItecols recommendations which could be submitted instead to Joint Secretariat of CFM and then distributed to Foreign Secretaries through their deputies. Such a procedure would

1 Not printed.
conform letter and spirit Pgh 3 Art 23 which provides that final disposal these possessions shall be determined jointly by govts of Four Powers.

Dept emphasizes no decision yet taken re attitude it will take if question meeting FonMins raised.

MARSHALL

865.014/6—1948: Telegram

The Secretary of State to the United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Douglas)

TOP SECRET

WASHINGTON, June 22, 1948—4 p. m.

2334. Colit 72. Principal reason leading Dept to indicate in response to Fonoff suggestion it would be glad hold further conversations with Michael Wright at this time was belief that Deputies would begin discussion actual disposition of territories involved about middle July (Emtb 2714 Jun 19).¹

It now appears Commission will not complete report on Libya until Jul 6 and suggestion was made in 28th meeting Defticotl² that timetable be changed so that Deputies would not begin preparation reports until about Aug 2. This revised timetable would greatly facilitate Depts immediate task in finalizing its position. US Commissioner should therefore discreetly take all possible steps to ensure that report on Libya not completed until Jul 6 at earliest and US Deputy should continue insist on revision timetable suggested Itcol 136.³

While the risk that Wright's presence in Washington would lead to undesirable publicity connecting his visit with Palestine does not seem very great, we recognize that this risk does exist. We are therefore informing Britemb of foregoing instructions to US Deputy and Commissioner and adding that in view this development, we would prefer postpone talks with Michael Wright for further period three weeks, at which time our position should be more developed and conversations more fruitful. We are suggesting they might be held week Jul 11, which should leave sufficient time for review of position in case of divergencies and for talks with French before having take position in Deputies meeting about Aug 2. We would also prefer defer decision as to whether talks should be held Washington or London until about a week before that time. Meanwhile, we would greatly appreciate Brit support in working for revised timetable.

¹ Not printed.
² June 16, 1948; the suggestion was made by Utter.
³ Not printed; the revised timetable called for: July 17, dispatch of report on Libya to interested governments; July 27—August 1, hearings of interested governments; August 2—11, preparation of the Deputies’ report; August 12, presentation of report to the Council of Foreign Ministers.

279-375—74—59
Although Dept feels it has well-rounded picture Brit ideas on Libya, it has had no recent indication Brit thinking on Eritrea and Italian Somaliland. It would be of greatest help to Dept if it could obtain indication Brit thinking these territories soonest possible, particularly whether Brit attach any strategic importance either territory. 

MARSHALL

865.014/6-2848: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET URGENT

ROME, June 28, 1948—noon.

2798. Following is my estimate repercussions in Italy re US action disposition Italian colonies as outlined Deptel 1726 June 24.1

1. Question of Italian colonies is one which is as fundamental to all Italians as is that of Trieste. US policy re disposition these territories must take that fact into consideration. With exception of Trieste there is no other single issue upon which Italian people are so completely united. Embassy’s reports Italian press reaction must surely show the deep emotion with which this subject is viewed from extreme left to extreme right. The hysteria over the Mogadiscio massacre and the resentment against Great Britain were shared without exception by every Italian. Italian emotion re colonial question is the result of some fifty years of national effort to acquire colonies. It is accentuated by the years of hardship and sacrifice Italy has expended towards that end. The almost pathological Italian attitude towards Italian Colonies must be regarded as a deep seated fixation and not a temporary phase of emotional development subject to change or palliation.

2. Any such disposition of Italian Colonies as outlined in NSC working paper 2 would consequently have a far reaching effect upon Italian-American relations as well as Italy’s relations with Western Europe. In Italian eyes a solution which placed under British trusteeship the major portion of the former Italian Colonies would be an act of cynical betrayal ruthlessly perpetrated by her “friends” to satisfy British imperial policy and made possible at this time because of Italian military weakness. The repercussions would be tremendous to every section of Italian opinion and American support of a proposal of such kind would not only be vehemently denounced but also would be unanimously regarded as an American sellout of legitimate Italian interests to accommodate Great Britain.

1 Not printed; it proposed the following: Libya—British trusteeship; Eritrea—divided between Anglo-Egyptian Sudan and Ethiopia; Italian Somaliland—Italian trusteeship (865.014/6-2148).

2 The NSC working paper was outlined in telegram 1726; see footnote 1.
3. In estimating these repercussions we must keep in mind that the Communists were able to carry with them on April 18 over 30 percent of the population despite the effect of such issues as the church, American bread, and Trieste. The Communists in the elections were unable fully to capitalize on the colonial issue, notwithstanding Soviet and satellite statements favorable to Italy, because in the absence of an American declared position the average Italian felt confident that Americans would in the end be favorably disposed toward Italy on this issue, as are the French, and that the British alone would not be an insurmountable obstacle. Italian public opinion is totally unprepared for US support of British trusteeship and the eight million Communist and fellow-traveller voters are in need of just such an issue to justify an all out attack on the government. The popular strength of the government itself is based upon general acceptance by its supporters of the thesis that it is in Italy’s interest to align herself with the forces of western democracy and ERP and to resist eastern Communist hegemony. Disposal of the Italian colonies to British trusteeship would provide a possible mortal blow to the government’s popular position vis-à-vis the Communists.

4. If US were sure a definitive solution of this problem would be made possible by US support of the proposals under consideration it might be argued that repercussions in Italy should be regarded as a necessary risk. Since the Soviet and French positions are favorable towards Italy it seems that the proposed US action will not achieve a definitive solution. Therefore without the likelihood of accomplishing the desired end, we would embark on a policy that would strike at the foundation of American relations with Italy. We would run a serious risk of sacrificing the considerable success we have achieved in our relations with Italy at the expense of the most strenuous efforts during and since the war.

5. I venture to submit for the Department’s consideration that any final formulation of US policy in this matter should be postponed until we have reached final conclusions as to our strategic requirements in that area. Once those interests are clearly defined and agreed to by the government departments concerned they will of course, form the basis for any subsequent development of policy. It would then be my recommendation that we should fully consider the feasibility of the new Italian proposal to Great Britain reported in my 2694 of June 19, with particular reference to Tripolitania, Eritrea and Somaliland. Should the Italian suggestion prove unacceptable the alternative would seem to be a form of joint Italian and United Nations trustee-

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*a* Not printed; this proposal suggested the return of all the colonies to Italian trusteeship “… provided it were acceptable to the inhabitants.” (865.014/6-1948)
ship or independence with due regard to Italian interests such as equal facilities with other nationals for immigration, trade and agriculture. It is my duty to warn the Department that US support for British trusteeship over the former Italian colonies must be avoided under all circumstances unless we are prepared to risk jeopardizing both our Italian policy and the struggle of the present Italian Government against the Communists, which struggle as the Department knows, is by no means decided.

Dunn

865.014/7-248

Memorandum of Conversation, by the Under Secretary of State (Lovett)

SECRET

[WASHINGTON,] July 2, 1948.

Participants: The French Ambassador
        The Under Secretary
        Mr. Schwartz, AF

Mr. Bonnet called on instructions of his Government to discuss with me the question of the former Italian Colonies. He said that his Government wished to exchange views with the American Government, and with the British Government, before the Deputies to the Foreign Ministers began discussing this subject in London.

The Ambassador said that the French Government had no strong views on Italian Somaliland and Eritrea and felt that the disposition of these two areas could be resolved without much difficulty, probably by returning them to Italy but with border rectifications and a corridor to the sea for Ethiopia.

The important problem, according to Mr. Bonnet, is concerned with Cyrenaica and Tripolitania and he based the following French argument in favor of the return of these two areas to Italy on the belief of the French Government that Great Britain wishes to make them independent:

1. Tripolitania and Cyrenaica play an important part in the internal Italian political picture. If they are not returned to Italy, it will be a blow to the Government and provide ammunition for the communists. Italy needs some place to send part of her excess population. France wishes to help Italy morally and economically.

2. Italian settlers were driven out of Cyrenaica in 1941 and, as a result, the economic life of the country, which flourished under the Italians, has been ruined and the farms are in bad condition. If Tripolitania were made independent the same results would occur because the Italian residents would certainly be driven out.

1 Henri Bonnet.
3. The strategic interests of Great Britain and the United States could not be provided for if these areas were made independent because it would be impossible to make the necessary arrangements with the Arabs. Furthermore, independence would result in chaos which would be harmful to the security of the Mediterranean area. Mr. Bonnet brought up and dismissed the argument that the return of the Italians would result in an Arab revolt by saying that the competent French experts on the subject did not believe disturbances would take place if the British turned over the administration to the Italians in an orderly fashion and in good faith. There might be some trouble in Cyrenaica but not in Tripolitania. He made it clear that the French felt much more strongly about the Italians having Tripolitania than Cyrenaica and the French line on this point seems to be that the Italians must have "at least" Tripolitania.

I speculated that if we returned Tripolitania and Cyrenaica to Italy and Mr. Togliatti 2 subsequently gained power in Italy, we would, in effect, have presented the Russians with control over a very important part of North Africa. Mr. Bonnet's reply was that the area would come under the general supervision of the Trusteeship Council and that all political moves involve some risk.

I explained that although we were interested in hearing the French views on this subject, we had not as yet reached a firm decision. The Ambassador said that his Government wanted to make its views known to us before we reached a final decision and offered to have experts of the Foreign Office meet with the appropriate officials of the State Department either in Paris or Washington as soon as we were in a position to carry on discussions.

2 Palmiro Togliatti, Secretary General of the Communist Party of Italy.

865.014/7-1548 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET

LONDON, July 15, 1948—4 p.m.

3203. 1. I have now received the following informal communication from Bevin (reference Embtel 3098)¹ in extension of his views:

"You will recall that when you came to see me on Saturday morning you raised with me the question of the former Italian colonies and said that the United States Government were most anxious to avoid a meeting of the CFM in this connection, and I promised to let you have a note of my views on this as soon as possible.

"As I told you on Saturday, it has always been my understanding that the disposal of the former Italian colonies would have to be

¹ Not printed; it reported Bevin's preliminary views on the convening of the Council of Foreign Ministers (865.014/7-1048).
discussed by the four Foreign Ministers unless all four powers were agreed that no meeting need be held. There is no doubt that it was the intention when Annex XI of the Italian peace treaty was drafted that this meeting should take place, and the wording of paragraph four of the annex seems to us to leave no reasonable doubt that this is the meaning of the treaty.

"The possibility of all four powers agreeing that no meeting should be held seems remote. We can expect the Russians to press for a meeting. I feel that it would be a mistake on our part to refuse to take part in or evade such a meeting although it might reasonably be stipulated that in view of the delays which the deputies time-table has suffered, it cannot now be held until the beginning of September. Any discussions about the ex-Italian colonies would, of course, in any case have to be completed by the fifteenth of that month when the matter passes out of the hands of the Foreign Ministers and comes into the province of the General Assembly. If we were to try to get out of the meeting, it would land us in a procedural wrangle with the Soviets which I am anxious to avoid. Our ground would not be a strong one, and the Soviets would no doubt try to exploit our attitude in the subsequent discussions in the Assembly. They would allege that we were guilty of a breach of the peace treaty, and it might even give an opening for another power to justify breaking the treaty in some quite unrelated matter if they wished to do so.

"I would suggest that this question might be gone into further between the experts of our two governments who are meeting here in a week’s time to discuss the former Italian colonies question."

2. It appears to me that, while the intent of paragraph four of Annex XI Italian peace treaty was that a meeting of the CFM should be held, the wording of the paragraph does not absolutely require it, especially if, as is likely, the deputies do not agree on recommendations.

3. However, the legal case can be argued both ways, and I presume that only if our objections on political grounds are strong enough, can Bevin be persuaded to change his views. The attitude of the French on this question may carry weight with him. There is already a minority school of thought in Foreign Office on our side and I am certain that Bevin will consider carefully anything more which we may have to say on this subject. Although I can imagine most of the objections, I should appreciate receiving a more detailed statement of the Department political objections to a CFM meeting so that I can discuss the matter further with Bevin.

4. While I agree this question can usefully be discussed by experts here next week it involves what is essentially a high level decision on political grounds and the best the experts can do will be to set forth the pros and cons upon which we ourselves, the British and the French will take a decision.
5. We have also talked with the French Embassy here and they were unaware of Chauvel’s answer to Caffery (reference Paris telegram 3640). They stated that their preparatory studies led them to believe that a CFM meeting for Itcol was legally necessary.

6. While political question may be paramount the legal considerations would also be helpful.

Sent Department 3203; repeated Paris 3811, Rome 156.

Douglas

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265.014/7-1348: Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET

WASHINGTON, July 15, 1948—8 p. m.

2757. Dept concurs Wright’s suggestion US–UK talks merge into US–UK–French talks beginning either Jul 23 or 26 in London (London’s 3140). It may be necessary thereafter to talk to French in Paris also in which case Palmer would proceed France for conversations Emb and Fonoff. Re London’s 3206 1 would appreciate your attending meeting and you should in your discretion designate Utter and Jones or any other officers you wish to complete US team. We approve Wright’s suggestion that at least earlier stages of talks should be limited to representatives Fonoff and Dept. We understand that minutes will not be kept. We are not sending reps Military or other Govt Depts.

Deptel 2198 2 contains full summary legal arguments (London’s 3098) re lack necessity personal meeting Foreign Ministers. This is one of subjects Palmer will discuss in London with both Brit and French. Re Paris’ 3672 3 it should be reemphasized to Chauvel that as pointed out Deptel 2169 [2610] to London (2526 Paris) 4 our objection to a CFM meeting on Italian Colonies is impossibility preventing Soviets from raising German question. If it subsequently became desirable hold CFM meeting on Germany and meeting were called for that purpose, we would have no objection to discussing Italian Colonies.

Marshall

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1 Not printed.
2 Dated June 11, p. 914.
3 Not printed; in it Caffery reported that Chauvel felt the U.S. legal arguments against the convening of the CFM were weak (865.014/7-1348).
865.014/7-1748: Telegram

The United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Utter) to the Secretary of State

SECRET

LONDON, July 17, 1948—5 p. m.

3247. Itcol 142. Thirtieth meeting DepItcol held yesterday Sir Noel Charles RN [UK?] presiding, Zarubin Soviet, Massigli French and Utter US.

The agenda was restricted to discussion of the timetable of the deputies, and the differences in views were the same as that the previous meeting reported in Itcol 139.\(^1\)

It was agreed that hearings would be held from July 29—August 7 inclusive and the secretaries were instructed to draw up the timetable for hearings. Interested governments may present views in writing through August 7. No agreement could be reached on a date for the completion of the work of the deputies, which has been left open.

A Soviet draft letter and notes on procedure for the presentation of written and oral supplementary views were amended and approved for dispatch on July 17. No date was fixed for the next meeting.

The secretaries met this morning and agreed on the following schedule for hearings:

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[Utter]

Editorial Note

From July 19 to July 22 officials of the United States (George L. Jones, Joseph Palmer, John E. Utter) and the United Kingdom (Michael Wright, Sir Noel Charles, R.D.J. Scott Fox, George Clutton) met in London to discuss the Italian Colonies. At the first two sessions they considered Libya. The British developed the follow-

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\(^1\) Not printed: it reported that the Soviet Union wanted the hearings to begin July 15, the United States three weeks later, the United Kingdom proposed July 23, and France agreed to this compromise date (865.014/7-748).
ing position: Libya was a fundamental strategic factor in the Middle East; the British desired Libya's eventual independence; they strongly preferred a joint American-British responsibility over all Libya or an American trusteeship over Tripolitania and a British trusteeship over Cyrenaica; they could not support the return of Tripolitania to Italy, but would not oppose a French trusteeship over the Fezzan.

The United States declined participation in any trusteeship and felt the strategic necessities of the Middle East could be met by a British trusteeship in Cyrenaica. The American officials then proposed the return of Italian refugees to the colonies.

While the British saw advantages in a partition of Eritrea between the Sudan and Ethiopia and opposed returning it to Italy, they were uncertain whether such a gesture in Eritrea would make Italy more amenable to a British trusteeship in Libya. The American officials emphasized that the Department of State was still undecided on the disposition of Eritrea.

As to Italian Somaliland, both countries favored its return to Italy.

Finally the American and British representatives agreed to coordinate their tactics at the Council of Foreign Ministers for the Italian Colonies and at the United Nations and agreed that they were handicapped by the lack of final decisions on the disposition of the colonies in Washington and London.

Documentation on these meetings is in telegrams 3274, 3318, 3319, 3324, and 3341 from London, file 865.014/7-1948, 2148, 2248; none printed.

865.014/7-2348: Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET

LONDON, July 23, 1948—1 p.m.

2898. For info Ambassador and Palmer. Pres today approved NSC Report 1 Itcol containing following conclusions:

1. Position of US in any international negotiations on disposition Italian colonies should not be so rigid as deprive US of requisite flexibility in discussions. In general, policy US should be to favor following disposition Italian colonies, with appropriate safeguards for protection minority groups:

   a. Libya. Carry out commitment support British in their efforts obtain trusteeship for Cyrenaica, and at same time support British trusteeship for Tripolitania. If British prefer, single trusteeship over whole of Libya would be acceptable.

   Terms of trusteeship should specify that at end of ten years question of self-government for people of territory should be re-

1 Not printed. The report under reference, NSC 19/1, had been adopted by the National Security Council on July 21, 1948.
viewed by Trusteeship Council; and in meanwhile Italian settlers might return to territory under appropriate safeguards and Italian technical personnel might be employed in development of territory.

b. Fezzan. Should be included in trusteeship for Tripolitania, but it should be kept in mind that French are in military occupation and it will be difficult prevail upon them evacuate area unless we can reach agreement with them regarding its future disposition. Area is not sufficiently important to risk major disagreement with French.

c. Eritrea. Final decision as to US position to be made after exploratory conversations with British.

d. Italian Somaliland. To be placed under Italian trusteeship, under terms which would provide for eventual self-government but which would not fix period of time within which area would become self-governing. If British should so propose, British Somaliland might be included in trust territory.

e. Border Rectifications. Such minor border rectifications as may appear reasonable and desirable should be supported by US.

2. In event it becomes apparent General Assembly will be unable adopt solutions set forth above, continuation of status quo in former Italian colonies would be acceptable to US.”

Above subject provisions that (1) final decision on disposition Eritrea will not be effected prior review that decision by Joint Chiefs 2 and (2) if proposal is made for US trusteeship of Tripolitania, such proposal will not be turned down without consultation between interested Executive Departments of US Government.

MARSHALL

2 For the Joint Chiefs of Staff view on Eritrea see NSC 19/3, p. 933.

865.014/7-2348: Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET

WASHINGTON, July 24, 1948—2 p. m.

2927. For Ambassador and Palmer. Even though we do not yet have benefit latest French views it is becoming increasingly apparent to us that solution which will meet Brit and US strategic requirements and at same time will attract enough support to secure approval GA would be postponement of final disposition of colonies for another year. This would necessitate French, Brit and US advocating such step and making no other proposals of their own which would entail discussion of such proposals and might lead to GA action unsatisfactory to US, Brit or French, if not to all three. In Deputies meeting we might say that because of lack of time properly to study complicated problem plus difficulty reconciling many viewpoints we suggest submitting
question to GA with recommendation that GA hold matter in abeyance until next regular session. This idea has appeal not only because of apparent difficulty reconciling Brit-American views (and most likely French views) but also because our UN experts firmly believe that (1) solutions which come closest to representing US-UK ideas stand slim chance acceptance in GA and (2) we can expect great difficulty blocking independence. Furthermore even if we succeeded in blocking it our efforts in that regard would give Soviets excellent propaganda material.

While we sympathize Brit desire for early definitive solution, difficulties at this time are beginning to seem insurmountable and we urge them give serious consideration to postponement (urtecs 3315, 3341, 3324.)

It might be better to get French views on Italian colonies before broaching to them idea of postponement as definite tripartite policy but Emb London should take this up soonest with FonOff repeating Brit reaction to Paris.

Bevin's thought (reurteg 3319 para 4) that a CFM, in which he might be represented by Minister of State, is probably necessary and could take place shortly before GA meeting Paris is not clear to us. We see little difference between such proposal and present Deputies since Minister of State would in fact be deputizing for FormMin. Furthermore appointment of another set of Deputies might lead to Soviet demands to extend agenda of meeting and we still believe issue of CFM meeting should not be decided on Italian colony question.

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865.014/7-3448 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET

PARIS, July 24, 1948.

3870. From Palmer and Utter. US-French talks on Iteol took place today with Couve de Murville, Bonneau, Leroy, Béard and Burin for France and Palmer and Utter for US.

French presented same views on future of territories as previously communicated in Washington. Briefly summarized, these are: (1) Italian trusteeship for Somaliland and Eritrea, with provision for

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1 Maurice Couve de Murville, Director-General of Political Affairs, French Foreign Ministry; Gabril Bonneau, Director, Division of African and Levant Affairs; Jean Leroy, Second Counselor, French Embassy in London, Albert Joseph André Béard, Administrator, French Foreign Ministry; Etienne Burin des Roziers, Head of the French Delegation on the Field Investigation Commission.
access to sea for Ethiopia in latter territory; and (2) Italian trusteeship for all of Libya. In all cases, trusteeship would be for indefinite period.

Most of discussion centered on Libya and we pointed out importance which we attach to British having strategic facilities in Cyrenaica. It soon developed that French not adamant in their views re Italian trusteeship for all Libya and that they will probably support British trusteeship for Cyrenaica. They stated that they shared our views regarding necessity of British retaining bases in Mediterranean. They added, however, that if it were decided to partition Libya, they would have to insist on retaining Fezzan. They appear determined, however, to support Italian trusteeship over Tripolitania for following reasons: (1) Fear of effect in Italy of loss of most important former colony; (2) fear that British control of Tripolitania would result in severe impairment of Anglo-Italian relations; and (3) desire to assure that Libya would develop as an Arab-European community tied to the West like French North Africa, rather than as an Arab country oriented towards the East. We stressed our fears regarding repercussions in Cyrenaica and French North Africa of return of Italians to Tripolitania with consequent bloodshed and general unrest. French admit that this is definite possibility but do not feel that effects might be as far reaching as British and US believe. In any event, they feel long-term effects in their own territories will be less if Italians in control Tripolitania than a British administration which would increase pace toward independence. French figure that with between one and two divisions Italy would not experience any difficulty in re-establishing itself in Tripolitania, provided British made every effort to effect transfer as smoothly as possible. They think only “a small handful” would be required in Somaliland and Eritrea. We felt that although British estimates may reflect pessimism, French estimates seemed over-optimistic and that even in East African territories Italians might well find considerable unrest.

French also raised question of US base at Mellaha. We informed them that we are vitally interested in maintaining facilities there through some kind of arrangement. French indicated that they appreciated importance which we attach to this base and that they are anxious for us to remain there.

At end of meeting, French asked us for our views on Fezzan. We stated we were still studying this question and that since we had never heard formal French views, they would be helpful to us in our consideration of problem. French repeated former statement that if Brit-
ish got Cyrenaica, they would insist on retaining Fezzan. When pressed as to positive advantage of Fezzan to France, they cited its importance with regard to air communications with Madagascar and as a focal point for caravan routes leading into French West and Equatorial Africa. Retention of Fezzan would facilitate control of smuggling activities into those territories. They stated there was no evidence of oil in territory and that reports to contrary had originated with a geologist who had never been there.

On question of Eritrea, French would be willing cede Danakil to Ethiopia, probably drawing line at Gulf of Zula. They had also considered possibility of ceding part of Coptic Highlands to Ethiopia but had given that idea up because of difficulty of drawing a practical new boundary. We presented our alternatives on Eritrea and emphasized we had not yet made up our minds. French presented no valid arguments in refutation of Ethiopian case and made it apparent their sponsorship of Italian trusteeship was solely to gain good will in Italy.

First session joint US-UK-French talks will be twenty-sixth.
Sent Department 3870, repeated London 697. [Palmer and Utter.]

CAFFERY

**Editorial Note**

The United States–United Kingdom talks merged into tripartite conversations with France which occurred sporadically from July 26 to September 4, 1948, in a fruitless attempt to find a concerted policy on the disposition of the Italian Colonies. All three Governments agreed that Italian Somaliland should be returned to Italy, but agreement ended there. France also wanted to return Eritrea, after ceding to Ethiopia a small outlet to the sea. Both the United States and the United Kingdom opposed the return of any part of Eritrea to Italy and advocated the cession of a larger area to Ethiopia.

For Libya, France proposed an Italian trusteeship over Tripolitania, a French trusteeship over the Fezzan, and a British trusteeship over Cyrenaica. The United States and United Kingdom officials agreed to the trusteeships for the Fezzan and Cyrenaica, but could not support the return of Tripolitania to Italy.

Because of the lack of agreement on Eritrea and Tripolitania the talks ended without formulating a tripartite policy.

Documentation on these meetings is found in telegrams 3886 and 3904 from Paris and 3574, 3716, 3951, and 3974 from London, file 865.014/7–2648, 7–2748, 8–748, 8–1648, 9–248, and 9–448, none printed.
The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET

LONDON, July 28, 1948—7 p.m.

3430. From the Ambassador, Palmer, Utter. It is more apparent than ever after our talks with French and British that we have reached impasse with regard Tripolitania. From their preliminary reactions, moreover, we cannot see any good prospect of solving either British or French on postponement, although we put forward every argument of which we could think in support of that proposal. After hearing British and French objections, we agree that postponement is undesirable. Although situation in Arab world is admittedly not conducive to obtaining support from that quarter, we feel that present international situation in general will secure support from other countries for UK and US strategic aims which might not be forthcoming a year hence.

In foregoing circumstance, we can see only one possible way out of present deadlock. If, as is apparent from Deptl 2898 to London 1 US Government feels its security requirements in Tripolitania can only be met by British or US trusteeship, we should make up our minds immediately as to which of these alternatives we will work for and reject the other. If our decision is that we are prepared accept and press for US trusteeship, we shall have removed any outstanding difference with British and might even be able persuade French to acquiesce. If, on other hand, our decision is not to accept US trusteeship, we should inform British categorically to that effect at once, since it is apparent we shall never be able persuade British accept trusteeship themselves so long as we are potential candidate. In this connection it has undoubtedly occurred to Department that although financial and military burdens are undoubtedly important factors in British reluctance to assume this responsibility, fundamental British desire may well be to see US assume more positive role in Mediterranean with its reassuring effect on western European and Mediterranean countries. From indications which British have given us, we are convinced this is controlling factor. It is our opinion that British probably fear possibility US withdrawal from Mediterranean as much as or more than we fear possibility British withdrawal. In these circumstances, it is obvious that British will continue make every effort to tie US to Mediterranean by endeavoring persuade US accept a territorial responsibility.

On other hand there would seem to be possibility that if faced with

1 Dated July 23, p. 923.
clear-cut choice between British and Italian trusteeship, British could
hardly refuse accept former, albeit reluctantly. We feel this is par-
ticularly true in view of attitude British chiefs of staff and Colonial
Office, both of which are understood to be strongly opposed return of
Italian rule. The chiefs of staff hold tenaciously to view that Mediter-
rranean is essential to security of UK. In view British reluctance, how-
ever, we should be prepared assure British that we would propose
them in Deputies and GA and that we would make every effort obtain
necessary support among third states.

With regard French attitude, it is likewise apparent that French
will not retreat from their present position so long as any possibility
exists of our supporting Italian trusteeship. We feel there is at least
a chance that if we informed French that we had excluded from our
thinking any possibility Italian trusteeship and had made up our
minds that solution must from a security point of view be US or
British trusteeship (depending on our decision), they might be per-
suaded to acquiesce. Our hand would of course be immeasurably
strengthened in persuading French if we indicated that in event we are
unable marshal sufficient support for US or British trusteeship we
might, as last resort, find it necessary support independence with
treaty relationship. For their part, either US or UK, as case may be,
would have to give French some reasonable assurance that its admin-
istration of country would continue for a more or less extended period
of time (such as our ten year proposal) and that it would not grant
Tripolitania independence before that date. It is recognized that we
may have difficulty in selling British on such a time limit. Finally, we
could use question of Fezzan as bargaining point.

We therefore urge immediate decision as to whether US prepared
accept trusteeship over Tripolitania as urged by British. If decision is
favorable, there will of course be no differences between US and UK.
If decision is negative, we believe that British may accept trusteeship
to keep out Italians and maintain Anglo-American position in Medi-
terranean. In order to persuade French re either alternative we must
be in position inform them that US finds it impossible support Italian
trusteeship. We feel that any 'further discussions with British and
French on present level will probably be unproductive, since we can-
not always be sure that US point of view will be effectively presented
to Foreign Ministers.

Therefore, in case decisions on above lines reached, I suggest I dis-
cuss matter directly with Bevin and that Mr. Caffery hold similar
conversations with Schuman.²

This has been discussed in general with Mr. Caffery who concurred.

² Robert Schuman, French Foreign Minister.
Sent Department 3430, repeated Paris 428. [Ambassador, Palmer, and Utter.]

DOUGLAS

865.014/7-3148: Telegram

The Chargé in Italy (Byington) to the Secretary of State

TOP SECRET

ROME, July 31, 1948—2 p.m.

3242. For the Secretary and Under Secretary. Prime Minister today sent word to me of his concern over question of former Italian Colonies (Embtl 2798, June 28). He requested that I transmit following views as coming directly from him for your consideration:

1. It is of greatest importance to Italy that there should be a partial settlement in her favor now involving at least a portion of former colonies. If Four Power agreement not reached on balance decision as to other areas would of course have to be deferred (see my 3241, July 31).^{1}

2. Prime Minister wished to make it clear that he felt our interests regarding defense in Mediterranean converged with those of Italy and that he was sure any question of bases could be satisfactorily worked out. He wanted it clearly understood that he was fully disposed to give utmost consideration to US defensive requirements on areas involved.

3. If question of Communist infiltration into former Italian Colonies should be entrusted to Italy were a factor De Gasperi felt he could safely dispel any such fear. Italian Communist strength was in large industrial centers and peasants and artisans who would be sent to colonies by Italy would not be drawn from Communist centers in Italy. Italian Government in any event would be able to control that problem.

4. Finally Prime Minister wished to emphasize great weight which solution problem former Italian Colonies bears on internal situation in Italy. Unfavorable attitude by US in face of Soviet position favorable to Italy would be a formidable weapon in hands of Italian Communists. General rehearsal of Communist strength and organization which took place over Togliatti shooting^{2} was an indication of what they could do should they determine on violence. Government had met this successfully and would in his opinion be able to meet test again when it should next come up. Government would be severely handicapped, however, if Communists were able to pose as national champions during severe repercussions which would follow an unfavorable decision for Italy on colonial question.

Prime Minister's message which was delivered orally concluded with an expression that De Gasperi's anxiety in this matter was so great that he felt it urgent that these views should be transmitted to you without waiting for Ambassador Dunn's return.

BYINGTON

^{1} Not printed.

^{2} On July 14, Antonio Pollante, a student, attempted to assassinate Palmiro Togliatti outside the Chamber of Deputies in Rome.
TOP SECRET

WASHINGTON, August 3, 1948—11 a.m.

3048. 1. Now that exploratory talks with Brit and French are concluded and we have good estimate their thinking we agree with you that it is time for you and Amb Caffery to take up matter directly with Bevin and Schuman.

2. To date discussions have centered almost exclusively on those solutions which each of three powers consider preferable and have not taken sufficiently into account political realities with which we will have to deal in General Assembly and which will be deciding factors on what solutions are possible regardless of preference. We are now firmly convinced that only action on part of US Brit and French Govts which will meet our basic interests in area is to advocate postponement of final decision on all of Libya and not to discuss any other solution. This cannot be emphasized too strongly to Bevin and Schuman.

3. As regards Tripolitania you should tell Bevin that we do not consider US trusteeship politically practicable or desirable from either domestic or international point of view and would be unable to accept it were it proposed. Consequently we are opposed to Brit or anyone else proposing American trusteeship in Deputies’ or this year’s General Assembly. You and Amb Caffery may add that we will not support Italian trusteeship for Tripolitania, that we do not believe Italian trusteeship has any chance of acceptance with or without our support and that, therefore, French proposal in Deputies or Assembly would succeed only in making matters more difficult for US and UK. If French, however, go along with us on postponement as only proposal to be advanced all three Powers, they will not have to take stand against Italy and, as suggested below, we can do something for Italy in Italian Somaliland.

4. On Cyrenaica we remain committed to support a solution which will enable Brit to establish requisite bases in that area. We are in full agreement with Brit Govt that ideal means of ensuring their strategic interests, and ours, would be Brit trusteeship. We sincerely believe, however, that Brit trusteeship for Cyrenaica has little if any chance of approval in forthcoming General Assembly. Regardless of apparent world-wide awareness of seriousness of east-west conflict, we are convinced that enough states in Latin America, Middle East, Eastern Europe, and elsewhere will react against what they will consider Brit colonialism sufficiently violently not only to make Brit trusteeship impossible but even to such extent that we have no great confidence we can block independence. In fact we anticipate that drive for independence will be so strong as to make our own position highly uncomfor-
table at least to point where it will be difficult for us to persuade any considerable number Latin American states to vote against independence, much less for Britain. This situation will be made considerably easier, however, if only Anglo-American-French proposal is postponement because then we can vote against other solutions on basis that postponement has merits per se rather than voting against them on bare issue of independence, Italian trusteeship, etc.

5. If, in spite of this considered view, Brit insist (and you may put it to Mr. Bevin exactly this way) that we support Brit trusteeship as the solution for Cyrenaica, we will of course do so; but we want them to understand that we do not consider such procedure best way of gaining what we both want. Only Brit argument against postponement to which we give any real weight is that until "their title is clear" Brit military cannot begin work on base in Cyrenaica or arrange reduction Brit forces Egypt to treaty strength. As we have all along, we still consider Brit trusteeship ideal solution but our point is that it cannot be attained this year and that therefore more harm than good will result from trying to attain it. We not only believe that they can and should, despite obvious difficulties, go ahead with their base plans for Cyrenaica without a clear title, but we most strongly urge them to do so.

6. As far as cutting down Brit military and financial commitments is concerned, it should certainly be most helpful to HMG to settle question of Italian Somaliland and Eritrea this year. We would prefer, however, that disposition these two colonies be decided concurrently. We agree that Italian Somaliland might be placed under Italian Administration but we will not advocate replacing Italy on two of Ethiopia’s borders. Brit should therefore again be urged agree cession of northern, and predominantly Moslem, portion of Eritrea to Sudan with remainder, including Asmara and access to sea through Massawa, being ceded to Ethiopia.

7. Amb Caffery may add to Schuman that recent conversation between Under Secretary and Italian Amb indicates Italian Govt is presently expecting receive no more than Italian Somaliland and in fact Italian Amb personally suggested postponement of all but Somaliland.

MARSHALL

1 The conversation took place July 26, in Washington.
Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Forrestal)

TOP SECRET

WASHINGTON, August 5, 1948.

NSC 19/3

In accordance with the memorandum from your office dated 4 August 1948, the Joint Chiefs of Staff have considered the report entitled "Disposition of the Former Italian Colonies in Africa", NSC 19/2, dated 4 August 1948, and have determined the requirements of the United States with regard to the former Italian colonies.

In the formulation of this statement of strategic requirements, the Joint Chiefs of Staff found it necessary to appraise the position and security interests of the United States, not only with respect to the former Italian colonies, but also of the entire area of the Middle East and the Eastern Mediterranean. Their appraisal of the United States security interests in the entire area indicates the following strategic requirements:

a. Denial to any potentially hostile power of any foothold in this area.

b. Maintenance of friendly relationships which can be promoted by social and economic assistance, together with such military assistance as may be practicable, to insure collaboration by the indigenous peoples in the common defense of the area.

c. Development of the oil resources in this area by the United States and such other countries as have and can be expected to have a friendly attitude toward the United States.

d. Assurance of the right of military forces of the United States to enter militarily essential areas upon a threat of war.

e. Assurance of the right to develop and maintain those facilities which are required to implement d above.

The above requirements take into consideration our over-all requirements within the framework of our global strategy. Moreover, these requirements have not been determined from the standpoint of United States security interests alone but also include consideration of the security interests of our potential allies, particularly Great Britain.

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1 Serial and subject master file of National Security Council documents and correspondence for the years 1948-1961, as maintained by the Policy Planning Staff.

2 Not printed.

3 Not printed: it contained a summary of the British position on Eritrea.
The Joint Chiefs of Staff would emphasize that the interests of the United States and Great Britain in this entire area are so interrelated that they must be considered as a whole.

In accordance with the strategic requirements listed above and in consonance with current planning, operational availability of the following bases in the former Italian colonies under “joint”* or “participating”† rights is essential:

a. Tripoli, Libya, as an air base facility,
b. Asmara, Eritrea, as a telecommunications base facility, and
c. In the event of an emergency, Massawa, Eritrea as an air and naval base facility.

As to the nature of the rights in Eritrea, the Joint Chiefs of Staff would state categorically that the benefits now resulting from operation of our telecommunications center at Asmara—benefits common and of high military importance to both the United States and Great Britain—can be obtained from no other location in the entire Middle East-Eastern Mediterranean area. Therefore, United States rights in Eritrea should not be compromised.

In view of the fact that this statement of strategic requirements of the United States has been prepared for guidance to the Department of State in negotiations now in progress, the Joint Chiefs of Staff renew their request that they be given opportunity to review the decisions reached in these negotiations before they are finalized.

For the Joint Chiefs of Staff:

WILLIAM D. LEAHY
Fleet Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Armed Forces

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*“Joint” right is the right to use for military purposes, in common with the nation exercising sovereignty, mandate or trusteeship, an area, installation, or facility, and to debar any other nation from such use unless it is mutually agreed between the United States and the nation exercising sovereignty, mandate or trusteeship, that another nation or nations may share use. [Footnote in the source text.]

†“Participating” right is the right to share, on the most favored nation principle, with the nation exercising sovereignty, mandate or trusteeship, and with any other nation which that nation may accord the right to participate, in the use for military purposes of an area, installation, or facility. [Footnote in the source text.]

865.014/8-648: Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET US URGENT WASHINGTON, August 6, 1948—11 p.m.

NIAC T

3126. Following are instructions for use US Deputy in Deputies meeting on Itceol Aug 9. US Deputy should bear in mind that we are anxious to settle any specific item on which possibility of agreement
among Deputies exists. However, we realize chance of agreement on all Italian colonies is slight and that some part of problem at least will go to GA. We do not wish to take negative attitude in Deputies meeting through failure to make any suggestions, hence these instructions cover those points at which we are prepared to seek agreement now. Following instructions represent views which U.S. Deputy should support in Deputies. However, if Deputies are unable to agree, you should make no commitments in Deputies meeting about attitude US might take later in GA, since GA situation might necessitate some modification our position.

1. Somaliland—US Deputy should propose territory be placed under Italian trusteeship.

2. Eritrea—US Deputy should support, or, if necessary, propose whichever of following solutions is more acceptable to British. They are listed in order of US preference:

(a) Partition, with northern and predominantly Moslem portion (including Asmara and Massawa) under British trusteeship and remainder ceded to Ethiopia, exact boundary to be agreed by British and Ethiopians.

(b) Postponement of decision regarding northern and predominantly Moslem portion (including Asmara and Massawa), with southern section ceded to Ethiopia. Postponement would be advocated on grounds inherent difficulty of problem, divergence of views among countries participating in Commission of Investigation and among governments who have presented views to Deputies. At proper time divergence of views among Deputies could be cited to show need for further study and negotiation. Suggestion would be that matter be referred to GA with recommendation that GA study matter further before attempting arrive definitive solution.

You should discuss foregoing alternatives with British before Deputies meeting and explain that our desire to retain Asmara and Massawa in British territory is occasioned by strong interest armed forces in radio facilities Asmara. US Joint Chiefs state British share benefits these facilities.

You should not support Bevin’s trusteeship proposal for Eritrea because of following considerations:

(a) It is manifestly inconsistent to propose that Ethiopia is qualified to assume responsibility as trustee over Eritreans and at same time make it clear that we do not consider it so qualified by suggesting an “advisory council” to insure that Ethiopia lives up to its commitment and responsibility. No existing trusteeship agreement contains any such provision. Responsibilities of governments members of “advisory council” would be difficult to define and would appear to involve responsibility without authority. Further, Ethiopia’s membership in Trusteeship Council might upset balance between present administering and non-administering powers because of Ethiopia’s sympathy for so-called “colonial peoples”.

(b) Difficulties in Bevin’s proposal would be underlined if such an
arrangement were made for Ethiopia’s trusteeship over Eritrea and not for Italy’s trusteeship over Somaliland.

3. Libya—If possible, U.S. Deputy should allow French and USSR to state their views on Libya, after which he will state that US has always been in favor of trusteeship for Libya leading as soon as practicable to independence as contemplated by the Charter. In case of Cyrenaica, US is inclined to believe British would be most suitable administering authority, particularly in light of British pledge to Senussi. Tripolitania and Fezzan, however, present very much more complicated problems. In view of divergence of attitudes which have arisen in consideration of problem thus far, US considers that question of disposition of Tripolitania and Fezzan must be given further study, and Deputies should recommend such study when placing matter before GA. Same general reasons as are found in para 2 (b), above, apply. If, after having taken this position, disagreement develops regarding Cyrenaica, Dept’s present thought is that you would be instructed to support postponement for all of Libya. You should assure British privately that we intend to support their position on Cyrenaica during GA phase of problem.

You should previously inform British that, in event settlement future Libya postponed, US is willing to support such change in status administration Libya as is necessary for UK to set up civil administration in which local inhabitants would be given chance to play part.

Dept has no objection to UK-US-French discussions at any time prior to Aug. 9.

In view important nature Deputies discussions and vital US strategic and political status involved, it is hoped that Douglas will be able attend Deputies meetings personally, particularly if Massigli does so.

Please keep Dept closely informed of Itcol discussions since it is contemplated that additional instructions will probably be required during early stages of negotiations.

MARSHALL

865.014/8-648: Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET US URGENT LONDON, August 6, 1948—midnight.

3568. See Embtel 3550, August 5.¹ Bevin called me to Foreign Office this afternoon to inform me of Cabinet decisions regarding Itcol.

¹ Not printed.
Clutton, Scott-Fox and Charles UK, and Utter and Bagby US were also present.

Bevin said Cabinet had approved his proposal place Somaliland under Italian trusteeship but War and Colonial Secretaries were strongly opposed return of Italy to Eritrea, feeling that Somaliland was as much as Italy could undertake or should expect. Colonial Secretary especially feared repercussions in British African colonies if Italians returned with British military assistance. Bevin’s scheme for Ethiopian trusteeship over Eritrea was therefore approved with addition South America[n] to the Legislative Council. After 10 or 20 years, trusteeship would terminate and territory would become a part of Ethiopia.

As far as Libya is concerned, Bevin said that UK would like to get Cyrenaica settled this year but would be willing to have Tripolitania postponed. Conversations between British Ambassador in Rome and De Gasperi and Sforza led him to believe Italy accepted fact that British would stay in Cyrenaica. He said that Foreign Office study indicated British trusteeship for Cyrenaica would receive UNGA approval. He was most anxious to start work on bases in Cyrenaica without delay since internal Egyptian political situation was unstable and British bases in Egypt might be jeopardized by formation government under Soviet influence. He felt obliged to reduce troops in Egypt to treaty level by end of 1948 since Egypt might well bring complaint to Security Council again. I assured him US felt that UK should go ahead with construction bases in Cyrenaica whatever developed in CFM or UNGA, and he agreed risk must be taken if British trusteeship not approved.

Conversation then turned to procedure in DepItcol. Bevin felt discussions should begin with Somaliland. After other powers had stated their positions and if all three favored Italian trusteeship, UK would agree for sake of unanimity. Bevin was anxious, however, to get all questions re Itcol out of hands of Four Powers and would make the agreement on Somaliland subject to agreement on Eritrea.

After Somaliland he felt Eritrea should be discussed. Russians and French would presumably come out for Italian trusteeship with Assab going to Ethiopia. UK would oppose this solution because of wishes of inhabitants and military difficulties involved in Italy’s return and would propose Ethiopian trusteeship. Agreement presumably would

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3 George Lisle Clutton, Head of the Egyptian Department of the Foreign Office.
3 Phillip Bagby, Advisor to Ambassador Douglas and member of the U.S. delegation on the Field Investigation Commission.
4 Emanuel Shinwell, Secretary of State for War; Arthur Creech Jones, Colonial Secretary.
5 Sir Victor Alexander Mallet.
not be reached and both Eritrea and Somaliland would be referred to UNGA.

I reiterated that US was anxious to have whole question of Libya postponed both in Deputies and UNGA. Bevin at first said that while he had no objection to postponement of Tripolitania he did wish to stake claim to Cyrenaica in DepItcol. He expected negotiations to break down, of course. Later he said that he had no objection to postponement of whole Libya question in DepItcol but did not make clear whether he would expect to bring up British claim to Cyrenaica in UNGA this year. (Subsequent conversation with Foreign Office officials, however, indicated that this last remark did not constitute a commitment and British may revert to original intention of proposing British trusteeship for Cyrenaica in DepItcol).

We find procedure as regards Eritrea and Somaliland satisfactory and will agree to it unless instructed to the contrary. As far as Libya is concerned, we are still awaiting Paris report of reaction French re postponement. If French agree British may also be persuaded to agree. We see no harm, however, in letting British put forward their claim to Cyrenaica in DepItcol and supporting it in first instance. We believe that in case of both Tripolitania and Cyrenaica it would be difficult and awkward to recommend postponement for one year in DepItcol.

It would be better simply to state that in view of conflicting opinions we do not believe question can be settled in CFM and prefer not to discuss it and let it go to UNGA by default. Proposal to postpone for one year could then be made in UNGA.

No interested governments other than Italy and Ethiopia have requested hearing. Next meeting DepItcol August 9, 3:30 p.m.

Sent Department 3568, repeated Paris 458.

DOUGLAS

865.014/8-948 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET US URGENT LONDON, August 9, 1948—3 p.m. NI ACT

3583. British informed us Bevin insists on his plan for Ethiopian trusteeship of Eritrea being proposed DepItcol because he considers it best solution and because it has been agreed by Cabinet.

US alternative solutions proposed in Deptel 3126, August 6 do not meet with Bevin's approval because (1) UK does not wish trusteeship of any part of Eritrea and (2) postponement disposition northern and predominantly Moslem portion Eritrea would mean
continuation of financial and military burden for British in that territory.

British state they have no objection to our proposing our alternative B. Would appreciate receiving Department's instructions immediately as to whether we should propose alternative B despite French reaction.

French suggested that all Four Powers might be in agreement that Assab and Danakil coast should be ceded to Ethiopia and therefore it might be possible to cede this area at once, even though disagreement continue on remainder Eritrea. Would Department favor our supporting such proposal? It would have advantage of mitigating effect on Ethiopia of decision on Somaliland favorable to Italy.

_865.014/8-1048: Telegram_  
_The United States Deputy for the Former Italian Colonies of the Council of Foreign Ministers (Douglas) to the Secretary of State_  
_SECRET_  
_LONDON, August 10, 1948—9 p. m._

3617. Itcol 151. Thirty-fourth meeting DepItcol held today with Douglas presiding and other principals as yesterday.

Soviet deputy stated that with regard secrecy of press during discussion disposition colonies, he still had matter under consideration and was not prepared discuss it further for present (Itcol 148). However, it was agreed that, until Soviet deputy ready state final position, a rule of secrecy regarding discussions Eritrea would prevail.

French opened with long statement pointing out strength of both Italian and Ethiopian claims but made no proposal. Following is order proposals made re disposition Eritrea.

(a) British proposed Ethiopian trusteeship for all of territory with advisory council, as reported Embtels 3550, 3568, except that So. American adviser was omitted. British plan was not further elucidated during meeting.

(b) Soviet deputy reiterated position his government that Eritrea be placed under Italian trusteeship for definite and reasonable period time. He made preposterous statement that 500,000 Eritreans asked for Italy.

(c) I made proposal B Deptel 3126. When questioned by French I explained that US proposed that new frontier would roughly follow northern border Seraj and Akkele Guzai divisions to a point on Gulf of Zula and include Danakil Coast to French Somaliland border.

(d) After discussion of unimportant details, French proposed cession to Ethiopia of Danakil Coast from Gulf of Zula (as suggested

1 Georgiy Nikolaevich Zarubin.
2 Not printed.
3 Telegram 3550, not printed; telegram 3568, p. 936.
4 Dated August 6, p. 934.
by us) to French Somaliland frontier, which would include port of Assab, with remainder territory to be placed under Italian trusteeship.

Eritrea discussions will be resumed at afternoon session tomorrow.

DOUGLAS

865.014/S-1348 : Telegram

The Secretary of State to the Embassy in Italy

SECRET US URGENT WASHINGTON, August 13, 1948—11 a.m.

2123. On Aug 13 pls send word to Prime Minister along following lines and at same time inform Sforza:

We have given most thoughtful consideration to several communications from Prime Minister and FonMin re disposition former Ital colonies. We appreciate importance which Ital people attach to this question, as well as broader implications re European cooperation which Ital Govt has stressed.

It is self evident disposition these territories has not been easy matter. As far as Ital position is concerned, consideration has had to be given to additional burden which these deficit areas would impose upon already strained Ital economy if trusteeship awarded Italy, as well as any possible economic benefits which might result from additional outlets for Ital surplus population. In addition, examination question whether Ital military forces as limited by peace treaty 1 are sufficient for maintenance public order in former colonies has been rendered serious by fact Soviet veto of Ital membership in UN has barred any possibility of simple solution through Security Council action shd it develop additional forces were required.

Conflicting views of other interested govt have also had to be taken into account. Finally, wishes and welfare of local inhabitants these areas had to be given equitable regard in consonance with well established principles of this Govt.

In circumstances, this Govt has decided it is prepared at this stage to take a final decision only as regards Italian Somaliland and the southern portion of Eritrea. As regards Northern Eritrea and Tripolitania, US is reluctant to take definite position owing to more complex factors involved, but has concluded decision shd be postponed to permit further study by appropriate UN body. Pending results this further study, US would not wish preclude any settlement which may

1 Article 61 of the Italian Peace Treaty limited the Italian Army to 185,000 combat troops, a force which the United States felt was too small to maintain public order at home and in the colonies.
find general support. Re Cyrenaica, US feels it is bound respect Brit Govt’s pledge to Senussi, and to support Brit Govt in giving effect this promise. This Govt feels confident Ital Govt will understand US position this matter.

As regards southern Eritrea, US will support cession to Ethiopia, and feels equally confident this solution will meet with approval Ital Govt. For Ital Somaliland, US will support Ital Trusteeship, feeling in light present situation there return of Ital administration can be achieved without overriding difficulty or opposition, and that such return will afford Ital Govt opportunity to demonstrate to world opinion its willingness and capacity to bring about progress and development for mutual benefit native and Ital peoples. Furthermore, US will urge that former Ital residents northern Eritrea and Tripolitania be allowed return their homes during period postponement disposition these areas. It is recognized that otherwise postponement will work further hardship these people, who have thus far been unable plan for future, and that it is only equitable and just they be allowed return to settlement upon which they have expended their labor and resources.

Prime Minister may be assured this Govt will continue give most careful and sympathetic consideration Ital views this matter, faithful to policy of friendly collaboration Amer and Ital peoples which we have consistently pursued in this post-war era.

MARSHALL

865.014/8-1948 : Telegram
The Secretary of State to the Embassy in the United Kingdom

TOP SECRET US URGENT WASHINGTON, August 19, 1948—7 p. m.
3303. Further replies urtels 3715 Aug 16 and 3753 Aug 18 and instructions on related matters follow:

1. With respect to Eritrea US Deputy should continue support postponement decision on northern Eritrea and cession southern Eritrea to Ethiopia. French proposal cede only Danakil Coast to Ethiopia should not be accepted since it would give Ethiopia only least desirable desert coast lands and leave large Ethiopian population outside that country. US Deputy should urge French privately to accept partition boundary proposed by US (Deptel 3169 Aug 10) as basis on which Deputies might agree cede southern part Eritrea to Ethiopia and postpone decision on Northern part. You may inform Brit privately that

1 Neither printed.
2 Not printed; the partition boundary in the U.S. proposal ran from the Gulf of Zula to the northern borders of Achele Guzai and Serai provinces and then to the Ethiopian frontier (865.014/8-1048).
US can make no further commitments (urteil 3716 Aug 16)\(^a\) at this time with regard to position it may take on Eritrea in future.

2. You should continue support Brit trusteeship Cyrenaica and postponement rest of Libya (Embtels 3743 \(^a\) and 3753 Aug 18). In view apparently wavering French views on Libya we see no advantage supporting at this time their claim Fezzan for which in any event they do not seem able to make strong case. Obviously question of Libya will be referred to GA and possibility exists French may then consider they must support Brit for Cyrenaica even without Fezzan as quid pro quo. If it turns out such is not case we can always switch later to support French claim. You might ask Massigli whether French would insist on Fezzan if final disposition Tripolitania were to be Italian trusteeship. If reply negative you should point out that postponement Tripolitania and Fezzan does not preclude decision favorable to France if disposition Tripolitania is other than Italian trusteeship.

3. It might be advisable exchange views with Brit on above. Also ask what they envisage as fate Tripolitania in view (1) their opposition Italian and multi power trusteeship (2) US refusal accept trusteeship (3) their statement 40th meeting DepItcol that “Brit have no territorial claim on Tripolitania”. Does this statement mean Brit would no longer consider trusteeship over united Libya if circumstances made it possible?

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\(^a\) Not printed.

865.014/9–148

Recommendations by the Deputies of the Foreign Ministers for the Former Italian Colonies of the Council of Foreign Ministers

SECRET

LONDON, August 31, 1948.

I. In accordance with Article 23 of the Peace Treaty with Italy and Annex XI (the Joint Declaration of the Governments of the Soviet Union, the United Kingdom, the United States of America, and France in regard to the Italian territorial possessions in Africa) the Deputies of the Foreign Ministers, on instructions from the Council of Foreign Ministers, during the past year:

(a) have continued to consider the question of the disposal of the former Italian Colonies;

(b) have sent a Four Power Commission of Investigation to Eritrea, Italian Somaliland and Libya in order to collect the necessary data on these Colonies and to ascertain the views of the local population;

(c) have studied the three reports on the results of the investigation of Eritrea, Italian Somaliland and Libya submitted by the Four Power Commission to the Deputies and have distributed them to all the other
interested Governments as well as to the Governments of Egypt and Italy;

(d) have studied the views of the other interested Governments as well as those of the Governments of Egypt and Italy on the disposal of the former Italian Colonies which were presented orally or in written form to the Deputies. Views were expressed by the following Governments in addition to Egypt and Italy: China, Australia, Belgium, Byelorussia, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, the Netherlands, New Zealand, Poland, the Ukraine, the Union of South Africa, Yugoslavia, and Pakistan.

II. As a result of this work the Deputies decided to submit to the Council of Foreign Ministers of the U.S.S.R., the U.K., the U.S.A. and France the following recommendations:

A. ITALIAN SOMALILAND

That the former Italian Colony of Italian Somaliland to be placed under the trusteeship

U.S.S.R. [of Italy]¹

U.K. [system of the United Nations with Italy as the administering authority]*

U.S.A. [The U.K., U.S. and French Deputies recommend that the duration of Italian trusteeship should be undefined.]

France [The Deputy of the U.S.S.R. recommends that the Italian trusteeship should be fixed for a definite and acceptable term.]

U.S.S.R. [All the former Italian colonies in Africa, namely Libya, Eritrea and Italian Somaliland, to be placed under the trusteeship of Italy within those frontiers which existed on the 1st January, 1934, fixed in accordance with treaties and agreements in force at that time concluded between the interested Governments concerned.]

U.S. [Ethiopian-Italian Somaliland Frontier. Pending final settlement of the frontier between Ethiopia and Italian Somaliland the line to which the British Military Administration is withdrawing on the evacuation from the Ogaden should be the provisional boundary without prejudice to the final settlement.]

U.K. [A map showing the approximate position of the provisional line to which the British Military Administration in the Ogaden will withdraw is attached.²]

France

¹ Brackets throughout this document appear in the source text.
² The U.K. agreement is conditional on a solution satisfactory to them being reached as regards Eritrea. [Footnote in the source text.]
³ Not printed.
The Ethiopian Government should be asked to state whether they would accept this provisional line as the permanent frontier between Ethiopia and Italian Somaliland in accordance with previous agreements between the Ethiopian and Italian Governments. If the Ethiopian Government reply that they do regard this provisional line as the permanent frontier, then all that will be necessary will be the appointment of a boundary commission to demarcate this frontier.

If, on the other hand, the Ethiopian Government reply that they do not regard this line as a satisfactory permanent frontier, they should be urged by the Council of Foreign Ministers to agree upon the appointment of a boundary commission by the Secretary-General of the United Nations.

It would be the duty of such a boundary commission to take into account the views of the Ethiopian and Italian Governments and to decide upon a boundary which, while based on the relevant previous treaties, in particular the Italo-Ethiopian Convention of 1908, satisfies the administrative requirements of both parties and the interests of the inhabitants on each side of the frontier. In interpreting the Italo-Ethiopian Convention of 1908, the frontier to the east of the Webi Shebelli should be assumed to be a straight line drawn from the point fixed by the Convention on the Webi Shebelli to the point 48° East, 8° North, unless official documents are produced which show that the agreement of 1897 provided for some other specific line. The boundary commission should take their decisions by a majority vote.

The Ethiopian Government should be asked to give their consent to this proposal within three months of the 15th of September, 1948.

British Somaliland–Italian Somaliland Frontier. The frontier between British Somaliland and Italian Somaliland from Hidid to the Gulf of Aden should follow the 49th meridian of longitude thus including within British Somaliland the locality of Bender Ziada.]

B. ERITREA

U.S.S.R.

[That the former Italian colony of Eritrea be placed under the trusteeship of Italy for a definite acceptable term.]
The position of the Delegation of the U.S.S.R. on the question of the frontier of Eritrea is stated in section A.

1) Ethiopia should be appointed to be administering authority in Eritrea for a period of ten years.

2) At the end of ten years the General Assembly of the United Nations would decide whether, and if so under what conditions, Ethiopian administration should continue indefinitely.

3) An Advisory Council would be appointed to assist the Ethiopian Administration. This Council would consist of local Eritreans and the representatives of four Powers, for instance, Italy, Switzerland, a Scandinavian country and a Moslem State.

4) The rights and position of the various groups, Italians, Moslems, Copts, etc., should be governed by a special statute which might include provision for separate law courts, for education, for religious rights, etc.

5) This Advisory Council, in addition to its advisory functions, should also have the power to suspend any legislation on certain reserved subjects under (4) above introduced by the Ethiopian Administration. It would then be open to the latter to ask the Eritrean Commission referred to in (6) to confirm the legislation, and if the Commission agreed to confirm it the suspension would then lapse.

6) The Advisory Council and the Ethiopian Administration would report from time to time to a special Eritrean Commission of the United Nations. This Commission would be quite distinct either from the Trusteeship Council or the Trusteeship Committee of the General Assembly. It should number some eight or nine representatives of States Members of the United Nations, chosen for reasons of disinterestedness, experience in administration of backward peoples, and not being States represented on the Advisory Council. The Commission would hold sessions every few months.

[1) With the exception of the territories situated between the Gulf of Zula and French Somaliland, Eritrea should be placed under the trusteeship of Italy.

2) The territories situated between the Gulf of Zula and French Somaliland should be assigned to Ethiopia in full sovereignty.

3) Concerning the territories to be assigned to her Ethiopia would undertake to observe economic and finan-
cial stipulations drawn up in accordance with paragraph 19 of Annex XIV to the Treaty of Peace with Italy. 3

4) The frontier between the territories assigned to Ethiopia and those which would be placed under the trusteeship of Italy should follow the present eastern administrative limit of the district of Akkele Guzai from the Gulf of Zula to the present Ethiopian frontier. It should be demarcated by a commission composed of an equal number of Ethiopian and Italian representatives before the 15th of September, 1949.]

U.S.

[The United States recommends the cession to Ethiopia of the southern section of Eritrea (including the Danakil Coast, and the districts of Akkele Guzai and Serae, the new frontier to start at the Gulf of Zula, following the northern borders of Akkele Guzai and Serae Districts to the Ethiopian frontier). Ministers recommend to the General Assembly of the United Nations that the question of the disposition of the remainder of Eritrea, that is, the northern and predominantly Moslem portion including Asmara and Massawa, be postponed for one year in order that it may be given further study before attempting to come to a definitive solution.]

U.S.

[The Governments of the United States and France, in recommending that]  1  2  the disposal of northern Eritrea should be postponed for one year, strongly advocate that the Italians formerly resident in this area should be allowed to return to their homes during the period of postponement. The Governments of the United States and France recognize that postponement would work further hardship on these people who have thus far been unable to make plans for their future, and they therefore consider that it would be equitable and just to allow them to return, whatever the final disposition of this territory may be.]

U.K.

[The frontier between the territories assigned to Ethiopia and French Somaliland should follow the course of the Wadi Weima.]

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1 This stipulated that final arrangements for the colonies were to be made by the CFM, or failing decision there, by the U.N. General Assembly.
2 U.S. [Footnote in the source text.]
3 France [Footnote in the source text.]
C. LIBYA

U.S.S.R.

[That the former Italian colony of Libya be placed under the trusteeship of Italy for a definite acceptable term.]

U.S.S.R.

The position of the Delegation of the U.S.S.R. on the question of the frontier of Libya is stated in Section A.

France

[Taking note of the fact that the four Delegations have been unable to reach a unanimous decision, the French Delegation proposes to the Foreign Ministers that they should recommend to the General Assembly of the United Nations the postponement for one year of consideration of the disposal of Libya.]

[The United States and the United Kingdom recommend that Cyrenaica be placed under the trusteeship system of the United Nations with the United Kingdom as administering authority.

They further propose that the Foreign Ministers recommend to the General Assembly of the United Nations that the question of the disposal of the remainder of Libya be postponed for one year in order that it may be given further study.]

U.S. France

[The Governments of the United States and France, in recommending that disposal of [Tripolitania] § [Libya] || be postponed for one year, strongly advocate that Italians formerly resident in Tripolitania should be allowed to return to their homes during the period of postponement. The Governments of the United States and France recognize that postponement would work further hardship on these people who have thus far been unable to make plans for their future, and they therefore consider that it would be equitable and just to allow them to return, whatever the final disposition of [Tripolitania] § [Libya] || may be.]

U.K.

[Whilst the United Kingdom Government would examine with sympathy the possibility of repatriating to Tripolitania those Italians who still have homes and families in that territory, they must record that so long as they have to fulfil their responsibilities as Occupying Power they must give first consideration to the maintenance of law and order and to the welfare and safety of the population including the existing Italian colonists. Any ad-

§ U.S. [Footnote in the source text.]
|| France [Footnote in the source text.]
ditional repatriation would therefore have to be very carefully considered from that point of view by the Occupying Power. These considerations apply to any territory in which the United Kingdom Government may be the Occupying Power.]

U.K.

[The United Kingdom also proposes that the present administrative boundary between Cyrenaica and Tripolitania should be moved westward so as to include within the former the Sirtica area and other predominantly Semussi areas. This line should be demarcated by a boundary commission to be constituted by the administrations concerned.]

The attached Annexes A, B, C, D and E form part of the present document.

*Deputy of the Secretary of State of the United States of America*

L. W. DOUGLAS

*Deputy of the Minister for Foreign Affairs of the French Republic*

R. MASSIGLI

*Deputy of the Minister for Foreign Affairs of the Union of Soviet Socialist Republics*

G. ZARUBIN

*Deputy of the Secretary of State for Foreign Affairs of the United Kingdom*

NOEL CHARLES

LONDON, 31 August, 1948.

Annex A

**Recommendation by the Delegations of the United States, United Kingdom, and France on Italian Somaliland**

**Method of Transfer**

The three Delegations suggest that, in order that there should be no doubt as to the method of transfer, the decision of the Ministers should be formulated as follows:

1. The four Powers, acting in accordance with the powers which have been conferred on them by Annex XI of the Treaty of Peace, invite Italy to undertake the provisional administration of her former colony of Italian Somaliland with a view to placing it under the
trusteeship system of the United Nations with Italy as the administering authority. In accepting this invitation, Italy undertakes:

(1) to abide by the terms of the agreement which will establish, in accordance with the Charter of the United Nations, terms of trusteeship applicable to Italian Somaliland;
(2) to accept the frontier arrangements specified in the Recommendations and the arrangements mentioned in Annex B.

2. The administration of former Italian Somaliland will be transferred by the Government of the United Kingdom to the Italian Government at such date (not later than 15th January, 1949) as may be agreed between the Government of the United Kingdom and the Italian Government.

3. The above mentioned conditions shall be an integral part of the decision of the Council of Foreign Ministers, and if they are not acceptable to Italy this decision of the Council of Foreign Ministers shall become null and void, and the question of the disposal of Italian Somaliland shall, in accordance with Annex XI of the Treaty of Peace with Italy, then be submitted to the General Assembly of the United Nations for a recommendation.

Annex B

Recommendation by the Delegations of the United States, United Kingdom, and France on Italian Somaliland

ECONOMIC AND FINANCIAL PROVISIONS

1. Italy should agree to negotiate with the United Kingdom Government a settlement of outstanding economic and financial matters including the transfer of statal and para-statals property, matters relating to currency and the hand over of stores, buildings, etc. If agreement is not reached within three months from September 15th, 1948, an arbitrator should be appointed by the Secretary-General of the United Nations whose decision would be binding on both parties.

2. In addition, the decision of the Council of Foreign Ministers should contain provision for certain other outstanding economic and financial matters in accordance with paragraph 19 of Annex XIV of the Treaty of Peace with Italy along the following lines:

In accepting trusteeship over Italian Somaliland, Italy will undertake to apply in the territory, in so far as appropriate, the provisions of Articles 75, 76, 78, 80, 81, 83 and Annex XV of the Treaty of Peace. Pending the coming into force of a trusteeship agreement, Italy will
undertake to apply in the territory the provisions of Article 82 of the Treaty of Peace.⁴

Annex C

Statement by the Delegation of the Soviet Union

Special Opinion of the U.S.S.R. Delegation

Since the Council of Foreign Ministers has instructed the Deputies only “to submit their recommendations on the question of defining the ultimate fate of the Italian territorial possessions in Africa”, the Soviet Delegation considers that the consideration of questions in paragraphs 4, 5 and 6 of the recommendations on Eritrea submitted by the U.K. Delegation and in paragraph 3 of the recommendations of the French Delegation do not come within the terms of reference of the Deputies and therefore should not be included in the Recommendations to the Council of Foreign Ministers.

This in equal measure relates to the text of Annexes A and B submitted jointly by the Delegations of the U.K., U.S. and France.

Annex D

Statement by the Delegations of the United Kingdom, United States, and France

The U.K., U.S. and French Deputies disagree with the opinion of the Soviet Delegation that certain of the recommendations made by these three Delegations do not come within the terms of reference of the Deputies. (Annex C)

It is the task of the Deputies to prepare the ground so far as possible for the decisions which the Foreign Ministers are required to take by the provisions of the Peace Treaty. In carrying out this task, the Deputies must clearly be guided by the same considerations as the Ministers themselves. The Ministers, according to the text of Annex XI of the Treaty, must bear in mind the requirements of peace and security. It is evident that an incomplete or vague settlement, or one which left undecided such questions as the method of transfer of administration, would not fulfil these requirements. Moreover, Annex XIV contains a definite requirement that the Ministers should decide the economic and financial questions connected with the final disposal of the former Italian Colonies.

⁴ These articles relate to the restitution of allied property, renunciation of claims, payment of debts, and settlement of disputes arising from any claims etc.; Article 82 provided for the establishment of normal trading relations between Italy and the United Nations without discrimination against nationals of any state.
Annex II

Statement by the Delegations of the United States, United Kingdom, France, and the Soviet Union

Requests by Other Interested Governments To Express Their Views to the Council of Foreign Ministers

In presenting their views on the disposal of the former Italian Colonies the Governments of Australia and of the Union of South Africa made a definite request for an opportunity to present views to the Council of Foreign Ministers.

In addition, the following other interested Governments have informed the Deputies that they reserve the right to present views direct to the Ministers:

Byelorussian S.S.R., New Zealand, Poland, Ukrainian S.S.R. and Yugoslavia.

The Deputies inform the Ministers of these facts so as to enable them to consider the question at the appropriate time.

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Editorial Note

On September 4, 1948, the Soviet Union raised the question of convoking the Council of Foreign Ministers to discuss the disposition of the former Italian Colonies, in notes to the Governments of France, the United States, and the United Kingdom. In their replies the three Western Governments agreed to the calling of a meeting of the Council of Foreign Ministers, and in subsequent communications the first session was set for Paris on September 13. Secretary of State Marshall designated Ambassador Douglas as his special representative for the session; the United Kingdom sent Hector McNeil, British Minister of State; France—Foreign Minister Robert Schuman; and the Soviet Union—Deputy Minister of Foreign Affairs, Andrey Vyshinsky.

The sessions of the Council of Foreign Ministers, which met five times from September 13 to September 15 to consider the recommendations of the Deputies for the Italian Colonies, were inconclusive. Vyshinsky maintained that they were not even meetings of the Council of Foreign Ministers since Bevin and Marshall were not present. The discussion of the character of the meetings took up all of the first and the larger part of the second meeting before Vyshinsky agreed to discuss the Italian Colonies without resolving the question of the character of the meetings.

The Soviet Representative then proposed the return of all the colonies to Italy and charged the United States and United Kingdom
with using the colonies for bases in violation of the Italian Peace Treaty. Douglas and McNeil denied these charges and advocated the return of Italian Somaliland to Italy since all the powers were agreed on that.

At the third meeting Vyshinsky, in a volat face, proposed the establishment of a joint trusteeship for all the colonies under the United Nations and refused to deal piece-meal with the territories. Douglas, supported by Schuman and McNeil, opposed this suggestion. He proposed that the Foreign Ministers dispose of Southern Eritrea and Italian Somaliland, and refer the problem of the remaining colonies to the United Nations General Assembly.

In the last two meetings the ministers could not agree on any proposal. Accordingly they sent a note to the Secretary-General of the United Nations informing him that the disposition of the former Italian Colonies now rested with the General Assembly in accordance with Article 23 and Annex 11 of the Italian Peace Treaty. The Ministers also transmitted the reports of the Field Investigation Commission.

The text of the Soviet note and subsequent communications between the four Governments on the convening of the Council of Foreign Ministers are in file 865.014. Documentation on these meetings of the Council of Foreign Ministers is in telegrams 4771, 4806, and 4818 from Paris, not printed, and in Box 122 of CFM Files, Lot M–88, the consolidated master collection of the records of the Council of Foreign Ministers and ancillary bodies for the years 1943–1955.

865.014/9–2448

The Minister in Ethiopia (Merrell) to the Secretary of State

RESTRICTED

ADDIS ABBABA, September 24, 1948.

No. 99

SIR: I have the honor to transmit herewith, for record purposes, the text of a communiqué issued to the press by the Ethiopian Government in regard to the disposition of the former Italian colonies.

The communiqué was published in the Ethiopian Herald of September 20, 1948, and had been previously handed to the foreign press representatives in Addis Ababa. In the tone of an ultimatum, it warns the members of the United Nations of the “almost certain consequences” of any effort forcibly to reintroduce Italian authority into the ex-Italian colonies, and intimates that any attempt to restore Italian authority in the former Italian provinces will be “actively resisted” and be a constant “threat to international peace and security.”
There is certainly very strong feeling on this subject on the part of Ethiopians of all classes and it is unlikely, I believe, that the Ethiopian Government and people will peacefully accept the return of Eritrea to Italy. There is less concern about the future of former Italian Somaliland.

Giving indication of the feeling in high official circles here, the Minister of Public Works (M. Zaoude Balayneh) stated in a conversation several days ago with a French official of the Franco-Ethiopian Railway that the Ethiopian Government would, if necessary, send forces into Eritrea to prevent the re-establishment of Italy in that area. With due allowance for the fact that the Minister’s father and father-in-law both lost their lives at Italian hands, his remarks may be considered representative of the views of many Ethiopians, and it may be expected that any decision to return Eritrea to Italian control will be opposed by Ethiopia by every means at its command and lead to a chronic state of disorder on the frontier. The position of Italian residents of Addis Ababa and other parts of Ethiopia may become dangerous and untenable, while that of nationals of countries supporting the return of Italian authority to Eritrea will, to say the least, become extremely uncomfortable.

Respectfully yours,

GEORGE R. MERRELL

MEMORANDUM BY MR. PHILIP B. AGERBY OF THE UNITED STATES MISSION TO THE UNITED NATIONS

MINUTES OF WORKING GROUP ON ITALIAN COLONIES

SECRET

[PARIS,] September 28, 1948.

It was agreed that the question of the disposition of the Italian Colonies should not come up for consideration until after the United States elections. Mr. Raynor stated that the British were in agreement with this. It was agreed that no action was necessary to obtain deferment of the question, since it already appeared as No. 10 on the agenda of Committee #1.

Messrs. Villard and Raynor were requested to make an estimate of

The members of the Working Group present at this meeting were: Dean Rusk, Chairman of the Group and Director of UNA; Ernest A. Gross, Legal Adviser; Philip Bagby; William I. Cargo, AF; O. Benjamin Gerg, UND; Col. Philip H. Greasley, USAF; David H. Popper, OA; G. Hayden Raynor, EUR; Capt. Harold P. Smith, USN; Eric Stein, IS; John E. Utter; Henry S. Villard, S/P; Stanley Wilcox, DRE. The meeting took place at 4 p.m., September 27.

The problem of the Italian Colonies had come before the General Assembly at its 143d meeting September 24, 1948, and had been referred to the First Committee (problems dealing with threats to international peace and security).
the number of members of the United Nations who would vote for or against British Trusteeship for Cyrenaica, if urged to do so by the U.S. and the U.K.

Mr. Rusk suggested that additional votes might be obtainable if Cyrenaica were placed under Trusteeship with the United Nations itself as the administering authority and Great Britain acting on behalf of the United Nations as a sort of Executive Agent. It was agreed that the British reaction to such a scheme should be obtained informally.

It was agreed that it would be useless to have Tri-Partite U.S., U.K., French talks on the Italian Colonies at this stage, unless the French had some new proposal to make.

501.BB/9-2848: Telegram

The Acting Secretary of State to the Embassy in France

SECRET

WASHINGTON, September 28, 1948—7 p.m.

Gadel 81. Dept fully agrees with Brit Fonoff re necessity approaching other UN Members soonest possible on Italian Colonies. (London’s 4250,¹ retd Paris 657). However Dept feels much more could be accomplished in many cases by direct approach Delegations Paris, many of whom have full powers negotiate, rather than by approach to home Govts, although latter procedure may be preferable in some isolated instances.

Dept suggested Brit Emb here that interested officials US and Brit Delegations Paris confer on which States could be most advantageously approached through their Delegations in Paris and which through their home Govts. Brit Emb forwarding this suggestion London. This would be in line with suggestion Delga 129¹ for further US–UK talks Paris. Dept approves this suggestion but leaves to Delegation’s discretion whether French should participate at this stage.

Dept feels question disposition Libya one of such primary importance as to make it imperative that Dept and Del exert every effort to insure that every UN Member outside eastern block understands reasons prompting UK–US position. Brit have showed us proposed line which they would take in approaching other States. Dept agrees in general with Brit approach, but is somewhat concerned that greatest emphasis is placed on Cyrenaica. While we share Brit views on importance Cyrenacia, we feel they must realize that postponement as temporary solution for Tripolitania is of as great concern to us as Brit

¹ Not printed.
trusteeship over Cyrenaica. US Del and Emb London should seize every opportunity point out to Brit that we expect same support from them on Tripolitania as we intend to give them on Cyrenaica.

Re problem of which States should be approached by US, which by UK and which jointly, Dept approves suggestions set forth London's 4052 Sept 9\(^2\) unless Del perceives objection in individual cases.

Sent Paris for Gadel; repeated London as 3798.

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\(^2\) Not printed; in it Douglas suggested that the United Kingdom approach the British Empire; the United States approach Cuba, Guatemala, and Argentina; and the United Kingdom and United States jointly approach the remaining South American, European, African, and Asian states. Neither would approach the Arab or Eastern blocs. (501.BB/9-948)

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501.BB/10-1348: Telegram

_The Secretary of State to the Acting Secretary of State\(^1\)_

**SECRET**

**PRIORITY**

PARIS, October 13, 1948—10 p. m.

Delga 316. Tripartite US-UK-Ethiopian conversations on Eritrea held yesterday, Clutton representing UK, Aklilou and Spencer Ethiopia, Villard and Bagby US.

Aklilou made strong plea for cession to Ethiopia of region including Asmara and Massawa, stating he did not understand why US was in favor of postponing decision on this area which was so vital to Ethiopian economy. He pointed out Ethiopians were capable of administering Addis Ababa, a much larger city than Asmara, and added four-power commission statistics shows port of Massawa receipts greatly exceeded expenditures. Ethiopia therefore was entirely capable of administering these two towns. He indicated he preferred British proposal, especially if some hope could be given that Ethiopia could annex territory after 10 years provisional administration, but feared delay might be caused if UN had to work out elaborate statute.

Clutton said UK certainly wished avoid any delay and would be prepared hand over territory before details of statute worked out. In any case, British did not regard their proposal as “sacred” and would consider any other reasonable proposal. He stressed necessity obtaining two-thirds vote in GA.

Aklilou said if US could agree to cession Asmara-Massawa area, Ethiopia might be able agree to postponement western province or even

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\(^1\) Secretary Marshall was at Paris attending the third regular session (first part) of the U.N. General Assembly which met September 21–December 12, 1948. The Secretary of State was with the U.S. Delegation, except for two brief absences, until November 21, when he returned to Washington. For documentation on the organization of the U.S. Delegation at Paris and arrangements of the Delegation for the conduct of business at the General Assembly see vol. i, pp. 289 ff.
cession that area to Sudan. Clutton and UK opposed cession that area because they did not wish to be accused of land-grabbing and because it would raise question Egyptian sovereignty over Sudan. If, however, in a Subcommittee of Committee I it appeared there was considerable feeling in favor such plan, British might accept placing that area under provisional administration of Sudan Government, leaving UN free reconsider final disposal in 5 or 10 years.

We inquired what Ethiopians thought possibility some sort international administration of port of Massawa, stressing this was merely personal suggestion as we had no instructions from Washington. Aklilou replied it was simply question ensuring good working of the port, surely Ethiopia could be trusted to hire capable experts, if it was question making concession to certain elements in international opinion in order obtain votes in GA, Ethiopia might consider undertaking to leave technical operation of port under board of experts to be named by ECOSOC, or something of kind. He did not want, however, elaborate statute which would take another year work out.

Clutton remarked such scheme would please those elements of opinion who “favor internationalizing everything” but would not conciliate pro-Italian elements. Aklilou said he had been talking several LA delegates who were surprised learn Eritrea’s small size and lack resources and to realize it could never serve as outlet for Italy’s excess population.

We promised refer Aklilou’s suggestions to USDel and Department. He asked early reply as he will have consult Emperor.

Our general impression was that Ethiopians will agree to any reasonable concession as long as they receive possession of port of Massawa. They would probably vote for US–UK proposal for Libya and make no violent opposition Italian trusteeship for Somaliland. Although, of course, we did not mention question, we feel sure Ethiopians would agree our keeping radio station in Asmara. If Department finds above suggestions acceptable (Sudanese provisional administration of western province and an ECOSOC-appointed board to run Massawa) it may wish authorize US ask Aklilou about radio station.


MARSHALL

501.BE/10–748 : Telegram

The Acting Secretary of State to the Embassy in France

SECRET

WASHINGTON, October 15, 1948—6 p. m.

Gadel 218, US position Itcol remains same as set forth Gadel 45.¹ While Dept interested evidence effect sentiment slowly crystallizing

¹ Not printed; it stated that the United States’ position remained the same as that outlined in the OFM Deputies Recommendations, p. 342 (501.BB/9–2448).
among Arab States in favor Brit trusteeship for all Libya, it does not consider there is yet sufficient evidence of general trend that direction to warrant reconsideration US position. (Delga 243). Any abandonment our policy of postponement Tripolitania could be expected have serious repercussions Italy which we are most anxious avoid. Although we appreciate desirability obtaining support Arab states, we foresee any gain from that source might be more than offset by losses from Latin American states. Moreover one of principal merits our policy of postponement Tripolitania, which is known and accepted as our position, is fact that we would not be faced with necessity opposing on their merits such solutions as Italian trusteeship, independence, etc. Advocacy postponement enables us take attitude that we are not voting for any these possible solutions at this session simply because we feel situation complicated one requiring further study.

As Del aware, important objective in northern Eritrea is maintenance our facilities Asmara which Armed Forces prefer remain Brit hands. Although we recognize disadvantages our proposed boundary for partitioning Eritrea, it represents best compromise possible bet satisfaction Ethiopian aspirations and maintenance our facilities. Moreover, our present policy of postponement for northern Eritrea has same advantages as in case Tripolitania in enabling us oppose other possible solutions without having take position on their merits. After careful study Delga 243 and 316, Dept cannot see any new factor situation present time which would make it desirable change our present policy on northern Eritrea.

Despite foregoing, Dept greatly interested any trend among Arabs or other delegations toward favoring Brit trusteeship for all Libya and desires be kept closely informed any such development. Likewise in case Eritrea, Dept desires full details re any trend in favor Ethiopians.

Dept wishes emphasize at this time desirability stressing at every appropriate juncture our attitude in favor return Italian settlers to Tripolitania and northern Eritrea during period of postponement. In many instances this should be effective lobbying argument, especially among Latin American delegations. Dept particularly anxious ensure US position this subject made integral part US proposals for these two territories when formally introduced in Committee One and in GA.

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2 Not printed.

3 Supra.
The Secretary of State to the Acting Secretary of State

SECRET

Paris, October 16, 1948—2 p. m.

Delga 355. Reference Gadel 81, September 28; 193 October 13. ¹ Delegation has completed conversations with Clutton, UK delegate regarding method of approach to other delegates and governments regarding former Itcols. We have not informed Department results these conversations because it will be necessary to have a delegation decision on whether to proceed with the campaign at this time or not. The delegation’s decision has been held up because US GADel staff concerned problem have been considering whether if necessary to obtain GA approval, we should modify in any way position on Libya which we took in CFM.² We would of course maintain our commitment to British on Cyrenaica.

US GADel staff concerned with problem are considering the possibility that it would be best to return to the earlier NSC position of British trusteeship for all of Libya, laying however great emphasis on independence as the ultimate goal and providing for automatic independence after ten years. The latter provisions would be necessary to meet point of view of Arab states (Delga 243)³ and other anti-colonial powers.

Special provision will have to be made of course for return of Italian settlers to Tripolitania in order to conciliate pro-Italian feeling among Latin-American nations. The delegation intends to discuss this tentative position with British before reaching decision. We will proceed on this basis unless Department has some objection.

MARRIALL

¹ Gadel 81, p. 954; Gadel 193, not printed.
² For the position under reference see CFM Deputies’ Recommendations, p. 942.
³ Not printed.

The Acting Secretary of State to the Secretary of State, at Paris

TOP SECRET US URGENT WASHINGTON, November 9, 1948—8 p. m.

Gadel 439. For the Secretary. Views of Joint Chiefs on Eritrea just obtained briefly as follows:

1. Inadvisable remove radio facilities from Asmara as tests indicate no other suitable location Middle East—Eastern Mediterranean area.

2. No assurance facilities will be as secure and free as at present from technical or political interference, either deliberate or inadvertent, if territory ceded Ethiopia.
3. Consequently consider essential, if Asmara and Massawa ceded Ethiopia, obtain in writing, but not in form which would have to be registered UN, for indefinite period detailed guaranties (including participating rights airfields and free passage between two cities) for facilities Asmara and Massawa which in effect amount to a sort of military extra-territoriality to which add right of expansion military facilities "in an emergency or threat of war".

(Delgás 445, 556, 612, Gadel 410)¹ DefenseSec in transmitting above expressed opinion such agreement with Ethiopia would be difficult secure and suggested question again be placed on agenda National Security Council if time permits. We are informing Mr. Forrestal that unfortunately there is insufficient time and we are outlining for him Depts recommendations to you re this problem as follows:

1. Proceed soonest urging favorable vote other Delegations US–UK position Italian colonies with cession Eritrea, including Asmara and Massawa, to Ethiopia except northern Moslem section for which we should favor postponement for at least one year.

2. Secretary to speak to Ethiopian Vice Minister Foreign Affairs along line conversation Oct 14 (Delga 445)² making following new points: (a) US has taken firm position to support cession to Ethiopia of all Eritrea, including Asmara and Massawa, except Western Province. (b) We will favor postponement decision on northern Moslem section Eritrea because we consider problem disposition this area more complicated and needs further studying. (c) We are indeed grateful for and accept unsolicited Ethiopian offer to make satisfactory arrangements which will permit continuation of US radio facilities at Asmara. We are particularly appreciative of Emperor's friendly gesture of offering written assurances but relying confidently on their expressed intention we are content to enter detailed discussions for such arrangements as may be necessary for our facilities at Asmara and Massawa after this territory has been ceded to Ethiopia. We do not envisage that two countries bound by such friendly relations and parallel policies in world affairs will encounter difficulties in coming to satisfactory arrangements.

Even though Ethiopian offer written assurances was unsolicited we believe it would be too dangerous to accept them bearing a date prior to the cession of Eritrea to Ethiopia because of ugly repercussions if this became known. Furthermore kind of rights which Joint Chiefs state are necessary for security facilities Asmara and Massawa will be obtained and retained in last analysis only on basis good will and we believe good will more likely result from above approach than from _quid pro quo_ "written guaranties" which Ethiopians could later claim were obtained under duress. In any case we are convinced that we must vote for cession of Asmara and Massawa to Ethiopia whether or

¹ None printed.
² Not printed; it transmitted the text of a memorandum of conversation between Secretary Marshall and Akillin in which Marshall stated that a "... solution reasonably satisfactory to Ethiopia would be worked out, particularly as regards Asmara and Massawa." (501.BB/10-2248)
not we are able indefinitely to maintain our military facilities there. We must therefore appear to Ethiopians as friendly and as generous as possible while we are still apparently in a position of being able to offer something.

Having in mind Italian political situation and our inability satisfy Italian desires re former Colonies we would still prefer our original position. If this not acceptable, next choice postponement decision one year all colonies. If neither of these courses feasible, we agree procedure outlined above.

Lovett

501.BB/11-1348 : Telegram

The Acting Secretary of State to the Embassy in France

SECRET US URGENT PARIS, November 12, 1948—7 p.m.

Gadel 464. For Gross and Rusk. You will recall that difficulty obtaining congressional approval for US trusteeship over Tripolitania or US participation in multi-power trusteeship was only one of several reasons why Dept did not favor such solutions for disposition this area. Other reasons included (1) inadvisability of attempting establish Amer administration over Arab territory in Med in light present relations with Arab states; (2) adverse reaction in Italy of US not only failing support Italian trusteeship but seeking this territory for itself; (3) impracticability multi-power trusteeship with or without US participation in view US-Brit strategic interest in area, to say nothing of increased administrative difficulties which would ensue. (Delga 711, Nov. 12).¹

We do not believe it would be advisable even to suggest to congressional leaders that US finance a UN trusteeship to be administered by Trusteeship Council of which USSR is a member.

In any event I would be unable before Monday obtain opinion congressional leaders as most of those whom it would be appropriate approach are absent Washington.

Finally, Presidential approval would be required.

Lovett

¹ Not printed.

501.BB/11-1848 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET URGENT PARIS, November 18, 1948—8 p.m.

Delga 818. Following are our recommendations on UN members whose home governments should be approached by US to obtain sup-
port for US-UK views on Italian colonies: (List was established at meeting of British and American liaison officers.)

Belgium, Bolivia, China, Costa Rica, Cuba, Denmark, Ecuador, El Salvador, Greece, Haiti, Iran, Liberia, Luxembourg, Mexico, The Netherlands, Paraguay, Philippines, Siam, Turkey and Venezuela.

In each case it is believed US chief of mission should consult with his British colleague on best method of approach, whether joint or separate, whether to President or Foreign Minister, etc. In each case, US delegation will also approach delegation of country named.

In case of Siam, it might be well also to approach Siamese Foreign Minister in Washington if he is still there.

In the case of the Benelux countries, it will be necessary to overcome the French thesis that Tripolitania should be placed under Italian trusteeship at this time. The British brought the question up at a meeting of the Western Union but failed to get a favorable decision due to French opposition. It might be well to stress the military weakness of Italy which, in her best interests, should not at this time undertake a task which might require a considerable number of troops.

Delegation may have recommendations as to additional governments to be approached by Department after initial reaction obtained here.

Department may be interested to know that British state they have obtained promises of support on Cyrenaica from a number of Latin-American states (including Argentina) and believe they can count on 17 to 18 votes out of 20. Postponement for Tripolitania may be more difficult to sell, however, as French and Italians have been campaigning actively recently among Latin-Americans in favor Italian trusteeship of Tripolitania.

MARSHALL

501BB/11-2648: Circular telegram

The Secretary of State to Certain American Diplomatic Offices*1

SECRET

WASHINGTON, November 26, 1948—3 a. m.

US URGENT TO ACTION COUNTRIES

Position US will take in GA re disposition former Italian Colonies is as follows:

1) Brit trusteeship for Cyrenaica; 2) Postponement for one year decision on Tripolitania and Fezzan, which would be studied during that period by appropriate organ UN with view to making recom-

*1 Secretary Marshall had left Paris on November 21, 1948, for Washington, and did not return to Paris.

This circular telegram was sent to missions in Bolivia, China, Costa Rica, Cuba, Denmark, Ecuador, El Salvador, Greece, Haiti, Iran, Liberia, Mexico, Paraguay, Philippines, Siam, Turkey, Colombia, Uruguay, Panama for action.
mendations on future of territories at next regular session GA, former Italian residents to be permitted return their homes in interim; 3) Italian trusteeship for Somaliland; 4) cession Eritrea to Ethiopia except for that northern section known as "Western Province".

An oral approach to Govt to which you are accredited to gain support for this position by explaining it clearly is matter both urgency and importance (problem may arise GA Nov 29). You should consult with your Brit colleague best method approach, whether jointly or separately, whether to Chief of State or Fonmin, etc. (no joint approach in American Republics). US Delegation Paris will also approach Delegation of country to which you are accredited. (See Dept Bulletin, Vol. XIX, No. 482, Sept 26.)

Your approach should take following general line but Dept leaves to your discretion which points to emphasize:

a) While US aware position may not be completely satisfactory to everyone, we sincerely believe that on whole it represents fairest and most generally satisfactory solution.

b) In case of Libya, we have great sympathy for expressed desires of local inhabitants for independence. In considering our position on this territory, however, we have found it necessary to give weight to two important factors. First is fact there is not sufficient community of interest between Cyrenaicans and Tripolitians to make practical a united Libya at this time. Second is fact neither Cyrenaicans nor Tripolitians ready for independence at this time, fact recognized by Four Power Commission of investigation which was sent to territories in accordance terms Italian Peace Treaty. Both Cyrenaica and Tripolitania will require guidance and assistance before they are able stand on own feet. Since trusteeship system devised to meet just such situation, we feel both territories should receive guidance and assistance which they will require by establishing trusteeship.

c) In case of Cyrenaica, Great Britain is, in our opinion, admirably and best suited to be trustee. Relations between Brit and Cyrenaicans are cordial, and we believe Brit have given abundant evidence their good faith in leading dependent peoples toward self-government and independence. Furthermore, security non-communist world depends in large measure on Brit maintaining strong position in Mediterranean-Middle Eastern area, and importance in this regard of Brit trusteeship for Cyrenaica is obvious by reason of geographic position of area. This Govt's sympathy with present Italian Govt is well known. We have exerted every effort since war to strengthen present Italian regime, and ensure that new democratic Italy assumes proper place in family of nations. In line with this general policy, this Govt looks
with favor on principle of participation of Italy in administration of her former colonies in Africa, and for that reason is advocating Ital Somaliland be placed under Ital trusteeship. For similar reasons and in recognition of problems imposed on Italy by demographic pressure, we feel most strongly that former Italian residents of Tripolitania should be permitted return their homes.

In case Cyrenaica, however, violent hostility of local inhabitants toward Italy coupled with Great Britain’s war-time pledge that area would never again be placed under Ital administration precludes in our opinion any consideration of Italy as trustee for Cyrenaica.

d) As regards Tripolitania this Govt has rejected possibility immediate independence for much same reasons as in case Cyrenaica. We have discarded possibility multi-lateral or direct UN trusteeship as administratively impractical and politically dangerous in light of world situation as it has developed since end World War II. We believe single power trusteeship most desirable but have been unable decide which power best fitted assume responsibility and because of wide divergency opinions this subject and complexity problem we consider additional year study by UN fairest and most just approach to problem.

e) Re Somaliland, we feel Italian trusteeship most desirable solution. Administration this territory will afford govt of new democratic Italy chance it so earnestly desires to demonstrate its ability take share in task of educating and assisting backward people.

f) Our proposal for cession of greater part Eritrea to Ethiopia is based on Ethiopia’s claim for access to sea (only port worthy of name is Massawa), economic ties between two countries, and fact that large proportion of population is kin to northern Ethiopians by race and religion. We have proposed outright cession this territory to Ethiopia because it is obvious that Eritrea’s economic and political future lies naturally with Ethiopia. We are not advocating cession of Western Province to Ethiopia since problems raised by its predominantly Moslem population seem to us to make postponement and further study advisable.

You will note that many of above comments are designed for countries which may favor return of Ital administration to other of her former colonies than Somaliland and such arguments will not be needed or at any rate probably should not be emphasized in those countries which have little or no pro-Italian sentiments.

Report immediately reactions your approach and repeat your replies Paris for US Del and to London.

Marshall
501.BB/11-2948: Telegram

The Secretary of State to the Legation in Ethiopia

TOP SECRET US URGENT WASHINGTON, November 26, 1948—9 p.m. 149. Position US will take in GA on former Itcols sent as cirtel.¹ Note US will support cession to Ethiopia of all Eritrea except West Province which would be postponed for further period of year. Future this area would be studied by appropriate organ UN with view formulating recommendation next regular session GA.

Secretary informed Aklilou our decision Nov 20. Inform Emperor orally in way you consider most advisable and explain that US considers cession act of justice by which most of Coptic Christians would be included in boundaries Ethiopia and which would provide Ethiopia with outlet to sea through port of Massawa. You may add US glad able take this position and confident it will strengthen bonds friendship and cooperation existing between our two countries. Dept also informing Eth Min² here.

If Emperor or Eth Govt officials inquire about our position re other Itcols, you may give them such background contained in ref cirtel as seems appropriate. While we cannot expect Ethiopian support for Italian trusteeship for Somaliland, we hope Ethiopia will support our position on Libya. You could point out US and Brit positions on all Itcols now essentially same.

For your background info only, US armed forces particularly interested retaining unhampered use radio station Asmara and possibly use other mil facilities (airfields, port) Asmara–Massawa area after southern Eritrea ceded Ethiopia. Recently in Paris Ethiopian Délegation GA volunteered that Emperor would make written assurances that any arrangements suitable to US for continuation US radio station Asmara would be agreeable to him. On Nov 20 Secretary assured Aklilou US favors cession Asmara and Massawa to Ethiopia and asked him to thank Emperor for his unsolicited offer permit radio station remain Asmara. Furthermore, he indicated we are particularly appreciative Emperor’s friendly gesture of offering written assurances but relying confidently on their expressed intention, we content discuss such arrangements necessary for our facilities Asmara after this territory ceded Ethiopia. We do not envisage that two countries bound by such friendly relations and parallel policies in world affairs will encounter difficulties in coming to satisfactory arrangements. Do not discuss subject of radio station or military facilities with Emperor unless he raises

¹ Supra.
² Ras H. S. Imru, Ethiopian Minister in the United States
question and then you should speak along foregoing lines without mentioning military facilities Massawa.

Please report Emperor’s reactions soonest to all addressees.

MARSHALL

501.BB/11-2548 : Telegram

The Secretary of State to the Embassy in France

SECRET US URGENT WASHINGTON, November 25, 1948—1 p. m.
NIAC

Gadel 584. Circular telegraphic instructions have been prepared and are ready be sent to those capitals in which delegation and Dept agreed discussions on US position Itcols could profitably take place. This is a matter of urgency because of short time remaining before problem reached on GA agenda and because Brit are holding up their instructions to coordinate them with ours.

In light of change in our position re Itcols adopted on Delegation’s recommendation with respect Eritrea Dept requests Delegation’s urgent appraisal parliamentary situation and specific comment on possibility that two-thirds vote may not be received on any concrete proposal, thus leaving issue open until next GA. Dept has repeated to you Rome’s 4414,¹ which indicates seriousness with which Italian Govt views possible domestic effects US position to which we must give careful consideration.

Following instructions are provided for Delegation’s guidance:

1. French have informed us they intend introduce a proposal for Italian trusteeship Tripolitania. You should abstain on vote on this draft resolution.

2. Delegation’s appraisal is requested of a possible alternative proposal whereby our draft resolution on Libya would terminate in phraseology along following lines:

"That the Trusteeship Council report to next regular session of GA whether inhabitants of Tripolitania can best be assisted in preparing themselves for independence if Tripolitania is placed under international trusteeship with Italy as administering authority."

Do you think French might accept such language as compromise in lieu their proposal.

3. Please incorporate phraseology in any resolution on cession of Eritrea to Ethiopia which would guarantee rights Italians presently residing in Eritrea and return to their homes of former Italian residents of that colony.

You are authorized in your discretion consult with Brit Delegation.

Please repeat your reply to London.

MARSHALL

¹ Not printed.
TOP SECRET

ROME, November 28, 1948—8 p. m.

4476. I appreciate consideration indicated in Gadel 584 of November 25, 1 p. m. to Paris, repeated Rome 2880 with regard to serious situation here described in mytel 4414, November 23. It is my duty to report to you, however, that measures envisaged therein will fall far short of meeting needs of US position re Italy. I hope Department will not underestimate importance of this issue to Italian public opinion. It may be difficult to perceive how impact of unfavorable decision re colonies could offset tangible benefits which Italian people are already deriving from cooperation with West and specifically with US. No other question outside that of Trieste (see mytel 2798, June 28) is as deeply felt throughout all sections of Italian public opinion. In present instance we would reverse situation that arose from our March 20 proposal re Trieste and give Communists their first real opportunity successfully to attack De Gasperi Government on an issue that will appeal to every Italian.

Recent press telegrams indicate great use already being made by Communists on this issue and that De Gasperi and Sforza’s concern over future of government itself is fully justified. It is my conviction that if Sforza and some of other ministers are forced to resign as a result of US stand in matter of former Italian colonies it will be impossible for any successor to Sforza in face of public reaction to continue policy of unreserved cooperation with West. We are therefore at a decisive point in future development of Italian policy. If Italian Government’s efforts which so far have been signal success in leading Italian people towards European unity and alignment with other Western democracies is to suffer severe set-back at this critical stage, the results will not only be serious for Italy but the weakening of government’s position would affect Western European unity.

If Department’s over-all policy does not permit taking position at least as favorable to Italy as that proposed in CFM deputies September meeting, I urge that consideration of this question by the General Assembly be postponed until present Italian Government policy of

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1 Not printed; in it Dunn reported that the Italian Government would be seriously weakened if Eritrea were given to Ethiopia and that he could not exaggerate the effect of such a decision on Italian public opinion (865.014/11-2348).

2 Not printed.

3 On March 20, 1948, the United States, United Kingdom, and France had proposed that Trieste be returned to Italy instead of being administered as a Free Territory. For the text of this proposal see Department of State Bulletin, March 28, 1948, p. 425. For documentation on the policy of the United States toward the Free Territory of Trieste see pp. 502 ff.
cooperation with West has been more fully implemented and until Italian Government is therefore in a better position to meet Italian public opinion.\footnote{On December 7, 1948, the General Committee of the General Assembly approved by a vote of 6 to 4 a proposal to reallocate the question of the disposition of the Italian Colonies from the First Committee to the Ad Hoc Political Committee. This proposal was then discussed at the 175th Plenary Meeting of the General Assembly on December 8, and defeated by a vote of 31 to 11. But the First Committee, owing to the pressure of business, was unable to examine the issue and it was deferred to the second part of the third session in April–May 1949. For the text of the General Committee proposal see United Nations General Assembly, Official Records, Annexes, 1948, vol. 1, p. 524. For the debate on the proposal by the General Assembly see United Nations General Assembly, Official Records, Plenary Meetings, 1948, pp. 758–766.}

\textbf{Dunn}

\textbf{865.014/12-448}

The Acting Secretary of State to the Prime Minister of Italy (De Gasperi)

\textbf{WASHINGTON, December 4, 1948.}

\textbf{My dear Mr. Prime Minister:} The President and the Secretary have given most careful and sympathetic consideration to the representations of Ambassador Tarchiani, and Your Excellency’s personal message delivered to the Secretary by Ambassador Quaroni in Paris, concerning the question of the disposition of the former Italian colonies. The decision has now been reached that in view of all of the considerations involved the position supported by the United States Delegation to the General Assembly represents a solution which will best meet the wishes and promote the welfare of the inhabitants and further the interests of peace and security.

Throughout the consideration of this problem, the United States Government has given the most sympathetic regard to Italy’s economic and demographic needs, and has kept in mind also the question of the colonies when other measures to assist the Italian people in their reconstruction of a prosperous, free and peaceful nation have been studied. In searching for the most just and equitable solution of this difficult problem the United States Government has had to take into consideration the interests and desires of the inhabitants of the territories, and also the practical question of Italy’s economic position and the possibility that the burden of administration of some of the areas might seriously retard Italian recovery at home.

The United States Government has fully and actively supported an Italian trusteeship for Somaliland, and it is hoped this proposal will be approved by the General Assembly. This will provide an opportunity for Italians to resume their work of developing this area for
the mutual benefit of the indigenous population and of Italians who will be able to emigrate to the territory. Moreover, the United States position favoring postponement of a decision on Tripolitania this year does not preclude eventual Italian trusteeship, and it is intended to make this point clear at Paris. We intend as well to take a strong position with regard to the return of former Italian residents of Tripolitania and all of Eritrea. We are also including in the American draft resolution a clause designed to guarantee the human rights of all inhabitants of the territory which would provide for the protection of the interests and rights of both those Italians resident in Eritrea and those who may return.

In conveying this decision to Your Excellency I wish to renew the President’s assurances that the Government of the United States maintains steadfastly its policy of cooperation with the Italian Government for the rebuilding of a society wherein the Italian and American peoples and all of the freedom-loving people of the world can live and work together in peace and security. Although the proposed solution of this one problem may be less favorable to Italy than that for which your Government has so earnestly appealed, I hope that Your Excellency will appreciate the reasons underlying this decision.

With assurances of my highest regard,

Sincerely yours,

ROBERT A. LOVETT

865.014/12-2848 : Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, December 28, 1948—1 p. m.

4767. When I saw the Foreign Minister today he said he was well satisfied with his conversations with the French Foreign Minister at Cannes.¹ They had discussed the question of the former Italian colonies and Schuman had confirmed the favorable attitude of the French Government toward Italian trusteeship for Libya and the part of Eritrea remaining after giving Ethiopia access to the sea at Assab as well as Italian trusteeship for Somaliland. Count Sforza said he had several times made an effort to get in touch with the Ethiopian Government. He said he could very well understand the Ethiopian attitude toward Italy because of the actions taken by the Fascist Government but he also felt that the Negus should make some effort to understand the Italian position and he still hoped to find a way to have conversations with the Ethiopian Government.

¹ December 20–21.
Sforza said he proposed to Schuman that Eritrea minus access to the sea be turned over to a united Europe trusteeship as the manner of dealing with that area would be of very deep interest to the western European nations.

Sforza said that the Italians still hoped very strongly that they would be given the trusteeship for Libya and his impression was, after talking with Schuman, that the atmosphere was becoming more favorable to Italy in that regard (ref: Embltel 4762, December 24).²

[Here follows information on Italian participation in western defense arrangements.]

Dunn

² Not printed.

THE DISPOSAL OF THE ITALIAN FLEET AND THE RETURN TO THE UNITED KINGDOM AND THE UNITED STATES OF WARSHIPS LOANED TO THE SOVIET UNION DURING WORLD WAR II: THE WORK OF THE FOUR-POWER NAVAL COMMISSION

Editorial Note

WARTIME AND TREATY ARRANGEMENTS REGARDING THE ITALIAN FLEET AND THE LOAN OF BRITISH AND AMERICAN WARSHIPS TO THE SOVIET UNION

Along with the short terms of armistice, signed September 3, and proclaimed September 8, 1943, and the long terms of armistice signed at Malta on September 29, which governed Italy's surrender, there was a memorandum drawn up on September 23, 1943 by Sir Andrew Browne Cunningham, Allied Commander in Chief, Mediterranean, and the Italian Minister of Marine, Raffaele de Courten, which regulated the employment and disposition of the Italian fleet and mercantile marine. The memorandum was not signed but was a "gentlemen's agreement." The amendments agreed upon at Brindisi on November 17, 1943, were, however, signed. For texts of these instruments see Armistice with Italy, Treaties and Other International Acts Series 1601, or Charles I. Bevans, ed., Treaties and Other International Agreements of the United States of America, 1776-1949, volume 3, pages 769 ff. In general the memorandum provided that the Italian flag would still fly; Italian crews would remain aboard; and parts of the fleet would be used in the service of the Allies.

At the Moscow Conference of October 1943, Foreign Commissar Molotov urged on Secretary of State Hull and Foreign Secretary Eden that the Soviet Union be granted a share of the Italian ships: one battleship, one cruiser, eight destroyers, four submarines, and 40,000 tons
of merchant shipping. For this proposal and its subsequent acceptance by President Roosevelt and Prime Minister Churchill at the Eureka conference (Tehran, November–December 1943), see *Foreign Relations*, 1943, volume I, pages 612 ff., and *Foreign Relations: The Conferences at Cairo and Tehran, 1943*, pages 112 ff.


Meanwhile, by an exchange of letters dated March 30 and April 1, 1944, Ambassador Harriman and People’s Commissar for Foreign Affairs Molotov arranged for the delivery and reception of the cruiser *Milwaukee* at a port in the Soviet Union. It was stipulated that the vessel “will be temporarily loaned to the Naval Command, Union of Soviet Socialist Republics, until a replacement from the Italian fleet can be placed at the disposal of the Soviet Union.” It was further stipulated: “It is understood that upon termination of the use of the U.S.S. *Milwaukee* in accordance with the foregoing arrangements, the Soviet Government will deliver her, complete with original equipment, to the United States authorities at a United States port, or some other port acceptable to the United States.” The ship was transferred at Murmansk during the first part of April. A bilateral document signed by both parties acknowledged the receipt of the cruiser. (Harriman to Molotov, March 30, 1944; Molotov to Harriman, April 1, 1944; Harriman to Vyshinsky, March 31, 1944, in folder marked “Amemb. Moscow—Top Secret 1941–1947” of the Moscow Embassy Files, Lot F–96, Box 43.)

The general arrangements for the Italian Navy were provided in Articles 56, 57, and 58 of the Treaty of Peace. Annex XII, Part A listed the naval vessels (two battleships, four cruisers and lesser craft) to be retained by Italy. Part B listed the vessels to be placed at the disposal of the Soviet Union, the United Kingdom, the United States of America and France (three battleships, five cruisers, seven destroyers,
six torpedo boats, eight submarines and a number of minor war vessels). (Treaties and Other International Acts Series 1648.)

At Paris on February 10, 1947 there was signed by the United States of America, the United Kingdom, the Union of Soviet Socialist Republics and France a Protocol on the Establishment of a Four Power Naval Commission, the Disposal of Excess Units of the Italian Fleet, and the Return by the Soviet Union of Warships on Loan. (For text see TIAS 1733, or Bevans, ed., Treaties, volume 4, page 306.) The Four Power Naval Commission was to meet in Paris immediately after signature of the Treaty and of the Protocol, and move to Rome upon the coming into force of the Treaty. The Annex to the Protocol giving the allocation of the excess units of the Italian fleet among the Union of Soviet Socialist Republics, the United Kingdom, United States of America, France, Greece, Yugoslavia and Albania was not to be published until a later date.

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Editorial Note

Work of the Four-Power Naval Commission in 1947

On February 11, the day after signature of the Protocol, the Four-Power Naval Commission was constituted and held its first meeting. USN Captain Roland F. Pryce, representative of the United States, RN Captain William Yorke LaRoche Beverley, representative of the United Kingdom, and Rear Admiral Gabriel Rebuffel, representative of France, served for the whole period of the Commission, which was dissolved in May 1949. The Union of Soviet Socialist Republics in the Paris meetings was represented by Rear Admiral V. P. Karpunin, but when the Commission moved to Rome in September, his place was taken, until May 1948, by Commodore (Senior Captain) Semen V. Slavin.

At the initial meeting the Commission decided to deliver the Protocol, but without the Annex, to Italy and to Greece, Yugoslavia, and Albania. During the spring the Italian Government named as its representative Naval Captain Ernesto Giurati who explained Italy’s interpretation of the terms used in Article 57 of the Treaty but without gaining a clear acceptance by the Commission so that he resigned at the end of May.

Because ratification of the Treaty was still pending, little progress was made at Paris. Reports from the Paris Embassy regarding the meetings held there are found in the Central Files of the Department of State under the number 865.30 but these do not include copies of the minutes (Record of Decisions) for the Paris session, February 11-
May 16, or the documents, 1–43, for the period February 11–May 19. For the Rome period the Department’s records are full. Complete records of the Commission are filed in the Classified Operational Archives, Naval History Division, Department of the Navy.

After the transfer to Rome the Department of State, in order to insure coordination of its policies in implementing the Treaty, directed that all communications of the Commission be transmitted to it through the Ambassador and with his comments. United States policy aimed to reduce to a minimum the political reactions unfavorable to the Italian Government and to keep as low as possible the Italian obligation for refitting and repairing the vessels to be transferred. Naval Captain Alessandro Michelagnoli was named Italian representative with the Commission. The United States declined to accept any of the vessels allotted to it and proposed that they be converted into scrap in order to aid Italy’s economic recovery. Ambassador Dunn urged that the manner and date of revealing the allocations of the ships should be left to Italy, but that the United States be given prior notice in order to be able to issue a press release of its intention to relinquish claim to its allotted share. The Soviet Government at first opposed the proposal for the conversion of the renounced submarines into scrap, but reversed this stand toward the end of the year.

865.30/1–2448: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, January 24, 1948—5 p. m.

337. Refer to Four-Power Naval Commission document 29/J ¹ and minutes of 17 meeting record dated 10 November.² In giving agreement to pass the top secret annex Four-Power protocol of 10 February 1947 to Italian Government on 14 November, British made stipulation that due to British Foreign Office commitments to Parliament they reserve right to publish annex unilaterally if information leaks to public (Department’s 141, January 19).³

Italian Government has not seen fit to publish annex officially and

¹ This document, not printed, was a letter addressed on December 9, 1947, by Captain Pryce as Chairman (for that week) of the Four-Power Naval Commission to the Italian Foreign Minister, Count Sforza, informing him “that there will be no objection on the part of the Four Governments to publication in the Press by the Italian Government, at its discretion, of the Annex to the Four-Power Protocol signed in Paris on 10th February, 1947.” (865.30/12–1847.)

² “Record of Decisions taken at the 17th Meeting held at the French Embassy, Rome, on Monday at 10 a. m. and again at 4 p. m.” (November 10, 1947) not printed. (865.30/10–1648.)

³ In this telegram, not printed, the Department of State asked if the Italian Government had as yet published the Annex to the Naval Protocol. (865.30/1–1948)
Captain Pryce has been privately informed they do not intend to do so until after all ships have been turned over to civilian yards for transfer to recipient governments. This will not occur for many weeks. In December one Colonna, writing for Rome daily Il Nuovo published complete allocations with few discrepancies in minor ships and Colonna's list, which received no denials, has been published in many world papers since including New York Times.

British Government, through their representative on Naval Commission, today asked that other three governments agree on a date for simultaneous release by four governments as they would “prefer” not to act unilaterally.

Since the information has already enjoyed undenied publication for over a month main objection to agreeing to British request would be that Italy is still responsible for security of ships under Article 1 of the protocol until transfer is effected.

It would also seem preferable to inform British we have no objection to publication by them, but do not see need for similar action by US. This would avoid Four-Power announcement possibly not desirable at this time.

Please pass to Navy and advise me.  
Sent Department as 337, repeated Paris 51, Moscow as 12, London for Embassy and Admiral Conolly as 33.

Dunn

4 In telegram 255 of January 29, 1948, not printed, the Department stated it would prefer no publication of the list of ships until such action were agreeable to the Italians in view of their responsibility for security of the ships until transfer. It suggested that the Ambassador urge the British to defer publication, but that if they felt such action were required because of commitments to Parliament, the United States would not join in such action. (865.30/1-2448)

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The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, March 12, 1948—9 p. m.

1094. Four Power Naval Commission work is subject. As previously reported only two naval ships have yet been transferred to any recipient power. Sloop Eritrea and tanker Tarvisio were transferred to France under special agreement between Commission and Italian Government whereby France accepted ships delivered without refit by Italian crews. This represented first overture on part of Italians bearing on the below.

1 In telegram 529 of February 6, 1948, not printed. Dunn reported receipt by the Commission of a letter from the Italian Foreign Office stating that it would publish the Annex on Sunday, February 8th, and would at the same time announce the transfer to France of the Eritrea and the Tarvisio. The French, he reported, were accepting these ships without overhaul. (865.30/2-648)
Department is already informed that strong representations have been made by Italian Government to French Government asking latter to follow lead of US and UK in renouncing ships. Italy would then in bilateral negotiations agree to make restitution for seizures of French ships in Toulon and all reconfigurations would be dropped. French Government unable agree renouncement as under terms Four Power protocol renounced warships must be scrapped or sunk. They have however expressed willingness to negotiate under different approach. To this end Pryce has been given following information by Admiral Rebuffel, French member of Commission:

French Embassy Rome has been authorized approach Foreign Office along these lines:

a. Italy has estimated that $16 million is required to refit all ships of annex XII B to be transferred, 7 million of which is for French allotment. There is every indication this money will not be appropriated in near future.

b. France will ask Italy to appropriate as soon possible only 1 million to make necessary voyage repairs necessary get ships to France where latter would effect refits at own expense.

c. Two governments would execute commercial agreement at same time whereby Italy would supply necessary spare parts, certain deficiencies raw material and technical assistance.

d. Mr. Bidault is expected bring up this subject in forthcoming conversations with Count Sforza at Turin.

In general relation to above Pryce reports that progress and trend of Commission's deliberations and private conversations he has had with Admiral Mauger indicate that for political and financial reasons no further transfer of ships will take place prior elections. Present government will not accept responsibility. French are making every effort obtain early deliveries. Yugoslavs have asked to send technical inspectors Italy with view of accepting some ships immediately without refit. Greeks also wish inspect cruiser Savoia with view of accepting ship with only voyage repairs subsequent two year refit to be arranged bilaterally later. Soviets, while not relinquishing any claims for complete refit, are not pressing for delivery but deferring demands under cloak of disagreements in Commission.

Commission now in virtual agreement with Italians in regard general methods of transfer and in inspections and trials to precede transfer. Salient points under methods of transfer include:

(a) Ships to be stricken from Navy list prepared by civilian yards and delivered by Italian civilian crews with ceremony.

(b) Numbers of observers and inspectors to be permitted enter

Italy in civilian dress agreed upon for each power. (Russians had originally demanded entry full naval crews of recipient power and full dress turnovers in Italy later reduced demands to 300 civilians. They will be permitted 110.)

(c) Ports of delivery agreed upon for France, Salins d’Hyères or Toulon; Greece, Keratsini; for Yugoslavia, Spalato; for unrenounced ships of UK, port to be decided later. Soviets have asked for delivery Odessa which out of desire get ships out of Mediterranean after transfer, Italians have agreed to subject to satisfactory arrangements regarding guarantees for prompt repatriation Italian personnel and provisions for replenishment of fuel, lubricants, stores during long voyage.

(d) Limited number Italian instructors to remain in Soviet ships after transfer subject to private arrangement with shipyards and approval by Italian Government.

Matter of progress destruction of submarines and renounced warships will be subject of separate telegram.\(^3\)

Captain Pryce requests pass to CNO.

Sent Department as 1094, repeated Moscow as 29, Paris 149, London and Admiral Conolly 109.

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\(^3\) In telegram 1131 of March 15, 1948, not printed, Dunn reported that the work of dismantling the battleships *Vittorio Veneto* and *Italia* at La Spezia was proceeding very slowly (865.30/3-1848).

In telegram 1201 of March 18, 1948, not printed, Dunn reported regarding the scrapping of the 31 Italian submarines, with minimum destruction to be completed by April 15, and the planning for arrangements for inspection by the naval advisers (865.30/3-1848).

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865.30/5-1348: Telegram

*The Ambassador in Italy (Dunn) to the Secretary of State*

TOP SECRET URGENT ROME, May 13, 1948—9 p. m.

2176. The Four Power Naval Commission has been unable to coordinate any physical supervision of scrapping renounced warships by Italians. While three powers are in agreement that paragraph 2 (B) of naval protocol implies such supervision Soviet member has asked for adjournment of discussion on this point until time limit expires 15 June when vessels must be sunk if not reduced to state described in Embtel 300.\(^1\) Naturally Soviets would prefer that US and UK

\(^1\) In this telegram of January 21, 1948, not printed, Dunn reported that the four Ambassadors had informed the Italian Foreign Office that responsibility for supervising the scrapping of the warships renounced by the U.S. and the U.K. was within the competence of the Four Power Naval Commission and asked for the arrangement of facilities. Meanwhile the Commission, realizing that complete scrapping by June 15 was not possible, had drawn up a list of actions on hull, machinery, armament and electrical systems which would constitute “minimum destruction” to be achieved by April 15. (865.30/1-2148)
should derive no further credit for our generous gesture of renunciation and Soviet interests would be best served by requiring that vessels be sunk on June 15.

Inasmuch as we are bound by agreements and are virtually certain to have no support from French or British in sponsoring modification in requirement that non-scrapped vessels be sunk, I feel that while there may still be time, if you agree, I should make our position plain to Foreign Minister along these lines:

In connection with Department's message which I delivered to Sforza on October 6 our government declined to accept its share of the excess Italian Navy by invoking Article 2 (B) of the Four Power protocol and in so doing were motivated by a desire that Italy should dispose of these ships herself. We also felt that Italian economy would benefit by this action.

In order to allow Italy time for complete scrapping we sponsored a list of "minimum destruction" that would satisfy the four governments on June 15 that the military potential of the ships had been destroyed. My information is that Italy has not yet accomplished reductions outlined to any considerable extent and we feel it opportune to forewarn Italian Government that we cannot be expected to depart from agreements we have with other three powers and with Italy that non-scrapped warships that have been renounced must be sunk on 15 June.

Because of time element very early instructions are requested (see Embtels 1670 and 1923).

Captain Pryce requests pass to Navy.

Sent Department 2176, repeated Paris 274, Moscow 58, London 192.

Dunn

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The Department's telegram 1879 of September 30, 1947, not printed, directed Ambassador Dunn to inform Count Sforza that the United States had determined to decline any share of the Italian fleet (865.30/9-3047).

In this telegram of April 12, 1948, not printed, Dunn reported having learned that the French Embassy in Rome believed that Italy would ask for a general revision of the treaty's naval clauses, but that France would vigorously oppose such action, particularly the retention by Italy of any modern battleships (865.30/4-1248).

In this telegram of April 24, 1948, not printed, Dunn reported several recent indications that the Italian Government was seriously thinking of trying to avoid the scrapping of the battleships Italia and Vittorio Veneto, but that he was convinced that neither the French nor the British would approve, and certainly not the Russians after the Italian elections (865.30/4-2448).

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865.30/5-1448: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET URGENT

ROME, May 14, 1948—9 p.m.

2207. As previously reported, Soviets have consistently refused to discuss return of warships on loan to Russia until "there shall have been full clarity in regard to transfer of excess Italian ships to Russia."
In interest of other powers US and UK members of naval committee continued to discuss all problems connected with Article 57 until agreement was reached on text of a document titled "General Methods of Transfer". This paper when transmitted to Italian Government will provide for general procedures in connection with transfers such as:

(a) Provision that ships to be prepared by civilian yards and turned over in agreed ports outside Italy by civilian crews. 
(b) Number of recipient power specialists to be permitted in Italy for purpose of inspection and to accompany ships to ports of transfer.
(c) Extent of inspections and trials.
(d) Ports of transfer.
(e) Responsibility for supply of fuel and stores, repatriation of crews, etc. Document was considered by me to embody sufficient detail regarding transfer of ships to supply "full clarity" in connection with transfers to Russia. I therefore instructed Pryce three weeks ago not to agree to its transmission to Italians until Soviets were willing to enter into discussions on return of loaned ships under Paragraph Nine of naval protocol.

French are very anxious to have document transmitted as Italians will then have no excuses. Yugo and Greek interests are also involved. Russians have now been instructed that they may enter into discussions on return of loaned ships but have asked that document under discussion be passed to Italians without waiting for agreement on details of returning loaned ships.

Inasmuch as we still hold veto on naming dates for transfer of any ship to USSR and unless otherwise instructed by Tuesday next, we will agree to pass document to Italians if first exchange of views on Part II of protocol indicates good faith.

I propose to have Captain Pryce ask that Milwaukee proceed to a port in US on same date Russian assigned cruiser Duca D'Aosta leaves Italy for Odessa. Also that we be given option of placing a few observers aboard for voyage if we wish.

Captain Pryce asks pass to Navy and ascertain port of delivery desired by CNO for Milwaukee.

Sent Department 2207, repeated London for Embassy and Admiral Conolly 198, Paris as 279 and Moscow as 59.

Dunn

865.30/5-1548: Telegram

The Secretary of State to the Embassy in Italy

TOP SECRET URGENT WASHINGTON, May 15, 1948—3 p. m.

1386. Deptel 1137 Apr 20.1 Although SANACC sub-committee report which recommends Italy be urged proceed scrapping battleships

1 In this telegram, not printed, the Department informed Dunn that his telegram 1670 of April 12, 1948 had been referred to the SANACC Sub-Committee for Europe (865.30/4-1248). For telegram 1670, see footnote 3, p. 976.
without further delay, has not yet been formally approved, Dept believes there is general agreement sub-committee’s findings.

In view this general approval and time element involved Dept agrees you shd now make plain to FonMin US can not be expected depart from agreements with other three powers re disposition renounced naval units (ur 2176 May 13). You shd emphasize renunciation was decided upon by US as gesture support Ital Govt and contribution Ital economy; that Dept is disappointed Ital have not taken effective steps carry out their obligation; and that unless Ital take immediate and effective steps this direction US must either reclaim vessels (which we feel must be given consideration in view critical scrap needs) or insist with other three powers that ships be sunk June 15 in accord protocol provisions.

Ital Emb has just approached Dept informally re implementation naval clauses, raising question transfer allocated ships to France and possibility substitution newer battleships for Duilio and Doria (ur 1923 Apr 24). We are making clear Dept not prepared support revision protocol to permit substitution since other powers certain to oppose and because from practical point of view no real justification for retention Italia and Vittorio Veneto. Although Emb suggested transfers to France would encourage demands USSR and other recipients for immediate delivery their allocations, we are expressing opinion every effort shd be made expedite transfers to France, pointing out further procrastination will only lead to misunderstandings and recriminations at time close collaboration all western European powers important. We therefore urge unpleasant matter of naval transfers be concluded earliest possible, indicating we see no possibility avoid eventual transfer USSR and delays in other transfers already raising question whether Ital willing carry out commitments in good faith.

Marshall

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2 See footnote 4, p. 976.
3 In telegram 2994 of May 10, 1948, not printed, Ambassador Caffery reported from Paris that the French Government was becoming increasingly irritated with Italian “procrastination” in turning over the vessels which France was scheduled to receive. One French official opined that “it is not possible seriously to discuss or even consider Italy’s incorporation in a western European defense system until Italians make firm arrangements for delivery to France of the vessels which latter needs.” (865.30/3-1048)
4 In telegram 2293 of May 18, 1948, not printed, Dunn reported that Sforza had asked him to call and explained that he had been disturbed to learn that the Defense Ministry had apparently been responsible for failure to initiate the minimum destruction agreed on. Sforza had taken the matter up with De Gasperi who had issued strict orders that the work begin immediately. (865.30/3-1848)
The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, June 24, 1948—7 p.m.

2763. Refer to Embtel 2671.1 After one week during which Captain Pryce refused discuss return of Milwaukee in United Kingdom port, Soviet member has agreed deliver vessel in Lewes, Delaware, concurrently with receipt of Italian cruiser in Odessa.

Following Soviet Ambassador’s return from Moscow, Soviet member of Naval Commission has just introduced proposal to accept 33 out of 45 Italian naval ships without refit, delivery to be effected by 15 August. List contains all important ships. As I see no way of avoiding passing this request to Italian Government, I have authorized Pryce to agree in commission after details on return of all US and UK ships on loan have been settled.

Meanwhile private French Italian conversations are proceeding amicably and it is hoped solution will be reached before Russian proposal is received. French will renounce all refits and probably some of ships allocated.

Greek Minister is urgently recommending to his government that they accept cruiser Savoia with voyage repairs, refit to be accomplished through bilateral agreement later.

Captain Pryce requests pass Navy.

Sent Department 2763, repeated London 244 for Admiral Conolly, Paris 377, Moscow 73.

DUNN

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1 In this telegram of June 17, not printed, Dunn reported that Captain Pryce had stated the U.S. wish that the cruiser Milwaukee be delivered at Lewes, Delaware, but that the Soviet representative had proposed her delivery to a port on the east coast of England, and that the return of the British and U.S. vessels loaned to the U.S.S.R. be simultaneous with the receipt of Italian vessels, type by type (863.30/6-1748).

The Ambassador in Italy (Dunn) to the Secretary of State

TOP SECRET URGENT

ROME, July 9, 1948—4 p.m.

2934. Guidotti (new director political affairs) called on us yesterday regarding recent note verbale from Four-Power Naval Commission transmitting French and Soviet requests for transfer (see my 2763,
June 24) naval vessels without refit. Guidotti expressed great concern which he said was shared throughout the whole government over this development. He said the communication had come as somewhat of a surprise because Italian negotiations with the French were proceeding most satisfactorily and it was hoped that they would reach mutual agreement within next few days whereby French would renounce about twenty-three units and accept balance without refit by a specified date.¹ During these negotiations French, according to Guidotti, had told Italians that they would not have to push claims of the others if agreement with the Italians on part of the French could be reached. Moreover Italians had been counting on American and British insistence on simultaneous return of US and British vessels held by Soviets. We pointed out that Soviets had now agreed to satisfactory arrangements for return of US and British vessels. Guidotti emphasized tremendous furor would arise throughout country over the sending to Russia of 33 Italian naval vessels and said the government would be severely criticized and attacked on all sides. He inquired whether there was any way at all US could help to postpone this issue. He said there was a large element in the government who were utterly opposed to giving any ships to Russia under any circumstances. We said that we did not see how we or the other two powers as signatories of the treaty could avoid concurrence with the Soviet request as it came clearly within stipulations of the treaty (a course which we could not support) or a serious effort to reach agreement with the Russians and their demands based on treaty. We pointed out that at least Russians had now finally agreed to accept major portion of their vessels without refit.

Guidotti then referred to a telegram which the Italian Ambassador in Ankara had sent Foreign Office to effect that Turkish Government was greatly concerned over prospect of transfer of these 33 naval vessels to Odessa and their effect on balance of naval power in Black Sea. According to Guidotti the Turks claimed that if these 33 vessels were in fact handed over to Soviets then Turks would have to request United States for 33 naval vessels for defense of Turkey.

¹ In telegram 2961 of July 11, 1948, not printed, Dunn reported that on the evening of July 10 he had received a copy of the text of the Italo–French agreement providing for final settlement of French claims under the treaty, to be published on July 17. The French renounced the cruiser Pompéo Magno, two submarines, a tanker and 19 smaller units. (865.30/7–1148)
In conclusion Guidotti asked whether United States would be disposed to make some official statement of approval at time of successful conclusion of their negotiations with France. He submitted the following for possible consideration:

"Allied peace treaty with Italy provides for the handing-over of a certain number of units of the Italian Navy to France. While considering the feelings of the Italians the USA well understands the reasons why France could not renounce, as we did, all the Italian ships allotted to her. Therefore an agreement signed by the two countries is cordially welcome here.

"The Italian people are also aware that according to Article 46 of the peace treaty, as soon as their country joins UNO—and certainly the USA cannot be held responsible if this has not already taken place in agreement with the Security Council, consideration may be given to revision of the military limitations set forth in the treaty. On that occasion the USA not having forgotten indeed the gallant contributions of the Italian Navy to the common cause, shall be ready to consider with sympathy such demands concerning her needs that Italy might then put forward."  

We replied that we were not, of course, in a position to make any comment but would transmit Foreign Office suggestion to Department for its consideration. We are aware that second paragraph in Italian proposed statement may be untimely but venture to suggest that some consideration might well be given to a modification of it somewhat along the lines of my 1930 of April 24. In any event immediately after French–Italian agreement is made public a statement by a responsible official of US welcoming that French and Italians have gotten together amicably on this naval question and reached a solution satisfactory to both sides could not but be helpful here. Still more helpful to government would be an expression on our part of a desire to see further revisions amicably agreed to by the powers directly concerned.

Dunn

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2 In telegram 1870 of July 13, 1948, not printed, the Department instructed Dunn that it considered a U.S. statement on the purely Franco-Italian matter inappropriate, but that after publication of that agreement, some spokesman of the Department might observe that the U.S. Government was pleased to see an amicable and generous settlement of the problem (88530/7–948).

*In this telegram, not printed, Dunn mentioned that the question of Italy's relationship to Western Union would now come up, since those responsible for leadership of the government were inclined toward entry into the Western European group, and he mentioned several facets of the problem (81000/4–2448).
The Chargé in Italy (Byington) to the Secretary of State

TOP SECRET

ROME, July 24, 1948—1 p.m.

3146. See my tel 3013 July 14. 1 Immediately after four power naval commission’s note verbale 2 was delivered to Italian Govt Soviet Ambassador here addressed top secret letter to Italian Govt which was shown to us by FonOff. Soviet letter contained proposals for bilateral agreements within terms of commission’s decisions which would serve to set in motion such details of transfer as dates of sailing for Odessa and responsibilities for voyage supplies repatriation of Italian crews etc.

Today Guidotti Director of Political Affairs strongly reiterated arguments reported our 2934 July 9 and gave me a copy of FonOff reply to Soviet Ambassador’s letter. In this long reply FonOff points out that out of consideration for cobelligerency of Italy in late war US and UK govt decline to accept any of naval ships allocated to them in treaty of peace; France has recently agreed decline over 15,000 tons of ships allocated to her and to accept remainder of her allocation as restitution for war losses inflicted by Italy particularly during occupation of Toulon. Note points out that while considerable

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1 In this telegram, not printed, Byington reported that the four Ambassadors had each received identical accolishments of the Four Power Naval Commission’s note verbale. In the acknowledgement Sforza explained that the substance had been referred to the competent technical groups to provide a basis for reply; but he suggested that because of the limited time it might not be possible to observe some terms of the note verbale. (865.30/7-1448)

2 This note verbale to the Italian Ministry of Foreign Affairs from the Four Power Naval Commission, acting in the name of the four Ambassadors, July 3, 1948, recapitulated the various concessions made to Italy resulting in the reduction of the number of vessels to be transferred to 107. It stated that if Italy had taken appropriate measures after being informed on November 19, 1947, of the names of such ships, over 80 would already have been transferred, but only two units had actually been transferred. It stated further:

"The refit of certain units listed in Annex XII-B to be transferred has been recognized by France and Yugoslavia (French Delegate’s request dated February 17th, 1948, and Yugoslav Representative’s request dated March 17th, 1948): now the Soviet Union recognizes the refit of 33 units and France the refit of all units allocated to her. The Commission thinks that no valid reason can be set forth for delaying the transfer of these ships, and, using the powers conferred on it by Article 57, Clauses 1(c) and 2, sets the following last time limit for their delivery:

   for the Yugoslav request ........................... 20th July, 1948
   for the 33 ships of Soviet share and the whole
   French share ...................................... 15th August, 1948."

The note proposed further for the remaining ships to be transferred that the Italian Government: (a) grant visas for Observers and Specialists to be sent by the recipient powers to determine the technical conditions; (b) after such examination to send ships to their respective ports of final transfer within 15 days after the naming of the ships; (c) that such ships as would not be named under “(b)” be placed immediately into refit and prepared for transfer in accordance with the guidance already given by the Commission. (4 Amb. (4 P.N.C.) Doc. 71/M, Serial 00447, 865.30/4-748)
naval losses on part of above three govts could be attributed directly to Italian navy no such losses were sustained by USSR at hands of Italian navy.

Reply also recalls that early in 1948 through its Embassy in Moscow Italian Govt made proposal to Soviet Govt to effect that latter might diminish her claims under article 57. It also pointed out then that such action on part of Soviet Govt would have a very beneficial reaction in restoring and improving relations between two govts.

Soviet Govt could not see its way clear to accept Italian proposals at that time. Letter ends by stating that since Soviet Govt now proposes bilateral discussions in regard to article 57 Italian Govt has no objection to entering into such discussion but asks that Soviet Ambassador here will first make representations to his govt that they may reconsider Italian approaches which were made through Italian Embassy in Moscow earlier in year.

Above FonOff action obviously represents a stall for time while Italian Govt can be thinking of other alternatives. One alternative which Guidotti mentioned to me this morning was possibility that govts of Great Britain and United States might agree to permit Russia to retain ships on loan in lieu of receiving Italian ships which would be scrapped, proceeds of scrapping to go to UK and US. We were not asked to obtain our Govt's reaction to such proposal if it should be made and did not express any views but pointed out that Milwaukee probably could not be disposed of in this fashion without Congressional authority. We had previously been informed that soundings on this subject were made by Italian representative in recent Franco-Italian naval discussions in connection only with battleships Cesare and Royal Sovereign. This sounding was passed to US and UK members of naval commission but no opinion as to their govt's reaction to such a proposal was given.

Captain Pryce requests that this be passed to Navy (London for Admiral Conolly).

Repeated London 203, Paris 474.

BYINGTON

865.30/8-348: Telegram

The Chargé in Italy (Byington) to the Secretary of State

SECRET

ROME, August 3, 1948—noon.

3267. Subject: Submarine and battleship scrapping.

Letters, copies of which are being forwarded by mail,1 from Sforza dated 28 July state destruction required by "minimum destruction

1 Despatch 1183 of August 3, 1948, not printed, forwarded translations of these letters to the Department (865.30/8-348).
lists" for 31 subs under article 58 paragraph one (C), and 4 subs re- 
nounced by US and UK had been effected by 15 April and 15 June 
respectively and that "minimum destruction" on battleships Vittorio 
Veneto and Italia has been accomplished. Complete demolition 
continues on all. 
London for Admiral Conolly, Please pass Navy. 
Sent Department 3267; repeated Paris 508.

Byington

865.30/8-548

Memorandum of Conversation, by the Chief of the Division of Greek, 
Turkish, and Iranian Affairs (Jernegan)

CONFIDENTIAL

WASHINGTON, August 5, 1948.

Subject: Turkish Interest in Transfer of Italian Naval Vessels to 
the Soviet Union.

Mr. Esenbel called to confirm certain information given Mr. Berkol, Second Secretary of the Embassy, by Mr. LeBreton. He said that Mr. Berkol was not familiar with these matters and he wished to be quite sure that he had fully understood what Mr. LeBreton said. I said I understood that he had particular reference to the impending transfer to the USSR, as reparations, of thirty-three 
Italian naval vessels, a subject he had discussed with Mr. Satterthwaite last week. We had taken this up with the Division of Southern European Affairs, and our conclusion was substantially as follows:

1. The obligation to deliver the vessels in question arose from the Italian Peace Treaty, which was a binding international document, and the Department could see no way in which it could relieve the Italian Government of its obligation. We understood that the Italian 
Government might make one further attempt to avoid delivery or at least delay it, and it was of course in the interest of Italy to do so. 
We would not raise objection to this, and we considered it unnecessary 
to make any approach to the Italian Government in view of the 
circumstances.

2. I was told that upon receipt of the Italian ships, the Soviet Union 
would be obliged to return a cruiser to the United States and a battle- 
ship and certain cruisers to Great Britain. Consequently, it did not 
appear that the strength of the Red Fleet would be increased by the 
Italian transfer. Many of the Italian vessels involved were auxiliaries, 
not combat ships, and the two battleships were more or less obsolete. 

3. It did not seem to me that the fact that the Italian vessels would

1 Melih Esenbel, Turkish Chargé d’Affaires.
be delivered in the Black Sea made any change in the situation. If the Soviets wished to reinforce their Black Sea fleet they could always do so by moving ships from the Baltic.

4. Soviet insistence on obtaining the Italian vessels would certainly be bad propaganda for the USSR in Italy, in view of the fact that the other major powers had largely renounced their right to receive Italian warships as reparations.

S65.30/8-1948: Telegram

The Chargé in Italy (Byington) to the Secretary of State

SECRET

ROME, August 19, 1948—7 p. m.

3416. Referring to Embtels 3197 and 2975, the following Italian ships have not [now] been transferred without refit to France:

Sloop Eritrea; tanker Tarvisio; light cruisers Regolo and Scipione; destroyers Mitsaghiere, Legionario, Velite and Ortani; tugs Ercole, Nerco, Porto Quieto, Porto Trichese, Vado and Taormina. Greece has received water carrier Aterno without refit. Seven minesweeps are in process of being delivered Yugoslavia without refit now. Continued Italian stalling in connection transfer of ships to Russia has resulted in extreme Soviet indignation since no progress has yet been made bilaterally to reach agreement. As it stands now the Italians as previously reported, have merely asked the Soviet Government to consider renouncing part or all of their share.

The Soviet members is demanding that Naval Commission recommend Ambassadors take corrective action and in this connection has cabled a proposed letter to be signed by all four Ambassadors.

Turnover of Russian ships is linked in protocol with return of loaned US and UK ships and Department's views have been expressed directly to Italians that we see no way of avoiding Russian transfers. The Soviet proposed letter is factual and would extend to 15 September the date for delivery of 33 ships without refit but is couched in harsh, rude and undiplomatic language.

If Department considers that we must associate ourselves with a concerted protest at this time we will insist that such protest be drafted in courteous diplomatic language. Please instruct earliest.

Captain Pryce request pass to Navy (London for Admiral Conolly).

Sent Department 3416; repeated Paris 53, London 309, Moscow 89.

BYINGTON

1 In this telegram of July 29, 1948, not printed, Byington reported that the Italians had transferred two destroyers and four tugs to France; that they had agreed to transfer seven motor mine sweepers to Yugoslavia; and that the Soviets had addressed a new note to Italy regarding their share (S65.30/7-2948).

2 This telegram of July 12, 1948, not printed, summarized the Italo-French naval agreement to be signed on July 14 (S65.30/7-1248).
The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, September 21, 1948—6 p. m.

3754. Recent trends in Naval commission deliberations indicate that Soviets may be attempting build up case for accusing Italy before UN of breach of treaty of peace with backing of US, UK, and France. Refer to Embtel 3614.¹

Commencing September 9 just after Tass news agency radio and press accusations that Italy guilty of failure execute treaty terms US followed next day by UK and French members commission stated they had repeatedly associated themselves with four power action but had and still insisted such action must be reasonable and communications addressed Italian Government in courteous terms. All stated their Ambassadors prepared sign suitable note to Italian Government requesting further delays be avoided where mutually satisfactory bilateral agreements are not indicated. Three members agreed Soviet proposed note generally unacceptable because it pertains almost entirely to Soviet allocation of ships; is obsolete since receipt of Foreign Office note mentioned Embtel 3614 and is couched in extremely undiplomatic language. British member with French concurrence proposed US chairman submit alternate draft for consideration commission. Soviet member insists his original draft be taken as sole basis of discussion and gives impression he would not be unhappy if his proposal were flatly rejected. Others while not rejecting certain substance of Soviet draft insist on new draft either to be basis of discussion or to be discussed concurrently and on same basis as Soviet draft.

US position is recorded in two meeting records.

Meanwhile, Soviet member refuses discuss Italian note (Embtel 3614) stating that letter is not reply to commission’s note verbale of July 3 ² is directed almost entirely at Soviet Union and is irrelevant to proposed note from four Ambassadors to Italian Government.

Please advise if further information desired. Should matter be brought up in UN and Capt. Pryce’s presence Paris desired he can proceed without delay leaving Comdr. Loomis to represent US in commission meetings.

Please pass to Navy, Repeated London for Admiral Conolly.

Sent Department, repeated Paris 589, Moscow 92, London 327.

DUNN

¹ In this telegram of September 8, 1948, not printed, Dunn forwarded to the Department a summary of the note to be sent that day by the Italian Government to the four powers in response to the note of the Naval Commission of July 3 (86530/9-848).

² See footnote 2, p. 982.
SECRET

WASHINGTON, September 22, 1948—4 p.m.

2381. Ur 3203 July 28 re replacement lost vessels Annex XII B Naval Protocol, in view questionable legal validity Ital contention para three Art 57 not applicable vessels lost period bet signature and coming into force Treaty, and fact we have already associated ourselves Commission's rejection Ital position, you shd take no action Deptel 1979 July 27. When Ital or member Comm again bring up matter we consider Pryce shd make plain to Comm we believe Ital position morally justified despite probable legal obligation replace lost vessels regardless cause. He shd state view vessels not lost due sabotage or negligence but in course entirely legitimate and proper operation and that it difficult justify what would amount punitive action against Ital shd Comm persist in demanding replacement from vessels Annex XII A. He shd further urge Comm agree not press Ital this point.

Lovett

1 In this telegram, not printed, Byington stated that article 57 had been inserted in the treaty to discourage sabotage; that the Embassy had considered that on September 16, 1947 Italy's obligation became effective to replace any craft lost after February 10, 1947. He stated also that the Embassy joined in naval commission's unanimous rejection of the Italian position, but it would reverse its position on instruction from the Department. (865.30/7-2848)

2 In this telegram, not printed, the Department stated its initial opinion that the Italian position was legally valid, that is that Italy was not obligated to replace vessels nonexistent at the time the treaty came into force (865.30/7-748).

SECRET

ROME, October 9, 1948—1 p.m.

3941. Before his departure from Rome today for a few days in the north, Count Sforza asked me to see the Secretary General of the Foreign Office. Count Zoppi referred to fact that in the negotiations which La Malfa has been carrying on in Moscow in addition to difficulties in connection with the discussions of a commercial treaty the Soviet Government introduced a demand for the transfer of the naval ships assigned to them under the treaty.

Zoppi said La Malfa feels that, if the Italian Government must turn over the ships, some advantage might be gained by bringing the question of the transfer into the general discussions he is carrying on. Prime Minister therefore asked Foreign Office to find out from us whether there was any change in the attitude we have maintained thus far, that the treaty should be strictly adhered to; any change which might have been brought about by recent or pending events.
I told the Secretary General that there had been no change in our attitude on this question, and that we had as recently as within the last few days received instructions to join with the other members of the Four Power Naval Commission in a new note to Italian Government on the subject of this transfer, provided the language was courteous.² I told the Secretary General that the Four Power Naval Commission were now discussing the language of this new note.

Count Zoppi then said that the Italian Government would very likely authorize La Malfa to discuss the matter of this transfer when he returned to Moscow. His present plan is to depart from Rome next Monday. He then asked that we do anything that we can in the Naval Commission to delay matters until La Malfa can negotiate discussions on the matter in Moscow in order that the Italian Government may be in a position to inform the Four Power Naval Commission that they have resumed bilateral discussions with the Soviet Union.

I said that I had just talked with Captain Pryce and he had informed me that the discussions on the new note were now progressing on the basis of a draft presented by the Soviet member, and that if agreement were reached in Four Power Naval Commission we had no choice other than to present the note to the Italian Government. I said it was my impression that there would not be agreement on the language of the note within the next week.

Paris pass to DelGA.

Sent Department 3941, repeated Paris 619, London 338, Moscow 97.

²In telegram 3788 of September 24, 1948, not printed, Dunn reported that the Soviet member of the naval commission had withdrawn his initial draft letter and tabled a new draft to be addressed by the Naval Commissioner to the Italian Government in reply to its note of September 9th. Dunn stated that in view of the Department's previous instructions he was authorizing Captain Pryce to associate himself with a mutually agreed letter, but to urge that the Italians be asked regarding proposed dates of delivery because of technical considerations. (865.30/9-2448)

In its telegraphic instruction 2427 of September 27, not printed, the Department approved the procedure which Dunn had set forth (865.30/9-2548).

865.30/11-1048: Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET

ROME, November 10, 1948—9 p. m.

4282. Soviet member today informed Naval Commission that on 6 November agreement was reached Moscow concerning dates of delivery 33 Soviet allocated naval ships.¹

Italian proposals agreed upon were almost identical with those pro-

¹In telegram 2579 of November 6, 1948, not printed. Ambassador Smith in Moscow reported having learned from the Italian Ambassador (Manlio Brosio) that agreement in principle had been reached by exchange of notes (865.30/11-648).
posed by Italian representative Naval Commission on 13 October and rejected by Soviets here (see Embtel 4007 to Department).

First group of ships consisting of (BB) Giulio Cesare, (DD) Artigliere, and Subs Michelio, Marea are to be delivered by 15 January; second group (CL) Duca d’Aosta, (TBs) Animoso and Fortuneale, Training Ship Colombo, by 1 March; third group, small transport Montecucco loaded with spare parts and ammunition, by 1 June; fourth group (DD) Fuciliere and (TB) Ardimentoso by 1 July; fifth group consisting of remaining minor craft, by 1 June: All deliveries in Odessa.

Matter of spare parts and armament store not covered in agreement.

Coordination return of loaned ships will be negotiated here by three interested members Naval Commission. It may be tentatively assumed Milwaukee will be delivered Lewes Delaware on same date Duca d’Aosta is delivered Odessa, between 15 January and 1 March, in accordance with agreement previously reached between US and Soviet representative.

Please pass to Navy.

Repeated Moscow 104, Paris 675, London for Admiral Conolly.²

DUNN

²In telegram 4679 of December 17, 1948, not printed, Ryington reported from Rome that the Italian Government, in implementing the agreement with the U.S.S.R., intended to send the battleship Giulio Cesare and three other vessels to Odessa, and was requesting the Turkish Government for clearance of passage through the Straits (865.30/12-1748).

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865.30/12-1748: Circular telegram

_The Acting Secretary of State to Certain Diplomatic Missions_¹

SECRET PRIORITY WASHINGTON, December 28, 1948—9 a.m.

Turk Emb here has confirmed reports that Turk Govt’s present intention is to invoke Montreux Convention² (Arts 10, 11 and 14) to bar passage thru Straits of 23,000-ton battleship flying Italian flag (Rome’s 4679 Dec 17,³ Ankara’s 888 Dec 18,⁴ Moscow’s 3027 Dec 27).⁵ Therefore if Turkey should notify signatories that such passage contravenes

¹Ankara, Rome, Moscow, and London.


³See footnote 2, above.

⁴In this telegram, not printed, Ambassador Wadsworth reported having learned that the Italian Ambassador (Renato Prunas) had suggested that the Giulio Cesare and the two Italian submarines fly the Italian commercial flag in passing through the Straits. Carim, Secretary General of the Turkish Foreign Office, had termed this a simple subterfuge which Turkey could not accept. (803.84/12-1848)

⁵In this telegram, not printed, Kohler reported that the Italian Ambassador had told him of having been informed that the Turks intended to oppose the passage of “Italian reparations naval vessels, particularly battleships” through the Straits (865.30/12-2748).
Convention, Italians would presumably inform 4-power naval Commission they unable carry out Commission's arrangements for delivery Cesare to USSR at Odessa. Dept understands Turk desire adhere strictly and literally to terms of Convention. Furthermore considers highly undesirable for many reasons summoning of conference and bringing matter to vote of high contracting parties under Art 29, as suggested in Rome's 4679.

Brit FonMin has instructed Emb here that although Turkey's legal position is technically unassailable, it would be most unfortunate to upset at this stage arrangements which have at last been made for delivery of ships to Russia. Brit believe also (in line with Moscow's 3027) that Turks would be well advised to find some way around the legal difficulty in order to avoid presenting Soviets with opportunity to reopen whole question Montreux Convention in acute form.  

Brit therefore propose recommending following procedure to Turks: Since Turks under Art 24 are required notify signatory powers when they themselves are notified of intended passage of warships thru Straits, they could at same time point out passage Giulio Cesare technically in conflict with provisions of Convention, but since all ships could have transited legally under Soviet flag, since they are already Soviet property, and since they will be transferred to USSR immediately upon arrival Odessa (and could indeed have been transferred before passage Straits), there is clearly no substantive violation Convention involved. Turks could add that in these circumstances they propose raising no objection unless other signatories see fit to do so by a given date.

Dept has agreed this procedure and Brit Amb Ankara will be instructed act in conformity therewith. For Ankara only: If you and your Brit colleague believe joint action desirable, you are authorized concert with him in urging Turks adopt this course of action.  

Lovett

For Soviet Russia's efforts to bring about a revision of the Montreux Convention following the end of World War II, see Foreign Relations, 1946, vol. vii, pp. 801-809.

In telegram 3120 of December 29, 1948 to Rome (repeated as 605 to Ankara, 1427 to Moscow, 4797 to London) not printed, the Department instructed Dunn to suggest to the Italian Foreign Office that it postpone formal notification to Turkey of the proposed passage of the battleship Cesare through the Straits until satisfactory arrangements were reached with Turkey for such passage (865.30/12-2948).

On December 30, 1948 in telegram 606 to Ankara, not printed, the Department advised that the day before (i.e. December 29) the Turkish Embassy had informed the Department that the Turkish Government had already received formal notification from Italy and from the U.S.S.R. of the proposed passage of the warships under the Italian merchant flag and that such a subterfuge was not possible under the (Montreux) Convention. The Department's instruction of December 28, however, still stood. (865.30/12-3048)

In telegram 8 of January 5, 1949, not printed, Wadsworth reported from Ankara that he had presented an appropriate aide-mémoire to the Turkish Foreign Office. The Turks, he stated, did not oppose passage of these ships but their flying the Italian flag; they seemed in general to be rather receptive to the proposal. (865.30/1-549)
Termination of the Work of the Four Power Commission in 1949

After the Turkish refusal to permit the Italian battleship Giulio Cesare and escort vessels to pass through the Straits for delivery at Odessa, the Soviet Government in the first week of January proposed to Italy their delivery at Valona Bay. This proposal was accepted by the Commission, on the condition that the Royal Sovereign sail from Murmansk to arrive in the United Kingdom at the same time. By the third week of January the assent by the British to this plan was withdrawn because they had been unable to get satisfactory assurances that the Royal Sovereign had actually sailed. The United States also held that the transfers to Valona were dependent on the Soviet Union's fulfillment of the commitment for simultaneous return of the British vessels.

At an emergency meeting of the Commission on January 27 the Soviet representative gave assurances that the Royal Sovereign would sail the next day, and the plan for delivery at Valona was restored. By the middle of February Captain Pryce was able to report that the Giulio Cesare, two submarines, and a destroyer had been transferred to the Soviet Union in the Albanian port; that the Royal Sovereign, three submarines, and one destroyer had been returned to British ports. Arrangements had been made for most of the other ships, with the Milwaukee to leave Murmansk on February 16.

In the first week of April Ambassador Dunn reported that Captain Pryce had proposed that the Commission disband in early May for it appeared that the unresolved matters could be settled through normal diplomatic channels, using the decisions of the Commission as guide lines. Unresolved matters at this stage were: the supply of reserve ammunition and of spare parts for the receiving Governments; the transfer to the Soviet Union of 12 small craft not included in the listed 33; the transfers to Yugoslavia; and the claim of Albania for the yacht or gunboat Illyria. On April 14 Italy and Yugoslavia agreed on the transfer of nine vessels. On May 10 Ambassador Dunn reported that on the previous day the four ambassadors had notified the Italian Government that the Four Power Naval Commission had concluded its work. Records of the above are in the Central Files of the Department of State under the number 865.30.