

Declassified E.O. 12356 Section 3.3/NND No. 785015

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FINANCIAL AFFAIRS  
SEPT. - NOV. 1943

349A

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FINANCES OF ITALIAN GOVERNMENT

Withdrawn for Dr. Harris,  
British Cabinet Office



Finances of Italian  
Government.

For Finances of Italian Missions  
& Embassies abroad, see  
files of Political Section.

ALLIED FORCE HEADQUARTERS  
APO 512

FROM : BRINDISI MISSION

TO : A.F.H.Q.

REF. NO. M 101

MSG NO. 16

DATE : 16 September 1943

PREC : Most Immediate

CLASS: Secret

For Mr MacMillan from General Macfarlane

Not one AMGOT Lira in this area. please arrange to fly at least fifty million lira to Brindisi or Crottaglie from Palermo at once. Understand group Captain Benson care of AMGOT Liason fifteenth Army Group can arrange. Most Urgent

Macfarlane

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413310



TO: FATIMA

FROM: WHITELEY SQND C IN C CITE FHMG

FOR: LT GEN MASON MACFARLANE CHIEF OF MILITARY MISSION

MOST SECRET

REF NR. 5997

WE HAVE CABLED PALERMO SEND FIFTY MILLION IMMEDIATELY WE ARE ATTEMPTING TO  
OBTAIN AIR PRIORITY TO SEND THIRTY MILLION VIA GROTTGLIE AS RESERVE ADDRESSED  
AMG REPEAT AMG OFFICER WILL ACCOMPANY IF POSSIBLE.

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OUTGOING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

21 Sept.

FROM: FATIMA

DATE: 21 14 55

TO : FREEDOM rpt to AFHQ CP

CLASS: SECRET

REF.NO. 045

PREC: MOST IMMEDIATE

\*\*\*\*\*

I SAW BADOGLIO AND COUNT AQUERONI THIS MORNING. I MADE IT CLEAR TO THEM THAT UNTIL WE HAVE SUFFICIENT LIRA IN THE COUNTRY, ALL FORMS OF STERLING AND DOLLAR CURRENCIES MUST BE ACCEPTED AT RATES OF ONE HUNDRED AND FOUR HUNDRED RESPECTIVELY. THEY AGAIN MADE GREAT ARGUMENT ABOUT THE RATE OF EXCHANGE BUT I EXPLAINED THE POSITION TO THEM AGAIN FULLY AND THEY CLEARLY UNDERSTOOD IT. BADOGLIO IS ARRANGING FOR A PROCLAMATION WHICH WILL BE APPROVED BY ME TO BE PRODUCED AND DISTRIBUTED ON POSTERS THROUGHOUT THE AREA AT ONCE. THE ITALIAN MINT IS STILL IN ITALIAN HANDS AND IS GUARDED BUT IT IS IN GERMAN OCCUPIED AREA AND COMMUNICATION WITH IT IS IMPOSSIBLE.

AUTHENTICATED

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission.

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OUTGOING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

FROM: FATIMA

TO : FREEDOM rpt to AFHQ CP

REF. NO. 58

*Sep*  
DATE: 221803

CLASS: SECRET

PREC: IMPORTANT

-----

FULL INSTRUCTIONS REGARDING THE CIRCULATION OF BMA AND YELLOW SEAL CURRENCY WERE ISSUED TO ALL CONCERNED BY TELEPHONE BY ITALIAN AUTHORITIES LAST NIGHT. PLENTIFUL SUPPLY OF POSTERS HAS BEEN PRINTED AND ARE NOW BEING PUT UP. CONTACTED PAYMASTER WHO ARRIVED BY AIR TODAY WITH WELCOME REINFORCEMENTS OF LIRA AND BMA CURRENCY. PLEASE INFORM EISENHOWER.

AUTHENTICATED

F.N. MASON MACFARLANE  
Lieutenant General

Chief of Mission.

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ALLIED FORCE HEADQUARTERS  
APO 512

FROM: FATIMA

TO : FREEDOM

REF NO. 086

DATE: 241300B SEP

CLASS: SECRET

PREC: PRIORITY

1. HAVE AGREED WITH BADOGLIO AND HIS FINANCE MINISTER TEXT OF  
PROCLAMATION WHICH ORDERS THAT;

(a) UNITED STATES COIN AND YELLOW SEAL DOLLARS AT RATE OF 100 LIRA  
PER DOLLAR.

(b) BRITISH COIN AND BRITISH MILITARY AUTHORITY POUNDS AT RATE OF  
400 LIRA PER POUND ARE LEGAL TENDER IN ITALY.

(c) ALLIED MILITARY LIRA ARE LEGAL TENDER IN ITALY AND EQUAL IN ALL  
RESPECTS TO ITALIAN LIRA.

2. THIS PROCLAMATION I EXPECT WILL BE SIGNED BY KING AND BADOGLIO THIS  
AFTERNOON. WILL THEN SEND YOU BY AIR TEXT OF PROCLAMATION AS SIGNED, WHICH  
PROPOSE BROADCAST RADIO BARI TONIGHT.

3. HAVE AGREED WITH BADOGLIO AND HIS FINANCE MINISTER TO PROVIDE IF NECESSARY  
PAY OF ITALIAN ARMY, NAVY, AND AIR FORCE FORMATIONS IN THIS REGION EQUIVALENT  
TO <sup>15</sup>SAY DIVISIONS IN ALL AND IN ADDITION TO FINANCE CURRENT EXPENDITURE OF  
BADOGLIO GOVERNMENT INsofar AS NECESSARY. FINANCE MINISTER IS UNABLE TO  
ESTIMATE HOW MUCH CASH THIS WILL REQUIRE BEFORE HE HAS ACCESS TO BANK OF  
ITALY IN ROME AND ITS PRINTING WORKS AT AQUILA. SINCE HOWEVER AQUILA IS NOT  
YET OCCUPIED BY ALLIED FORCES AND PRINTING WORKS MAY BE SABOTAGED BY GERMANS  
BEFORE ALLIED OCCUPATION I SUGGEST THAT WASHINGTON PRINT FORTHWITH FURTHER  
ONE HUNDRED THOUSAND MILLION ALLIED MILITARY LIRA IN DENOMINATIONS AS  
RECENTLY REQUESTED BY AME. THESE NOTES SHOULD

(Cont)

IF POSSIBLE BEAR WORDS IN ENGLISH AND ITALIAN INDICATING AMOUNT OF NOTE.

4. FINANCE MINISTER SAYS THAT HE CAN FINANCE ALL REQUIREMENTS OF HIS GOVERNMENT BY DRAWING ON FUNDS AVAILABLE LOCALLY IN BANK OF ITALY AND BY AUTHORIZING BANK OF ITALY AND POSSIBLY OTHER BANKS TO ISSUE CIRCULAR BANKERS CHECKS AS SUBSTITUTE FOR CURRENCY. AM DOUBTFUL WHETHER THIS IS A POLICY WHICH WE SHOULD ENCOURAGE AND WOULD APPRECIATE YOUR DIRECTIONS ON THIS POINT.
5. AMFA HAS AT PRESENT AVAILABLE IN BANK OF NAPLES TARANTO FIFTY MILLION WHICH IT COULD MAKE AVAILABLE FOR PURPOSES OF BADOGLIO GOVERNMENT IF REQUIRED. ANY FURTHER AMOUNTS TO BE MADE AVAILABLE BY AMFA WOULD HAVE TO BE SHIPPED EITHER FROM SICILY OR DIRECT FROM UNITED STATES TO MAINLAND OF ITALY.
6. BADOGLIO IS PREPARED TO PLACE AT DISPOSAL OF AMFA ONE ITALIAN CRUISER AND ONE ITALIAN DESTROYER IF ALLIED COMMAND AGREE FOR PURPOSE OF SHIPPING CURRENCY RAPIDLY BETWEEN UNITED STATES, SICILY AND POINTS WHERE IT WILL BE REQUIRED ON MAINLAND OF ITALY. IF ALLIED COMMAND WILL PERMIT THIS THEY SHOULD OBTAIN FROM CCS IN WASHINGTON AND AMFA IN PALERMO INDICATION OF WHEN AND WHERE THESE SHIPS SHOULD REPORT FOR PURPOSE OF CARRYING OUT MISSION.
7. HAVE DISCUSSED THESE PROPOSALS WITH COLONEL GUNSTON AMFA NOW HERE. REQUEST YOU REPEAT THEM TO RENNEL

AUTHENTICATED

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission



785015

OUTGOING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

FROM: FATIMA

DATE: 250929B Sep

TO : FREEDOM

CLASS: SECRET

REF NO. 104

PREC: MOST IMMEDIATE

HAVING APPROVED THE TEXT OF THE FINAL PROCLAMATION REGARDING THE CURRENCY QUESTION I GAVE THE ITALIAN AUTHORITIES AN ORDER TO PUBLISH IT AT ONCE. THE PROCLAMATION IS SIGNED BY THE KING OF ITALY AND WITHOUT MY KNOWLEDGE HE IS DESCRIBED IN THE PREAMBLE AS THE KING OF ITALY AND ALBANIA AND EMPEROR OF ETHIOPIA. I PRESUME THAT YOU AGREE WITH ME THAT THIS IS QUITE IMPOSSIBLE AND I HOPE YOU WILL GIVE ME OR OBTAIN FOR ME AUTHORITY TO TELL THE KING THAT HE MUST DROP HIS TITLES OF KING OF ALBANIA AND EMPEROR OF ETHIOPIA. THE PROCLAMATION HAS ALSO BEEN BROADCAST. THERE IS OBVIOUSLY TROUBLE AHEAD IF THESE TITLES CONTINUE IN USE AND I ASK FOR MOST IMMEDIATE REPLY.

AUTHENTICATED:

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission.

4 pages  
Date 250929B Sept

100 / 85

1818



OUTGOING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

FROM: FATIMA

DATE: 251750B Sep

TO : FREEDOM REPORT TO AFHQ CP

CLASS: SECRET

REF NO. 109

PREC: IMMEDIATE

I RAISED THE QUESTION OF THE RECENT UNFORTUNATE PUBLIC USE BY THE KING  
OF ITALY OF HIS ~~TITLES~~ OF KING OF ALBANIA AND EMPEROR OF ETHIOPIA PRIVATELY  
WITH BADOGLIO TODAY. BADOGLIO AGREED EMPHATICALLY THAT THIS WAS MOST  
UNDESIRABLE AND ASSURED ME THAT HE WOULD INSURE THAT THE KING WOULD BE  
REFERRED TO ONLY BY HIS TITLE OF KING OF ITALY. I THINK THEREFORE WE  
MAY REGARD THE MATTER AS SETTLED. MY TELEGRAM NUMBER ONE ZERO FOUR REFERS.

AUTHENTICATED:

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission

INCOMING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

FROM: FREEDOM

TO : FATIMA

REF NO. 9525

DATE: 251925B 1943 Sep

CLASS: SECRET

PREC: PRIORITY

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~~But~~ Titles other than King of Italy must not be permitted.

signed Eisenhower



OUTGOING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

FROM : NATIMA

DATE : 261248Z Sep

TO : FREEDOM rpt to AFHQ ADV CP

CLASS: SECRET

REF NO. 124

PREG: IMMEDIATE

-----

AT THE END OF TODAY'S MEETING WITH THE KING HE RAISED THE QUESTION OF HIS ALBANIAN AND ETHIOPIAN TITLES. HE AGREED UNRESERVEDLY THAT THE USE OF THESE TITLES AT PRESENT WAS OUT OF THE QUESTION AND SAID THAT HE WOULD REFER TO HIMSELF AS KING OF ITALY ONLY. ON THE OTHER HAND HE MAINTAINED THAT UNDER THE CONSTITUTION HE COULD NOT SURRENDER THESE TITLES WITHOUT AN ACT OF PARLIAMENT WHICH CANNOT BE MADE UNTIL AN ELECTED PARLIAMENT CAN BE ASSEMBLED.

AUTHENTICATED:

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission



ALLIED MILITARY MISSION - INCOMING MESSAGE

SVC/RELAY NR:

CLASS: SECRET

PREC : PRIORITY

FROM : FREEDOM

TO : FATIMA FOR MACFARLANE

M/C NR: 14/28

REF NO. 188

FILED: 271734A 1943 SP

REC'D

Confirm figure of 100,000,000 and how it was arrived at. Ref your No 86 of 24 September. appears abnormally large in view total Italian currency last July was largest figure for all time at 97,000,000.

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ALLIED MILITARY MISSION - OUTGOING MESSAGE

SVC/RELAY NR:

CLASS : SECRET

PREC : PRIORITY

FROM : FATIMA

TO : FREEDOM rpt to AFHQ ADV CP at AMILCAR

M/C NR: 1/30

REF NO. 178

FILED:

REC'D: 300858A Sep

-----  
PARA 1. FIGURE OF ONE HUNDRED THOUSAND MILLION BASED ON FOLLOWING PREMISES.

- (A). INDEFINITE RELIANCE ON ALLIED MILITARY ~~WEEK~~ LIRE OWING TO POSSIBLE DESTRUCTION OF BANK OF ITALY PLATES AND PRINTING PRESS.
- (B) POSSIBLE REMOVAL OR DESTRUCTION BY GERMANS OF ALL STOCKS LIRE CURRENCY.
- (C) PAYMENT OF THE REQUIREMENTS ALLIED FORCES.
- (D) PAYMENT OF ALL REQUIREMENTS ITALIAN FORCES.
- (E) MEETING ALL ITALIAN TREASURY REQUIREMENTS INCLUDING SERVICING PUBLIC DEBT.
- (F) NECESSARY DISBURSMENTS BY AMGOT SUCH AS RELIEF.

PARA 2. FIGURE BASED ON MOST PESSIMISTIC FORECAST AND GIVEN AS INDICATION THAT WASHINGTON SHOULD CONTINUE PRINT NOTES UNTIL FURTHER NOTICE AS STATED GRAFFTEY DASH SMITHS SIGNAL TO MILITARY GOVERNMENT SECTION OF TWO THREE SEPTEMBER.

PARA 3. FOLLOWING IS CURRENT POSITION METROPOLITAN LIRE;

- (A) PUGLIA, STOCKS ESTIMATED SIX FIVE ZERO MILLION AGAINST ESTIMATED REQUIREMENTS UP TO THREE ZERO NOVEMBER OF ONE THOUSAND MILLION. THESE COVER ALL ITALIAN REQUIREMENTS INCLUDING TREASURY AND BANKS AND PAYMENT ARMED FORCES. POSITION FOGGIA NOW BEING INVESTIGATED. IN EVENT UNFORSEEN EMERGENCY CAN RAID ALLIED MILITARY

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1813



LIRE ONE THOUSAND MILLION STOCK RECENTLY DELIVERED BRITISH PAYMASTER AND NOW ENROUTE TARANTO. DO NOT THEREFORE REQUIRE ANY SHIPMENTS THIS AREA FROM PALERMO OR NORTH AFRICA.

- (B) LUCANIA BELIEVED COMFORTABLE. BANK OF ITALY INSPECTOR INVESTIGATING.
- (C) CALABRIA STILL OBSCURE. MAY REQUIRE SOME SUPPLIES.
- (D) IN ALL THREE DISTRICTS PUBLIC NOW FREELY ACCEPTING BRITISH MILITARY CURRENCY.
- (E) CAMPANIA IMPOSSIBLE ESTIMATE BUT LIKELY TO BE SERIOUS.
- (F) FUTURE REQUIREMENTS ALLIED MILITARY LIRE DIFFICULT ESTIMATE AS LARGELY DEPENDENT ON RECOVERY BANK OF ITALY PLATES. THIS MATTER IN HAND AND AUTHORITIES HOPEFUL OF SUCCESS.

PARA 4. REQUEST YOU REPEAT THIS SIGNAL TO ALLIED MILITARY GOVERNMENT PALERMO.

AUTHENTICATED:

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission.



INCOMING MESSAGE

ALLIED FORCE HEADQUARTERS  
APO 512

FROM: FREEDOM

DATE: 251823B 1943 Sep

TO : FATIMA

CLASS: SECRET

REF NO. 9468

PREC: PRIORITY

-----  
Following for MACFARLANE MISSION from BRITISH RESIDENT MINISTER.

PARA 1. The British and American Missions in Lisbon and Madrid have been informed that the Italian Missions are in financial difficulties, in particular, the Italian Ambassador in Madrid states this Embassy has been without pesetas for five months and that they are living entirely upon borrowed funds. The situation is acute inasmuch as personnel of all kinds including consuls, Military Missions, Educational institutions, etc, amount to several hundred. Advantage is further being taken of their position by the Germans who are offering funds to individual Italians. The Ambassador stated that the current indebtedness of the Embassy was several million pesetas and urged that steps be taken immediately to provide him with funds.

PARA 2. Please therefore ascertain whether the BADOGLIO government can provide any funds for the maintenance of these and other countries.

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418310

ALLIED MILITARY MISSION - OUTGOING MESSAGE

SVC/RELAY NR:

M/C NR: 10

CLASS: SECRET

REF NO. 200

PREC: ROUTINE

FILED: 011554A Oct

FROM: FATIMA

REC'D: 011554

TO : FREEDOM rpt to AFHQ ADV COMMAND POST  
FAIRFIELD REAR

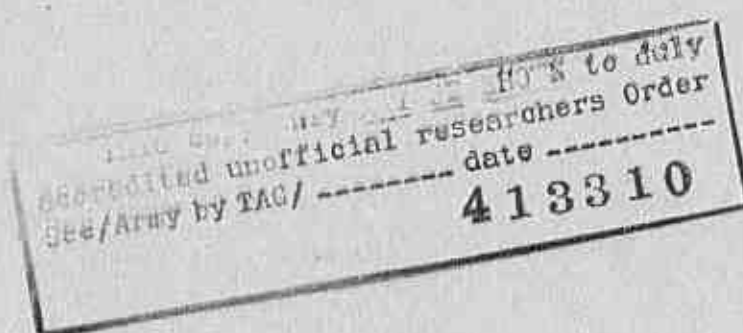
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YOUR NUMBER NINE FOUR SIX EIGHT.

BADOGLIO STATES HE IS UNABLE TO PROVIDE FUNDS AT THE MOMENT AND WOULD BE  
GRATEFUL IF WE COULD PROVIDE THE NECESSARY FUNDS WHICH WILL BE REPAID AT  
A LATER DATE BY THE ITALIAN GOVERNMENT.

AUTHENTICATED:

F.N. MASON MACFARLANE  
Lieutenant General  
Chief of Mission



1810



ALLIED MILITARY MISSION - INCOMING MESSAGE

SVC/RELAY NR:

M/C NR: 8/08

CLASS: SECRET

REF NR: 4226

PREC: PRIORITY

FILED: 071101A Oct

FROM: FREEDOM

REC'D: 080326A

TO: FATIMA

-----

Promptly require full information respecting currencies being used by Allied Forces in Italy. (To FIFTH ARMY, EIGHTH ARMY, FATIMA, FABLE and SEARS for AMG rptd FILPOT signed EISENHOWER cite FMGS). In particular:

1. Has AMG posted proclamations #3 and #12 and on what date did such posting occur.
2. Does public know that BADOGLIO Government issued decree making a lire, EMA note and Yellow Seal Dollar legal tender "provisionally" fixing rate at dollar equals 100 Italian on lire and on re (?). (Of course BADOGLIO's proclamation does not operate in territory under AMG.)
3. Was public unwilling to accept any of such currencies, (a) prior to posting of proclamations, (b) after posting of proclamations and if so, what caused such unwillingness?
4. What currencies are now being spent by Allied troops and the Allied authorities.
5. Are there adequate supplies of Allied Military Lire in your area for next 30 days for various purposes, if not, what additional amounts are needed.
6. Are any transactions currencies(?) and Italian lire being conducted at rates other than 100 lire per Yellow Seal Dollar, 400 lire per EMA note and one Allied Military Lire equals one Italian lire.
7. Is there any marked preference by troops or by public of one currency over another and is there any evidence of hoarding any currencies other than Italian lire?

S E C R E T

18 JUL 1945  
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ALLIED MILITARY MISSION - OUTGOING MESSAGE

SVC/RELAY NR:

M/C NR : 17/09

CLASS : SECRET

REF NR : 333

PREC : PRIORITY

FILED : 091802A Oct

FROM : FATMA

REC'D :

TO : FREEDOM rpt AFHQ ADV CP at AMILCAR

-----

ADMIRAL POWER INFORMS ME THAT HE HAS BEEN AUTHORIZED TO ADVANCE FUNDS FOR THE  
PAYING OF THE ITALIAN NAVY AND ISSUING STORES UNDER CERTAIN STIPULATED CONDITIONS  
PD TO FREEDOM RPT AFHQ ADVANCE COMMAND POST AT AMILCAR FROM FATMA SIGNED TAYLOR  
PD IS ANY PARALELL ACTION CONTEMPLATED FOR THE BENEFIT OF THE ITALIAN ARMY AND  
AIR FORCE QUENTY

AUTHENTICATED:

MAXWELL D. TAYLOR  
Brigadier General., USA  
Acting Chief of Mission

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ALLIED MILITARY MISSION - INCOMING MESSAGE

SVC/RELAY NRL

CLASS : SECRET

PREC : PRIORITY

FROM : FREEDOM

TO : FATIMA

M/C NR : 7/14

REF NR : 6657

FILED : 131159A Oct

REC'D : 140513A

-----

Lire funds needed by Italian Government authorities to pay its army, air and naval forces in Italy can be obtained from AMFA by Italian Government. (Parks to FATIMA for Taylor rpt AMFA ADVANCED COMMAND POST signed Eisenhower cite FHMGB) Reference message 333 of 9 October. Italian Government would make payments to its military forces. If, however you mean to raise other problems than this, indicate what they are more fully so that we can try and work out a solution.

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ALLIED MILITARY MISSION - OUTGOING MESSAGE

SVC/RELAY NR:

CLASS: SECRET

PREC : PRIORITY

FROM : FATIMA

TO : FREEDOM for PWB

M/C NO: 2

REF NO: 514

FILED : 211227A Oct

REC'D :

ITALIAN GOVERNMENT HAS DRAWN OUR ATTENTION TO STATEMENT BY FASCIST RADIO ONE SEVEN OCTOBER THAT RATE OF ITALO DASH GERMAN EXCHANGED HAS BEEN FIXED AT ONE ZERO MARKS EQUALS ONE ZERO ZERO LIRE INSTEAD OF ONE THREE POINT ONE FIVE MARKS EQUALS ONE ZERO ZERO LIRE PD TO FREEDOM FOR PWB ND CIVIL AFFAIRS FROM MARTELLI SIGNED TAYLOR PD PARA FASCIST RADIO ADDED THAT NEW ARRANGEMENTS HAS NOTHING TO DO WITH DEVALUATION OF LIRA IMPOSED BY ANGLO DASH AMERICANS IN ORDER QUOTE TO SACK THE RESOURCES OF SOUTHERN ITALY UNQUOTE PD PARA ITALIAN GOVERNMENT SUGGESTS THAT IN COMMON INTEREST ABOVE SHOULD BE DEALT WITH IN BEC AND OTHER COMMENTS PD PLEASE INFORM PWE REPEAT PETER WILLIAM RASY

MAXWELL D. TAYLOR  
Brig. Gen., U.S.A.  
Acting Chief of Mission

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ALLIED MILITARY MISSION - OUTGOING MESSAGE

SVC/RELAY NR:

CLASS: SECRET

PREC : PRIORITY

FROM : FATIMA

TO : FREEDOM for MACMILLAN and MURPHY

M/C NO: 11

REF NO: 522

FILED : 211929A Oct

REC'D :

REFERENCE OUR FIVE ONE FOUR PD TO FREEDOM FOR MACMILLAN AND MURPHY FROM FATIMA  
SIGNED TAYLOR PD BADOGLIO SAID THIS MORNING THAT IN HIS LAST CONVERSATION WITH  
YOU HE RAISED QUESTION OF EXCHANGE RATE AND HE HOPED THAT WHEN YOU CAME YOU  
BRING SOME MESSAGE FROM AMERICAN AND BRITISH GOVERNMENTS

AUTHENTICATED:

ROBERT E. DOE  
Major, A.G.D.  
Secretary of the Mission

1 page  
M/C NO: 11  
Ref NO: 522  
100/85

1850



ALLIED MILITARY MISSION - OUTGOING MESSAGE

SECRET

17/22

PRIORITY

543

A.T.M.

222115A Oct

FREEDOM for MACMILLAN and MURPHY

JUNG SPEAKING WITH AUTHORITY OF BADOGLIO MADE EARNEST APPEAL TO CACCIA THIS EVENING FOR CONSIDERATION BETWEEN ITALIAN AND ALLIED GOVERNMENTS OF SUCH QUESTIONS AS FOLLOWING BEFORE IT WAS TOO LATE PD (1) FIXING OF PRICE OF WHEAT FOR ALL ITALY PD TO FREEDOM FOR MACMILLAN AND MURPHY FROM FATIMA SIGNED TAYLOR PD TIME FOR AUTUMN SOWING IS AT HAND AND IN OUR MUTUAL INTEREST IT IS URGENT THAT MAXIMUM AREAS SHOULD BE SOWN FOR WHEAT PD (2) INFLATION PD CONNECTED WITH THIS IS QUESTION OF EXCHANGE RATE ABOUT WHICH ITALIAN GOVERNMENT HAVE HAD NO ANSWER PD PARA HE MADE IT CLEAR THAT HIS PRESENT APPROACH WAS NOT TO ASK FOR FAVOURS PD IT WAS TO TRY TO INVOLVE A COORDINATED GOVERNMENTAL PLAN IN ADVANCE PD THAT WOULD BE ADMITTEDLY IN ITALIAN INTEREST BUT IT WOULD ALSO SERVE ALLIED WAR EFFORT CMA IF WHAT ALLIES REQUIRED WAS ORDER IN THEIR BACK AREAS PD IN ANY EVENT HE WOULD LIKE TO KNOW WHETHER IT WAS THE INTENTION OF THE AMERICAN AND BRITISH GOVERNMENTS TO DISCUSS THESE MATTERS WITH ITALIAN GOVERNMENT PD EVEN A NEGATIVE ANSWER WOULD BE BETTER THAN THE PRESENT STATE OF UNCERTAINTY PD PARA WE REGRET VERY MUCH THAT MORGENTHAU COULD NOT HAVE SEEN JUNG WHOSE STATEMENT EMPHASIZES AND AMPLIFIES OUR PREVIOUS RECOMMENDATIONS PD IT IS NOW EVIDENT THAT MAN REQUIRED SHOULD BE SOMEONE QUALIFIED TO SPEAK FOR BOTH TREASURIES PD IN SHORT WHAT ITALIAN GOVERNMENT WANTS IS A MAN WHO CAN SAY YES OR NO TO QUESTIONS OF HIGH POLICY

AUTHENTICATED:

MAXWELL D. TAYLOR  
Brig. Gen. U.S.A.  
Acting Chief of Mission

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18J4

ALLIED MILITARY MISSION - OUTGOING MESSAGE

SVC/RELAY NR:

18/22

CLASS: SECRET

544

PRIORITY

222116A Oct

FATIMA

FREEDOM for MACMILLAN and MURPHY

REFERENCE OUR FIVE FOUR THREE PD TO FREEDOM FOR MACMILLAN AND MURPHY FROM FATIMA  
SIGNED TAYLOR PD IT WOULD HELP JUNG IF FACTUAL MATERIAL UNOBTAINABLE IN BRINDISI  
COULD BE SUPPLIED URGENTLY CMA SUCH AS FHEWAR AND PRESENT WORLD PRICES OF WHEAT  
AND OF OTHER PRIMARY COMMODITIES AS WELL AS PRICES AT WHICH THEY COULD BE SUPPLIED  
BY ALLIES AT ITALIAN PORTS

AUTHENTICATED:

MAXWELL D. TAYLOR  
Brig. Gen. U.S.A.  
Acting Chief of Mission

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ALLIED MILITARY MISSION - INCOMING MESSAGE

Not given	6/24
PRIORITY	1318
FREEDOM	231908A <i>or</i>
FATMA	240505A

Reference your 543 and 544 of 22nd October. Colonel Foley who will become Deputy Chief financial sub section of Allied Commission proceeding to Brindisi within a few days and will be prepared to discuss financial matters with Jung. A member Sub Commission for economic matters also proceeding to Brindisi and to be able to discuss commodity prices, etc. FATMA bring data on specification questions raised your 544.

ALLIED MILITARY MISSION - OUTGOING MESSAGE

SECRET

PRIORITY

FATIMA

FREEDOM

14/24

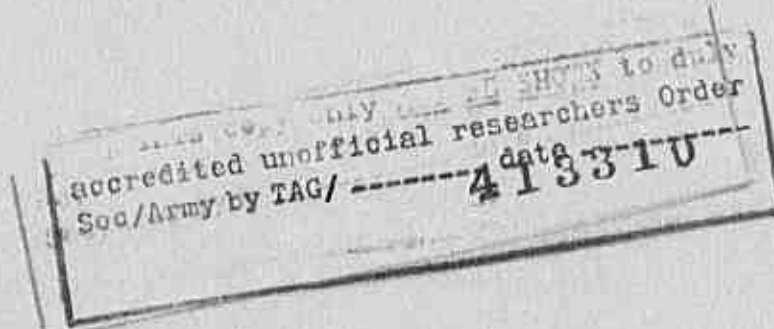
568

241615A Oct

REFERENCE YOUR ONE THREE ONE EIGHT AND OUR FIVE FOUR THREE PD TO FREEDOM PERSONAL  
FOR MACMILLAN AND MURPHY FROM FATIMA SIGNED TAYLOR PD WILL COLONEL FOLEY BE QUALIFIED  
TO SPEAK FOR THE BRITISH AND AMERICAN TREASURIES AND DEAL WITH MATTERS OF HIGH POLICY  
QUERY A LESSER REPRESENTATIVE WILL HARDLY MEET THE REQUIREMENT

AUTHENTICATED:

MAXWELL D. TAYLOR  
Brigadier General, USA  
Acting Chief of Mission





SECRET

PRIORITY

FREEDOM

FATIMA

INCOMING

16/24

1505

2411384 Oct

2414344

Foley proceeding to you with other representatives of Allied Commission and will explore in a preliminary way with Jung questions proposed. To FATIMA for Taylor signed Eisenhower cite FMOS reference your 542 of 22nd October 1943. Question of modification of exchange rate has been submitted to highest authorities. For your private information we consider most unlikely to be approved.

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

785015

INCOMING

SECRET

6/29

PRIORITY

3545

FREEDOM

282214 Oct

FATDA

290330 1793

Foley is top American Finance Officer Allied Control Commission holding position of Deputy Chief Financial Sub-Commission. (To Fatima for Macfarlane signed Eisenhower cite FIMOS.) Reference your 568 of 24 October Foley cannot speak finally or definitely for British and American treasuries or either of them on matters of high policy necessarily reserved for treasury decision.

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4-8810



INCOMING

SECRET

PRIORITY

FREEDOM

FATIMA

25/02

5601

021903A nov

022325A

AMFA reports 4 ships of Italian Navy at Palermo and 1 more expected, needing cash to pay crews and purchase supplies. (To Fatima for Macfarlane and Foley repeated FARGO signed Eisenhower cite FFMAGS) Amount required 1,300,000 lire by 15 November 43 for supplies; thereafter each month starting 1 December 43 same amount for supplies and 3,500,000 lire for pay. AMFA is being authorized to advance AM lire to Italian Government for purpose of these payments. You should clear with Italian Government requiring them to nominate officers authorized to receive funds on Government's behalf. AMFA mentions names of Capitano di Vascello Mori-Ulaldini and Capitano Commissario Gaetano Bpno.

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413310

785015

CONTROL COMMISSION

INCOMING

R-188/20

SECRET

6/21

ROUTINE

S-2751

FARGO

NOV 201040

FATIMA

NOV 210745A

Further urgent demands for funds for Italian Armed Forces have been received.  
(FROM JEANS FOR FARGO TO FREEDOM FOR MOS FOR ACTION REPEATED FILPOT FOR AMG REPTD  
FABLE FOR BOULNOIS REPEATED FILPOT FOR AMG FOR REGION 2 REPEATED FATIMA FOR  
INFORMATION CITE FARGO 749). Filpot Amgot report financial position 31st Italian  
Corps as desperate. As no reply received to your telegram MAT 83 dated 6 November  
to OCS can authority be given immediately by AFHQ for AMEA to make advances of Al  
lire to Italian Armed Forces.

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CONTROL COMMISSION

OUTGOING

SECRET

21

PRIORITY

1048

FATIMA

Nov 202147A

1797

FARGO FOR SEARS FOR AMG FOR HAMLYN

IN A PRELIMINARY CONVERSATION ON TWO ZERO NOVEMBER WITH COLONEL GUIDO JUNG CMA  
PAREN TO FARGO FOR SEARS FOR AMG FOR HAMLYN FROM FATIMA FROM FOLEY SIGNED JOYCE  
PAREN WE WERE INFORMED THAT IT HAS NOT BEEN POSSIBLE TO TRACE THE NOTE PLATES OF  
THE BANCA DI NAPOLI PD JUNG THINKS IT LIKELY PLATES HAVE BEEN MELTED DOWN PD  
SUGGEST THAT YOU ASCERTAIN FROM CAPUANO THE WHEREABOUTS OF THE PLATES FORMERLY USED  
BY THE BANCA DI SICILEA AND LET US KNOW RESULT OF YOUR INQUIRY

AUTHENTICATED:

ROBERT E. DOE  
Major, A.G.D.  
Secretary of Commission

2 pages

21

1048

100/85

CONTROL COMMISSION

INCOMING

R 189/22

SECRET

17/22

ROUTINE

2883

FREEDOM

NOV 211900A

FATIMA

NOV 220210A

Grafftey Smith 13 November, Bank of Sicily informed us its note plates turned over to Italian Government for destruction at time privilege. (FROM SEARS FOR FARGO FROM HAMLYN TO FATIMA FOR FOLEY CITE FARGO 792) of note issue withdrawn.



CONTROL COMMISSION

OUTGOING

SECRET

25/21

PRIORITY

1067

FATIMA

Nov 211900A

FREEDOM FOR SEARS FOR HAMLYN FROM FOLEY

1794

FOLEY SPENT FRIDAY AT BARI WITH RENNELL CMA GRAFFTEY DASH SMITH AND MAC FAZDEAN PD PAREN TO  
FARGO FOR SEARS FOR HAMLYN FROM FATIMA FROM FOLEY SIGNED JOYCE PAREN THE SITUATION RESULTING  
 FROM NON DASH PAYMENT OF ITALIAN ARMED FORCES APPEARS TO BE CRITICAL PD MAC FAZDEAN POINTED  
 OUT THAT THE ITALIAN THREE ONE CORPS HAD NOT BEEN PAID FOR MORE THAN SIX WEEKS AND THAT  
 UNLESS PAYMENT WAS RESUMED AT ONCE ORDER COULD NOT BE MAINTAINED PD EIGHTY MILLION LIRE ARE  
 NEEDED FOR IMMEDIATE PAYMENT TO THESE TROOPS PD MAC FAZDEAN REPORTED THAT ITALIAN FUNDS ON  
 DEPOSIT WITH THE BRANCH OF THE BANK OF ITALY FROM WHICH THESE TROOPS WERE PREVIOUSLY PAID  
 HAVE BEEN DRAWN DOWN BELOW EIGHTY MILLION LIRE AND THAT ALLIED MILITARY LIRE MUST BE DEPOSITED  
 IF TROOPS ARE TO BE PAID PD MAC FAZDEAN HAS SUFFICIENT SUPPLIES OF ALLIED MILITARY LIRE FOR  
 THIS PURPOSE BUT HE STOCKS SHOULD BE REPLENISHED WITHIN THE NEXT THIRTY DAYS PD RENNELL  
 CONSIDERS MATTER TO BE OF URGENT MILITARY NECESSITY PD DELAY ON PART OF COMBINED CHIEFS OF  
 STAFF IN REPLYING TO CABLE REQUESTING POLICY INSTRUCTION ON QUESTION OF ADVANCES TO ITALIAN  
 GOVERNMENT IS CAUSING SERIOUS EMBARRASSMENT PD GENERAL JOYCE HAS INFORMED MGS THAT HE INTENDS  
 TO FOLLOW PROCEDURE APPROVED BY COMBINED CHIEFS OF STAFF FOR PAYMENT OF DEBT SERVICE TO MEET  
 ESSENTIAL NEEDS OF BADOGLIO GOVERNMENT AND ITALIAN ARMED FORCES IN THE FOUR PROVINCES PENDING  
 RECEIPT OF DEFINITE ADVICE FROM COMBINED CHIEFS OF STAFF

AUTHENTICATED:

ROBERT E. DOE  
 Major, A.G.D.  
 Secretary of Commission

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