

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

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FINANCE, HQ ARMISTICE C.C.
SEPT. 1943

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TO: Joint Assistant Chiefs of Staff, Aristides C.G.

FROM: Chief, Finance Sub-Commission, Aristides C.G.

SUBJECT: Statement on Finance Sub-Commission

REFERENCE: A.C.C./1016/2

DATE: 28th September, 1944.

Reference Fleming Directive No. 5 issued under A.C.C./1014 dated 20th September, 1944, and with particular reference to Para. 5 (a) thereof.

FINANCE SUB-COMMISSION

(a) MISSION

To initiate and develop, together with the Italian Ministries of Finance and Foreign Exchange, the Bank of Italy, the Social Insurance Institutions and other Italian governmental and semi-governmental institutions dealing with problems of Italian State and local finance in all its aspects, policies, plans and procedures for the restoration and maintenance, as far as practicable, of ordered financial and economic conditions; for stabilizing the Italian currency and price level; and for providing necessary financial services for the Allied Forces, all in the interests of the Allied Military effort and the establishment and support of Italian political, economic, social and financial structure freed of fascism.

(b) MAJOR FUNCTIONS Functions:-

The Finance Sub-Commission performs the following

1. Initiates, initiates and develops, together with such Italian authorities and, in appropriate cases, with other Sub-Commissions of the Aristides C. G., existing and new policies, plans and procedures relating to:

(a) Italian banks, Postal Savings Institutions, Social Insurance Institutions, Stock Exchanges, Private Insurance Institutions, and other governmental and private financial institutions.

(b) The collection of taxes, imports and revenue due to the State, Provinces and Counties, including Customs and Service charges and revenue from monopolies.

(c) The payment of debts and obligations of the State, Provinces and Counties, and the incurring of appropriate governmental expenditure.

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institutions and other Italian governmental and semi-governmental institutions dealing with problems of Italian State and local finances in all its aspects, policies, plans and procedures for the restoration and maintenance, as far as practicable, of ordered financial and economic conditions; for stabilizing the Italian currency and price level; and for providing necessary financial services for the Allied Forces, all in the interests of the Allied Military effort and the establishment and support of Italian political, economic, social and financial structure freed of fascism.

(b) MAJOR FUNCTIONS The Finance Sub-Committee performs the following functions:-

1. Finance, initiate and develop, together with such Italian authorities and, in appropriate cases, with other Sub-Committees of the Armistice C. C., existing and new policies, plans and procedures relating to:
 - (a) Italian banks, Postal Savings Institutions, Social Insurance Institutions, Stock Exchanges, private Insurance Institutions, and other governmental and private financial institutions.
 - (b) The collection of taxes, imposts and revenues due to the State, Provinces and Communes, including Customs and Excise charges and revenue from monopolies.
 - (c) The payment of debts and obligations of the State, Provinces and Communes, and the incurring of appropriate governmental expenditures for salaries of public officials, for the running of the railways, post, telegraph and telephones, for relief, rehabilitation, and for necessary subsidies to maintain the flow of goods to the domestic market at reasonable prices.
 - (d) The public debt, budget, currency and general fiscal policies and the price level and inflationary situation in Italy.
 - (e) The accumulation of foreign assets of Italy and its nationals; the control of any such assets; and the control of any foreign exchange transactions and all arrangements affecting international financial exchanges such as clearing agreements.
 - (f) International financial and related transactions, particularly those which may be of direct or indirect benefit to the army.
 - (g) The accumulation, control, blocking and confiscation or other disposition of funds and property belonging to Fascist institutions and persons, to enemy Government institutions or persons, or belonging to other persons or institutions whose activities are deemed to be inimical to the Allied Military effort.

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- (h) The provision of lire funds to the Allied Armies and to the Armistice C. C. to pay for goods and services acquired in Italy.
- (1) The withdrawal from circulation through the Italian authorities of yellow seal currency, B.M.A. notes, British and American coinage, and allied military lire and their delivery to the allied authorities.
- (2) The transfer of the assets and liabilities of ANSA to the Italian Government or to any agency designated by such Government.
2. Reviews at National Headquarters and in the field the progress and the effects of existing and new policies, plans and procedures examined, initiated and developed in accordance with (1) above, and obtains issuance of necessary instructions and directives to ensure action by Italian authorities and obtains reports from Italian authorities of action which such authorities have taken to carry out such policies, plans and procedures.
3. Is the conduit through which will pass the lire funds needed by the Armistice Control Commission, and by the Allied Armies for their expenditures in Italy.
4. Receives from the Italian authorities yellow seal currency, B.M.A. notes, British and American coinage, and allied military lire which are withdrawn from circulation in Italy.
5. Maintains accounts of receipts and expenditures of the Armistice Control Commission and of the lire funds received from Italian authorities for the Allied Military Forces, or for other purposes. The Finance Sub-Commission also provides consultants and other personnel to conduct financial and industrial examinations when required by the Finance Sub-Commission.
6. Obtains financial and economic intelligence as to persons and public and private institutions and bodies and as to general financial and economic conditions as will facilitate the discharge of the above-described mission.
7. Takes steps by the exercise of more direct control, to carry out the policies, plans or procedures devised by the Finance Sub-Commission in the event that the Italian authorities fail to carry out any of such policies, plans or procedures.

5. Is the conduit through which will pass the lire funds needed by the Armistice Control Commission, and by the Allied Armies for their expenditures in Italy.
4. Receipts from the Italian authorities yellow seal currency, U.S.A. notes, British and American exchange, and Allied military lire which are withdrawn from circulation in Italy.
6. Maintains accounts of receipts and expenditures of the Armistice Control Commission and of the lire funds received from Italian authorities for the Allied military forces, or for other purposes. The Finance Sub-Commission also provides accounts and other personnel to conduct financial and industrial examinations when required by the Finance Sub-Commission.
6. Obtains financial and economic intelligence as to persons and public and private institutions and bodies and as to general financial and economic conditions as will facilitate the discharge of the above-described mission.
7. Takes steps by the exercise of more direct control, to carry out the policies, plans or procedures desired by the Finance Sub-Commission in the event that the Italian authorities fail to carry out any of such policies, plans or procedures.

WILLIAM E. A. SMITH,
Chief, Financial Sub-Commission.

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TO: JOINT CHIEF PLANNERS, REGION NO 7

SUBJECT: FINANCE.

PARAGRAPH 1 REFERENCE SUBALLOTMENT ADVICE FORWARDED TODAY BY D.R.L.S.

PARAGRAPH 2 YOU SHOULD CONSIDER IN YOUR PLANNING WHAT, IF ANY, SIMILAR ANALOGOUS FINANCIAL REQUIREMENTS ARE LIKELY TO BE DESIRABLE IN CONNECTION WITH A.C.A.

SIGNED

MAXWELL

*Not
OK*

*Completed APR 1962
Major Pennick*

