

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

785015

ACC

10000/100/317

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

10000/100/317

FINANCE, CURRENCY REQUIREMENTS
JULY - OCT. 1943
(1 OF 2)

9/PP

FROM : Chief Financial Officer, A.C.
TO : Lt. Col., C.A. Gunston, AMFA.
SUBJECT : Lire required for British Army.
REFERENCE : AC/1011/2
DATE : 25 October, 1943.

1. Your memorandum of 21 October 1943 proposes delivering to Colonel Rooney 1,300 million lire in as much as he has been virtually promised 2,000 million before going over to AM lire payments, plus 800 million lire a month thereafter.
2. In para 2 (b) of my letter of 18th October, 1943 (AC/1011/5) I outlined my reason for feeling that an additional 800 million lire at this time would take care of Col. Rooney's needs in view of Lt. Col. Marden's statement that the shift to AM lire would not begin November 1. However, if in fact Col. Rooney began large AM lire disbursements in October, I see no serious objection to your proposal to provide him with an additional 1,300 million lire now. I suggest, however, that no further commitments be made to Col. Rooney until I arrive in Palermo and we have an opportunity to go over our estimates together.
3. Paragraph 4 of your memorandum of 21 October indicates that an additional 900 million will be needed for the redemption of BMA's in Sicily by Colonel Rooney but that the amounts you had planned to give him would cover this operation on the mainland. I do not consider it desirable under the present circumstances to require Army personnel to turn in BMA's in exchange for lire, although I would have no objection to exchange being made on the Italian mainland and elsewhere on a voluntary basis such as is done by the U.S. Army Finance Officers, providing AM lire for such purpose, if not excessive in amount.

FAS/ tlt

R.A. Hamlyn,
Brigadier.

Received 23rd October 1943.

PRIORITY

REF NO: W 3151

TO FOR ACTION: AGWAR FOR COMBINED CHIEFS OF STAFF

FOR INFO: USFOR FOR BRITISH CHIEFS OF STAFF

REF NO: 855

SIGNED: EISENHOWER, CITE: FMGS

MAT 61.

Cases beginning to arise of bona fide refugees from France wishing to exchange Bank of France notes in territory covered by AMFA. Is it agreeable to you for AMFA to make such exchanges in reasonable amounts. If so, what limit should be set and, in view of statement in paragraph 3 of your 146 of 15th October, is exchange rate to be 2 Lire per 1 Franc.

ORIGINATOR: MIL GOV SEC

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: SGS
DPIC
FINANCE
SUMMARY
AG RECORDS

3045

MC OUT 6663

22 OCTOBER 43

1816A

REF NO: W 3151/855

jdp P

Received 23 Oct. 43.

JJSM

filed 221333

PRIORITY

AI N 49/23
230030A
cjr

AC/101/2
207A

FROM: FIFTH ARMY FROM HUME

TO : ISLAND BASE SECTION FOR AMGOT REPEAT TO FILIPOT FOR AMGOT REPEAT TO FREEDOM FOR MGS
REFERENCE NO. THIS MESSAGE: 3679, 22 October 1943.

CLAIBORNE and MEYER arrived noon 21 October, with 950,400,000 Lire.

No news of funds received from AFRICA. Any additional amount received from AFRICA will be welcomed by AMFA, which can then take care of FIFTH ARMY Finance Officer payroll needs during November.

Request send by 1st available water transport using a total of 100 boxes of 1, 2, 5, 10 and 100 Lire denominations, for maximum amount of 50,000,000 Lire, accompanied by Sergeant MANDELL (?) for assignment to AMFA here.

ACTION: MIL GOV SEC

INFORMATION: FINANCE DPIC AG RECORDS.

MC IN 13649

23 Oct. 43

0422A

Ref No. 3679

ra/B

3041

CURRENCY IN SARDINIA

Received 25 Oct. 43

Commander Spears of the U.S. Naval Base at CAGLIARI, who was in Palermo today, told us the following:

1. No Proclamation dealing with currency has yet been posted in Sardinia.
2. Consequently the public, with rare exceptions, refuses to take AM Lire.
3. The public are willing to take yellow seal dollars at 19 lire per dollar, and usually hoard them at that rate.
4. His men were reluctant to part with dollars at that rate, but had done so in some cases where they had no other way of getting money to spend.
5. He had heard of no quarrels between U.S. personnel and civilians over exchange matters.
6. However, he understood that considerable numbers of American Army troops were now on the way, and did not know what would happen when they arrived.

We gave Cmdr. Spears, through Lt. (JG) Hunt, L.30,000 in Metropolitan lire to go on with. He said that this would be enough for the current needs of his small party.

It seems to me that the time has now come when the Badoglio Proclamation ought to be posted even if it is considered imperfect. The King can doubtless be induced to sign a revised Proclamation, if that is thought necessary, and this revised Proclamation can then be published later. But it seems difficult to justify a delay of such length in posting any Proclamation at all.

•(signed)

C.A. Gunston.
Lt. Col.
AMFA

Palermo
22 Oct 43.

Received 23 Oct. 43.

(LIED MILITARY FINANCIAL AGENCY
AMFA

SUBJECT A.M. Lire Accounting.

To : Military Government Section, AFHQ, for Brigadier Haslyn.

1. So that proper entries may be passed through AMFA's books will you please advise me what amounts to enter in them in respect of :

- a. New A.M. Lire notes received in Africa and not forwarded to Palermo.
- b. Sums paid out in Africa to French Army, Region 4 or other persons.

2. Shall be grateful if you will attach supporting vouchers for AMFA's records and indicate whether you wish AMFA Palermo to initiate any necessary advices to C.C.S. Washington, or whether such advice has already been sent from AFHQ

/s/ C.A. GUNSTON
C.A. GUNSTON
Lieut. Colonel
A.M.F.A.

Palermo
22 Oct 43.

N.B. Para 2 above Col. Tubbs request was that a statement be furnished monthly and forwarded with vouchers attached. This was done in report of September.

23 Oct 43.

S.E.V.S.

3042

Received 25 Oct. 43.

LIED MILITARY FINANCIAL AGENCY
AMFA

SUBJECT A.M. Lire Accounting.

To : Military Government Section, AFHQ, for Brigadier Hamlyn.

1. So that proper entries may be passed through AMFA's books will you please advise me what amounts to enter in them in respect of :

- a. New A.M. Lire notes received in Africa and not forwarded to Palermo.
- b. Sums paid out in Africa to French Army, Region 4 or other persons.

2. Shall be grateful if you will attach supporting vouchers for AMFA's records and indicate whether you wish AMFA Palermo to initiate any necessary advices to C.C.S. Washington, or whether such advice has already been sent from AFHQ

/s/ C.A. GUNSTON
C.A. GUNSTON
Lieut. Colonel
A.M.F.A.

Palermo
22 Oct 43.

N.B. Para 2 above Col. Tubbs request was that a statement be furnished monthly and forwarded with vouchers attached. This was done in report of September.

23 Oct 43.

S.E.V.S.

3042

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

785015

MDS ALG V MGS TIZ
26 OCTOBER 1943
MESSAGE NO 14

TO JACS FOR HAMLYN

RECEIVED 27 Oct. 43.

FOLLOWING BY "BUCK SLIP" FROM SIMS QUOTE IN ACCORDANCE WITH TELEPHONE CONVERSATIONS
COPY OF CABLE FROM FIFTH ARMY IS ENCLOSED REGARDING A M LIRE REQUIREMENTS FOR THE MONTH
OF NOVEMBER. CABLE READS QUOTE BY BOXES AND DENOMINATIONS, THOUSANDS 13 BOXES, FIVE
HUNDRED 8 BOXES, ONES 8 BOXES. TOTAL VALUE 700,032,000 LIRE. REFERENCE NATOUSSA 397
(CLARK TO EISENHOWER FOR FINANCE) NEEDED BY 20TH OF NOVEMBER. REQUIREMENTS OF A M LIRE
MONTH OF NOVEMBER LISTED UNQUOTE.

END KKKKK
RECD 261730A GFH KKKKK

LT COL V SMITH

204
AC/1011/2

3041

Received Oct. 26th, 1943.

WCR
A63/26
Filed 252149Z

AFSC N 34/26
260033A
wlf

ROUTINE.

FROM: AGWAR, CARTER FISCAL DIRECTOR SPFA

TO: FREEDOM ALGIERES

REFERENCE NUMBER THIS MESSAGE: 856 October 25, 1943.

Awaiting advice from AMFA regarding AM Lire currency delivered to Captain
O. C. CULBRETY, symbol 211-185 on 12 October this Fall JIBW.

ACTION: MIL GOV SEC

INFORMATION

FINANCE

AG RECORDS

MC IN 15493

26 Oct. 43,

0310A

Ref No. 856

dfg/R

3040

2038/1011/2

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

Rec'd 23 Oct. 1943

PRIORITY

TO FOR ACTION: FIEPOT FOR CFO AMO

REF NO: 852

FOR INFO: IBS FOR SEARS FOR AMO

SIGNED: EISENHOWER, CITE : FHMS

AC/1011/2
202A

As to payment of separation allowance to military dependents, there is no objection to resumption or continuance of such payments by Italian government in unoccupied territory. (Reference your 940 of 18th October) If the Italian government does make payments, their resumption in occupied territory seems indicated, provided machinery for purpose can be reestablished without undue difficulty. As to servicing of national debt, question is being passed to CCS. Arrangement of 15th December maturities ~~xxxxxx~~ and other major questions concerning public credit presumably will have to await contact of Allied Commission with Italian government.

ORIGINATOR: M G S

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: FINANCE
IFIC
SGS
SUMMARY
AG RECORDS.

3039

MC OUT 6660

22 OCTOBER 43

1813A

REF NO: 852 jdp P

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

Received 23rd Oct. 1943.

PRIORITY

TO FOR ACTION: AGWAR FOR COMBINED CHIEFS OF STAFF

REF NO: W 3152

FOR INFO: USFOR FOR BRITISH CHIEFS OF STAFF

REF NO: 856

SIGNED: EISENHOWER, CITE: PHMGS

MAT 62

AMG officials in touch with Italian government urge early decision on question of paying interest and meeting maturities on national debt, particularly in view of five Billion Lire loan due on 15th December. AMG has been informed such questions relate to unoccupied Italy and presumably will have to await contact between Allied Commission and Italian government. In meantime we would appreciate your views on question of servicing debt. Technical aspects of handling forthcoming maturities now being studied by Allied Commission.

ORIGINATOR: M G S

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: DPIC
FINANCE
SQS
SUMMARY
AG RECORDS

NO OUT 6664 22 OCTOBER 43 1817A REF NO: W 3152/956 Jdp P

3038

SECRET

BY AIR COURIER

SUBJECT : Finance of Sardinian Coal Mines.

TO : Military Government Section, AFHQ.
for Brigadier Naulyn.

1. Lt. Col. Keenig of Regional Allied Commission to Sardinia called here yesterday and asked for L. 50 million to finance requirements of Sardinian coal-mines for purposes including inter alia:

- a. Payment in Sardinia of running expenses pending time when mines can collect payment for coal sold in Sicily and on mainland.
- b. Payments on mainland, e.g. for pit props from CROTONE.
- c. Payments outside Italy such as insurance and freight on coal shipped, purchase of material and machinery in North Africa and U.S.A.

2. Have told Keenig that AMFA will ship L. 50 million to Regional Allied Commission in Sardinia forthwith (these are the L. 50 million requested by your cable 62533 of 12 Oct.) plus further L. 250 million after ship NY 349 comes in. Have added the following proposals are subject to approval of Lt. Col. Waters, Brig. Bealmeis and yourself.

3. Keenig should obtain now L. 50 million from Commission and hold this money for purposes of coal-mines as Sub-accountant to Commission, who will account to AMFA Palermo for expenditure of all moneys received by commission.

4. Keenig should advance lire to mines as required, obtaining their receipt on Form 7/12 in such way as to make clear that debt to AMFA or mines as Italian State institution is recognized on each occasion.

5. He should cover expenditure on mainland for time being by sending actual notes in custody of mine official who is going to CROTONE in any case to arrange shipment of pit-props to Sardinia. Later AMFA hopes to provide facilities for delivery of lire for such purposes from AMFA in Region 2, if required.

6. He should NOT attempt to pay dollars or other external currency for any purpose, but should wait instructions from you as to how much payments outside Italy will be effected.

7. He should NOT expect to make or receive cash payment for any transactions with Allied Armed Forces, but should confine himself to recording quantities of goods delivered or received.

8. Keenig has seen Chief Accountant here and received preliminary instructions in use of accounting forms.

9. He has expressed himself satisfied that foregoing arrangements will enable him to start operating Sardinian mines.

AC 12/11/2
201A

2. Have told Keenig that AMFA will ship L.50 million to Regional Allied Commission in Sardinia forthwith (there are the L. 80 million requested by your cable 62533 of 12 Oct.) plus further L. 250 million after ship NY 349 comes in. Have added the following proposals are subject to approval of Lt. Col. Waters, Brig. Boulnois and yourself.

3. Keenig should obtain now L.50 million from Commission and hold this money for purposes of coal-mines as Sub-accountant to Commissioner, who will account to AMFA Palermo for expenditure of all moneys received by Commission.

4. Keenig should advance lire to mines as required, obtaining their receipt on Form 2/12 in such way as to make clear that debt to AMFA of mines as Italian State institution is recognized on each occasion.

5. Should cover expenditure on mainland for time being by sending actual notes in custody of mine official who is going to GROTONE in any case to arrange shipment of pit-prop to Sardinia. Later AMFA hopes to provide facilities for delivery of lire for such purposes from AMFA in Region 2, if required.

6. He should NOT attempt to pay dollars or other external currency for any purpose, but should wait instructions from you as to how much *300,000* outside Italy will be effected.

7. He should NOT expect to make or receive cash payment for any transactions with Allied Armed Forces, but should confine himself to recording quantities of goods delivered or received.

8. Keenig has seen Chief Accountant here and received preliminary instructions in use of accounting forms.

9. He has expressed himself satisfied that foregoing arrangements will enable him to start operating Sardinian mines.

10. Cols. Felcy and Bernstein have seen this and agree.

S/C.A. GUNSTON
C.A. GUNSTON
Lieut. Colonel
AMFA

Palermo
20 Oct 45.

Copy to : Brigadier Boulnois, Chief Regional Allied Commission,
via Cagliari, Sardinia.

FROM: C.F.O., A.C. 200A
TO: MGS (Finance).
SUBJECT: Letter for transmittal to AMFA Sicily, dated 25 October 1943.
REFERENCE: AC/1011/2
DATE: 25 October 1943.

1. Attached letter is forwarded for transmittal to the addressee if you are in agreement with it.
2. Copy is also attached for your file.

Comdr. P.A. Southard for
Brigadier R. A. Hamlyn.

FAS/rad

3038

TO: AMFA, Sicily.

FROM: CPO, A.C.

SUBJECT: Supplying AM Lire for Region 3, letter File No. 2062/F,
20 October 1943.

REFERENCE: AC/1011/2

DATE: 26 October 1943.

1. It is noted that AMFA ^{is sending} ~~has sent~~ 1,000 million lire to Naples to Region 3, accompanied by two officers, one of whom will be left in charge of AMFA's Region 3 office. It is also noted that Lt. Col. Claiborne will discuss with CPO, Region 3, the best manner in which this money can be used, having in view various needs in that area.
2. This procedure is entirely satisfactory.

R.A. Hamlyn,
Brigadier.

RAM/rad

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

785015

Received

PRIORITY

TO FOR ACTION: AGWAR FOR CARTER

NO: W3184

SIGNED: EISENHOWER, CITE FHMGs

Reference our W 3029 of 21 October 43.

Report of delivery of AM lire to COLONEL HOWELL was included in error
as this officer is an AMG Officer.

ORIGINATOR: MGS

AUTH: MAJOR T. B. JACKMAN

INFORMATION: DPIC
FINANCE

MC OUT 6803

23 Oct 43

1120A

NO: W 3184

nb/VAN

no/1011/2
198A

3031

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

Received

ROUTINE

10/10/43

1971

TO FOR ACTION: SEVENTH ARMY FOR PATTON

REF NO: 1270

SIGNED: EISENHOWER, CITE FHMGS

Troops proceeding to SARDINIA will use AM lire which are obtainable from
AMG. Reference your 721 of 19th October. Will inform later about CORSICA.

AUTHENTICATION: MAJOR T. B. JACKMAN

ORIGINATOR: MGS

INFORMATION: SGS
DPIC
FINANCE
SUMMARY
AG RECORDS.

MC OUT 7028

23 Oct 43

1806A

Ref No. 1270

js/s

3032

PRIORITY

AC/1011/2
REF NO: 853
196A

TO FOR ACTION : FABLE FOR BOULNOIS

SUBJECT: EISENHOWER, CITE: FHMGS

1. The Combined Chiefs of Staff have already taken steps to include denomination in words on all A M Lire hereafter printed. In meantime existing notes must NOT be over stamped in the way proposed in your No. 2 of 19th October. For your information, however, forgery of notes in SICILY this far negligible problem.

2. Your No. 5 of 21st October 43 requests for AM lire will be complied with from PALERMO.

ORIGINATOR : M G S

AUTHENTICATION: MAJOR. T.B. JACKMAN

INFORMATION: DPIC
FINANCE
SGS
SUMMARY
AG RECORDS

MC OUT 6661

22 OCTOBER 43

1814 A

REF NO: 853 jdp P

RECEIVED 23 October 1943

PRIORITY

TO FOR ACTION: IBS FOR SEARS FOR AMG FOR AMFA REF NO: 851

SIGNED: EISENHOWER, CITE: FHMGS

BOULNOIS requests 200 million AM lire as previously estimated to arrive SARDINIA not later than 3rd November 43 also 150 million either at same time or not later than 15th November 43. AMFA officials here suggest you undertake this delivery from PALERMO. Denomination requested 100 million in thousands 100 million in five hundreds 80 million in hundreds 60 million in fiftys and 10 million in tens and fives. Request advise your action to this HQ.

ORIGINATOR: M G S

AUTHENTICATION : MAJOR T. B. JACKMAN

INFORMATION:

DPIC
FINANCE
SGS
SUMMARY
AG RECORDS

MC OUT 6659 22 OCTOBER 43 1818A REF NO: 851 jdp P

3031

32

Received 25 October 1943.

JJMM

FILED 211356A

PRIORITY

AFSC N 746/21
211725A
jng

FROM : FIFTH ARMY AMG

TO : ISS FOR SEARS FOR AMGOT RPTD TO FILPOT FOR AMGOT
RPTD TO FREEDOM FOR MGS

REF NO THIS MESSAGE : 4030

21 October 43.

Reference A-73.

Urgently request that AMFA PALERMO ship immediately to AMG, Region 3, the 1,000,000 lire. One or any part thereof sabling expected arrival date and amount AMG Region 3 will subsequently turn over its excess supply, if any, to Fifth Army Finance Officer or British Base Paymaster. Further postponement of bank reopening will seriously prejudice general cash picture.

FOOTNOTE : A73 not identified in AFHQ MC Files.

ACTION : MIL GOV SEC.

INFORMATION : DPIC
FINANCE
AG RECORDS

MC IN a2803

22 Oct 43

0056A

Ref No. 4030

ra/B

3030

COPY RECEIVED FROM PALERMO 23 OCTOBER 1943.

SECRET

PRIORITY

From: Sears from AMGOT.

To: FILPOT for AMGOT for CFO repta
FREEDOM for MGS for HAMLYN repta
8 Army for Command Paymaster repta
No. 1 District for No. 1 District Pay Office

Island Base Section here think Ship NY 349 ex convoy UGS 19 carrying 2,000 boxes AM Lire weighing 82 tons has been diverted to BARI or possibly some other port (name indecipherable - may be ORAN). Request you depute Bennett, Anderson or other suitable officer to locate ship, deliver 1,300 million Lire to Rooney at Taranto in denominations ascertained from him and then supervise reshipment of balance to Palermo if this is practicable. 1,400 boxes are marked 1492 - U - AMG - FIN and 600 are marked 1492 - W - D - FIN. Roman numerals should be stencilled on outside of each box indicating denomination of notes which it contains. Conducting officer on ship should have detailed list of contents which should be sent to AMFA Palermo. AMFA Palermo can provide one box of thousands and fifteen boxes of five hundreds in addition to what are on ship in order to make up 1,300 million in denominations required by Rooney.

AMGOT H.Q.,
Palermo,
21 Oct. 43

Lt. Col.,
Deputy Chief Financial Officer.

Asked Col. Smith 1000 hrs 25 October 1943 to trace NY 349 from Algiers. 3020

F.A.SOUTHARD.

BY AIR COURIER

ALLIED MILITARY GOVERNMENT

SUBJECT: AM Lire for Region 3

File No. 2062/P

TO: Military Government Section, AFHQ
for Brigadier Haslyn.

AMGOT HQ., SICILY

20 October, 1943.

1. In view of repeated urgent requests from Region 3, AMFA is sending L. 1,000 million from here to Naples by air to-morrow.
2. Claiborne and Meyer will accompany this money with view to setting up and AMFA for Region 3 in Naples.
3. Claiborne will return here in a week's time, leaving Meyer incharge of Region 3 AMFA.
4. He will discuss with Barrett best manner in which the money can be employed, taking into consideration the needs of both banks and Fifth Army.
5. If you have in meantime despatched or plan to despatch money from Africa to Naples, you will no doubt advise Barrett, so that he can arrange for Claiborne to receive it into AMFA Naples.
6. Have discussed foregoing with Col. Foley and Bernstein, who trust you will approve.

(s) C. A. Guntton
Lt. Col.
AMFA

PALMERO

Copy to: Senior Finance Officer,
AMGOT HQ, Region 3.

Ac 1011/2
192A

2028

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

MGS ALG V MGS TI2
26 OCTOBER 1943
MESSAGE NO 14

TO JACS FOR HAMLYN

FOLLOWING BY "BUCK SLIP" FROM SIMS QUOTE IN ACCORDANCE WITH
TELEPHONE CONVERSATIONS COPY OF CABLE FROM FIFTH ARMY IS ENCLOSED
REGARDING A M LIRE REQUIREMENTS FOR THE MONTH OF NOVEMBER. CABLE
READS QUOTE BY BOXES AND DENOMINATIONS, THOUSANDS 15 BOXES, FIVE HUNDRED
6 BOXES, ONE HUNDREDS 40 BOXES, FIFTY 14 BOXES, TENS 43 BOXES, FIVES
20 BOXES, ONES 6 BOXES. TOTAL VALUE 700,032,000 LIRE. REFERENCE
NATCUSA 397 (CARK TO EISENHOWER FOR FINANCE) NEEDED BY 20TH OF
~~NOVEMBER~~ NOVEMBER. REQUIREMENTS OF A M LIRE FOR MONTH OF NOEMBER LISTED
UNQUCTE.

LT COL V SMITH

END KKKKK
RECD 261730A GFH KKKKK

190A

AC/1011/2
Fin -
3027

TO: D.C.F.O., AMG, Sicily.
FROM: C.F.O., A.C.
SUBJECT: Remittance estimate proposed by CCS for use in Sicily and the Mainland.
REFERENCE: AC/1011/2
DATE: 28 October 1943.

1. Your attention is called to the message from CCS (No. 103 dated 15 October 1943), copy of which is attached, outlining the procedure which the U.S. Treasury Department is prepared to see established to handle remittances to individuals residing within Sicily and other parts of Italy.
2. I also enclose a copy of the reply which I propose to send to the CCS. I suggest that you begin discussions with the Bank of Sicily looking toward the putting into operation of the procedure as outlined.
3. Capt. Timmons has had a thorough experience in the U.S. Treasury Department in the general licensing system which is involved and may therefore be able to assist you.

3025
R. A. Hamlyn
R. A. Hamlyn,
Brigadier.

FAS/rad

C. R. file

189A

FROM : Chief Financial Officer, A.C.
TO : M.G.S., (Finance).
SUBJECT : Suggested reply to No. 103, 15 October, from AGWAR(CCS).
REFERENCE : AC/1011/2. 302.
DATE : 25 October, 1943.

1. I suggest the following reply to the message (No. 103 of 15 Oct.) from the CCS, outlining a remittance system:-

TO : AGWAR for CCS.
FROM : AFHQ, MGS.

Reference your 103 of 15 October, 43.
The remittance procedure as outlined appears feasible. Details will be worked out as soon as possible in Sicily. It should be observed that if the volume of remittances becomes large, the Bank of Sicily might need financial assistance in view of the fact that the dollars will be blocked for its account rather than for account of AMFA. We will advise you as soon as the Bank of Sicily is ready to undertake outpayments in Sicily and also whether any other banks in Sicily or on the mainland wish to participate.

Ernest Hamlyn

R.A. Hamlyn,
Brigadier.

FAS/tlt

C.R. file

REC VED 23 OCTOBER 1948

ALLIED FORCE HEADQUARTERS

Military Government Section

JCH/SEVS/jm

NGS 123-3

20 October 1948

TO: Liaison Section, AFHQ.

It is requested that the following be transmitted to the appropriate French authority (Commissariat aux Finances) ³⁰²

"With reference to the question of the disposition of the French francs possessed by Italians now being repatriated from Corsica, the Combined Chiefs of Staff in Washington propose the following procedure:-

That in Sardinia the Italian authorities should arrange to exchange the franc for the same amount of lira currency as the troops would have been entitled to prior to repatriation had they then received lira instead of francs. Appropriate arrangements should be made so that disposition of the francs thus acquired by the Italian authorities will be the subject of subsequent negotiation and settlement.

This Section AFHQ will be pleased to discuss this matter with you should you have any views you would care to express at this time on this situation. The Combined Chiefs of Staff stipulated that the use of a particular franc-lira rate of exchange in this settlement would not, of course, be taken as sanctioning for any other purposes any rates of exchange other than the official dollar-lira and pound lire rates decreed by the Allied Military Authorities, with which, presumably, the franc-lira cross rate has been brought into conformity.

Perhaps you would be so kind as to indicate your agreement."

(Sgd) S.E.V. Smith, Lt.Col.
for J.C. HOLMES
Brigadier General, G.S.C.
Military Government Section

Copy to: P.I.C. AFHQ
Senior Finance Officer, AFHQ
NAEB
Brig. Hamlyn
Brig. Boulnois, Region G.
C. P. O. - AMG

C O P Y
S E C R E T

AFHQ MESSAGE CENTER
INCOMING MESSAGE.

WAR

field 012350Z

AFSC X 25/C2
020129A
elb

302

U R G E N T

FROM: AGWAR CCS

TO : EISENHOWER FOR FMGS RPT USFOR BRITISH CHIEFS OF STAFF

REF NO THIS MSG: 9117, 01 Oct. 43.

CITE CCAC

AM lire for the French Military. TAM 24.

Reference NAF 425

Authorization is given to make available AM lire to the French Military for payment of their troops and the procurement of local supplies for French Troops operating in ITALY. Such funds should be made available through AMFA against receipt in the same way as AM lire are made available to AMERICAN and BRITISH Finance Officers. The question of settlement for such advances of AM Lira currency should not be engaged in by you and will be subject to later adjustment.

FOOTNOTE: NAF 425 Ref No. W-1220/807 MC OUT 9108 Sep 29 (MGS)

ACTION: MGS

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS
SUMMARY

MC-IN-712 2 Oct 43 0235A Ref No. 9117 tea WJM.

S E C R E T

COPY NO 4.

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN.

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

Received 22 Oct. 43.

ROUTINE

TO: FOR ACTION: AGWAR FOR CARTER.

REF NO: W 3029

SIGNED: EISENHOWER

CITE: FMGS

180AEC/1011/2
3029

1. AMFA delivered on 19 October 1943 to LIEUTENANT SAUNIER accredited representative of FRENCH paymaster the sum of 284,800,000 AM lire. AMFA delivered on 19 October 1943 to COLONEL HOWELL, Chief Financial Officer, region 4 the sum of 500,000 AM lire.

ORIGINATOR: MGS

AUTH: T. B. JACKMAN, MAJOR

INFORMATION: DPIC FINANCE SGS AG RECORDS.

MC OUT 6256 21 Oct 43 1540A Ref. No. W 3029 jss/Van

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

Received 22 Oct. 43.

ROUTINE

TO FOR ACTION: AGWAR FOR CARTER.

REF NO: W2991

SIGNED: EISENHOWER, CITE FMGS

Reference your 9523 of 7 October.

Regret delayed reply. AMFA delivered on 13 September 43 to Major E.L. DLUGERSKY symbol No. 211-663 Funding Officer Fifth Army under 2 receipts, first for AM Lire 640,000,000 second for AM Lire 574,272,000 totalling 1,214,272,000 AM lire.

ORIGINATOR: MGS

AUTHENTICATION: T. B. JACKMAN, MAJOR 3021

INFORMATION: SGS DFIC FINANCE AG RECORDS.

MC OUT 6056 20 OCT 43 1836A Ref. No. W 2991 hvt/K

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

N A T O U S A

Received 22 Oct. 43.

ROUTINE

TO FOR ACTION: CG FIFTH ARMY REF NO: 397

SIGNED: CG NATO.....

ANGOT advises your additional requirements for month November 700 million lire. Confirm amount., give breakdown of denominations and date required.

ORIGINATOR: FINANCE AUTHENTICATION: L. H. SIMMS, COL.

INFORMATION: MIL GOV SEC. AG RECORDS.

MC OUT 6340 21 October 43 1732A REF NO: 397 jdp K

180A Action/2

Received 22 Oct. 43.

JJSM

filed 211227A

priority

AFSC N 899/21
211834A
Haf

FROM: FATIMA FOR ARTEKLI SIGNED TAYLOR

TO: FREEDOM FOR PW3 AND CIVIL AFFAIRS

REFERENCE NUMBER THIS MESSAGE: 514.

21 October 1943.

Italian Government has drawn our attention to statement by FASCIST radio 17 October that rate of ITALO-GERMAN exchange has been fixed at 10 marks equals 100 lire instead of 13.15 marks equals 100 lire.

FASCIST radio added that new arrangements had nothing to do with devaluation of lire imposed by ANGLO-AMERICANS in order "to sack the resources of Southern ITALY".

Italian Government suggests that in common interest, above should be dealt with in BBC and other comments. Please inform PWE.

ACTION: PW3

INFO: SCS INC MGS CIVIL AFFAIRS FINANCE DPIC AG RECORDS

MC IN 12665 21 Oct. 43 2050A Ref. No. 514 dlo/K

JJSW

Received Oct. 22nd, 1943.

filed 21900A

AFSC X 179/21

211430A

onc

OPERATIONAL PRIORITY

FROM: BOULNOIS AT FAIRLE

TO: FREEDOM AFHQ

REF NO THIS MSG: 5 21 Oct. 1943.

Please forward 200 million lire referred to in my 10 ADV/37 dated 9 October to arrive here not later than November 3rd. Shall require further 150 million lire by November 15th or if more convenient for you, can take delivery whole 350 in 1 consignment by November 3rd. Please send nearly as possible 100 million in thousand lire notes, 100 million in 500s, ~~and~~ 80 million in 100s, 60 million in 50s and 10 million in 10s and 5s.

10 ADV/37 MC IN 5556 10/10/43 MGS

ACTION: MGS

INFO: SHS
DPIC
FINANCE
AG RECORDS.

MC IN 12560 21 Oct. 43. 1700a Ref. No. 5 dlo/P.

MEMO to the Files.

Phone conversation with Col. Smith at 11.30 22 Oct 13. RAA
Adj 10/13

1. Cable from Boulnois (being sent to Tizi) - needs 200 million by 5 Nov, and 150 million by 15 Nov. Denominations specified.
2. Told Col. Smith to tell Boulnois he would be supplied on schedule from Palermo, and to inform AMFA, Palermo, that AMFA here suggests meeting Boulnois needs from Palermo.

S/tlt

F.L. Southard, Lt. Cdr.

3018

FROM A.F.H.Q. (FROM M.N.S. FOR HAMLYN)

TO : FILPOT FOR AMGOT FOR COLONEL GRAFFTEY-SMITH

DATE TIME of ORIGIN
Oct 191650

VIEW URGENT NEED RE-ESTABLISHMENT OF OIL STORAGE FACILITIES BARI. PROPOSE APPROVING
ADVANCE 1,600,000 lire BY AMFA TO AZIENDA NAZIONALE IDROGENAZIONE COMBUSTIBILI (A.N.I.C.)
AT BARI FOR PURPOSE MEETING WAGE BILL ON FIRST NOVEMBER (.) SUGGEST OBTAINING PROPER
RECEIPT EVIDENCING OBLIGATION A.N.I.C. TO REPAY, TERMS TO SETTLED LATER (.) COULD YOU
CONTACT LT. COL. EYLES, RA.S.C. WHO HAS REPORTED ON A.N.I.C. AND UNLESS YOU DISAGREE
MAKE ARRANGEMENTS FOR EMERGENCY ADVANCE (.) PLEASE CABLE ME WHAT IS DONE AND YOUR
SUGGESTION FOR TERMS OF LOAN.

3017

MEMORANDUM FOR THE FILES.

SUBJECT: Meeting in office of DPIC, AFHQ, 15 October, 1943.

PRESENT: Brigadier Hamlyn,
Lt. Col. Marden (representing Brigadier Brickman),
Lt. Cdr. Southard.

1. Brigadier Hamlyn asked Col. Marden if Brigadier Brickman had indicated whether he had any money problems he wished to put to AFPA. Col. Marden replied that Brigadier Brickman had left word that he was planning to go onto AM lire in the Central Mediterranean Theater on 1 November, provided he could accumulate enough lire by then and had reasonable assurance that his needs could be met in the future.

2. In response to Brigadier Hamlyn's question, Col. Marden explained that the estimates of currency needs of the British Armies in the Sicilian-Italian Theater are as follows:

£3,250,000 (or 1,500 million lire) for October.
£3,500,000 (or 1,400 million lire) for November.
£3,750,000 (or 1,500 million lire) for December,
excluding the 500 million lire.

3. Brigadier Hamlyn and Lt. Cdr. Southard then suggested the following as being a reasonable basis for meeting Brigadier Brickman's needs: During November and December the needs would be about 3,000 million. To meet this, the Paymaster's already have about 1,600 million. Another 800 million will be earmarked at Palermo for them, during October, making a total of 2,400 million available by November 1, against needs of 1,400 million. During November another 1,000 million will be made available, making a total of about 2,000 million available at the end of November. This would cover the 1,500 million needed for December, and would also meet the maximum estimate of 2000 million held by Brigadier Brickman to be a possible need.

4. Col. Marden agreed that the above would be an adequate basis on which to proceed.

22nd October, 1943.

F. A. Southard.

3016

SECRET.

TO: M.G.S.
FROM: Chief Financial Officer, A.C.
SUBJECT: Draft reply to message 2, 19 October 43, from Boulnois,
on overprinting AM lire.
REFERENCE: AC/1011/2
DATE: 21 October 1943.

AC/1011/2
178A

1. In subject message Boulnois proposed "clearly" stamping value of notes in Italian in words on all AM lire of denominations 1, 2, 5, 10, 50, and 100, in order to prevent forgeries of type uncovered in Sicily. He wishes an immediate reply.

2. The following reply is proposed:

From: AFHQ from MES

To: Pable for Boulnois.

The Combined Chiefs of Staff have already taken steps to include denomination in words on all A.M. lire hereafter printed. In meantime existing notes must not repeat not be overstamped in the way proposed in your number 2 of 19 October. For your information, however, forgery of notes in Sicily thus far negligible problem.

R.A. Hamlyn,
Brigadier.

S/rad

TO: AMO, Sicily, for AMFA.
FROM: Chief Financial Officer, A.C.

SUBJECT: Matters raised in AMFA letter of 14 October, 1943 to
MOS of AMO, and in message 2014 of 15 October, 1943
from AMO Region 3.

REFERENCE: AC/1 11/6

DATE: 21 October 1943.

1. Matters raised in AMFA letter of 14 October.

Para. 1 - 4. A few boxes of the three air-shipments which included the 20 boxes mentioned in this letter have not yet arrived in Algiers, nor is the box list yet available. A full statement of the shipments and the box lists will be supplied to AMFA, Palermo, as soon as the final boxes arrive.

Para. 5. For the time being, the principal Note Register of AMFA should continue to be kept at Palermo. A note register will be kept in Algiers covering the notes received and stored there. In addition a record will be kept at Pigi Quay of the movement of shipments from the time they enter this Register until they are cleared into one or another AMFA note depository.

2. Matters raised in message 2014 of 14 October from AMFA Region 3.

This message was repeated to AMO HQ, Sicily and has presumably reached AMFA. Three points in it immediately concern AMFA:

(a) Region 3 reports that the Fifth Army Disarming Officers have an adequate supply of 45 lire for October, but will need 700 million lire in November, making allowance for 40 percent replacement. Colonel Sims, D.S. Army Chief Finance Officer at AMFA, is requesting his Chief Finance Officer with the Fifth Army to verify this figure, indicating what denominations are needed and when. On receipt of this information it will be possible to decide whether AMFA should supply the Fifth Army from Palermo or Algiers. If the bulk of the 700 million can be supplied in 100's and 1000's, Algiers can handle it.

(b) Region 3 also reports that British Paymasters require an additional 500 million in 30 days, which has been requested from the Command Paymaster in Taranto. In the absence of information to the contrary, it is assumed that this amount is included in Colonel Rocne's estimate, and consequently can be taken care of as proposed in my letter of 18th October, 1943, to AMFA.

(c) With reference to Region 3's repetition of immediate need of

1771A
301

1. Matters raised in AUSA letter of 14 October.

Para. 1 - 6. A few boxes of the three air-shipments which included the 80 boxes mentioned in this letter have not yet arrived in Algiers, nor is the box list yet available. A full statement of the shipments and the box lists will be supplied to AUSA, Palermo, as soon as the final boxes arrive.

Para. 5. For the time being, the principal Note Register of AUSA should continue to be kept at Palermo. A note register will be kept in Algiers covering the notes received and stored there. In addition a record will be kept at Tizi Ouzou of the movement of shipments from the time they enter this Theater until they are cleared into one or another AUSA note depository.

2. Matters raised in message 2814 of 15 October from AMB Reg. 3.

This message was repeated to AUSA MC, Sicily and has presumably reached AUSA. Three points in it immediately concern AUSA:

(a) Region 3 reports that the Fifth Army Disbursing Officers have an adequate supply of 40 lire for October, but will need 700 million lire in November, making allowance for 40 percent recoupment. Colonel Sims, U.S. Army Chief Finance Officer at AFHQ, is requesting his Chief Finance Officer with the Fifth Army to verify this figure, indicating what denominations are needed and when. On receipt of this information it will be possible to decide whether AUSA should supply the Fifth Army from Palermo or Algiers. If the bulk ^{probably} 700 million can be supplied in 500s and 1000s, Algiers can handle it.

(b) Region 3 also reports that British Paymasters require an additional 800 million in 50 days, which has been requested from the Command Paymaster in Taranto. In the absence of information to the contrary, it is assumed that this amount is included in Colonel Rorney's estimates, and consequently can be taken care of as proposed in my letter of 18th October, 1943, to AUSA.

(c) With reference to Region 3's reiteration of immediate need of 1,000 million lire for A.M.G. purposes, you will no doubt have considered the suggestion relating to this matter contained in my letter of 18th October, 1943.

S/lt.

R.A. Hamlyn,
Brigadier.

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

785015

Received Oct 43.

ROUTINE

TO FOR ACTION: AOWAR REF NO: W 2990
(FOR CARTER)

SIGNED: EISENHOWER, CITE FIMGS

Please proceed with A M Lire orders 8 and 9 in same
composition as to denominations and amounts as orders 6 and 7 now
in process. Ref your 9260. Airmail letter explains situation.

ORIGINATOR: MILLEJOVT SEC AUTHENTICATION: T.B. JACKMAN, MAJOR

INFORMATION: DPIC
FINANCE
EGS
AG RECORDS

MC OUT 6045 20 OCT 43 1834A Ref No: W 2990 htv/K

SECRET.

FROM: Chief, Financial Sub-Commission, A.C.
TO: H.Q.S.
SUBJECT: Exchange of Bank of France notes for refugees in Italy.
REFERENCE: AC/1011/2
DATE: 21 October 1943.

1. In message 3554, 17 October 43, the Fifth Army (Clark) enquires whether the War Department will lift the 20 franc limit on exchange of Bank of France notes in order that Army Disbursing Officers may exchange such notes on behalf of refugees when presented by members of the French Liaison Mission.
2. This message is for Finance action, rather than MGS, but it raises an issue which has already been faced on a small scale by AMPA in Sicily and will probably arise on a larger scale in Italy. Consequently the following message to CCS is proposed:

From: AFHQ (MGS)
TO: AGWAR for CCS

Cases beginning to rise of bona fide refugees from France wishing to exchange Bank of France notes in territory covered by AMPA. Is it agreeable to you for AMPA to make such exchanges in reasonable amounts? If so, what limit should be set and, in view of statement in paragraph 3 of your 146 of 15 October, is exchange rate to be 2 lire for 1 franc?

R.A. HANLYN,
Brigadier.

SECRET

MEMORANDUM.

FROM : Legal and Financial Sub-Commissions.
TO : Brigadier General Julius Holmes, Military Government Section, A.F.H.Q.
SUBJECT : Proposed contract with A.M.I.C. oil refinery et Bari.
DATE : 20th October, 1943.

1. The Chief Financial Officer of the Allied Commission was informed on 19th October, at a meeting in Major General Gale's office and at a subsequent meeting with Brigadier Dunlop, that it is proposed by officers of the British Army presently at Bari to enter into a contract with an oil refinery (A.M.I.C.) for storage facilities, and that an advance equivalent to 1,600,000 lire is urgently needed.

2. The Chief Financial Officer stated that he preferred to defer discussion of entering into a contract with a firm in unoccupied territory and he also stated that he was not entirely familiar with the policy with reference to requisitioning which was to be followed in either occupied or unoccupied Italian territory now that Italy has been accorded the status of co-belligerent. He agreed, in the meantime, to propose to the responsible officials of AFPA the making of an emergency advance of 1,600,000. An appropriate cable was drafted and handed to MGS for approval.

3. The contract with A.M.I.C. which is under consideration may be taken as typical of a large number which may be drafted if the Allied Commission or the Armies use this method of obtaining from Italian enterprises and individuals in unoccupied Italy the performance of services and delivery of goods required for the Allied war effort or by the Allied Commission. The considerations of costs, rates of compensation, and other terms which the drafting of such contracts will involve will require the Allied Commission greatly to increase its legal and accounting staffs, to employ the services of Italian lawyers, and so on. This method of operation may also give rise to a great amount of litigation with the extremely undesirable consequence that someone on behalf of the Allied Commission might find himself as a plaintiff or even a defendant in the Italian Courts.

4. It is suggested that the whole policy of Allied Commission as conceived in the Armistice Terms is not to enter into a series of individual contracts but to obtain its war material and such other supplies and services as may be required by the method of ordering the Italian Government to produce them. That it is suggested that resort be had to appropriate provisions of the Armistice Terms, by which the Italian Government may be required to provide the Allied Forces with supplies and facilities. In particular, Article 21 (5) provides that the Italian authorities "will make available in non-occupied Italian territory all transport facilities required by the United Nations, ... and will comply with instructions issued by the Allied Commander-in-Chief regarding the use and control of airfields, ports, shipping, inland transport systems, vehicles, intercommunication systems, power stations and public utility services, oil refineries, stocks and such other coal and power supplies and means of producing same, as United Nations may specify,

or entering into a contract with a firm in unoccupied territory, and he also stated that he was not entirely familiar with the policy with reference to requisitioning which was to be followed in either occupied or unoccupied Italian territory now that Italy has been accorded the status of co-belligerent. He agreed, in the meantime, to propose to the responsible officials of ANPA the making of an emergency advance of 1,000,000. An appropriate cable was drafted and handed to MHS for approval.

3. The contract with A.N.I.C. which is under consideration may be taken as typical of a large number which may be drafted if the Allied Commission or the Allies use this method of obtaining from Italian enterprises and individuals in unoccupied Italy the performance of services and delivery of goods required for the Allied war effort or by the Allied Commission. The considerations of costs, rates of compensation, and other terms which the drafting of such contracts will involve will require the Allied Commission greatly to increase its legal and accounting staffs, to employ the services of Italian lawyers, and so on. This method of operation may also give rise to a great amount of litigation with the extremely undesirable consequence that someone on behalf of the Allied Commission might find himself as a plaintiff or even a defendant in the Italian Courts.

4. It is suggested that the whole policy of Allied Commission as conceived in the Armistice Terms is not to enter into a series of individual contracts but to obtain its war material and such other supplies and services as may be required by the method of ordering the Italian Government to produce them. Thus it is suggested that resort be had to appropriate provisions of the Armistice Terms, by which the Italian Government may be required to provide the Allied Forces with supplies and facilities. In particular, Article 21 (3) provides that the Italian authorities "will make available in non-occupied Italian territory all transport facilities required by the United Nations, ... and will comply with instructions issued by the Allied Commander-in-Chief regarding the use and control of airfields, ports, shipping, inland transport systems, vehicles, intercommunication systems, power stations and public utility services, oil refineries, stocks and such other fuel and power supplies and means of producing same, as United Nations may specify, together with connected repair and construction facilities."

Thus in the present case there seems no difficulty in ordering the Italian Government to make arrangements with A.N.I.C. for the storage of the required amount of oil and for the refining of the oil to be brought ~~to it~~ to it and this is primarily a matter for attention by the Industry & Commerce Sub-Commission. The manner in which the Italian Government carries out these orders, whether by requisition or contract, is not the concern of Allied Commission. This procedure will relieve the Military Authorities and the Allied Commission of all such contractual arrangements.

5. Under this procedure the Italian Government would discuss with the contracting firms all questions of financing. The Allied Commission could be concerned in these matters primarily only: (a) in the course of its scrutiny of the Italian budget and current expenditures and (b) to the extent that all life advances are needed by the Italian Government.

DISTRIBUTION: Col. Evans, Industry & Commerce.
JCS, JAC, AMB(P), SAC P.

Col. Unjohn, Legal.

Received October 20th 1943.

JJMM

TOO : 172331A

PRIORITY

AFSC N 137/18
180232A
jmg

FROM : FIFTH ARMY, FROM CLARK

TO : C IN C AFHQ, EISENHOWER

REF NO THIS MESSAGE : 3554 17 October 43.

Reference Section 11(?) War Department Circular 166 of 1943.

Several French refugees, escaped prisoners or civilians, have come through enemy lines and now in NAPLES without Italian or Allied currency, all their money being in Bank of France notes of 100 and larger denominations.

Army Disbursing Officers not authorized to exchange such (?) notes higher than 20 francs. Refugees may have to spend considerable time here awaiting shipment to NORTH AFRICA.

Recommend War Department authorize disbursing Officer here to exchange such notes when presented by member of French Liaison Mission this Headquarters.

ACTION : FINANCE

INFORMATION : SGS G-2 DTC AG RECORDS
MGS SUMMARY

MC IN 10424 18 October 43 0322A REF NO 3554 jdp P

JJSW
1/19 19
FILED 191535A

Received 20th October 19 .

OP - PRIORITY

AFSC X171/19
191710A
rth

FROM : FABLE FROM BOUENOIS

TO : EISENHOWER

REF NO THIS MESSAGE : 2 19 October 43.

Currency Proclamation in corrected form received from BADOGLIO Government and has been issued.

To prevent forgery such as is believed to have occurred in SICILY, am considering arranging for all notes up ~~and~~ to and including 100 LIRA to be clearly stamped in ITALIAN with value of note in words, do you agree?

Please reply urgently.

ACTION: MGS
INFO : SGS
G 3
FINANCE
DPIC
AG RECORDS

MC IN 11473 19 Oct 43 2145A Ref No. 2 dlc/P

3000

(received 20/10/43.)
JJNH

H A T O U S A
ROUTINE

AC/1011/2
AFSC N 808/19
191756A
hsf

filed 191605A

FROM : SEVENTH ARMY FROM BATTON

TO : EISENHOWER

REF NO THIS MESSAGE: 721, 19 October 1943.

Information requested (Site PD 12) as to type of currency to be supplied
troops going to SARDINIA and CORSICA.

ACTION : FINANCE

INFO : SGS
MGS
G 1
DTC
AG RECORDS
SUMMARY

MC IN 11412 19 Oct 43 1947A Ref No 721 dlo/p

3004

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

Received 18th October 43.

AFSC N 831/15
151816A
nwl

WAR

373

FILED : 151742Z

PRIORITY

FROM : AWWAR FROM CCS

TO : FREEDOM TO EISENHOWER FOR FILMS RECREATED USFOR INFORMATION
BRITISH CHIEFS OF STAFF

REFERENCE NO. THIS MESSAGE : 146, 15 October 1943.

(CITE CCAC).

TAM 49, Currency Exchange.
RAF WAF 464

Agree that foreign currencies legally held by Italian troops repatriated from French territory to Italian territory should be exchanged for the same amount of Lira currencies to which such troops would have been entitled prior to repatriation, had they when received Lira currencies instead of such foreign currencies.

Appropriate arrangements should be made so that the disposition of the foreign currencies acquired by the Italian authorities under circumstances, will be the subject of subsequent negotiation and settlement.

This treatment is not to be taken as sanctioning for any other purposes any rate of exchange other than the official rate decreed by the ALLIED Military authorities. We assume that the French have brought their cross rate into conformity with the Franco Dollar Pound rate, and the Lira Dollar Pound rate.

NO 146 15 Oct 43 MC OUT 3400 12/10/43 MGS.

NAF 464 IS W2288/6259

ACTION MGS

INFORMATION :

SGS

FINANCE

DPIC

MR MURPHY MR MACMILLAN AG RECORDS

MC IN 8955 15 Oct 43

2236A

No. 146

et/R.

3007

TO: C in C MED. (R) F C TARANTO AREA

FROM: ADMIRALTY

SECRET CYRHER.

1. Your 241639 and my 271650 para 3. Question of payment for services rendered by the Italian Government must depend on political arrangements reached as result of present negotiations and financial arrangements will be fixed up later. Meanwhile regards your immediate problem suggest you consult General EISENHOWER.

2. If trouble is shortage of cash for payment of workmen suggested that temporary arrangements for advances should be made through AMCOT.

Please signal arrangements eventually made

281837 9 Sept.

72 12 Hrps 105 T.O.R. 0456 30/9/43. LBW.

Ref. Intention to use Taranto Dockyard.

Dists: 0 - 9. 13. 16. 26. 32.36.38.43.44. LC/F.

3006

Received 20th October 1943

ULM

20/15

Filed 151821A

PRIORITY

AFSC N 1079/18

152150A

wns

FROM : AMG REGION 3.

TO : FREEDOM FHMGs FOR ACTION RPTD FILPOT FOR AMGOT HQ SICILY
FOR INFO (SAG PASS TO FILPOT INFO)

REFERENCE NO. THIS MESSAGE: 2914, Oct 15, 1943.

Replying your 4226.

Proclamations 3 and 12 posted throughout Region 3. Proclamation 3 posted on arrival by Civil Affairs Officers attached to tactical units. Do not believe public knows of BADAGLIO decree regarding currencies nor have we had official information concerning it. Understand there were isolated instances of public reluctances to accept BMA and Yellow Seal dollars and ALLIED Military lire due to insufficient knowledge prior to posting of respective proclamations but none reported since. AMERICAN Disbursing Officers Fifth Army Area using ALLIED Military lire exclusively for troop pay and other payments and BRITISH Paymasters using partly AM Lire and partly BMA. Estimate very roughly \$ 50,000.00 in yellow seal spent so far by AMERICAN troops and 12,000 pounds BMA by BRITISH troops. Fifth Army Disbursing Officers have adequate supply AM Lire for Oct requirements but will need additional amount of 700,000,000 ALLIED Military Lire in Nov allowing for 40 per cent recoupment. BRITISH Paymasters require additional amount of 500,000,000 lire in next 30 days which has been requested from Command Paymaster TARANTO. Meanwhile 1,000,000,000 lire required immediately for AMG purpose which have requested AMGOT SICILY to ship. Only minor cases of exchange transactions at different rates than stipulated in proclamation so far reported. Some evidence of preference by troops for Lire as against BMA and yellow seal dollars due to fear of change in rate. Public shows preference for dollars and BMA to any lire and marked preference of ITALIAN Metropolitan Lire to ALLIED Military Lire but no evidence of general hoarding of dollars and BMA.

NOTE 4226 MC OUT 1919 7/10/43 (Mil Gov Sec)

ACTION : MIL GOV SEC.

INFORMATION : SGS
DPIC
FINANCE
AG RECORDS

MC IN 109L2 19 Oct 43. 0046A Ref No. 2914 rht/S

By Air Courier.

Subject: A.M. Lire Shipped by Air from U.S.A.
To: Military Government Section, A F H Q.

1. AMFA has received 80 boxes which have arrived by air at Palermo.
2. According to code-letters stencilled on boxes contents appear to be:

<u>Denomination.</u>	<u>Number of Boxes.</u>	<u>Value³(Lire)</u>
L. 50	3	4,800,000
100	17	54,400,000
500	28	448,000,000
1,000	32	1,024,000,000
	<u>80</u>	<u>1,531,200,000</u>

Will you kindly confirm that this is correct.

3. No box List arrived with this shipment, but owing to fact that code-letters are now stencilled on boxes this caused little inconvenience other than: (a) Absence of any statement by which we can confirm that we have correctly received complete shipment. (b) Delay in entering Serial Nos. in Note Register which is maintained here.
4. AMFA will be glad to receive Box List covering this shipment if and when it becomes available.
5. As to Note Register, it would seem from some points of view that this might now be more properly maintained at AMFA Hq. in TIZI OUZOU, although lack of staff there may be a reason against adopting this course at present. Should be grateful for instructions on this point.

C. A. GURSTON,
Lieut-Colonel.
A. M. F. A.

Palermo,
14 Oct 43.

FROM : A.P.H.Q. (FROM M.O.S. FOR HAMLYN).

Date-Time of Origin
Oct 191650

TO : FILP Y for AMGOT for COLONEL GRAFFTRY-SMITH.

VIEW URGENT NEED RE-ESTABLISHMENT OF OIL STORAGE FACILITIES BARI, PROPOSE
APPROVING ADVANCE 1,600,000 LIRE BY AMFA TO AZIENDA NAZIONALE IDROGENAZIONE
COMBUSTIBILI (A.N.I.C.) AT BARI FOR PURPOSE MEETING WAGE BILL ON FIRST
NOVEMBER(.) SUGGEST OBTAINING PROPER RECEIPT EVIDENCING OBLIGATION A.N.I.C.
TO REPAY. TERMS TO BE SETTLED LATER (.) COULD YOU CONTACT LT.COL. EYLES,
R.A.S.C., WHO HAS REPORTED ON A.N.I.C. AND UNLESS YOU DISAGREE MAKE
ARRANGEMENTS FOR EMERGENCY ADVANCE (.) PLEASE CABLE ME WHAT IS DONE AND
YOUR SUGGESTION FOR TERMS OF LOAN.

From :- Finance Sub-Commission.

Copies to: Col. Evans, Industry & Commerce.
Col. Upjohn, Legal
JACS
AMG (F)
E & F.

3003

ELS
/18
TOO 161505A

received 20th October 43.

AFSC N 70/18
180100A
wlf

PRIORITY

FROM : FILPOT FROM AMGOT FROM CFO
TO : SEARS FOR AMGOT RPTD FREEDOM FOR MOS
REF NO THIS MESSAGE: FA 40 Oct 16, 1943.

1. In view of GERMAN scorched earth policy ITALIAN Government expect destruction of Bank of ITALY printing press plates and paper.
2. They claim that continued use of AM Lire in ITALIAN Controlled areas undesirable as substitute for Metropolitan Lire. This especially important in ROME after occupation.
3. They ask you to consider possibility of Allies printing Bank of ITALY Lire notes. Nature of design and type paper not considered important.
4. Realise many difficulties to proposal but useful to learn opinion of CCS early date owing to delays inevitable in preparation of plates and stocks of paper should necessity arise.

ACTION: M G S

INFO: SHS
DPIC

FINANCE AG RECORDS.

MC IN 10327

18 OCTOBER 43

0259A

REF NO: FA 40 Jap P

JJIK
NR 17
Filed: 181300A.

received 20th Oct 43.

AFSC N 556/12
181529A
af

PRIORITY.

FROM : LBS SIGNED SEARS

TO : FOR AMGOT TO FILPOT FOR AMGOT CPO RPT FREEDOM FOR MGS RPTD FIFTH ARMY
FOR AMGOT FOR BARRETT

REF NO THIS MESSAGE : A-731 18 October 1943.

Reference your FA 40 of 17 Oct. (Cite AMGOT 436).

Understand HAMLYN and FOLEY on way to visit you. Assume they will discuss with you and Italian Government question of printing bank of Italy Lire notes.

Ref out Air courier letter of 12 Oct, still await directions as to whether AMFA PALERMO send 1 Milliard to region 3 or whether this will be sent from AFRICA. BARRETT continues to urge immediate need of this. AMFA PALERMO could spare 1 Milliard now for region 3 although we feel that further consideration should be given to exact manner in which this money should be used. British Armys demand for 1300 Million must in any case be postponed until ship carrying 2380 Million comes in.

FA 00 IS MC IN 10327 18/10/43. MGS

ACTION: MIL GOV SEC.

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS.

MC IN 10652 18 Oct 43 1749A No A 731 et/

Received 20th October, 1943.

TO : FOR ACTION : IHS FOR SEARS FOR AMG

PRIORITY

REPEATED : 16th ARMY GROUP FOR AMG

REF NO : 8492

SIGNED: EISENHOWER

CITE: FMGS

Paraphrase of our 6253 of 12 October is repeated as requested by your A-553 of 14 October CITE AMGOT 399.

Have CLAIBORNE remain in PALERMO after returning from SARDINIA in view of imminent departure of HAMLYN, FOLEY and others for SICILY.

BULNOIS cables immediate need for 50,000,000 Lira. Request you fill need by sending 40,000,000 in 50 Lira Notes and 10,000,000 in 10 Lira Notes. BULNOIS estimates further need of 200,000,000 Lira in 30 days. Additional quantities of AM Lira may also be needed immediately by BULNOIS to provide funds for Italian troops coming from CORSICA in view of report from CORSICA that French Francs may be taken against receipts by Italian authorities before Italian troops leave CORSICA resulting in such troops needing Lira on arrival at SARDINIA.

ORIGINATOR : MGS

AUTHENTICATION : B.N. RICHARDSON, CAPT.

INFORMATION : SGS

FINANCE

DPIC

AG RECORDS

MC OUT 5013 17 OCT 43 1412A REF NO : 8492 Tk/B

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

RECEIVED 20th October 1943.

ROUTINE.

TO : AGWAR FOR CARTER

REF NO W - 2718.

SIGNED EISENHOWER

CITE PHMGS

1. AMFA delivered to Lieutenant Saunier duly accredited representative of French Paymaster in Chief on 14 October 173,760,000 AM Lire.

2. AMFA has delivered to Captain OC Culbreth funding officer symbol number 211-185 on 14 October AM Lire 342,400,000 and on 12 October to same officer AM Lire 45,120,000.

ORIGINATOR MGS

AUTHENTICATION : B.N. RICHARDSON, Captain.

INFORMATION :
SGS
DPIC
FINANCE
AG RECORDS

MC OUT 5014 17 Oct 43 1413A

Ref No. W. 2718 tca B

WARP
NR 433
162005Z

Received 20th October 43.

AFSC B 1132/16
162207A
or

ROUTINE

FROM: AGWAR CARTER FISCAL DIRECTOR

TO : FREEDOM

REF NO THIS MSG: 226 16 Oct. 43.
Number

Reference your radio/W-2435 (Citing FMGS) dated 14 Oct. SPEEU.

For clarification the 500 boxes loaded on ship number NY 433 contained the following amounts of AM currency, 1 lire, 1 million 19 2000 notes, 1 million 19 2000 face value, 2 lire, 1 million 5 20 thousand notes, 3 million 040 thousand face value, 5 lire, six million 208 thousand notes, 3 1 million 040 thousand face value, 10 lire, 5 million 376 thousand notes, 5 3 million 760 thousand face value, 50 lire, 6 million 592 thousand notes, 3 29 million 600 thousand face value, 100 lire, 2 million 240 thousand notes, 22 4 million face value, total number of notes 28 million 128 thousand, total face value 642 million 632 thousand.

Total number of 2 2 lire notes loaded on ship NY 433 as shown in our radio number 9753 dated 8 Oct, is one million 520 thousand notes, 3 million 040 thousand lire face value.

Please advise if you agree with these figures.

W-2435 MC OUT 3972 14/10/43 MGS
9753 MC IN 5726 10/10/43 MGS

ACTION: MGS

INFORMATION: FINANCE DPIC M & TR AG RECORDS

MC IN 9787 17 Oct 43 0441A Ref No. 226 vg/P

Received October 20th 1943.

ALLIED FORCE HEADQUARTERS
MILITARY GOVERNMENT SECTION.

SEVS/ /FRT
161B

18 October 1943.

MGS 123.2

SUBJECT: Provision of AM Lire.

TO : Colonel Grafton Smith,
CFO, HQ AMG, CMF.

1. Transmitted herewith copy No. 3 of cable No. 226, 18 October, requesting
you agree with figures set forth thereon.

2. Request acknowledgement of receipt by indorsement hereon.

(S.E.V.S.)

Lt. Colonel,
M.G.S. (Finance),
A.F.H.Q.

1 Incl.
As above.

2937

BEST COPY POSSIBLE

From : CPO, AC.

To : MGS (Finance)

Subject : Corsican-Sardinian French Franc matter.

Reference : Message 146, 15 October 43, AGWAR from CCS.

1. The reference message accepts our suggestion and seems to call for communication with Boulnois and the French. The following messages are proposed:

2. To Boulnois:

REFERENCE OUR 6658, CCS HAVE REPLIED THAT FOREIGN CURRENCIES LEGALLY HELD BY ITALIAN TROOPS REPATRIATED FROM FRENCH TERRITORY SHOULD BE EXCHANGED FOR THE SAME AMOUNT OF LIRA CURRENCIES TO WHICH SUCH TROOPS WOULD HAVE BEEN ENTITLED PRIOR TO REPATRIATION HAD THEY THEN RECEIVED LIRA CURRENCIES INSTEAD OF FRANCS. THE FOREIGN CURRENCIES THUS ACQUIRED BY THE ITALIANS WILL BE DISPOSED OF ON THE BASIS OF SUBSEQUENT NEGOTIATION AND SETTLEMENT. THE SUBSTANCE OF THIS MESSAGE WILL BE COMMUNICATED TO THE FRENCH IN ALGIERS. KEEP US ADVISED OF DEVELOPMENTS.

Hold
till
B
replies
to 6658?

3. To the French Authorities in Algiers; it is suggested that a letter be written containing the substance of the following:

"With further reference to the question of the disposition of the French francs possessed by Italians now being repatriated from ~~Corsica~~ the Combined Chiefs of Staff in Washington propose the following procedure:

"The Italian authorities should be required to exchange the franc for the same amount of lira currencies as the troops would have been entitled to prior to repatriation had they then received lira instead of francs. Appropriate arrangements should be made so that disposition of the francs thus acquired by the Italian authorities will be the subject of subsequent negotiation and settlement.

"We shall be pleased to discuss this matter with you should you have any views you would care to express at this time on this situation.

Chiefs of Staff stipulated that the use of a particular franc-exchange in this settlement would not, of course, be taken as any other purposes any rates of exchange other than the ar-lire and pound-lire rates decreed by the Allied Military with which, presumably, the franco-lire cross rate has been conformity. Perhaps you would be so kind as to indicate your

R.A. Hamlyn,
Brigadier

FROM : The Chief Financial Officer, AC.

TO : AGS (Finance)

SUBJECT : Meeting of needs of American and British Nationals in Italy.

REFERENCE : FILPOT FA 25 11 October 43.

1. The following cables to FILPOT and AWMAS for CCS are proposed in reply to FILPOT reference message.

2. Message to FILPOT as follows :

YOUR FA 25 OF 11 OCTOBER BEING REFERRED TO CCS FOR ADVISE X CONTAINING THAT EMERGENCY NEEDS BRITISH AND AMERICAN NATIONALS BY PROPERLY RECORDED ADVANCES FROM AFWA FUNDS UP TO LIRE PER PERSON OR LIRE PER FAMILY PER MONTH TAKING RECEIPT EVIDENCING RECOGNITION OF OBLIGATION TO REPAY X PRESUMED MOST PERSONS WILL WITH TO REPAY FIRST AID BUT YOU MAY MEET CASES OF DESTITUTION AT YOUR DISCRETION WITHIN ABOVE LIMITS X PENDING INSTRUCTIONS FROM CCS AMERICAN AND BRITISH CIVILIANS RELEASED FROM INTERMENT CAN BE AIDED AS ABOVE X

3. Message to AWMAS for CCS as follows :

PARA 1. FOLLOWING MESSAGE FA 25 OF 11 OCTOBER RECEIVED FROM FILPOT QUOTE
UNQUOTE
PARA 2. WE HAVE INSTRUCTED FILPOT CMA PENDING ADVISE FROM CCS CMA TO MAKE PROPERLY RECORDED ADVANCES FROM AFWA FUNDS AS NEEDED UP TO LIRE PER PERSON OR LIRE PER FAMILY PER MONTH TAKING RECEIPT EVIDENCING RECOGNITION OF OBLIGATION TO REPAY CMA AND TO HANDLE CASES DESTITUTION AT DISCRETION X THIS BELIEF TO COVER AMERICANS AND BRITISH RELEASED FROM INTERMENT AS WELL AS OTHERS X PLEASE ADVISE THAT REGULAR PROCEDURE SHOULD BE FOLLOWED IN THIS SITUATION.

R. A. HAILYN,
Brigadier.

filed 101924A

ROUTINE

AFSC N 438/13

130947

hb

FROM: ADMIRALTY.

TO : C IN C MD (R) POTA

REF NO THIS MSG 101924A, 10 Oct. 43.

Further to my 281837 September.

Intention is that Italian Government should continue to function normally so far as possible and therefore that they should be responsible for payment of private firms and surplus Italian dockyard workmen. Italian settlement must depend on political arrangements and Italian Government should for the present be asked to see that a record is kept of all (work?) done but should not be given any undertaking as to payment.

See para 2 of my 281827 as regards to actual supply of cash.

299

(2) If difficulty is being experienced in exposing above, please forward further information.

NOTE : 281837 (Naval) not identified in AFHQ MC files.
Message passed by hand from Navy to AFHQ MC.

ACTION CINC MED

INFORMATION : MOS G-1
O-4 DPIC
G-1(B) A.G. RECORDS

MC IN 7362 13 Oct 43 1026A Ref No. 101924A rht/B

FROM : BRIGADIER R.A. HAMLYN,
CFO, AC.

TO : ~~LT. COL. S.E. VIVIAN SMITH.~~
MGS (FINANCE)

SUBJECT : Additional orders of .AM. Lire

REFERENCE : (Where is the reply to AGMAR (CCS) 9260??)

1. The following despatch and airmail letter are proposed for transmission to AGMAR for CCS.

2. Despatch as follows:

From: AFHQ (MGS for AMPA)
To: AGMAR for CCS

Further reference our X Please proceed with A.M. lire orders 8 and 9 in same composition as to denominations and amounts as orders 6 and 7 now in process. Airmail letter explains situation X

3. Air mail letter to AGMAR for CCS from AFHQ (MGS) as follows:

1. This is with reference to our despatch No. of October, 1943, requesting that the Bureau of Engraving and Printing of the Treasury Department be asked to proceed with the printing of orders 8 and 9 of A.M. lire as soon as orders 6 and 7 have been completed. The amounts and denominations should be the same as in the two preceding orders.

2. We have fully in mind the explanation in your 9260 of 2 October of the overtaxed printing facilities in the United States and we are endeavouring to keep our AM lire estimates within the limits set forth there.

3. However, we anticipate unforeseeable contingencies and wish so far as conditions permit to build up currency reserves at several points such as Palermo and Naples. This objective together with the clearly predictable needs which have been mentioned in other despatches, in our judgement justify placing orders 8 and 9 at this time.

4. The printing program outlined in your 9260 as to 500s and 1000s should permit meeting of emergency needs for large denominations by further air shipments on relatively short notice. Smaller denominations (5s, 10s, 50s, 100s) which generally require water shipment obviously present a greater EXHIBITION problem. Whatever can be done, within the limits of your facilities and the shipping situation to keep your water shipments of these denominations moving forward regularly will be

transmission to AGWAR for CCS.

2. Despatch as follows:

From: AFHQ (MGS for ALIFA)
To: AGWAR for CCS

Further reference our orders 8 and 9 in same composition as to denominations and amounts as orders 6 and 7 now in process. Airmail letter explains situation X

3. Air mail letter to AGWAR for CCS from AFHQ (MGS) as follows:

1. This is with reference to our despatch No. of October, 1943, requesting that the Bureau of Engraving and Printing of the Treasury Department be asked to proceed with the printing of orders 8 and 9 of A.M. lire as soon as orders 6 and 7 have been completed. The amounts and denominations should be the same as in the two preceding orders.
2. We have fully in mind the explanation in your 9260 of 2 October of the overtaxed printing facilities in the United States and we are endeavouring to keep our AM lire estimates within the limits set forth there.
3. However, we anticipate unforeseeable contingencies and wish so far as conditions permit to build up currency reserves at several points such as Palermo and Naples. This objective together with the clearly predictable needs which have been mentioned in other despatches, in our judgement justify placing orders 8 and 9 at this time.
4. The printing program outlined in your 9260 as to 500s and 1000s should permit meeting of emergency needs for large denominations by further air shipments on relatively short notice. Smaller denominations (5s, 10s, 50s, 100s) which generally require water shipment obviously present a greater problem. Whatever can be done, within the limits of your facilities and the shipping situation to keep your water shipments of these denominations moving forward regularly will be of great assistance to us as there is an ever increasing demand for these lower denominations.

R. A. HAMLYN,
Brigadier.

WAR

filed 100758Z

AFSC N513/10
10124A
rbv

ROUTINE

FROM: AGWAR, FROM CARTER FISCAL DIRECTOR, SPFEM

TO : FREEDOM

REFERENCE NO. THIS MESSAGE: 9754, 10 OCTOBER 1943

Plane C-87 number 639 loaded with 80 boxes AM currency labelled AMG ~~with~~ care of Area Commander TUNIS APR 1-107946 UGS channel 1-15 departed WASHINGTON 6 October, shipment consists of 10 boxes 50 Lire denomination, 47 boxes 500 Lire denomination, 23 boxes 1000 Lire denomination, Total number of notes \$2,560,000. Total face value \$1,504,000,000. Contact Control Officer Air Transport Command TUNIS Station priority number for ETA of air shipments.

This completes air shipment of 3 planes requested in your radio W 1088 dated 27 September. Total face value of 210 boxes shipped in 3 planes is \$3,763,200,000 schedule by box number denomination and serial number delivered to pilot with instructions to arrange for delivery to proper officer at destination with first box of shipment to arrive. Boxes also labelled with code letter opposite box number to denote contents as outlined in our radio 5 October.

Please radio arrival at destination of all shipments.

NOTE: W 1088 MC OUT 8618 27/9/43 (Mil Gov Sec)

ACTION: MIL GOV SEC

INFORMATION: SGS
AG RECORDS

MC IN 5797 10 Oct 43 2011A Ref No. 9754 rht/WJM

156A act/100/2

2992

By Air Courier.

SECRET Equals British MOF SECRET

Subject:- Disbursement of Funds by AMFA

To : Military Government Section AFHQ
(For onward transmission to AGWAR for C O S and Carter;
for BUSANDA and Financial Advisor (British)).

1. AMFA delivered on Sept. 24 to Captain O. C. Culbreth,
04425830, Funding Officer 26th Disbursing Section, Symbol No.
211-185 AM Lire 192,640,000.

2. AMFA delivered on Sept. 22 to Lt. (Jg) J. L. Hunt, file
No. 137808 Symbol No. 50-726 Disbursing Officer United States
Naval Operating Base Palermo AM lire 15,640,000.

3. AMFA delivered on Sept. 24 to Capt. R. McIsaac RAPG
8th Army under letter of authority from Col. O.P.J. Rooney
AM Lire 1,021,760,000.

Lt. Col.
Dep. Chief Financial Officer.

AMGOT 15 Army Group.
Sept. 25, 1943.

JJSW
NR 3
Filed: 091750A

AFSC N 1-2/10
100230A
gmv

PRIORITY.

AS/10/12
155A

FROM: TABLE SIGNED BOULNOIS
TO : FREEDOM FOR HOLMES

REF NO THIS MSG: 10/37 09 Oct 1943.

1. Oct applicable this region
2. Rpt no.

44226 of Oct 7 refers:

3. (a) public unwilling to accept 10 Lire and no experience
dollars or. (b) ~~not~~ not applicable this region.

4. Metropolitan Lire.

5. Require immediately 50,000,000 Lire divided 40,000,000
in 50 Lire note, 10,000,000 in 10 Lire note. Estimate require further
200,000,000 in 30 days.

6. Now on from Metropolitan Lire.

7. No evidence as only Metropolitan in circulation at present.

44226 BELIEVED TO BE 4226 MO OUT 1919 7/10/43 M G S 2991

ACTION: M G S

INFO: 303 DFID FINANCE AG RECORDS SUMMARY **

MO IN 5556 10 OCTOBER 43 0845A REF NO: 10/37 Jdp B

JJW
NR 3
Filed: 071750A

AFSC N 2/10
100230A
gmV

PRIORITY.

Action 12
158A

FROM: FABLE SIGNED BOULNDIS

TO : FREEDOM FOR HOLMES

REF NO THIS MSG: 10/37

09 Oct 1943.

1. Oct applicable this region

2. Rpt no.

44226 of Oct 7 refers:

3. (a) public unwilling to accept AM Lire and no experience dollars or. (b) ~~not~~ not applicable this region.

4. Metropolitan Lire.

5. Require immediately 50,000,000 Lire divided 40,000,000 in 50 Lire note, 10,000,000 in 10 Lire note. Estimate requires further 200,000,000 in 30 days.

6. Now on from Metropolitan Lire.

7. No evidence as only Metropolitan in circulation at present.

44226 BELIEVED TO BE 4226 MG OUT 1919 7/10/43 M G S

2991

ACTION: M G S

INFO: SOS DPIC FINANCE AG RECORDS SUMMARY **

MG IN 5556 10 OCTOBER 43 0845A REF NO: 10/37 Jdp B

PRIORITY

TO : FABLE FOR BOULNOIS

REF NO : 6658

SIGNED : EISENHOWER CITE: PRMG

1. Cable 98 from FAKIR indicating that Francs are being ordered to be turned in by Italian troops before leaving CORSICA substantially covers enquiry in your 9/38 of 9 October. If substantial amounts of French Francs are nevertheless brought into SARDINIA by Italian forces, advise this Headquarters and await instructions before taking action. For your information matter is being discussed with CCS and with French Authorities in ALGIERS and we have recommended to CCS that any French Francs brought into SARDINIA by Italian troops should be withdrawn by Italian Authorities in exchange for Italian or A M Lire at rate of exchange at which Italian troops were paid in French Francs and leave for later adjustment between French and Italians the disposal of such Francs. French Officials here state that French have always use prewar official rate of 2.22 Francs to Lira whereas Italians have used a rate of approximately 2.70 to 3 Francs to Lira in paying Italian personnel in French areas for part of their pay. We are awaiting views of CCS on forgoing. Kindly furnish us from time to time information as to French Francs being brought into SARDINIA by Italian troops.

2. Col. Claiborne of AMFA should arrive your Headquarters shortly and you should discuss your currency requirements and other financial problems with him. We are cabling PALERMO to send you Fifty Million (50,000,000) Lire immediately. You should arrange with CLAIBORNE and WATERS to keep Head Office of AMFA informed as to ~~how~~ distribution of funds so that AMFA can make proper records and can advise CCS through us appropriately.

3. Require General BASSO to order publication of King of ITALYS Currency Proclamation showing King signing as King of ITALY and nothing else. Kings ALBANIAN and ETHIOPIAN titles must be omitted. MACFARLANE cabled this Headquarters on Oct 2 saying that Italian Authorities sent Major SOMLAZZO by air from BRINDISI to SARDINIA on Oct 1 with copies of Proclamations for the Three Prefects and that MACFARLANE was also supplementing this by sending Proclamation by radio to BASSO.

ORIGINATOR: EOS

AUTHENTICATION: T.B. JACKMAN; MAJOR

INFORMATION: SUS DPIC FINANCE AG RECORDS.

MC OUT 3705 13 Oct 43 1200A Ref No. 6636 ra/B

To be delivered to AFHQ by Lt. Col. Bernstein for forwarding.

SECRET RQUALS BRITISH MOST SECRET.

9 September 48.

FROM : AMFA

TO : AGWAR

PAREN for Carter signed Eisenhower
cite SHLOS PAREN.

(changed to "AMFA has" in cable)

1. (Have) delivered following amounts of AM lire on dates indicated against receipt to Cpt. O.C. Culbreth, G-425350, Funding Officer, 26th Finance Disbursing Section, Symbol No. 211-186 on instructions of Col. Tillman, Chief Finance Officer, Seventh Army.

26 July	500,352,000
29 "	500,032,000
12 Aug.	65,230,000
17 "	73,520,000
8 Sept.	135,040,000
9 Sept.	351,500,000

1,337,624,000

First four ~~xxxx~~ amounts here shown are repeated from previous messages as directed by 5613 of 1 Sept. from AGWAR. Last two are fresh transactions.

(changed to "AMFA has" in cable)

2. (Have) delivered following amounts of AM lire notes on dates indicated to Lt. (J.G.) J.L. Hunt, File No. 137807, Symbol No. 60-726 for A.C. U.S. Navy on instructions of Cpt. L. Doughty Jr. Commanding U.S. Naval Operating Base, Palermo.

18 Aug. 10,530,000

(changed to "AMFA" has " in cable)

1. (Have) delivered following amounts of AM lire on dates indicated against receipt to Cpt. C.O. Culbreth, C-425350, Funding Officer, 26th Finance Disbursing Station, Symbol No. 211-185 on instructions of Col. Tillman, Chief Finance Officer, Seventh Army.

26 July	500,352,000
29 "	500,032,000
12 Aug.	65,230,000
17 "	75,520,000
8 Sept.	135,040,000
9 Sept.	131,600,000
	2,837,824,000

First four ~~xxxx~~ amounts here shown are repeated from previous messages as directed by 5613 of 1 Sept. from AGRAP. Last two are fresh transactions.

(changed to "AMFA" has " in cable)

2. (Have) delivered following amounts of AM lire notes on dates indicated to Lt. (J.G.) J.L. Hunt, File No. 137807, Symbol No. 50-726 for A.C. U.S. Navy on instructions of Cpt. L. Doughty Jr. Commanding U.S. Naval Operating Base, Palermo.

18 Aug.	10,530,000
31 "	19,756,000
	30,286,000

/s/ C.A. Gunston
Lt. Col.

ALLIED FORCE HEADQUARTERS

Military Government Section.

18th September 1943.

MEMORANDUM TO : C.F.O., AMF.,
HQ. PALERMO.

1. A personal letter from Col. BERNSTEIN together with the original closure as received from his plus copy of Col. SIM's order as requested, is enclosed herewith.

2. Reference his point 2, this draft of cable by Brig. HAMILTON has not gone forward. Col. MAXWELL wishes to embody it in a complete study embracing the machinery of the supply note as well.

3. Reference his point 5; this should not be taken to mean that the full figure of the required establishment can be made up by this arrangement. As much will be done in this direction as is possible.

Reference the remark under the same point re W.E., there exists no difficulty in attaching personnel on the W.E. of one formation to that of another "under instruction" without resorting to "cross posting" within a command which is also practicable.

4. Reference cable from this H.Q. No. 5363 dated 17th Sept., Capt. M. May left this morning for GROTAGLIE via TRIPOLI with A.M. lire 29,850,000. His receipt is enclosed herewith. The reason for this broken amount is that General HOLMES decided later in the evening to take A.M. lire 50,000 for his personal use. His receipt will be obtained on his return to this H.Q.

5. Request is above mentioned cable is confirmed that you should ship by air to Maison Blanche A.M. lire 50,000,000 (fifty million) in varying denominations. While it is necessary that notes should be available to parties leaving here in denominations lower than A.M. lire 500, it is probable carriage and shipping space will always be a matter of difficulty. On consideration therefore the request in the cable should be interpreted to mean 30% of the consignment in A.M. lire 100 notes 35% in 500 and 35% in 1000 notes.

6. Reference his point 1. Col. BERNSTEIN's recommendations should be complied with.

In discussing the monthly report comment should include your views as to the practicability of providing all this information at such frequent intervals.

/s/ DEVS SMITH
Lt. Colonel.

cags

Reference the remark under the same point re W.E., there exists no difficulty in attaching personnel on the W.E. of one formation to that of another "under instruction" without resorting to "cross posting" within a command which is also practicable.

4. Reference cable from this H.Q. No. 5368 dated 17th Sept., Capt. M. May left this morning for GUSTAGLIA via TRIPOLI with A.M. lire 29,850,000. His receipt is enclosed herewith. The reason for this broken amount is that General HOLMES decided later in the evening to take A.M. lire 50,000 for his personal use. His receipt will be obtained on his return to this H.Q.

5. Request is above mentioned cable is confirmed that you should ship by air to Maison Blanche A.M. lire 50,000,000 (fifty million) in varying denominations. While it is necessary that notes should be available to parties leaving here in denominations lower than A.M. lire 500, it is probable carriage and shipping space will always be a matter of difficulty. On consideration therefore the request in the cable should be interpreted to mean 30% of the consignment in A.M. lire 100 notes 35% in 500 and 35% in 1000 notes.

6. Reference his point 1. Col. BERNSTEIN'S recommendations should be complied with.

In discussing the monthly report comment should include your views as to the practicability of providing all this information at such frequent intervals.

/s/ SEVS SMITH
Lt. Colonel.
M.C.S. (Finance),
A.F.H.Q.

ALLIED MILITARY GOVERNMENT

SUBJECT : Allied Currencies.

AIR COURIER

File No. /F
AMGOT HQ SICILY

TO : Military Government Section AMHQ.

October 29, 1943.

Reference your cable 4226 of 8th October, understand that answers are as follows:

1. AMG Proclamations 3 and 12 were posted within a few days of arrival of Allied troops everywhere except in Sardinia and four provinces of Apulia under Badoglio Government.
2. Public in four provinces of Apulia under Badoglio is aware of Badoglio decree making AM lire, BMA notes, and yellow seal dollars, legal tender and "provisionally" fixing rates at dollar equals 100 Italian lire because this was announced on radio Bari on date of signature of Proclamations and published in Bari newspapers the following morning. Believe that public in Sardinia and other areas referred to is not yet BMA aware of this Proclamation.
- 3 (a) Prior to posting of Royal Proclamation in four provinces under Badoglio, public was unwilling to accept AM lire, BMA notes and yellow seal dollars.
 - (b) Have heard of a case where public in Sardinia refused to accept AM lire.
 - (c) Such unwillingness was due to fact that Proclamation had not yet been posted.
 - (d) After posting of Proclamation, it has commonly occurred in all areas that public show reluctance to accept currencies which are rarely seen in their particular area. For instance, public in Palermo area for some time unwilling to accept BMA notes and such unwillingness still occurs from time to time. In remote country districts and Eastern parts of Sicily cases have been reported of public showing reluctance to accept yellow seal dollars.
4. In general, American troops are now spending almost entirely AM lire. British troops which for some time spent only BMA are now beginning to receive their pay, at least in part, in AM lire, which they then have available for spending.
5. Supplies of AM lire in this area are not adequate for next 30 days. Approximately five to six milliard lire will be required in this area within that period to enable AMFA to meet prospective demands with a reasonable margin of comfort.
6. Have heard of only isolated transactions at rates other than 100

was announced on radio Bari on date of signature of Proclamations and published in Bari newspapers the following morning. Believe that public in Sardinia and other areas referred to is not yet BXX aware of this Proclamation.

3 (a) Prior to posting of Royal Proclamation in four provinces under Badoglio, public was unwilling to accept AM lire, BMA notes and yellow seal dollars.

(b) Have heard of a case where public in Sardinia refused to accept AM lire.

(c) Such unwillingness was due to fact that Proclamation had not yet been posted.

(d) After posting of Proclamation, it has commonly occurred in all areas that public show reluctance to accept currencies which are rarely seen in their particular area. For instance, public in Palermo area for some time unwilling to accept BMA notes and such unwillingness still occurs from time to time. In remote country districts and Eastern parts of Sicily cases have been reported of public showing reluctance to accept yellow seal dollars.

4. In general, American troops are now spending almost entirely AM lire. British troops which for some time spent only BMA are now beginning to receive their pay, at least in part, in AM lire, which they then have available for spending.

5. Supplies of AM lire in this area are not adequate for next 30 days. Approximately five to six milliard lire will be required in this area within that period to enable AMFA to meet prospective demands with a reasonable margin of comfort.

6. Have heard of only isolated transactions at rates other than 100 per yellow seal dollar and 400 per BMA note and no transaction between AM lire and Italian lire at rate other than one equals one. Before posting of Proclamation, for instance in Apulia, members of public have sought to deal at rates such as 150 per pound, but in such circumstances, dealings have rarely taken place.

7. Apart from isolated cases, neither troops nor public appear to show marked preference for any one currency over another. It is commonly said that certain persons are hoarding yellow seal dollars but we have no concrete evidence in support of this.

s/ R.D. MANAPACE

Lt. Colonel

Dep. Chief Financial Officer.

AMGOT 15 Army Group.

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

TO FOR ACTION: FATIMA (OR TAYLOR)

FOR INFO: AFHQ ADV CP

REF NO: 6657

SIGNED: EISENHOWER, CITE PHMGS

PRIORITY

*Ac 100/2
14911*

Reference message 333 of 9 October.

Live funds needed by ITALIAN Government authorities to pay its army, Air and Naval forces in ITALY can be obtained from AMFA by ITALIAN Government. 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.

ORIGINATOR: MGS

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: DPIC
SGS
FINANCE
AO RECORDS.

2985

MC OUT 3704 13 Oct 43. 1159A Ref. No. 6657 rht/B

ALLIED FORCE HEADQUARTERS
MILITARY GOVERNMENT SECTION

SEVS/cags

MEMORANDUM TO: Lt. Col. Bernard Bernstein.

13th October, 1943.

Suggested Answer to Cable 9753.

Your 9753 of 10th October detailing contents of 500 boxes A.M. Lire shipped per ship number N.Y. 455 labelled 1492 - Z - FIN. Figure given as face value of 1,520,000 - 2 lire notes is 31,040,000, please confirm correct figures.

Recapitulation of total number of notes as 23,126,000 notes of face value totalling 642,632,000 does not tie up with individual numbers of notes and face values, listed earlier in your cable. Please advise.

(Sgd) T.E.V.S.

Lt. Col.
Finance.
M.G.S.

14814

JJAA

filed 09 NPT

AFSC N 1022/10
102015A
haf

PRIORITY

FROM: AMNOT FROM FILPOT FROM 380
TO : FREEDOM MGS RPTD BEARS FOR AMNOT
REF NO THIS MESSAGE: 1238

09 October 1943.

Reference your 4226 of 7 October. Presume that all addresses will reply separately. Will state position as known here but not guaranteed.

1. AM Region 2 posted proclamation 3 on D day proclamation 12 is posted as and where AM Lire issued. AM Region 3 believed to have posted both proclamations but 12 later than 5 dates not known.

2. Public PUBLIA informed by Royal Proclamation and by radio BARI 88 of 24 from FATIMA refers.

3. A. Yes B. No.

4. AM Lire, pounds and yellow/dollars.

5. A. Region 2 has applied to AMFA for requirements. B. PUBLIA is covered. C. Currency position is region 3 unknown. D. Impossible to forecast how far Armies will advance what currency will be found and in Back of ITALY. plates, press and paper stocks will be recovered. E. As much AM Lire as possible should be sent to NAPLES and BARI for currency needs and requirements other regions. (Cite FA 19)

MC IN 59655

4226 is MC OUT 7/10/43

ACTION MGS

INFO: 388 DPIC FINANCE AG RECORDS.

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

TO: MIDEAST.

ROUTINE.

FOR INFO: TROOPERS

REF NO: 6256

SIGNED: EISENHOWER CITE: FHMG.

In view of all circumstances including recent and prospective arrival here and in ITALY of large quantities of A M Lire we are not at this time pressing our request for you to furnish us with Metropolitan Lire. We greatly appreciate your willingness to cooperate on this matter and may wish to renew request at a later date if our currency needs make it necessary.

ORIGINATOR: MGS

AUTHENTICATION: T.B. JACKMAN, MAJOR. 2982

INFORMATION: FINANCE

DPIC

SGS

AG RECORDS

MC OUT 3397

12 Oct 43

1200A

Ref No. 6256

ra/HFK

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

TO FOR ACTION: IBS (FOR SEARS FOR AMG FOR AMFA)

PRIORITY.

FOR INFO: : FILPOT

REF NO: 6253

SIGNED: EISENHOWER, CITE FHMGS

1. You are requested to send to BULLNOIS 50 million Lire divided 40 million in 50 lire notes and 10 million in 10 lire notes which he cables he requires immediately. He also estimates need for further 200 million lire in 30 days. BULLNOIS may also need additional quantities A M lire immediately to provide funds for ITALIAN troops coming from FAKIR in view of report from FAKIR that FRENCH francs may be taken against receipts by ITALIAN authorities before ITALIAN troops leave CORSICA resulting in such troops needing lire on arrival at PABLE.

2. In view of imminent departure for SICILY of HAMLYN, FOLEY and others have CLAIBORNE remain in PALERMO after his return from SARDINIA.

ORIGINATOR: MGS

AUTHENTICATION: T.B. JACKMAN, MAJOR

INFORMATION: DPIC
FINANCE
AG RECORDS.

298

MC OUT 3394

12 Oct 43

1253A

Ref No 6253

rht/B

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

PRIORITY.

TO: IBS (FOR SEARS FOR AMO)

FOR INFO: FILPOT

REF NO: 6257

SIGNED: EISENHOWER

CITE: PHMOS.

65 or 75 cases AM Lire leaving TUNIS for PALERMO 12 October. Confirm receipt indicating number boxes delivered and denominations contained. Code signs are stencilled on boxes denoting denominations in Roman numerals IE "V" equals 5, "X" equals 10 etcetera.

ORIGINATOR: MGS

INFORMATION: DPIC
FINANCE
AG RECORDS

AUTHENTICATION: MAJOR T.B. JACKMAN 2001

MC OUT 3398

12 Oct 43

1202A

Ref No.

6257

ra/B

WAR
NR 221
Filed: 100758Z

AFSC N 450/10
101147A
gmv

ROUTINE

FROM: AGWAR CARTER FISCAL DIRECTOR

TO: FREEDOM

REF NO THIS MSG: 9753 10 Oct 1943.

Ship number NY 433, loaded with 500 boxes AM currency, labelled 1492-Z-AMG-FIN, containing following amounts AM currency.

1 Lire: 1,192,000 notes, 1,192,000 face value.
2 Lire: 1,520,000 notes, 31,040,000 face value.
10 Lire: 5,376,000 notes, 53,760,000 face value.
50 Lire: 6,592,000 notes, 329,600,000 face value.
100 Lire: 2,240,000 notes, 224,000,000 face value.

Total number of notes, 23,128,000, face value, 642,632,000.

Schedule of 500 boxes by denomination and serial number in possession of Cargo Security Officer, with instructions to deliver to proper Officer at destination, boxes also labelled with code letter opposite box number as outlined in our radio number 9375, dated 5 Oct. to denote contents by denomination. Official schedule in duplicate being forwarded by airmail. (SPFEM) We have not received official receipts on schedules previously sent you by airmail. For other air and water shipments, except the July air shipments.

NOTE 9375 MC IN 3295 8/10/43 (Mil Gov Sec)

ACTION : MIL GOV SEC

INFORMATION : FINANCE M & TN AG RECORDS

MC IN 5726 10 Oct 43 1715A Ref No. 9753 rht/HK

2939

Subject:- Currency for Brindisi

BY FAST AIR

AMGOT/2002/F
AMGOT H.Q., SICILY.

19 Sep. 43.

Military Government Section,
A. F. E. G.

1. With reference to your 5868 of 17th ~~September~~ September, Lt. Col. Gunston Chief of A.M.F.A. is leaving by plane this afternoon for Brindisi, he is taking AM Lire 101 million
2. No definite guarantee can be obtained here of an aeroplane from Catania to Brindisi, but it is thought that it can be arranged.
3. Gunston will deliver what is necessary to General Mason MacFarlane and will distribute the balance where it is most wanted.
4. I imagine that this will apply particularly to Puglia, as reports from our Finance Officer in Reggio indicates that Calabria is plentifully supplied with Metropolitan lire; and in fact he suggests opening the banks for unrestricted withdrawals at once. The Banca d'Italia at Catanzaro has L.130 million and if only some contact had existed between the North and South of Region 2, the needs of Brindisi could easily have been met.
5. Gunston will also do his best to indicate the right channels for this type of request. The cable from Brindisi to the British Minister in Algiers is about as clumsy a method as could be employed. I am told that communications between Brindisi and 15 Army Group are good; and if a request for currency had been placed to the latter, they can be connected to us on the telephone within 5 minutes.
6. As soon as I can obtain priority for a passenger and a requisite number of boxes I will send you A.M. Lire 50 million in mixed denominations. It seems anomalous to be flying back currency which has only recently come from North Africa, but I assume that you have no small denomination notes.
7. I am sending this note by Fast Air in amplification of a cable already despatched to you.

/s/ A. F. Grafftey Smith
Colonel,
Chief Finance Officer.

MOST SECRET

BY AIR COURIER

Ref: AMFA/POL/8
30 Sept. 1943.

Subject: Shipment of A.M. Lire.

TO : Military Government Section, AFHQ
for Maxwell and Bernstein.

Reference Cable 7974 Sept. 18. AGWAR to FREEDOM.

1. AMFA has now received further letter dated 9th September from Office of Fiscal Director admitting errors in the schedules sent in duplicate 2nd September for acknowledgement of receipt.

2. This office letter of 18th September to you pointed out discrepancies and requested instructions.

3. Complete check has now been made and one schedule amended in red ink is enclosed for onward transmission to Fiscal Director.

4. Also enclosed is a schedule prepared by AMFA showing total shipments to date and indicating further AM lire shipments to complete the first five orders. This schedule agrees in detail with Cable 7974 of 18th September (AGWAR, SPFEM, CARTER, FISCAL DIRECTOR to FREEDOM ALGERIA).

5. The 90 boxes total value 1,952,000,000 referred to in last paragraph of that cable have now been checked with the box list, a copy of which is duly receipted is enclosed for onward transmission to Fiscal Director.

6. The statement prepared by Col. S. Vivian Smith is returned amended to conform with AMFA's records.

/s/ J. A. Gunston.
Lt. Colonel,
for Chief Financial Officer

2970

Encl.

AMGOT 15 Army Group.

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

ROUTINE

TO FOR ACTION: AGWAR FOR CARTER

REF NO: W2300

SIGNED: EISENHOWER

CITE PHMGS

AC/104/2
1401

AMFA delivered on 7 October, 1943 to Lt. (JG) J. L. HUNT. File Number 137807, US NAVY DISBURSING OFFICER, Symbol Number 50-726 the sum of 10,360,000 AM Lire.

ORIGINATOR: MGS

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: DPIC
FINANCE
AO RECORDS

MC-OUR-5461

12 Oct 43

1623A

Ref. No. W2300

sar/HFK 2977

ALLIED FORCE HEADQUARTERS
MILITARY GOVERNMENT SECTION.

SEVS/jw

12 October 1943.

123-3

SUBJECT: A.M. Lire.

TO : Deputy Chief Financial Officer,
AMG, H.Q.,
SICILY.

1. Receipt of your memo reference AMGOT/2062/5 is acknowledged and the arrangements therein referred to and approved.

2. The French are being supplied with A.M. Lire as per a letter written to them of yesterday's date, copy of which has gone to you.

3. With reference to the three last air shipments of A.M. Lire, arrangements were made with authorities concerned to divert the two latter of 75 and 80 boxes respectively to ALGIERS, while forwarding on the first shipment of 55 boxes to you via TUNIS. This arrangement has been only partially implemented in that some additional boxes out of the second shipment accompanied the first 55 to TUNIS. These have been ordered sent on to you also. The above will explain the vagueness as to the number of cases referred to in cable from this H.Q. to you of even date.

(Sgd) T.E.V.S.
Lt. Colonel
MGS (Finance)
A.F.H.Q.

Copy to:
Col. BERNSTEIN.

XXXXXX

PRIORITY

REF NO: W 2287

Ac/100/2

138A

TO : ACTING FOR COMRADES CHIEFS OF STAFF REPTED USFOR INFORMATION
BRITISH CHIEFS OF STAFF

REF NO: 6258

CITE : FROME

SIGNED : EISENHOWER

MAT 51.

We are satisfied (reference your 9260 of 4 Oct.) to have 6th and 7th orders for currency duplicate denominations of 4th and 5th orders. We appreciate problems of printing facilities facing you and will furnish you progressively with orders based on current needs. However if real currency crisis arises we will advise you promptly. Kindly advise whether if latter situation occurs you can print AM lire faster than indicated in your 9260.

AUTHENTICATION : T.E. JACKMAN, MAJOR

ORIGINATOR : MGR

INFORMATION : DPIC
FINANCE
SGS
DTC
- 3
AD RECORDS

MC OUT 3399 12 Oct 45

1202A Ref No. W 2287/6258

re/REF

297-

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

TO FOR ACTION AGWAR FOR CARTER

REF NO: W 2435

SIGNED EISENHOWER CITE PHMGS

137A
PRIORITY

AC/104/2

Ref your 9753 of 10 October.

Detailing contents of 500 boxes AM Lire shipped per ship number NY 433 labelled 1492-Z-FIN. Figure given as face value of 1,520,000 - 2 Lire notes is \$1,040,000, please confirm correct figures.

Recapitulation of total quantity of notes as 23,128,000 notes of face value totalling 642,632,000 does not tie up with individual quantities of notes and face values, listed earlier in your cable. Please advise.

Schedules on previous shipments being forwarded in due course.

ORIGINATOR : MGS

AUTHENTICATION : MAJOR J.B. JACKMEN

INFORMATION : FINANCE
DPIC
AG RECORDS

MC-OUT-3972 14 Oct 43

1023A

Ref No. W 2435

ppm/WJM

COPY

E.M.O. GUERRE

~~SECRET~~

DIRECTION DU PERSONNEL

Tresorerie d'Armes

No. EMG/P/ST

Objet: Accreditation
du Lieutenant Payeur
LABAUVIE

Alger, le

Le General de Corps d'Armee LEYER
CHEF D'ETAT MAJOR GENERAL
DES ARMES DE TERRE

a Monsieur le General
CHEF D'ETAT MAJOR GENERAL
A.F.H.Q.

M. le Payeur Adjoint de 1ere classe (Lieutenant) LABAUVIE Fernand, Chief
du Bureau de Payeur no 207 de la Tresorerie aux Armes, 150 rue Michelet,
Alger, est charge de l'encaissement de la provision de Quatre cent cinquante
millions de lire d'occupation (francs 225 millions) ~~maximaux~~ necessaire aux
forces du 1er Corps de débarquement francais engages a l'etranger.

M. le Lieutenant LABAUVIE aura qualite pour recevoir
150 millions de liras le octobre 1943
300 millions de liras le octobre 1943
et en donner bonne et valable quittance.

P. le General de Corps d'Armee LEYER
Chef d'Etat Major General des Armes
de Terre et par son ordre,
Le General BERGES, Directeur du Personnel

297

E.M.G. GUERE

DIRECTION DU PERSONNEL

Tresorerie de l'Armee

No 1107 EMG/P/ST

TRÈS SECRET

Q.G. le 20 Sept 1943.

NOTE

Pour répondre au désir exprimé par M. le Colonel SMITH de l'A.
M.A.A., et comme suite à la lettre No 2893 EMG/4 du 13 Septembre, de
M. le General de C.A. LEVER, chef d'Etat-Major General, il est

precise :

1° que la demande d'approvisionnement dont il s'agit ne con-
cerne, pour l'instant, que le 1° Corps du Groupement du CEF con-
prenant :

- la 2° Division Marocaine
- la 3° Division Algerienne
- des E.M.E. et Services.

2° que la credit mensuel necessaire a l'entretien de ce
groupement peut etre provisoirement evalue sur la base de 75 mil-
lions de francs par 17,000 hommes et par mois, a 125 millions de
francs;

3° qu'une premiere ouverture de credit de 225 millions de
francs est en consequence demandee en monnaie locale d'occupation
a partir, savoir :

1/3 soit	75 millions de francs	5 Octobre 1943
2/3 "	150 millions	15 Octobre 1943

4° que la somme prevue devra etre substituée, d'apres la des-
tination probable du Corps, en monnaie italienne d'occupation
(450 millions de lires pour l'ensemble), a raison de :

a) 150 millions de lires pour la 1° tranche, soit :	
billets de 1,000 lires	80,000,000
500	40,000,000
100	29,000,000
25, 10 et 5	1,000,000
Total lires	150,000,000

b) 300 millions de lires pour la 2° tranche, soit :	
billets de 1,000	180,000,000
500	80,000,000
100	58,000,000
25, 10 et 5	2,000,000
Total lires	300,000,000

5° que dans l'eventualite ou l'AMFA ne disposerait pas du moyen
de fournir, en temps opportun, les coupures de 5 a 100 lires demandees,
il pourra leur etre substitue des billets de 1 dollar, a raison de
100,000 dollars contre 100,000,000 lires par tranche.

2" que le credit mensuel necessaire a l'entretien de ce groupement peut etre provisoirement evalue sur la base de 75 millions de francs par 17,000 hommes et par mois, a 725 millions de francs;

3" qu'une premiere ouverture de credit de 225 millions de francs est en consequence demandee en monnaie locale d'occupation a partir, savoir :

1/3 soit	75 millions de francs	5 Octobre 1942
2/3 "	150 millions	15 Octobre 1942

4" que la somme prevue devra etre constitutive, d'apres la destination probable du Corps, en monnaie italienne d'occupation (450 millions de lire pour l'ensemble), a raison de :

a) 150 millions de lire pour la 1^{re} tranche, so it:

billets de 1,000 lire	80,000,000
500	40,000,000
100	29,000,000
25, 10 et 5	1,000,000
Total lire	150,000,000

b) 300 millions de lire pour la 2^{de} tranche, soit:

billets de 1,000	160,000,000
500	80,000,000
100	58,000,000
25, 10 et 5	2,000,000
Total lire	300,000,000

5" que dans l'eventualite ou l'AMFA ne disposerait pas du moyen de fournir, en temps opportun, les coupures de 5 a 100 lire demandees, il pourra leur etre substitues des billets de 1 dollar, a raison de 100,000 dollars echet jaune par tranche;

6" que l'emploi des χ dont il s'agit restera limite aux operations de detail indispensables et que leur reliquat sera echange aussitot que possible aupres des caisses allies.

7" que pour eviter les difficultes d'ordre materiel que comporterait pour l'AMFA un transfert d'especes dans la region d'Oran, l'approvisionnement sera retire a Alger;

8" que le Payeur aux Armees charge de la perception des fonds avant depart sera accredite a cet effet aupres de l'A.F.H.Q. par le General BERGES, Directeur du personnel au nom du General LEYER, Chef de l'Etat Major General;

9" que les prelevements ulterieurs en territoire etranger auront lieu a la demande et sur accreditation du General Cdt les Forces ARMEE Francaises engages;

- 2 -

10" qu'en tout état de cause, seules les formations du C.F.F. dirigées vers un territoire étranger seront approvisionnées en monnaie locale d'occupation, l'encaisse de départ des forces destinées à un territoire français devant être constituée en billets de la Banque de France de 5 à 100 francs, à la diligence de M. le Commissaire aux Finances.

DESTINATAIRE

M. le Colonel SMITH
A.M.F.A.

COPIES à

EMT Guerre)
IV Bureau)

Commissariat)
aux Finances)
Sec des Changes)

à titre de C.R.

de BERNARDY- SIGOYER
PAYEUR PRINCIPAL

2971

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

PRIORITY.

TO FOR ACTION : MARRAKECH AIR PORT FOR MAXWELL FOR BRITTES

REF NO: 5492

SIGNED: EISENHOWER, CITE FHMGS.

3 consignments of boxes labelled AMG care of Area Commander TUNIS reported shipped from WASHINGTON 55 boxes on 4th October, 75 boxes 5th October, 80 boxes 6th October under first air priority. Latter 2 consignments of 75 and 80 boxes respectively are to be sent MAISON BLANCHE airport instead of TUNIS. Confirm this will be done. Matter most urgent.

ORIGINATOR: MIL GOV SEC

2970
AUTHENTICATION: CAPT B N RICHARDSON

INFORMATION: DPIC
FINANCE
AG RECORDS.

MC OUT 2826 10 Oct. 43. 1425A Ref No. 5492 js/B

ALLIED FORCE HEADQUARTERS

A.P.O. No. 512

133.4
7 October 1943.

Le General d'Armee GIRAUD

Commandant en Chef des Forces Terrestres et Aeriennes en Afrique Francaise.

I have the honor to refer to your letter of 22 September 1943 addressed to General Eisenhower, bearing the reference "Etat Major - Particulier - Bureau 2 eme Section No. 1639/EMP/4".

Instructions have now been received from the Combined Chiefs of Staff at Washington to the effect that AM Lire are to be made available to French Paymasters in the amounts which have been requested.

The instructions which we have received also state that the question of settlement for such advances of A.M. Lire currency will be subject to later adjustment by a higher level than this headquarters. It is hoped that such arrangements are satisfactory to you.

By command of GENERAL EISENHOWER.

J.F.M. WHITELEY.
Major General
Deputy Chief of Staff.

Copy to:

Brigadier Hamlyn
Colonel Grafftey Smith.

U. S. SECRET
EQUALS BRITISH SECRET.

2969

22 Oct. 1943.

From: The General d'Armees Giraud, Commander in Chief of Land and Air Forces in French Africa.

To : General Eisenhower, Commander in Chief of Allied Forces (AFHQ)

Object: Provision of Special Notes to the French Forces.

I have the honor to acquaint you/^{as under} with my point of view on the question of providing French troops with special notes.

1) It has been foreseen that French troops proceeding to Italy and eventually to other European countries other than metropolitan France side by side with British and American troops will have to be furnished with the same means of payment as these troops -- that is to say with special notes emitted by the Allies and expressed in the money of the operational territory concerned.

2) When the first contacts were effected upon this question between the technical services competent on the one side and on the other the representative of l'Etat-Major (Allied Force Headquarters Military Government Section) indicated:

- a) That they were prepared immediately to deliver to French troops the special notes expressed in lire of which they stood in need and if these were not available in small denominations of lire in sufficient quantity to provide dollar notes (yellow seal)
- b) That the directive under which these deliveries of legal tender will be made would remain for the time being reserved and would only be fixed after instructions had been received from the Combined Chiefs of Staff in Washington.
- c) That in the meantime it was requested that the French army adopt the procedure followed by the American and British armies, which consisted in the conserving on blocked account of cover for the issue of special notes, the counter-value of such issues.
- d) That it was hoped in order to simplify matter that the cover for the special notes placed at the disposition on the French Army would be provided in dollars.
- e) In order to avoid any misunderstanding it is necessary at this juncture to make certain precise points:

It is absolutely normal that every army should conserve in its national currency the counter-value on blocked account of money in special foreign notes which such army puts in circulation to provide for the requirements of its units proceeding to Europe. In this spirit the French army could conserve on blocked account in Francs the exact counter-value of special notes (whether lire, prother currencies including if necessary yellow seal dollars and EMA sterling) which may be put into circulation by the French troops.

As the French authorities can not consider the disbursement of the latter (sterling) in order to obtain legal tender

to other European countries other than metropolitan France and of side with British and American troops will have to be furnished with the same means of payment as these troops -- that is to say with special notes emitted by the Allies and expressed in the money of the operational territory concerned.

2) When the first contacts were effected upon this question between the technical services competent on the one side and on the other the representative of l'Etat-Major (Allied Force Headquarters Military Government Section) indicated:

- a) That they were prepared immediately to deliver to French troops the special notes expressed in lire of which they stood in need and if these were not available in small denominations of lire in sufficient quantity to provide dollar notes (yellow seal)
 - b) That the directive under which these deliveries of legal tender will be made would remain for the time being reserved and would only be fixed after instructions had been received from the Combined Chiefs of Staff in Washington.
 - c) That in the meantime it was requested that the French army adopt the procedure followed by the American and British armies, which consisted in the conserving on blocked account of cover for the issue of special notes, the counter-value of such issues.
 - d) That it was hoped in order to simplify matter that the cover for the special notes placed at the disposition on the French Army would be provided in dollars.
- 3) In order to avoid any misunderstanding it is necessary at this juncture to make certain precise points:

It is absolutely normal that every army should conserve in its national currency the counter-value on blocked account of money in special foreign notes which such army puts in circulation to provide for the requirements of its units proceeding to Europe. In this spirit the French army could conserve on blocked account in France the exact counter-value of special notes (whether lire, prother currencies including if necessary yellow seal dollars and BMA sterling) which may be put into circulation by the French troops.

On the other hand the French authorities can not consider the disbursement of foreign currency (dollars of pounds sterling) in order to obtain legal tender of this nature, the cost of which legal tender amounts to no more than the price of paper and printing. Apart from the fact that the French authorities only dispose of limited resources in foreign currency, this method would amount to treating the French army unfavorably as compared with the American and British armies both of which provide a cover for the special notes which they use in their own national currency

(signed) DEBINCK
Chief of Staff.

JJGW

AFSC X 204/10
101615A
mwl.

AC 100/2
131A

OPERATIONAL PRIORITY

FROM : FAKIR

TO : FABLE AND FREEDOM

REFERENCE NO. THIS MESSAGE : 98, 9 October 1943.

French authorities, ALGIERS, have ordered all Francs to be handed in before ~~DEPARTURE~~ departure Italians from CORSICA. Agree this procedure, but suggest FABLE warn BASSO need for immediate issue lire on arrival SARDINIA.

ACTION : MIL GOV SEC

INFORMATION : SGS
G-4
FINANCE
FIN ADV
AG RECORDS

296

MC IN 5766 10 Oct 43 1857A Ref No. 98 rht/WJM

SUBJECT: Pay of Italian Forces.

AL/20/64.
8 Oct. 43.

1. If and when instructions are received to make available AMGOT funds for the payment of the Italian forces, the necessary amount of A. M. Lire will be advanced to the local Ufficio Provinciale del Tesoro. AMGOT is NOT concerned with the subsequent distribution of pay.

2. However, the Ufficio Provinciale del Tesoro will be informed by AMGOT that it is the desire of the Italian Government that if the local branch of the Banca d'Italia has available sufficient stocks of metropolitan lire, payment to the Italian forces should be effected in this currency.

AMGOT.
15 Army Group.
C. M. F.
AGS/JG.

(Sgd) A.P.Graffey-Smith,
Colonel,
Chief Finance Officer,

Distribution: Region 1.)
Region 2.) For attention of Regional
Region 3.) Finance Officers.
Gp.Capt.Benson, AMGOT 8th Army.
Lt.Col.Monfort, Allied Military Mission,
Brindisi (with copy for Lt.Col.Guido Jung).
Brigadier Hamlyn, Palermo.
MGS, A.F.H.Q.
A.M.F.A., Palermo.

2968

U.S. CONFIDENTIAL
 equals British CONFIDENTIAL

ALLIED FORCE HEADQUARTERS
 Military Government Section.

Ses/jm

TO : M. le Directeur de la Trésorerie d'Armée,
 2 Rue Ballay,
 Algiers.

129A

1. I have the honour to refer to conversations with Capitaine Guichet and to confirm that the A.M. Lire asked for by you will be available to you on October 12th provided nothing transpires to delay aeroplanes which have already left the U.S.A.

2. The same procedure will be followed in your case as in the case of U.S. and British paymasters. Under this the notes will be handed over in sealed boxes as received by us from the U.S. Treasury and your representative will be asked to sign a receipt reading "received boxes alleged to contain 'x' A.M. Lire".

3. Please supply to this section AFHQ the names of the officers appointed to receive the money together with their specimen signatures properly authenticated.

4. Regarding your request as to the denominations (coupures) in which the money should be provided, the notes available and the desirability of handing over only full and sealed boxes must be taken into consideration. It is hoped that the following suggestions will meet your requirements.

AVAILABLE		ASKED FOR BY YOU	
3 boxes at 5 lire	960,000	at 25, 10, & 5 lire	1,000,000 290
2 boxes " 50 "	3,200,000)		
8 boxes "100 "	25,600,000)	at 100 lire	29,000,000
3 boxes "500 "	48,000,000	at 500 "	40,000,000
2 boxes "1000 "	64,000,000	at 1000 "	80,000,000
18	141,760,000		150,000,000
1 box "1000 "	32,000,000		
19	173,760,000		

5. Please indicate if you would prefer to take 173,760,000 or 141,760,000 as the first tranche.

6. The second tranche can be made available in exactly similar form in double the amount, with the exception that no 5 lire notes will be available until further A.M. lire shipments are received in Sicily.

7. In this connection and in answer to your suggestion that small change could be made available for you in BMA Sterling, it is pointed out that the smallest denomination in which these notes are printed is one shilling which is equivalent to 20 lire. This section AFHQ is not in a position to furnish you with BMA currency. Application for BMA Sterling should be made to the A/Paymaster-in-Chief B.N.A.F. who may or may not be in a position to assist you. However, if you will indicate your needs for land 2 lire notes this section will try to supply them from the A.M. lire reserves in Sicily.

8. A reply indicating your wishes in regard to the above is awaited.

Chief Financial Officer NATOUSA
 A/Paymaster-in-Chief, B.N.A.F.
 Copy to Brig. Hamlyn.
 Col. Grafftey-Smith.

for J. C. HOLMES
 Brigadier General, U.S.C.

PRIORITY

FROM: AMGOT FROM FILPOT FROM CSO
TO: FREEDOM MOS RPTD SEARS FOR AMGOT
REF. NO. THIS MESSAGE: 1235 9 OCTOBER, 1943.

Reference your 4226 of 7 October. Presume that all addressees will reply separately. Will state position as known here but not guarantee.

1. AMG Region 2 posted proclamation 3 on D Day proclamation 12 is posted as and where AM lire issued. AMG Region 3 believed to have posted both proclamations but 12 later than 3 dates not known.
2. Public PUGLIA informed by Royal proclamation and by radio BARI 86 of 24 from FATIMA refers.
3. A. Yes. D. No.
4. AM lire, pounds and yellow seal dollars.
5. A. Region 2 has applied to AMPA for requirements. B. PUGLIA is covered. C. Currency position in region 3 unknown. D. Impossible to forecast how far Armies will advance what currency stocks will be found and if bank of ITALY plates, press and paper stocks will be recovered. E. As much AM lire as possible should be sent to NAPLES and BARI for current needs and requirements other regions. (Cite FA 19)

(MC IN 5965 Ref. No. 1238 10 Oct. 43 2348A

ppm/R. 296

4226 is MC OUT 1919 7/10/43 MGS

ACTION: MGS

INFO: SOS
DPIC
FINANCE
AG RECORDS

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

785015

OF PRIORITY

FROM FABLE FROM BOULENGE
TO FREEDOM FOR HUMANES

REF. NO. THIS MESSAGE: 9/38 Oct 9, 1943

Reliably reported that the 70,000 troops reaching
BANDINIA from CORNICA will bring up to 20,000,000 French francs.
What are your views as to the disposal of these francs?

ACTION: MOS

INFO: GSS
FINANCE
DPIC
G-3
AT RECORDS

MC IN 5383 10 Oct 43

0304A

Ref. No. 9/38

296

9/10/42
127A

ALLIED FORCE HEADQUARTERS
Military Government Section.

SEVS/jm.

mgs 123-2

8 October 1943.

SUBJECT: A.M. Lire Shipments.

TO : Brigadier Hamlyn, M. G. Sch & H. G. Tizi Ouzou.

1. Forwarded herewith for your information and recommendation attached letters from C. F. Office, AMP.

2. Return of enclosed letters is requested upon completion of your perusal.

(Sgd) T. E. V. SMITH.

Lt. Colonel.
Finance.
Mil. Govt. Sec.

U. S. SECRET
EQUALS BRITISH MOST SECRET.

MOST SECRET.

Subject: A.M. Lire Shipments.

To: Military Government Section, A.W.H.Q.,
for Claiborne and Southard.

Ref. Cable 8206 from AGWAR of 21 Sept. 43.

Can you state destination and date of arrival of 2,000 boxes
on NY. 849.

Assume you are taking necessary action to ensure delivery of this
shipment to Palermo, where AMFA has personnel and facilities for handling it.

Please instruct if any action required at this end now.

(Sgd) G. A. GUNSTON.

Lt. Colonel,
for Chief Financial Officer.

AMGOT 16 Army Group.
6 Oct. 43.

ALLIED MILITARY FINANCIAL AGENCY.
A M F A.

SECRET.

Palermo,
5th October 1943.

To: Brigadier R. A. Hamlyn,
c/o Military Government Section, A.F.H.Q.

Dear Brigadier Hamlyn,

On running over again the various cables and letters received recently from you in order to see whether any points remain to answer, I see that in your letter of 22nd September, received here on the 30th, you ask for Col. Grafftey Smith's views on the desirability of trying to arrange for the tactical units of the army to take appropriate measures to protect the currency printing presses, dies, etc., from destruction even before the Civil Affairs Officers arrive on the scene.

Col. Grafftey Smith is still away, but I should think the answer might be to put down a Parachute Brigade on the spot when the army gets within one day's armoured thrust of it.

I understand that there is one spot at AQUILA and another in Rome
(? the State Lithographic Works)
or Typographic

Yours sincerely,

(Sgd) C. A. GURSTON.

C. A. GURSTON,
Lt-Col.

P.S. Can you indicate which of the following officers are intended to stay with AMFA, and if so where and for how long:

Major Menchin.
" Meyer.
" Oits.
Capt. Randall.
" Anderson.

All 5 have arrived here except Capt. Anderson, who is expected any time now.

C. A. G.

2961

By Air Courier.

Subject: A.M. Lire delivered to Sardinia.

To : Military Government Section A. P. E. Q.

Confirming verbal message to be conveyed to you by Lt-Comdr Southard;

1. AMFA delivered 208,000,000 lire on 3 Oct to Brigadier BOULNOIS, Chief of Allied Military Mission in Sardinia.
2. AMFA is debited this amount to "Payments on Account of Occupation Costs: to Allied Military Missions." This will be a new item in Balance Sheet.
3. Please inform me whether this is correct, and if so inform AGWAR for C O S and Carter.
4. Question remains whether AMFA Accounts should show how Brigadier BOULNOIS distributes this money to British, American, Italian or French Forces or to other recipients.
5. If this is required, will you please (a) instruct Brigadier BOULNOIS what statements he is to render of such distribution; (b) inform me what statements AMFA may expect to receive on this subject, and from whom.
6. As Claiborne and Southard will have explained, AMFA has no suitable officer available to send to Sardinia and stay there for purposes you indicated.
7. It would seem very desirable to send either Claiborne or Southard now to Sardinia to ensure that issue of Proclamations and Payment of money into banks in such manner as to produce best results are correctly handled.
8. Suggest that unless there is strong valid reason to contrary Brigadier Boulnois be directed to use Bank of Italy as depository rather than any local bank's branch or agency.

(Sgd) C. A. GUNSTON.

Lt. Colonel,
for Chief Financial Officer.

AMCOT 15 Army Group,
5 Oct. 43.

BY AIR COURIER.

SUBJECT: Deliveries of A.M. Lire to French Forces.

To: Military Government Section, A. F. H. C.

Ref. Cable 2618 from General Eisenhower dated (1) 2 Oct. 43.

1. Please state names and appointments of officers of French armed forces to whom AMFA is authorized to deliver lira funds.

2. Please send me if possible for AMFA's records specimen signatures of those officers, adequately authenticated, or let me know what authentication of their identity AMFA may accept.

3. AMFA will normally state purpose of its payments in general terms similar to those used for American and British Forces, e.g., in words such as "Requirements of French Army". These words would appear on voucher which recipient would sign. Use of funds would thus not be restricted to "pay troops and purchase locally for French troops in Italy". Kindly confirm that this will be in order.

4. AMFA will, if required, report to AGWAR for CCS and Carter any lira amounts which it may deliver to French Forces. Will you please let me know whether such advice and/or any further advice by AMFA is required.

5. Do any special conditions apply to payments to French Army or Air Force?

(Sgd) J. C. A. GUNSTON,

Lt. Colonel,
for Chief Financial Officer.

AMGOT 1st Army Group.
5 Oct. 43.

126 E

2959

JAJA

081945.

AFSC N 158/09
090420A
Jng

Acc 10/2
1254

P R I O R I T Y.

FROM : MIDEAST FROM CIV AFFAIRS, FROM VCFA
TO : FREEDOM FOR EISENHOWER AND DEIC RPTD TROOPERS
REF NO THIS MESSAGE: OST/14674(19674?) 08 OCTOBER 43.

ref TROOPERS 76072 F5 of 5/10.

Regret cannot provide you any Metropolitan Lire now. MO4 here urgently require 80 millions, which in terms TROOPERS directions, I am endeavoring provide as first priority. Will keep your needs in mind and inform you immediately I have surplus available.

76072 F 5 IS MC IN 3600 7/10/43 M G S

ACTION: M G S

INFO: SGS
DPIC
FINANCE
AG RECORDS

2958

MC IN 4942 9 OCTOBER 43 0755A REF NO: OST/14674 (19674?)jdp
P

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

NATOUA MESSAGE
ROUTINE

AC/101/2
14A

TO : CG FIFTH ARMY

REF NO : 4803

SIGNED : CG NATOUA

CITE: MAPIN 639

Complaints received by British paymaster their personnel being refused exchange of BMA notes and yellow seal dollars received as change in shops. Take necessary steps to assure United States Finance Officers deal freely in all legal currency in your area.

ORIGINATOR : FINANCE

AUTHENTICATION : L.H. SIMS, COL.

INFORMATION : G-1
G-4
MIL GOV SEC
DPIC
AG RECORDS

MC OUT 2327

8 Oct 43

1704A

Ref No. 4803

ra/VAN

2957

ALLIED MILITARY FINANCIAL AGENCY
A M P A

To : Lieut. Bush.

SECRET

1. You will proceed by air to CAGLIARI, Sardinia, taking with you 25 boxes of A.M. Lire Currency, as follows:-

<u>Denomination.</u>	<u>Number of Boxes.</u>	<u>Amount in Lire.</u>
L. 100	15	48,000,000
500	10	180,000,000
	<u>25</u>	<u>208,000,000</u>

Weight = 1 ton, Bulk = 62 cubic feet. You will be responsible for the safe custody of this money until it is delivered.

2. You will take with you a sufficient number of copies of

(a) AMGOT Proclamations 1, 2 and 12 (amended where necessary for use in parts of Italy other than Sicily);

(b) Italian Royal Proclamation of 24 Sept 43, giving legal tender status to A.M. Lire, etc.

3. On arrival at CAGLIARI you will, if possible, make contact with

(a) The Regional Allied Commission;

(b) Lieut. B. P. Cooper, Royal Army Pay Corps, acting as temporary cashier to the Commission;

and will ascertain the position and be guided by their wishes. Subject to the latter ---

4. If an Allied Military Government is functioning, you will ensure that at least AMGOT Proclamation No. 12 is published, and preferably Nos. 1 and 3 also.

If the Italian Royal Government is functioning, you will ensure that the Italian Royal Proclamation of 24 Sep 43 is published in any suitable manner.

5. (a) If you deliver money to Lieut. B. P. Cooper or to the Bank of Italy, Bank of Sicily or Bank of Naples, you will obtain their receipt in duplicate on Form F/13b.

(b) If you deliver money to any other person they must check the contents of the boxes in your presence, and you will obtain their receipt in duplicate on Form F/13 a.

2. You will take with you a sufficient number of copies of

(a) AMGOT Proclamations 1, 3 and 12 (amended where necessary for use in parts of Italy other than Sicily);

(b) Italian Royal Proclamation of 24 Sept 43, giving legal tender status to A.N. Lire, etc.

3. On arrival at CACLIARI you will, if possible, make contact with

(a) The Regional Allied Commission;

(b) Lieut. M. P. Cooper, Royal Army Pay Corps, acting as temporary cashier to the Commission;

and will ascertain the position and be guided by their wishes. Subject to the latter ---

4. If an Allied Military Government is functioning, you will ensure that at least AMGOT Proclamation No. 12 is published, and preferably Nos. 1 and 3 also.

If the Italian Royal Government is functioning, you will ensure that the Italian Royal Proclamation of 24 Sep 43 is published in any suitable manner.

5. (a) If you deliver money to Lieut. B. F. Cooper or to the Bank of Italy, Bank of Sicily or Bank of Naples, you will obtain their receipt in duplicate on Form F/13b.

(b) If you deliver money to any other person they must check the contents of the boxes in your presence, and you will obtain their receipt in duplicate on Form F/13 a.

(c) If you deliver money to any Italian military officer, you should if possible obtain the written instructions of the senior available officer of the Allied Commission, who should designate him by name and vouch for his being the proper person to receive the money.

(d) In every case you will obtain, if possible, on each of the receipts the counter-signature of the senior available officer of the Allied Commission.

G. As soon as you have delivered the money and obtained the necessary receipts you will return with the latter to AMFA at Palermo by the quickest available means.

Palermo
1 Oct 43.

C. A. GUNSTON,
Lieutenant Colonel,
A M F A

FROM: AGWAR FROM CARTER ^{COPI} ~~FI~~ CAL DIRECTOR

TO: FREEDOM

REF NO. THIS MESSAGE: 9375, 03 October, 1943.

Plane loaded with 54 boxes AM currency labelled ^{AM} care of Area Commander TUNIS AM 1-107945 channel 1-15 departed WASHINGTON 4 October. Shipment consists of 27 boxes of 500 lire denomination and 28 boxes 100 lire denomination. Schedule by box number denomination and serial number accompanied shipment with instructions to deliver to proper officer at destination with first box of shipment. The boxes containing 500 lire denomination are also labelled with letter D below box number and boxes containing 100 lire denomination labelled in same manner with M. In the future all boxes will bear the following code letter below the box number to denote the denomination therein: V for 5 lire, X for 10 lire, L for 50 lire, C for 100 lire, D for 500 lire M for 1000 lire. In addition to this shipment it is planned to ship 75 boxes by air 5 October and 80 boxes 6 October. The following number of boxes and denominations will be shipped in the 3 planes: 18 boxes 50 lire, 37 boxes 100 lire, 84 boxes 500 lire, 71 boxes 1000 lire, total face value, 3,755,200,000 lire. Official schedule will be forwarded by air mail as in past shipments. Future shipments by water will be consigned to PALERMO unless advised differently.

ACTION: MIL COPY. SEC

INFO: M & TR
FINANCE
AG RECORDS

2955

MO IN 5295 3 Oct 43 10200 Ref. No. 9375 aia/p

TO : CG FIFTE ARMY

REF: NO. 5527

SIGNED : CG NATOUA. CITE MAPEN 631

Your 775 September 25th.

Exchange of currency for replacements; Base Section commanders have been instructed to exchange US and franc currency for currency in use in your area prior to departure of troops. They have confirmed that necessary action has been taken.

ORIGINATOR : FINANCE

AUTHENTICATION : J.C. CARTER, COL.

INFORMATION : DTG
SGS
G-1
MSS
AE
AG RECORDS

MC CUT 1405 5 Oct 45 1645A Ref No. 3527 rht/WJM

FROM : TROOPERS

ROUTINE

AC/10/2/209

TO : MIDWEST REVE FREEDOM FOR EISENHOWER - 1034 FREEDOM PASS
FREEDOM (FOR EPIC) (FREEDOM PASS) HEMA TRIPDIST (FOR VCFA)
(MIDEAST PASS) FOR (WIV AFFAIRS FOR CPA)

REF IN THIS MESSAGE : 78072 5 OCTOBER 42

Your OCT/19378 1 October.

No lire are likely to be required by us from you, during next 2 months. We are not sure to what extent you have provided for SS and similar requirements, nor to what extent these will be met in immediate future by metropolitan lire becoming available from TRIPDIST and elsewhere. In any case, amount you can supply to ANFA say 50 millions, in presumably to them a comparative trifle, whereas for SS purposes it may be vital. On other hand, if you are satisfied you have surplus after providing requirements SS etc next 2 or 3 months, say you can send to ITALY may alleviate difficult situation now and could, probably, if necessary be refunded in kind by ANFA later when AM lire available. Suggest you review position with MO 4 and then cable facts and suggestions to EISENHOWER repounding here.

OCT/19378 15 MC 19 763 2/10/43 1938

ACTION : 1938

INFORMATION : 1938
EPIC
PIRANNE
AG RECORDS

NO IN 1938 7 Oct 42 0400Z 10 78072 04/1.

2959

119A
SECRET

Ref: AMFA/POL/3

30 Sept. 1943.

SUBJECT: Shipment of A.V. Lira

TO: Military Government Section, AMFA
for Maxwell and Bernstein

FA CC 1011/2

Reference Cable 7974 Sept. 19. AMFA to FREEDOM

1. AMFA has now received further letter dated 24th September from office of Fiscal Director admitting errors in the schedule sent by duplicate 2nd September for acknowledgment of receipt.

2. This office letter of 18 September to you pointed out discrepancies and requested instructions.

3. Complete check has now been made and one schedule amended in red ink duly receipted by AMFA official is enclosed for onward transmission to Fiscal Director.

4. Also enclosed is a schedule prepared by AMFA showing total shipments to date and indicating further A.V. Lira shipments to complete the first five orders. This schedule agrees in detail with Cable 7974 of 14th September (AMFA, SPAIN, GANTER, FISCAL DIRECTOR to FREEDOM AMFA).

5. The 30 boxes total value 1,952,030,000 referred to in paragraph 4 of that cable have now been checked with the box list, a copy of which duly receipted is enclosed for onward transmission to Fiscal Director.

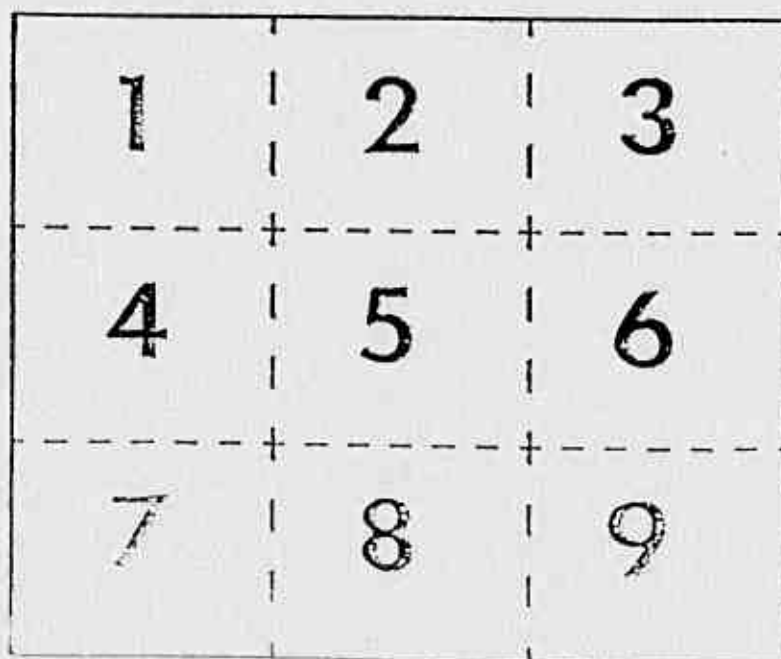
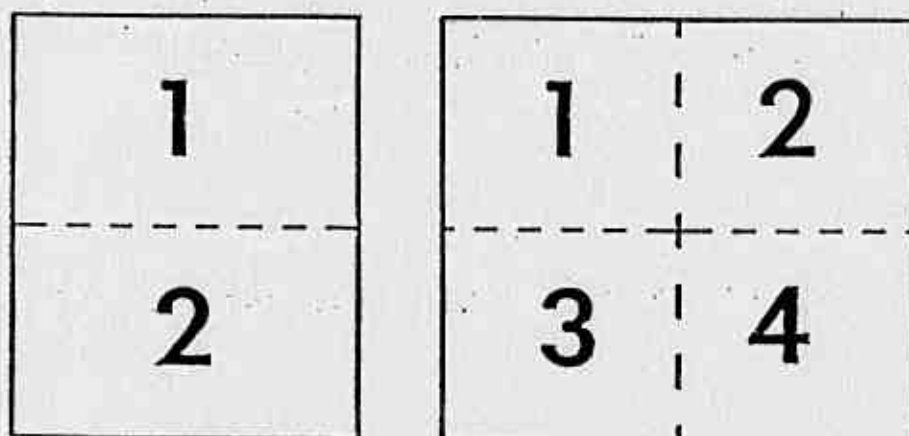
6. The statement prepared by Col. S. Vivian Smith is returned amended to conform with AMFA's records.

(Signed) C.A.S. Gen. Chief Richard S. Slicer
Lt. Col. 1st Lt. 1st Army Group

Encl.

MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



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

785015

A.M. LIRE ORDERS

Denoms.	1st Order	2nd Order	3rd Order	4th Order	5th Order	Total Value of Orders
1	100 Million	100 Million	100 Million	Nil.	Nil.	300,000,000
2	100 "	100 "	100 "	Nil.	Nil.	300,000,000
5	125 "	125 "	125 "	50,000,000	50,000,000	475,000,000
10	100 "	100 "	100 "	100,000,000	100,000,000	500,000,000
50	800 "	800 "	800 "	250,000,000	250,000,000	2,900,000,000
100	1500 "	1500 "	1500 "	750,000,000	750,000,000	6,000,000,000
500	900 "	900 "	900 "	1,350,000,000	1,350,000,000	5,400,000,000
1000	1000 "	1000 "	1000 "	2,500,000,000	2,500,000,000	8,000,000,000
TOTAL	4825 Million	4825 Million	4825 Million	5,000 Million	5,000 Million	83,875,000,000

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

785015

OMB 7

5th Order	Total Value of Orders	Receipts Value	to Date No. of Setor	Shipped per H.Y. 349 as advised by cable Value	No. of set
Nil.	300,000,000	44,952,000	44,952,000	12,732,000	12,732,000
Nil.	300,000,000	73,712,000	38,858,000	32,730,000	32,860,000
50,000,000	475,000,000	127,040,000	25,408,000	31,160,000	18,832,000
100,000,000	500,000,000	100,480,000	10,048,000	21,120,000	7,112,000
250,000,000	2,900,000,000	852,800,000	17,056,000	808,000,000	18,130,000
750,000,000	6,000,000,000	1,587,200,000	15,872,000	1,315,200,000	13,162,000
1,560,000,000	5,400,000,000	3,342,000,000	6,884,000	60,000,000	160,000
2,500,000,000	3,000,000,000	3,344,000,000	3,344,000	Nil	Nil
Less 5,000 Million	83,875,000,000	9,772,184,000	180,520,000	2,389,952,000	98,520,000
				To come by ship	
				Received	
				Total	

Shipped per H.V. 349 as advised by cable		Required to complete all orders		Total del
Value	No. of notes	Value	No. of Notes	Value
19,712,000	19,752,000	1,298,000	1,298,000	35,000,000
		X: Balance cancelled and replaced by 500's/1000's		(235,000,000)
52,720,000	31,360,000	3,588,000	1,784,000	140,000,000
		X: Balance cancelled and replaced by 500's/1000's		(180,000,000)
11,160,000	16,832,000	263,800,000	52,750,000	475,000,000
21,120,000	2,112,000	378,400,000	37,340,000	500,000,000
808,000,000	16,130,000	1,238,200,000	24,784,000	2,900,000,000
1,315,200,000	13,152,000	3,097,600,000	30,976,000	5,000,000,000
80,000,000	160,000	1,978,000,000	3,956,000)	5,586,000,000
		X: 195,000,000	500,000)	
Nil	Nil	4,358,000,000	4,358,000	8,200,000,000
		X: 200,000,000	200,000	
2,389,952,000	98,528,000	11,712,864,000	158,342,000	23,575,000,000
To come by ship -		2,389,952,000	98,528,000	
Received		9,772,184,000	160,520,000	X: - Replenished 1 and 2
Total		23,875,000,000	417,390,000	

Required to complete all orders

Total delivered or to come.

Value	No. of Notes	Value	No. of Notes
235,000	1,235,000	65,000,000	35,000,000
1: Balance cancelled and replaced by 500's/1000's (235,000,000)			
565,000	1,791,000	140,000,000	70,000,000
1: Balance cancelled and replaced by 500's/1000's (160,000,000)			
1,800,000	52,760,000	475,000,000	95,000,000
9,400,000	37,840,000	500,000,000	50,000,000
9,200,000	24,754,000	2,000,000,000	58,000,000
7,000,000	30,576,000	6,000,000,000	60,000,000
1,000,000	3,953,000	8,595,000,000	11,190,000
5,000,000	250,000		
3,000,000	4,353,000	8,200,000,000	8,200,000
0,000,000	200,000		

2,964,000	158,342,000	23,875,000,000	417,390,000
9,952,000	98,523,000		
2,154,000	180,520,000	X: - Replacement of A.M. Lire 1 and 2 cancelled.	
6,000,000	417,390,000		

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

WAR

filed 071438Z

ROUTINE
NATOUA

FROM: AGRAW CARTER FISCAL DIRECTOR SIFA

TO: FREEDOM

REF NO THIS MESSAGE: 9523.

7 October 1943.

Awaiting advice from AMFA as to amount of AM Lire currency
delivered to Major E L DLUGENSKY your number 6389 symbol 211663
of 13 September this fall.

6389 BELIEVED IN ERROR

ACTION: MIS

INFORMATION: FINANCE
RECORDS

MD IN 4077

7 Oct 43

2315A

Ref No. 9523

JOHPK

2919

AI N 747/07
071559A
hsf

Acc 10/11/2

116A

SECRET

AFSC X 25/02
020129A
elb

WAP

FILED: 012350Z

URGENT

FROM: AGWAR COS
TO: EISENHOWER FOR FMCS RPT USFOR INFO BRITISH CHIEFS OF STAFF
REF. NO. THIS MESO: 9117, 01 Oct. 43.

CITE CCAC

AM lire for the French Military. TAM 24.

Reference NAF 425

Authorization is given to make available AM lire to the French Military for payment of their troops and procurement of local supplies for French Troops operating in Italy. Such funds should be made available through AMFA against receipt in the same way as AM lire are made available to AMERICAN and BRITISH Finance Officers. The question of settlement for such advances of AM lire currency should not be engaged in by you and will be subject to later adjustment.

FOOTNOTE: NAF 425 Ref No. W-1220/807 MC OUT 9108 Sep 29 (MGS)

ACTION: MGS

INFORMATION: SSS
DFIC
FINANCE
AG RECORDS
SUMMARY

MC-IN-712 2 Oct 43 0235A Ref No. 9117 ten WJM

29.7

785015

WARP
/491
072001Z

AFSC N 1292/07
072205A
amo

ROUTINE

FROM: AGWAR CARTER DISCAL DIRECTOR

TO: FREEDOM

REF NO THIS MESSAGE: 9543. 7 Oct 1943.

Plane landed with 75 boxes AM currency labelled AMO, care of Area Commander TUNIS Apr 1-107947 UEG channel 1-15 departed WASHINGTON 5 October. Shipment consists of 8 boxes 50 lire, 37 boxes 100 lire, 10 boxes 500lire, 20 boxes 1000 lire. Schedule by box number denomination and serial number accompanied shipment with instructions to deliver to proper officer at destination with 1st box of shipment (TPFEM SFFEM(?)) as indicated in our radio dated 5 October. Boxes are also marked with code letter to indicate contents.

ACTION: MGS

INFO: FINANCE
METN
AG RECORDS

MD IN 4223

8 Oct 43

0352A

Ref No. 9543 lp R.

2948

~~ALL~~ ~~LEE~~
ALLIED FORCE HEADQUARTERS.
MILITARY GOVERNMENT SECTION.

5 October 1943. 114A

123.

SUBJECT:- Shipment of A.M. Lire.

TO : Fiscal Director
War Department
Washington, D.C.

Schedule of deliveries of A.M. Lire by you to AMFA is inclosed,
amended in red ink and duly receipted by AMFA in accordance with your
instructions.

(T.V.E.T)

for J.C. HOLMES
~~for~~ Brig. Gen. Chief.
Mil. Govt. Sect.

1 Incl.
as above.

947

SECRET EQUALS BRITISH MOST SECRET

AFHQ MESSAGE CENTER
OUTGOING MESSAGE

Priority 1124

TO : SEVENTH ARMY

FOR INFO : FILPOT (FOR AMG) (FOR GRAFFTEY-SMITH)

REF NO. 331

SIGNED : EISENHOWER, CITE PHMGs

Reference cable No. 86 from FATIMA to FREEDOM and our cable 9956 relevant thereto Para 6 copies of which were sent to RENNELL at your HQ. by air courier on 26 September 43.

Reference further our 35 to you of 27th September 43 requesting you send AMFA trained officer with 200 million for SARDINIA. 150 million must be disbursed on October 1st in SARDINIA. Essential arrange highest air priority from you to MAISON BLANCHE and advise.

ORIGINATOR: MIL GOV SEC

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: SGS
FINANCE
DPIC
AF RECORDS

MC OUT 8769

27 Sept. 43

2151A Ref. No. 331

rht/VAN

2945

SECRET EQUALS BRITISH MOST SECRET

AFHQ MESSAGE CENTER
OUTGOING MESSAGE

ROUTINE.

TO FOR ACTION : ACTUAR FOR CARTER

REF NO: 1736

SIGNED : EISENHOWER, CITE : FHMDS

1. AMFA delivered on 18th Sept to Lt Col WORSLEY No.
B Command P X O X 113,856,000 AM Lire.

2. AMFA delivered on 24th Sept to Capt. R. MC ISAAC RAPC
for No. B Command P X O X 1,021,760,000 AM Lire.

3. AMFA delivered on 1st Oct to Capt S H ONLEY for No.
B Command P X O X 499,200,000 AM Lire.

4. AMFA delivered on 20th Sept to Lt. J A USHER,
"X" Field Cashier, No. 6 Base Sub Area 280,950,000 AM Lire.

ORIGINATOR : MIL GOVT SEC

AUTHENTICATION : T.B. JACKMAN
MAJOR

INFORMATION : DPIC
FINANCE
SGS
AG RECORDS

2948

MC OUT 1298 50ot 43 1810A REF NO : W 1736 jdp P.

ALLIED FORCE HEADQUARTERS
Military Government Section

MGS-123

30 September 1943.

SUBJECT: Legal tender in Corsica.

To: Banking and Currency Adviser (British)
107 bis Rue Michelet
Algiers.

ACC/100/2

Receipt is acknowledged of your letter dated 28 September 43 on the above mentioned subject. The instructions contained therein are noted.

Lt. Colonel,
M.G.S. (FINANCE)
A. F. H. Q.

Copy to: Col. Bernstein
Col. Grafftey-Smith
(together with copy of Brigadier Rabine's letter)

BANKING AND CURRENCY ADVISER
(BRITISH)
107 bis Rue Michelet,
Algiers.

28 September 1943.

Lt./Col. Smith,
M.G.S. (Finance),
A.F.H.Q. (British).

I am requested by the French Finance Authorities to inform you that Bank of France notes are the only legal tender in Corsica.

2. The French Authorities state that Algerian bank notes should not be introduced into Corsica.

3. All Algerian bank notes should be exchanged for Bank of France notes (notes of 100 francs or under) before the troops disembark.

4. Should you require Bank of France notes please communicate with the Paymaster in Chief of the French Army:-

Monsieur le Payeur Principal,
Bernardy Sigoyer,
2 Rue Ballay,
Algiers.

29/9

Copies to:

W.L. Fraser, Esq., Treasury,
C. E. Key Esq., War Office
H.B.M. Consul General, Algiers
R. Makins Esq., Office of British Minister
Brigadier Brickman, D/Paymaster-in-Chief,
Paymaster/Capt. W. G. Ward-Smith, R.N.
Group Captain F. H. Bowden, R.A.F. Fin. Adviser
Brigadier Dunlop, Financial Adviser,
Lt. Col. Smith, M.G.S. (Finance.)

/s/ Rabine
Brigadier
Banking and Currency
Adviser

FROM: COMINCH.

TO: CINCAP (PER RDO ALGIERS) COMNAVNAV FOR ACTION TO
WAR DEPARTMENT FOR INFO.

REFERENCE NO OF THIS MESSAGE: R/89/2 September 21 (?) 1943.

SANDA authorizes AFPA to transfer to any Navy Disbursing Officer designated by COMNAVNAV. Your dispatch R.S. your 83 FIMGS using as receipt 3 and A 15 if practicable. Commanding Officer certify Disbursing Officer's specimen signatures. Officers in route with full operating instructions.

83 NOT IDENTIFIED IN AFPA MC FILES

ACTION: MIL GOV SEC

INFORMATION: FINANCE
AG RECORDS

MC-IN-3816

7 SEPT 43

14489

NO R/89/2

2913

FROM: BOULNOIS HABLE REGION SIX
TO: AFHQ FREDON TO HOMES MGS
REF NO THIS MESSAGE: 2 ADV B 04 Oct 43.

Your msg 1897 Oct 1st refers.

Received from SICILY 208 million lire October 3,
denominations RE 80 and 500.

AMPA Officer returned SICILY as ordered from that HQ.

1897 MC OUT 180 1/10/43 MGS

ACTION: MGS

INFO: SGS
DPIC
FINANCE
C 3
AC RECORDS

MC IN 2269 4 Oct 43. 2027A Ref. No. 2 Adv. B

2942

SECRET EQUALS BRITISH MOST SECRET
AFHQ MESSAGE CENTER
OUTGOING MESSAGE

PRIORITY

TO: FOR ACTION, FILPOT FOR AMO FOR GRAFFTEY-SMITH REF NO. 9499

SIGNED : EISENHOWER, CITE FMGS

Cable (figures in millions of lire) exact balances
of AM Lire at disposal, present whereabouts of same and how at
present earmarked for delivery to Armies, AMO etc. New
immediate requirements in neighbourhood 100,000 million contemplated.

ORIGINATOR: MIL GOVT SEC

AUTHENTICATION : MAJOR T.B. JACKMAN

INFORMATION : EGS
DPIC
FINANCE
AO RECORDS

2941

MC OUT 8180 26 Sept 43. 1856B REF NO: 9499 jdp VAN

AFHQ MESSAGE CENTER
INCOMING MESSAGE

QXB
4/25
Filed 25113gb

AFSC X 179/25
2515172
wlf

URGENT

FROM FABLE SIGNED BASSO

TO CINC AFHQ

REF NO THIS MESSAGE : 1 Sept 25, 1945.

Referring to your message dated 24th, to Col. ~~BOLENSKY~~
we communicate that we need, for ITALIAN Forces in SARDINIA, about
150,000,000 Liras per month.

ACTION : DPIC

INFORMATION : FINANCE
LIASON
MOS
AG RECORDS

MC IN 14932 25 Sept 45 1656B PC 1 et/WJK

2939

TO: AGWAR FOR CARTER
SIGNED EISENHOWER CITE PHMGS

REF NO W- 9511

Acc/1011/2
104A

Reference our W-9160 of September 4.

AMF advises that 4th and 5th orders of AM lire should be printed for each 100,000 value in denominations, amounts and percentages shown in following table of 4 columns. Column 1 headed Lire denominations 5, 10, 50, 100, 500, 1000; Column 2 Headed number of notes 200, 200, 100, 150, 54, 50, total 754; Column 3 headed value 1000, 2000, 5000, 15000 27000 50000, total 100000; Column 4 headed per cent 1, 2, 5, 15, 27, 50 total 100. No 1 and 2 lire notes wanted after receipt of amounts included in First 3 orders

ORIGINATOR: MGS

AUTHENTICATION T. B. JACKMAN, MAJOR

INFORMATION: DPIC
FINANCE
AG RECORDS

MC-OUT- 2757

8 Sep. 43

22433

Ref. No. W-9511

tea B

JJ
NR 32/19
Filed 191800B

AFSC X 299/19
192120B
WNS

URGENT

FROM AMGOT SEVENTH ARMY

TO: FREEDOM ALOIERS

REFERENCE NO. THIS MESSAGE : 91, Sept 19, 1943.

GUNSTON leaves for BRINDISI this afternoon with LIRE 101,000,000 varying denominations. (Cite MOS) (Cite AMGOT 263). Your 5868 of 17th Spt refers. He will be prepared to distribute elsewhere if required. Currency position as reported from REGGIO is comfortable; full details not yet to hand but Bank of ITALY CATANZARO reported to hold Lire 130,000,000.00. Have supplied REGGIO with further 80,000,000.00 in AM Lire. Contact between BENSON and MASON MC FARLANE should now have been made but suggest latter should communicate 15 Army Gp who can telephone us. Channels used are unnecessarily complicated. Will ship to you 50,000,000.00 mixed when priority allows.

NOTE: 5868 MC OUT 5492 Sept 17 (MOS)

ACTION : MOS

INFORMATION : AG RECORDS
XX
EGS

2938

MC IM 11401 19 Sept 43 2220B Ref No. 91 rht/WJM

JJA:
FILED : 11 NIL

AFSC N 192/14
1408108
mwl

PRIORITY

FROM : COMPEIGHT

TO : FREEDOM 8 CPS 127 FOR DPIC

REFERENCE NO. THIS MESSAGE : PAY 3489, 11 Sept 43.

1. 348 Satisfactory and staff channels being approached.
2. 349 endeavouring arrange with AMGOT 3,000,000 pounds reserve will advise in 2 days. With domestic commitments this virtually precludes further risks AMFA in view PAY 156 dated 8th and 28th July would be grateful clarification.

ACTION : DPIC

INFORMATION : 2 COMPAY
MOS
FINANCE
AG RECORDS

MC IN 7910 14 Sept 43 0912B Ref No. PAY 3489 thv/P.

2938

FROM FREEDOM
TO FOR ACTION : SEVENTH ARMY
FOR INFORMATION : FILPOT
REFERENCE No. 709

DATE - TIME OF ORIGIN
SEPTEMBER 281832A

CLASSIFICATION SECRET

YOUR MEMO OF TWO FIVE SEPTEMBER ONE PARA A CMA DIFFICULTY REFERRED TO
IS TAKEN CARE OF X PAREN TO SEVENTH ARMY REPEAT TO FILPOT FOR AMO FOR
GRAFFTEY SMITH SIGNED EISENHOWER CITE FMGS REFERENCE FAST AIR SLANT
AMGOT SLANT TWO ZERO SIX SLANT F PAREN X PARA B SAME SECTION FULLY
REALIZE HERE DIFFICULTIES OF SHORT STOCKS IN VIEW MOUNTING DEMANDS X
NUMBER ONE AIR PRIORITY OBTAINED SHIPMENT THREE AND HALF TO FOUR BILLION
AM LIRE BY THREE PLANES TO TUNIS IMMEDIATELY A NEGOTIATION IN PROCESS
BASE SITUATION WITH METROPOLITAN LIRE FROM TRIPOLI X MEANWHILE
INSTRUCTION TO DELIVER ONE HUNDRED FIFTY MILLION AM LIRE BY THREE
OCTOBER FOUR THREE SHOULD BE COMPLIED WITH FORTHWITH X FURTHER CMA
TRUST TWO HUNDRED MILLION FOR SARDINIA ALREADY ON WAY X INFORMATION
REQUESTED OUR NINE FOUR NINE NINE URGENTLY REQUIRED TO ENABLE US VIEW
SITUATION CLOSELY.

DISTRIBUTION
SGS
MGS
AG RECORDS
DPIC
FINANCE

ORIGINATING SECTION MILITARY GOVERNMENT SECTION
NAME TYPED CAPT. B.N. RICHARDSON 498

2935

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

DRLS
/08
filed : 081610

PRIORITY

FROM : COMEIGHT

TO : COMPAY NORTH AFRICA

REF NO THIS MSG: 111, 8 September 1948

Advise DPIC ref 156 2 Sp that heavy issues and AMGOT demands
reduced BMA reserve under 1 $\frac{1}{2}$ million. Report by air today.

156 not identified in AFHQ MC files

ACTION : No. 2 COMMAND PAY OFFICE

INFO : DPIC
MIL GOV SEC
AG RECORDS

MC IN 6802 12 Sept 48

1013B

Ref No. 111

Ip Van

2937

AFSC : N 1108/11
112345
vly

Rec 100/100/2

785015

JJIK
NR 19/2
Filed 021040A

ACC 1011/2

AFSC N 651/02
021516A
WNS.

PRIORITY

FROM : IBS, SEARS.

TO : FOR AMGOT TO AFHQ FOR MGS

REFERENCE NO THIS MESSAGE: A-114-2, Oct 2, 1943.

Leaving by plane this morning, AMFA Officer, Lt. RUSH, weather permitting for SARDINIA with 208,000,000 A.M. Lire. Trip arranged for yesterday afternoon had to be cancelled. (Cite AMGOT 540).

Your 35 and 331 (Cite FMGS) 28 Sept, 70928 Sept. and 103329 Sept refers. CLAIBORNE has arranged leave by plane today for ALGIERS with 7,000,000 Lire for Col HOWELL Region 4 and small part FRENCH requirements. He will explain fully AMFA position and hope, plan with you supply requirements Region 4 and FRENCH out of ACR shipment soon due in TUNIS advised in your 70928 Sept current.

35 MC OUT 8571 27/9/43 MGS.
331 MC OUT 8739 27/9/43 MGS.
709 originated by MGS 28/9/43.
1033 MC OUT 9254 29/9/43 MGS.

ACTION MGS.

INFORMATION : SOS
DPIC
FINANCE
A.S. RECORDS.

2933

MC IN 1138 2 Oct 43

1850A

R.f No. A-114-2

js/p

WAR
585/09
Filed 002257Z

AF80 H 134 /09
000510B
wlf

R O U T I N E

FROM AGMAR, CARTER FISCAL DIRECTOR

TO FRENCH ALGIERS

REF NO THIS MESSAGE: 7219 Sept 2, 1943.

Plane loaded with 80 boxes A.M. currency, labelled AMO, care of Area Commander ALGIERS. APR1-94427 Channel 1-15 departed WASHINGTON 4 September, reference your radio W8866 CITING FHMOS dated 1 September. Shipment contains 58 boxes 500 lire denomination and 22 boxes 1000 lire denomination, total face value 1 billion 953 million. This constitutes 4th order of these denominations. Schedule by box number denomination and serial number accompanies shipment. Due to priority being limited to approximately 7200 pounds. Shipment had to be made in highest denominations in order to provide 2 billion requested. (SPFM). Arrangements being made for printing of 5th order of 500 lire and 1000 lire denominations as requested in your radio W 9160. CITING FHMOS dated 4 September as air shipments total approximately amount requested by your radio number W8238 dated 25th August. Plan to make future shipments by water to PALERMO.

W8866	IS MC-OUT-120	1/8/43	MIL GOV SEC
W9160	IS MC-OUT-1454	4/8/43	MIL GOV SEC
W8238	IS MC-OUT-10497	25/8/43	MIL GOV SEC

ACTION: MIL GOV SEC

INFORMATION: DPIC
FINANCE
AG RECORDS

MC-IN-1985 9 SEPT 43 100038 NO 7219 et/r

2932

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

P R I O R I T Y

TO FOR ACTION DAKAR
REF 2179
CITE FMGS
SIGNED RISEMEOFFER

Acc/COH/2
98A

MIAMI advises 80 boxes currency shipped to you air
priority 1-8442 7. Forward next urgently by air to AMO PALERMO.
Make sure each box clearly marked for AMO.

ORIGINATOR: MIL GOV SEC

INFORMATION FINANCE
 M & TR
 AG RECORDS

AUTHENTICATION: MAJ T. B. JACKMAN

MS OUT 2666 8 September 48 18568 Ref 2179 rdg/rb

2931

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

TO FOR ACTION: ACTUAR FOR CARTER

REF NO: W-9369

SIGNED: EISENHOWER, CITE FRUGS

No box list was sent with 140 boxes currency and 12 boxes stamps latest arrived SICILY. Please in future arrange box lists arrive before or with 1st part of each consignment.

ORIGINATOR: NSB

AUTHENTICATION: MAJOR T. B. JACKMAN

INFORMATION: DPIC
FINANCE
AG RECORDS

HC-OUT- 2197

7 Sept 43

1547B

Ref. No. W-9369

2930

0
MSG ALG V MCS TIZ
6 SEPTEMBER 1943
MESSAGE NO. 2

Acc/1011 D

96A

TO ACTING JOINT CHIEF PLANNERS

SUBJECT FINANCIAL

PARAPHRASE OF MESSAGE W 8202 of 2 SEPT to ACTING FOLLOWING:

RECOMMENDED AIR PRIORITY CLASS 1 FOR 2 MILLION LIRS
FROM UNA ALGERES. REQUEST APPROVED BY 3 OF 8 AFHQ.
THIS IN ADDITION TO SHIPMENT EN ROUTE DEPARTING
26 AND 28 AUGUST.

END KKKK
RECD

MAJOR T. B. JACKMAN

2929

TO FOR ACTION: AGWAR FOR CARTER

REF NO W-9160

SIGNED: EISENHOWER, CITE FMMS

In addition to completing let 3 orders for AM lire print immediately and forward by fastest means sufficient notes of 1000 lire and 500 lire denominations as constitutes the 4th and 5th order. This will include our prior request in W-8288 of 25th August for 8,000,000,000 of 1,000 and 500 lire notes, reference your 6414 of 30th August. We will advise you shortly of amounts of other denominations we will want to complete 4th and 5th orders.

ORIGINATOR: MIL GOV SEC

AUTHENTICATOR: B N RICHARDSON, CAPT.

INFORMATION: SCS
AG RECORDS

MC-OUT-1434

4 SEPT 43

28105

Ref. No. W-9160

js

TO AGMAR (FOR CARTER) YO: W 8868

SIGNED EISENHOWER (CITE PHMS)

Air priority is assigned by the Air Priorities Board AFHQ
for shipment by plane of 2,000,000,000 AM lire to ALGIERS
reference your 6170 and 6414 in addition to plane shipments
of August 26 and 27. Repeat priorities and traffic Div.
ATC

ORIGINATOR: MIL COV SEC AUTHENTICATION: COL. A. T. WAXFELL
INFORMATION: AG RECORDS

MC-OUT-180 15EPT 45 15EGB NO W 8868

TO: FILPOT (FOR GRAFFTEY SMITH)

REF NO 8885

SIGNED EISENHOWER CITE PHOEN

Acc/1011/2

9314

Please reconsider your GSO requesting printing of 4th and 5th order. In view of large amounts of small denomination currency en route and yet to be printed to complete first 3 orders, are you not getting a disproportionate amount of low denomination currency and would it not be better for 4th and 5th orders to contain a higher proportion of higher denomination currency. Advise promptly

ORIGINATOR: MGS

AUTHENTICATION: COL. A. T. MAXWELL

INFORMATION: AG RECORDS

MC OUT 100 1 Sept 43 1408H Ref. No. 8885 rnt

2928

JJAA
S
FILED: 041016A

APSC H 532/04
041605A
uncl

ACC 10/11/2
92H

P R I O R I T Y

FROM FIFTH ARMY GP
TO FIFTEENTH ARMY GROUP FOR ACTION TO AFRQ FOR USPO
REFERENCE NO. THIS MESSAGE: 262, 4 October, 1943.

Difficulties have arisen in use BRITISH military currency.
ITALIANS unwilling accept BMA until proclamation explaining issue.
Arrangements made with Advance Base Pay Office for issue ALLIED
military lire to replace BMA.

ACTION: MIL GOV SAC
INFOR: SCS
DPIC
FINANCE
FINANCIAL ADVISER
AC RECORDS

MO IN 2213 4 Oct 43 1741A Ref. No. 232

TO FOR ACTION: MIDWEST FOR CIVIL AFFAIRS

REF NO: 2392

SIGNED: HENDERSON, OIT 1000S

Your assistance much appreciated. Reference your
OET/10070 of 1st October. Request you forward by air under
advise what you can spare.

ORIGINATOR: MOU AUTHENTICATION: MAJOR T. T. JACKMAN

DISSEMINATION: OPIC
FINANCE
AD RECORDS

MO SET 004 2 Oct 43. 1000S Ref. No. 2392

2925

1

FROM EBS SIGNED CONARD (CITE BEGAP)
TO COMMANDING GENERAL KATOUSA
REF NO THIS MESSAGE: E-8010 2 OCTOBER 43.

Acc/2
90A

This is in regard to your cable number 1013, 29 September.

Arrangements have been made with the 7th Replacement Depot and the 29th Finance Disbursing Section to exchange currency.

1013 IS MC OCT 9232 29/9/43 FINANCE

ACTION: FINANCE

INFORMATION: SCS
DTC
C-1
MCS
AF RECORDS

MC 14 1032 2 Oct 43. 1356A MC E 8010

2924

FROM: MIDEAST FROM CIVAFFAIRS
TO: TROOPERS RPTD. FREEDOM FOR EISENHOWER 1034 and RPTD DPIC
REFERENCE NUMBER THIS MESSAGE: OET/16878, 1 October 1943.

For F 5 from CPA

Ref FREEDOM 1446 rtd. BEMA TRIPDIST.

Ref BEMA TRIPDIST BMA/T/1205 of 30/9.

Have 30,000,000 8 43 (LIRE) in CAIRO practically all in denominations 100 and upwards. Of these 10 earmarked against possible demand from TROOPERS their O 0221 (6022.1) of 18/8 refers.

FOOTNOTE: 1445 Does not refer to above message.
BMA/T/1205 (Tripdist) Not identified in AFHQ MC Files
60221 Not identified in AFHQ MC Files.

ACTION: MOS

INFORMATION: SOS
DPIC
FINANCE
AG RECORDS

MC-IN-762

2 Oct 43

0502A

Ref. No. OET/16878

2923

Acc 10/11/2
884

TO FOR ACTION: FABLE FOR DOELMOIS

REF NO: 1897

SIGNED: EISENHOWER CITY: PHOENIX

REFERENCE YOUR 5 of 30 SEPTEMBER

MACFARLANE has been cabled to require EADOCLOIC take necessary action. Actual printed proclamation never instructed sent to SARDINIA but text was to be telegraphed to prefect BRUNO. Inform this HQ news of arrival of 200 million AM lire with AMFA Officer from SICILY.

ORIGINATOR: MGS

AUTHENTICATION: T F JACKMAN MAJOR

INFORMATION: SOS
DPIC
FINANCE
G-3
AG RECORDS

MC OUT 180

1 Oct 43

1325A Ref. No. 1897

AO/1011/2
87A

FROM: BEMA TRIPDIST FROM VCFA ON TOUR TRIPOLI
TO: TROOPERS RPTD FREEDOM FOR EISENHOWER AND RPTD DPIC REF FREEDOM
1445PF RPTD MIDEAST FOR CIVAFFAIRS CFA BMA/T/1205 FOR F 5
REFERENCE NO THIS MESSAGE : 1034, 30 September, 1943.

Ref BMA/T/1204 of 30.

1. Amount available here for immediate despatch 5 B.M.A.
20,000,000 mixed denominations.
2. CFA MIDEAST please signal addressees amount available
from CAIRO.
3. Grateful your directions.
4. Your 72178 of 23 noted. (DPIC MIDEAST arranging despatch
from TRIPOLI to HNAF 1,000,000 pounds BMA).

FOOTNOTEL 72178 TROOPERS 16 MC IN 14261 24/9/43 (DPIC)

ACTION: DPIC

INFORMATION: MGS
AG RECORDS

MC IN 251 1 Oct. 43 0734A Ref. No. 1034

2922

A 80/1011/2
86H

FROM: BMA TRIPDIST FROM LUSH

TO FREEDOM FOR EISENHOWER

REFERENCE NO THIS MESSAGE: BMA/T/1206, 30 September, 1943.

Your PHMOS 1034. Reference FREEDOM 1445 of 29.

Am taking immediate action to assist, but must refer CAIRO and LONDON.

See my BMA/T/1205 of 30.

NOTE: 1034 MC OUT 9216. 29/9/43 (M11 Gov Sec).
1445 does not refer to above message
BMA/T/1206 not identified in AFHQ MC files.

ACTION: MGS

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS

MC IN 111 1 OCT 43 0351A Ref. No. BMA/T/1206

2921

Acc 10/2

85A

FROM: HILDRING STONE MARSHALL
TO: EISENHOWER FOR HOLMES REPEATED FOR INFORMATION DEVERS
REF NO THIS MESSAGE 8982. 30 September 43.

Departing from US by air immediately will be Count
SPORZA who is en route to your Theatre. U.S. treasury advises that
Count SPORZA is taking with him US currency. It will be appreciated
if you will arrange to have every facility extended to Count
AFORZA to have US currency exchanged into francs or lire as he may desire.

ACTION: MSS

INFORMATION: 100
G-2
FINANCE
MR. MURPHY
MR. MACMILLAN
LIAISON
AG RECORDS

MC IN 5 1 Oct 43 0083A Ref. No. 8982

2920

Acc 10/11/2
84H

TO FOR ACTION: CG MRS
FOR INFO: CG SBS
REF NO: 1015
SIGNED: CG NATIONA, CITE NAPIH 593

Information received that replacements arriving in ITALY with regular U.S. currency and North African France. These currencies should be exchanged for Allied Military Currency prior to departure of personnel from Replacement Depots. Confirm that action accordingly has been taken.

ORIGINATOR: FINANCE

AUTHENTICATION: L H SIMS COLONEL

INFORMATION: g-1
MIL GOV SEC
DTC
SGS
AG RECORDS

2919

1A cc/1011/2 83A

FROM: FIFTH ARMY

TO: CG NATOUSA

REF NO: THIS MESSAGE : 776

25 September, 1943.

Replacements are arriving in possession of regular US currency and NORTH AFRICAN French. Request money be exchanged for Allied Military Currency prior to embarkation.

ACTION: G-1

INFO: SGS
AG
MIL GOV SEC
FINANCE
DTC
AG RECORDS
SUM ARY

MC P. 15141 28 Sept. 43

0028B REF NO 776

Acc/100/2 82A

FROM : TROOPERS

TO: NIDEAST AND FREEDOM FOR DPIC

REF NO THIS MESSAGE : 72605 (72615(?)) F 9L "S 24 SEPTEMBER 43.

1. Metropolitan lire for repatriates ex ITALY will be exchanged immediately on their arrival at static or transit camps at 72 lire to pound, with following limitations. Officers above Major or equivalent rank 5 pounds, Officers up to and including Major or equivalent rank 2 pounds, other ranks 1 pound. Metropolitan lire excess limitation figure to be exchanged at 400 lire to pound. Exchanges to be effected in SMA sterling notes or Allied Military Lire. Repatriates to be informed that all Metropolitan lire in their possession on arrival static or transit camps must be exchanged under these arrangements.

2. Cash advances at static or transit camps to be made in SMA sterling notes or Allied Military Lire.

3. Repatriates to be advised balances pay or working pay notified by Italian government will be credited personnel concerned on their return from ITALY at 72 lire to pound.

ACTION: DPIC

INFORMATION: MSS
AS RECORDS

MC IN 14927

25 Sept. 43

16 51B

No. 72605 (72615) V95

2917

Acc/10/12

81A

FROM: FATIMA, SIGNED MACFARLANE
TO: FREEDOM RPTD. AFHQ COMMAND POST FOR GENERAL LORD RENNELL
REF NO THIS MESSAGE 058 22 SEPTEMBER 43.

Full instructions as regards circulation BMA and Yellow Seal Currency were issued to all concerned by telephone by Italian Authorities last night.

Plentiful supply posters have been printed and are now being put up.

Contacted paymaster who arrived by air today with welcome reinforcements of Liras and BMA currency.

Please inform EISENHOWER.

(Relayed to AFHQ Command Post).

ACTION: WRS
INFORMATION: SCS
DEFC
FINANCE
RECORDS

MC IN 13667 23 SEP 43. 1366B Ref. No. 058

2916

Acc 10/11/2
80A

FROM: SEVENTH ARMY FROM PATTON

TO : EISENHOWER FOR FINANCE

REF NO THIS MESSAGE: 441, 15 September 1943.

Lt. MCBAIN will arrive by plane (C100 30 51) Thursday on flight 51 with 1000 pounds currency. Arrange transportation.

ACTION: FINANCE

INFO: MIL 30V SEC

AG RECORDS

MC IN 9058 16 Sept 43. 05205 Ref. No. 441

7162

JJHW
30/15
filed 151059B

AFSC N 786/15
151530B
dtm

PRIORITY.

NATOUA.

FROM: SEVENTH ARMY PATTON.

TO: EISENHOWER FOR AGWAR

REFERENCE NUMBER THIS MESSAGE 408 16 September 1943

Cite 26 FDS 3

Received September 13 from AMFA lire in dollar equivalent in the amount of 2,937,600 dollars. Check register not credited. Do not credit checking account, due to insufficient checking balance. This and prior transactions taken into accounts as transfers from others. Adjustment will be made and radio advice submitted for all transactions upon receipt of advice of deposit to checking account. Previously requested symbol 211185 O.C. CELBRETH'S account.

ACTION: FINANCE.

INFORMATION: MIL GOVT SEC.
RECORDS

MC IN 8800 15 Sept 43. 1842B Ref. No. 408 jo/WJM.

466

816Z

ROUTINE.

TO: AGWAR: (FOR FISCAL DIRECTOR) REF NO W.9980

SIGNED: EISENHOWER, CITE NAFIN 535

REFERENCE YOUR 6169 SPRFM 27th August 1943

Turned over to O.C. CULBRETH by AMFA lire in following dollar amounts:

On 28th July 5,003,520 dollars, 29th July 5,000,320 dollars, 12th August 652,800 dollars, 17th August 755,200 dollars, 8th September 1,350,400 dollars, 9th September 3,616,000 dollars - total 16,378,240 dollars.

Request treasury credit for O.C. CULBRETH, Captain F.D. symbol 211-186 of 30 million dollars to cover these and future transfers.

ORIGINATOR: FINANCE.

AUTHENTICATION J.C. CARTER. COL.

INFORMATION: G-1
G-4
MGS
AG RECORDS.

MC OUT 4450 14 Sept. 43 1529B Ref. No. W 9980 rht/P

784

1 2 2 0



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

785015

ACC

10000/100/317

10000/100/317

FINANCE, CURRENCY REQUIREMENTS
JULY-OCT. 1943
(2 OF 2)

62 pp

PRIORITY

TO FOR ACTION: SEVENTH ARMY FOR AMG FOR GRAFFTY SMITH

FOR INFO: FILPOT

REF NO: 2518

SIGNED: EISENHOWER CITE: FMGS

Combined Chiefs of Staff cabled authorization for AMFA make available AM LIRE to French Military to pay troops and ~~make~~ purchase locally for French troops in Italy. AMFA to require receipt in same form as when AM LIRE are provided to American Finance Officers and British paymasters. Question of settlement for such advances of AM LIRE currency will be subject to later adjustment but will not be engaged in by you

ORIGINATOR: MGS

AUTHENTICATION: T.B. JACKMAN
MAJOR

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS

MC OUT 610

2 Oct 43

2208A

Ref. No. 2518

ra/p

2911

N A T O U S A

216Z

PRIORITY.

TO FOR ACTION: CG SOS REF: NO: 9638
MBS
THNS OFF MBS

SIGNED: NAGO, NAODE 905 E

Desired that shipment of currency to MALICIOUS be arranged for as requested by Lt. Col. NEILSON, Military Government Section, who will present credentials at M.B.S. Inform this Headquarters of arrangements made.

ORIGINATOR: G-4 AUTHENTICATION: COL L.E. HEYDUCK

INFORMATION: SOS
MIL GOVT SEC.
DTC
FINANCE
M & TN
SOS REP
AG RECORDS

MC OUT 673 2 Sept. 43 2235B REF NO: 9638 jdy/R

711

JJSM
NR 9
300828A

AFSC H 495/30
301230A
mah

P R I O R I T Y

FROM: FATIMA SIGNED MACFARLANE

TO: FREEDOM RPT AFHQ ADV CP AT AMILCAR

REF NO THIS MESSAGE: 178

30 Sept 43

1. Figure of one hundred thousand millions based on following premises.
 - A Indefinite reliance on Allied Military 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 including servicing public debt.
 - F Necessary disbursements by AMGOT such as relief.
2. Figure based on most pessimistic forecast and given as indication that WASHINGTON should continue print notes until further notice as stated GRAFFTY SMITH'S signal to Military Government Section of 23 September.
3. Following is current position Metropolitan Lire:
 - A PUGLIA Stocks estimated 850,000,000 against estimated requirements up to 30 November of 1,000,000,000. These cover all Italian requirements including Treasury and banks and payment Armed Forces. Position FOGGIA now being investigated. I event unforeseen emergency can raid Allied Military Lire 1,000,000,000 stock recently delivered British paymaster and now en route 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.

-2-

- D In all 3 Districts public now freely accepting Allied Military currency
- E CAMPANIA impossible estimate but likely to be serious.
- F Future requirements Allied Military Lire difficult estimate as largely dependant on recovery Bank of ITALY plates. This matter in hand and authorities hopeful of success.
- 4. Request you repeat this signal to Allied Military Government
PALERMO

NOTE: Relayed ADV C.P. AFHQ

ACTION: MIL GOVT SEC.

INFORMATION: SOS
DPIC
MR MACMILLAN

FINANCE
MR MURPHY
AG RECORDS

MC IN 17951

30 Sep 43

1738A

Ref No: 178

htv/P

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

TO FOR ACTION: FABLE (FOR ROOSEVELT)

REF NO: 1283

SIGNED: EISENHOWER CITE FHMGS

PRIORITY

Delay in delivering 25 150,000,000 AM Lire for pay Italian troops
regretted owing difficulty communications hope forward direct from
SICILY soonest possible.

ORIGINATOR: MIL GOV SEC

AUTHENTICATION: MAJOR T.B. JACKSON

INFORMATION: SOS
DPIC
FINANCE
AG RECORDS

MC-OUT-9431

30 Sept 43

1103A

Ref No. 1283

ppm/Van

2959

JJIK 1
filed 291125A

APSC H 468/29
291125A
haf

ROUTINE

FROM: CHIEF PAYMASTER (BRITISH) SEVENTH ARMY

TO: FREEDOM

REF NO THIS MESSAGE: 102 29 September 1943

For DPIC obtained further ~~XXXX~~ 500,000,000 AML which being transferred to CATANIA Command Paymaster.

ACTION: DPIC

INFORMATION: MGS
AG RECORDS

MC-IN-17547 30 Sep 43 0315A Ref No. 202 tca WJM

2958

TO FOR ACTION: AGWAR FOR CARTER

NO. W 1146

SIGNED: EISENHOWER (CITE FHMGs)

ROUTINE

1. AMFA delivered on Sept 24 to Capt O.C. CULBRETH, 64425830, funding officer 26th Disbursing Section, symbol No. 211-185 AM lire 192640000

2. AMFA delivered on Sept 22 to Lt (jg) J.L. HUNT, file No. 137808 symbol No. 50-726 disbursing officer UNITED STATES Naval Operating Base PALERMO AM lire 15640000

3. AMFA delivered on Sept 24 to Capt. R. MOISAAC RAPC Eight Army under letter of authority from Col. O.P.J. ROONEY AM lire 1021750000

ORIGINATOR: MIL GOV SEC

AUTHENTICATION: MAJ T.B. JACKMAN

INFORMATION: DPIC
FINANCE
AG RECORDS

MC OUT 8866 28 Sept 48 1388A NO.W1146 et/Van

TO: SEVENTH ARMY

ACCEP/2
071A
PRIORITY

FOR INFO: FILPOT (FOR AMG) (FOR GRAFFTY SMITH)

REF NO. 331

SIGNED: EISENHOWER, CITE FMGS

Reference cable no. 86 from FATIMA to FREEDOM and our cable 9956 relevant thereto para 6 copies of which were sent to NEWELL at your HQ by air courier on 26 September 1943

Reference further our 35 to you of 27 September 43 requesting you send AMFA trained officer with 200 million for SARDINIA. 150 million must be disbursed on October 1st in SARDINIA. Essential arrange highest air priority from you to MAISON BLANCHE and advise

ORIGINATOR: MIL GOV SEC

AUTHENTICATION: MAJOR T.B. JACKMAN

INFORMATION: SGS
FINANCE
DPIC
AG RECORDS

MC OUT 8769 27 Sept 43 2151A Ref No. 331 rht/VAN

TO FOR ACTION: FATIMA (FOR MACFARLANE) PRIORITY

REF NO: 188

SIGNED: EISENHOWER CITE FMGS

Ref your SS of 24 September 43 Para 3

Confirm figure of 100,000,000,000. and how it was arrived at.
Appears abnormally large in view total Italian currency last July was
largest figure for all time at 97,000,000,000.

ORIGINATOR: MIL GOVT SEC.

AUTHENTICATION: MAJOR T.B. JACKMAN

INFORMATION: EGS
DPIC
FINANCE
AG RECORDS.

MC-OUT-3673 27 Sept. 43 1730A Ref No. 188 pjm/VAN

JAJA

FILED: 181650

AFSC X 52/19
190305B
mml

OPERATIONAL PRIORITY

FROM: TROOPERS

TO: MIDEAST RPTD FREEDOM FOR DPIC BEMA TRIPDIST (MIDEAST PASS)
FOR CIVAFFAIRS FOR VCF

REFERENCE NO: THIS MESSAGE : 70626 PS, 18 September 1943

Please verify facts; If they are as stated agree that you should release BMAS held by you surplus to requirements. If release likely embarrass you cable stating details your difficulties. Presume DPIC BNAF CAS already released all BMAS held by him.

ACTION: DPIC

INFORMATION: MIL GOVT SEC.
AG RECORDS

MC IN 11028 19 Sept 43 0515B NO 70626 et/R

JJNN
NR 21
filed: 251500B

AFSC N 752/25
251647B
elb.

ROUTINE.

FROM: SEVENTH ARMY (US)

TO: CG NATOUSA

REF NO THIS MSG: 520 25 Sept 48.

CITE 26 FDS 6

Received Sept 24 from AMFA lize in dollar equivalent in the amount of 1,926,400 dollars. Symbol 211185 CG CULBERTES accounts.

ACTION: FINANCE

INFO: MIL GOVT SEC
AG RECORDS

MC IN 15250 26 Sept. 48

0437A REF NO. 520 jpd pp

2937

WCR

Filed 180028 Z

HATOUSA

AFSC W192/18
180405B
rbv

67A

rec 10/4/2

P R I O R I T Y

FROM: AGWAR, FROM GATER FISCAL DIRECTOR (SPFES)

TO: FREEDOM.

REFERENCE NO. THIS MESSAGE: 8005, 18 September 1943

Credit 30,000,000 dollars to Captain CULBRETH Finance Department
Transferred by Colonel WITCHER Finance Department 16th September, your
number W 9980, Citing NAFIN 535, CULBRETH may draw on this amount.

W 9980 MC OUT 4450 14/9/43 Finance

ACTION: FINANCE

INFO: G-4
G-1
MCS
ABQ
AG RECORDS

MC IN 10386 18 Sept 43 0549 Ref No. 8005 1p R 2952

URGENT

Acq 10/12
65A

TO: FILPOT (FOR AMG FOR GRAFFTY SMITH)

REF NO: 5888

SIGNED: EISENHOWER, CITE FILMS

General MASON MACFARLANE has cabled British Minister here urgent necessity fly 50 million lire to BRINDISI or OROTABIE immediately. trying arrange send 30 million from here tonight as reserves. Disregard this attempt and ship full 50 million yourselves. At early convenience ship 50 millions varying denominations to the HQ under cable advice.

AUTHENTICATION: B.N. RICHARDSON
CAPT.

ORIGINATOR: MIL GOV SEC.

INFORMATION: SOS
AG RECORDS

MC OUT 5492

17 Sept 43

16092

Ref. No. 5888

rat/NJM

URGENT

TO: FILPOT (FOR AMG FOR GRAFFTY SMITH)

REF NO: 5869

SIGNED: EISENHOWER, CITE FILMS

General MASON MACFARLANE has cabled British Minister here urgent necessity fly 50 million lire to BRINDISI or OROTABIE immediately. Trying arrange send 30 million from here tonight as reserve. Disregard this attempt and ship full 50 million yourselves. At early convenience ship 50 millions varying denominations to the HQ under cable advice.

ORIGINATOR: MIL GOV SEC.

AUTHENTICATION: E.N. RICHARDSON
CAPT.

INFORMATION SCS
AG RECORDS

MC OUT 5492 17 Sept 45 1609E Ref. No. 5869 rht/WJM

2911

TO FOR ACTION: GENERAL MASON MACFARLANE - FATIMA

REF NO: 5977

SIGNED: CINC CITE FIMOS

FROM: WHITLEY

We have cabled P ALERMO send 50,000,000 immediately. We are
attempting obtain air priority send 30,000,000 via
TRIPOLI to GROTAGLIE as reserve addressed AMG. Officer will
accompany if possible.

ORIGINATOR: MIL GOVT SEC

INFORMATION: SGS
AG RECORDS

AUTH: J.F. GAULT. LT. COL.

MC OUT 5581 17 Sept. 45

1903B

Ref. No. 5977 ad/WJM.

NATOUA MESSAGE
ROUTINE

TO: AGWAR

REF NO: W-284

SOURCE: EISENHOWER, CITE MAPIN 548

FROM: FREEDOM.

From ANPA was received by O.C. CULBRETH, CAPT., FD
Lire in dollar equivalent of 2,937,600 dollars on 13 Sept current
year.

ORIGINATOR : FINANCE

AUTHENTICATION: J.C. CARTER, COL

INFORMATION: MIL GOVT SEC
RECORDS

MC OUT 5486 17 Sept. 43 1645E Ref. No. W-284 ra/WJM

2839

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

ROUTINE.

TO FOR ACTION: AGWAR FOR CARTER REF NO: W-242

SIGNED: EISENHOWER, CITE PHMS

AMFA has delivered on 18th September 293,760,000 AM lire to Capt
O.C. CULBRETH O-426830, Funding Officer 28th. Finance Disbursing Section,
symbol number 211-185 on instructions of Colonel TILLMAN.

ORIGINATOR: MOS

INFORMATION: DPIC
FINANCE
AG RECORDS

AUTHENTICATION: MAJOR T.B. JACKMAN

MC-OUT-5417 17 Sept 48. 1346 B Ref. No. W-242 js/P

2896

BY AIR COURIER

C O P Y

POST SECRET

Ref: AFPA/pol/s

30 Sept 1945.

Subject : Shipment of A.M. Lire

TO : Military Government Section, AFHQ
for Maxwell and Bernstein.

Reference Cable 7074 Sept 18 AGHAR to FRENDOM.

1. AFPA has now received further letter dated 9th September from office of Fiscal Director admitting errors in the schedules sent in duplicate 2nd September for acknowledgment of receipt.

2. This office letter of 18 September to you pointed out discrepancies and requested instructions.

3. Complete check has now been made and one schedule amended in red ink duly receipted by AFPA official is enclosed for onward transmission to Fiscal Director.

4. Also enclosed is a schedule prepared by AFPA showing total shipments to date and indicating further AM Lire shipments to complete the first five orders. This schedule agrees in detail with Cable 7074 of 18th September (AGHAR, SPREM, GANTER, FISCAL DIRECTOR TO FRENDOM ALGIERS).

5. The 90 boxes total value 1,952,000,000 referred to in last paragraph of that cable have now been checked with the box list, a copy of which duly receipted is enclosed for onward transmission to Fiscal Director.

6. The statement prepared by Col. E. Vivian Smith is returned, amended to conform with AFPA's records.

(signed), E. A. GUESTON

for Lt. Colonel
Chief Financial Officer,
AFHQ 15 Army Group.

Encl.

for Maxwell and Bernstein.

Reference Cable 7974 Sept 18 AGMAR to FREEDOM.

1. AMFA has now received further letter dated 9th September from office of Fiscal Director admitting errors in the schedules sent in duplicate 2nd September for acknowledgment of receipt.

2. This office letter of 18 September to you pointed out discrepancies and requested instructions.

3. Complete check has now been made and one schedule credited in red ink duly receipted by AMFA official is enclosed for onward transmission to Fiscal Director.

4. Also enclosed is a schedule prepared by AMFA showing total shipments to date and indicating further AM Lire shipments to complete the first five orders. This schedule agrees in detail with Cable 7974 of 18th September (AGMAR, EPFEM, GASTER, FISCAL DIRECTOR TO FREEDOM ALGIERS).

5. The 90 boxes total value 1,952,000,000 referred to in last paragraph of that cable have now been checked with the box list, a copy of which duly receipted is enclosed for onward transmission to Fiscal Director.

6. The statement prepared by Col. E. Vivian Smith is returned, amended to conform with AMFA's records.

(signed), G. A. GUNSTON

for Lt. Colonel
Chief Financial Officer,
AMJOT 15 Army Group.

Encl.

SECRET

COMMANDEMENT EN CHEF
DES FORCES ARMÉES ET AÉRIENNES
EN AFRIQUE FRANÇAISE

TRANSLATION

Algiers, 22 September, 1943.

ETAT-MAJOR
PARTICULIER

Bureau
2ème Section

No. 1632/ZAP/4

General GIRAUD
Commander-in-Chief of the Ground and
Air Forces in French Africa

to GENERAL EISENHOWER, Commander-in-
Chief of the Allied Forces
(A.P.H.Q.)

Subject: Issue of special series to French troops.

I have the honour to let you know my viewpoint on the question of supplying French troops with special notes:

1. It has been foreseen that French troops who would go to Italy, and eventually to other European countries other than Metropolitan France, along with British or American troops, would be supplied with the same money as these troops, viz. special notes issued by the Allies and worded as the money of the interested territory of operation.

2. When first contacts were made on above question, between the competent technical services of both parties, the representatives of the Allied Forces Headquarters Military Government Section indicated:

- a) that they agreed to supply French troops with the special notes in lire which they might need. In case small notes in lire do not exist in sufficient quantities, dollar bills (yellow seal) will be supplied.
- b) that the ruling under which these issues will be made remain temporarily reserved and will only be fixed when instructions have been received from the Allied Staff at Washington.
- c) that from now on the French Army would adopt the rule applied by the American and British Armies, which consists in keeping in a blocked account, the countervalue of the special notes issues.
- d) that it is desired, for reasons of simplification, that the countervalue of the special notes put at the disposal of the French Army should be made in dollars.
- e) So as to avoid all misunderstanding, it is necessary to precise now the following points:

It is normal that every army should keep in its national currency the

I have the honor to let you know by this point to the French Troops with special notes:

1. It has been foreseen that French Troops who would go to Italy, and eventually to other European countries other than Metropolitan France, along with British or American Troops, would be supplied with the same money as these troops, viz. special notes issued by the Allies and worded as the money of the interested territory of operation.

2. When first contacts were made on above question, between the competent technical services of both parties, the representatives of the Allied Forces Headquarters Military Government Section indicated:

- a) that they agreed to supply French troops with the special notes in lire which they might need. In case small notes in lire do not exist in sufficient quantities, dollar bills (yellow seal) will be supplied.
- b) that the ruling under which these issues will be made remain temporarily reserved and will only be fixed when instructions have been received from the Allied Staff at Washington.
- c) that from now on the French Army would adopt the rule applied by the American and British Armies, which consists in keeping in a blocked account, the countervalue of the special notes issues.
- d) that it is desired, for reasons of simplification, that the countervalue of the special notes put at the disposal of the French Army should be made in dollars.

3. So as to avoid all misunderstandings, it is necessary to precise now the following points:

It is normal that every army should keep in its national currency the countervalue, in a blocked account, of the amounts of foreign monies issued for the requirements of the units going to Europe. On that principle, the French Army will keep in a blocked account, the exact countervalue of special notes (lire or other monies, including yellow seal dollars or military pounds) that will be put in circulation by French troops.

However, French authorities cannot envisage to part with foreign currencies (dollars or pounds sterling) by effect means of payment of this nature, the issue of which costs nothing more than the price of paper and printing. Apart from the fact that the French authorities have only limited resources in foreign currencies, this method would mean that the French should be treated unfavorably compared to the American and British Armies, which constitute each in their own national money, the covering of the special notes that they issue.

/s/ P. DEVIK

SECRET

MOST SECRET.URGENT.A. D. L. S.SUBJECT: Currency.

ALLIED FORCE HEADQUARTERS;
B. N. A. P.

Refce: 1 H.Q./Pay/191/10.

3rd October 1943.

Command Paymaster,
No. 8 Command Pay Office,
Via No. 2 District.

Your attention is drawn to the following paragraph of a signal from General Mason Macfarlane to A.F.H.Q.

"A. PUGLIA stocks estimated 550,000,000 against estimated requirements up to 30 November of 1,000,000,000. These cover all Italian requirements including Treasury and banks and payment Armed Forces. Position PUGLIA now being investigated. In event unforeseen emergency can raid Allied Military Lire 1,000,000,000 stock recently delivered British paymaster and now en route TARANTO. Do not therefore require any shipments this area from PALERMO or NORTH AFRICA".

I do not know whether you have been approached on this proposal to raid your funds of the equivalent of £2,500,000 sterling in Allied Military Lire.

If you have not already done so, it would be well for you to explain on the spot the consequences of the loss to us of this substantial sum in Allied Military Lire. You will no doubt find it advisable to represent most strongly the unfortunate repercussions which might ensue if the loss of this currency prevents your paying Allied Military Lire to troops in forward areas where the Badoglio proclamation has not yet made BMA acceptable.

Naturally the decision as to the disposal of available currency as between competitive bidders is for a higher level than you or myself, but is it essential that the situation which will arise in the event of our supplies being raided be represented clearly to these responsible for deciding the high currency policy.

One point which you should make very strongly is that the War Office have been informed of the currency position of the assumption that this £2,500,000 equivalent in Allied Military Lire is available for British Army purposes and that my estimates of future requirements include it.

This matter should be treated by you as of the highest priority, and I await your report at the earliest possible opportunity. In this connection, I would inform you that A.D.L.S. is now well organised and is as fast, if not faster, than Signals up to the "important" stage. Further, Signals have requested Directors to use A.D.L.S. as much as possible owing to the congestion on the Signals service.

(Sgd)

I do not know whether you have been approached on this proposal to raid your funds of the equivalent of £2,500,000 sterling in Allied Military Lire.

If you have not already done so, it would be well for you to explain on the spot the consequences of the loss to us of this substantial sum in Allied Military Lire. You will no doubt find it advisable to represent most strongly the unfortunate repercussions which might ensue if the loss of this currency prevents your paying Allied Military Lire to troops in forward areas where the Badoglio proclamation has not yet made BMA acceptable.

Naturally the decision as to the disposal of available currency as between competitive bidders is for a higher level than you or myself, but is it essential that the situation which will arise in the event of our supplies being raided be represented clearly to those responsible for deciding the high currency policy.

One point which you should make very strongly is that the War Office have been informed of the currency position of the assumption that this £2,500,000 equivalent in Allied Military Lire is available for British Army purposes and that my estimates of future requirements include it.

This matter should be treated by you as of the highest priority, and I await your report at the earliest possible opportunity. In this connection, I would inform you that A.D.L.S. is now well organized and is as fast, if not faster, than Signals up to the "important" stage. Further, Signals have requested Directors to use A.D.L.S. as much as possible owing to the congestion on the Signals service.

(Sgd)

Brigadier
D/Paymaster-in-Chief
A.F.H.Q. (British)

Copy for information to: (Gl (British))
Military Government Section (A.F.H.Q.)
Brigadier Hamlyn, H.Q. Armistice Commission, Fisi Ouseu.
HQ. AMGOT, 15th Army Group. - for Colonel Graffley Smith.

289

r e u t i n e .

TO FOR ACTION, TROOPERS

FOR INFO, FIFTEENTH ARMY GROUP FOR AMG.

REF NO: 2861.

SIGNED: EISENHOWER

CITE PHMGs.

Reference your 74073 F 5 of 29 September paragraph B.

In forward areas some difficulty reported in connection
BMA sterling and paymasters have been issued with AM lire. No
further trouble anticipated after King's Proclamation known to inhabitants.
Have no information difficulty indicated your paragraph A.

ORIGINATOR: MIL GOV SEC. AUTHORIZATION: B N RICHARDSON, CAPT.

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS.

MC OUT 888 3 Oct 43 2043A Ref No. 2861

vg/p.

2895

PRIORITY.

TO FOR ACTION: FABLE FOR BULNOIS

REF NO: 2676.

SIGNED: EISENHOWER, CITE: PHOMS.

The Italian Government has decreed that AM Lire is legal tender. It therefore, becomes the duty of High Commissioner in SARDINIA to enforce decree. He must not be allowed to dispute with you the basis upon which his government acted. Italian Governments did not question our right to insist AM Lire be made legal tender, and we must not know be put in position of debating with inferior Italian official the propriety of what his government has done. In fact Italian Government has requested us to provide them with AM Lire.

ORIGINATOR: MIL GOV SEC AUTHENTICATION: MAJOR T.B. JACKMAN

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS.

MC OUT 735 3 OCT 43 1506A REF NO. 2676 jdp M.

2894

WAAAP
13/04
Filed 040035Z

AFSC N 131/04
040423A
ejr.

R O U T I N E.

FROM: AGWAR, FROM CCS

TO : EISENHOWER FOR PHMS REPEATED USFOR BRITISH CHIEFS OF STAFF YAM 25

REF NO THIS MESSAGE : 3260 04 October 1943.

Reference your MAT 34 W 1056/9956 of 23 September 1943.

Utmost will be done to meet currency needs, but it is necessary to emphasize that currency printing facilities in this country are already overtaxed. Desirability of emergency reserve is recognized but instead of an estimate in round figures of 100,000,000,000 which is equivalent approximately to recent figures received here of entire note circulation of ITALY, consider practical approach would be to receive progressively from you, orders based on current needs with a revised total estimate in order that Treasury Department can plan ahead as accurately as possible and coordinate other urgent work.

In arriving at total estimate it is advised to utilize, as fully as possible, the means suggested by the Italian Minister of Finance for meeting money needs.

It is to be noted that eventual supplies of AM Lire for issuance to Italian forces should be recorded by AMFA in conformity with procedure already established for AM Lire accounting.

As an indication of present output, barring unexpected delays, Treasury Department can complete and package about 2,000,000,000 lire face value per day, if printing is confined equally to 1,000 and 500 AM Lire denominations and every effort will be made to increase this amount, regarding which ²⁸³advise you further.

Earliest possible time for completion printing and packaging of first 5 orders AP AM Lire currency is now estimated at 6 November and if shipment is made by boat you could expect to receive balance of such orders about 26 November.

Orders for printing of 6th and 7th orders duplicating 4th and 5th orders are being placed with Treasury Department, with estimated date of completion 30 November and legend stating denomination in letters will be added as soon as possible. Separate reply will be sent to your W-1088 of 27 September 1943.

If you wish to revise your 6th and 7th orders to include more high denominations notes, please advise us immediately.

W 1056/9956 is MC OUT 2508 26/9/43 MGS
W 1088 is MC OUT 2618 27/9/43 MGS.

ACTION: MIL GOV 573.

progressively from you, orders based on current needs with a revised total estimate in order that Treasury Department can plan ahead as accurately as possible and coordinate other urgent work.

In arriving at total estimate it is advised to utilize, as fully as possible, the means suggested by the Italian Minister of Finance for meeting money needs.

It is to be noted that eventual supplies of AM Lire for issuance to Italian forces should be recorded by AMFA in conformity with procedure already established for AM Lire accounting.

As an indication of present output, barring unexpected delays, Treasury Department can complete and package about 2,000,000 Lire face value per day. If printing is confined equally to 1,000 and 500 AM Lire denominations and every effort will be made to increase this amount, regarding which ~~we~~ advise you further ²⁸⁹

Earliest possible time for completion printing and packaging of first 6 orders of AM Lire currency is now estimated at 6 November and if shipment is made by boat you could expect to receive balance of such orders about 26 November.

Orders for printing of 6th and 7th orders duplicating 4th and 5th orders are being placed with Treasury Department, with estimated date of completion 30 November and legend stating denomination in letters will be added as soon as possible. Separate reply will be sent to your W-1088 of 27 September 1943.

If you wish to revise your 6th and 7th orders to include more high denominations notes, please advise us immediately.

W 1054/9956 is MC OUT 3508 24/9/43 MBS
W 1088 is MC OUT 8618 27/9/43 MBS.

ACTION: MIL GOV SEC.

INFO : 808

G-3

DTC

DPIC

FINANCE

AG RECORDS.

MC IN 1024 4 Oct 43 0814A Ref. No. 9260 ppm/L.

BY FAST AIR.

SECRET.

see 104/2

To: Brigadier Hamlyn,
Chief, Financial Division,
Armistice C.C.
Tizi Ouzou.

File No. AMGOT/2082/F.
AMGOT H.Q., SICILY.

1 Oct. 1943.

56A

Dear Brigadier Hamlyn,

Reference your letter of 22nd September, 43, to Col. Grafftey-Smith. I shall deal with some points, leaving the rest for his consideration on his early return. I hope this meets with your approval.

The matter of the supply of the AM Lire requirements to Col. Howell, C.F.O. for Region 4 will be attended to by Lt.-Col. Claiberne who is leaving by plane tomorrow for Algiers, as a consequence of a plan arranged with Lt.)Col. Gunsten.

Additional copies of the condensed form of bank balance sheet (3,000 as mentioned in Lt-Col. Bernstein's letter of 24 Sept) are being printed and will be sent by air as promptly as possible.

Lt)Col. Claiberne will work out, on his visit, the proposed plan to supply the AM Lire requirements of the French, as well as those of Col. Howell, out of the shipment coming by air to Tunis advised in Message 709 of 28th September. As Claiberne will explain, the proposed plan has been thought advisable in view of the present cash position of A.M.F.A. and the various demands on it.

Sincerely yours.

R.B. MENAPACE.
Lieut.)Colonel.
Deputy Chief Finance Officer.

2892

BY FAST AIR

SECRET

(Equals BRITISH MOST SECRET)

A. M. LIRE

M.G.S. (Finance)

A.P.M.Q.

AGOT/2032/P.

25 Sept. 43.

1. I have discussed with the C.C.A.O. and D.C.C.A.O. the contents of Lieut.-Colonel Vidien's letter of 22nd September, requesting a shipment of A.M. lire 450 million to Algiers to meet the requirements of the Chief Paymaster French Forces. They are in agreement that:

(a) A.V.F.A. have no power under existing directives to make issues other than to the American and British forces and for civilian requirements. Any issues to French Forces should presumably be authorized by the C.C.S., and AGOT, accordingly instructed by the Commander-in-Chief.

(b) (i) The transfer of 1 billion A.M. lire to the British Paymaster, (the bulk of which will be transferred to the Mainland) A.V.F.A.'s viable stocks are reduced to A.M. lire 2,300 million. This includes A.M. lire 900 million deposited over the Island. We are faced by the possibility of having to provide funds in A.M. Lire for the payment of Italian armed forces. A request for A.M. lire 1,000 million has been received from AGOT 3 Army. Such transaction will have to be arranged through branches of the Italian Treasury, and I am proceeding to WEINSTEIN to ascertain requirements. In these circumstances, we are most reluctant to reduce our stocks by as much as A.M. 450 million. Is it possible to arrange to meet part of this requirement out of metropolitan lire which should now be available in Tripoli?

2. Potential commitments on the Mainland are enormous; A.M. Lire will have to be made available for:-

- (a) British and American Forces.
- (b) Italian armed forces.
- (c) normal civil requirements as in Region I.
- (d) Region 4, 5, 6, 7 etc. which at the moment are outside the competence of AGOT.

289

I consider it highly probable that the Germans will destroy the Banca d'Italia currency printing plates and press which will add considerably to the eventual demand.

3. In view of the above I suggest that you signal AGNAE asking them to continue to print until further notice, A.V. Lire notes in denominations

...to French forces there presumably be
authorised by the C.C.S., and AGOT, accordingly instructed by
the Commander-in-Chief.

- (b) Owing to the transfer of 1 billion A.M. lire to the British Paymaster, (the bulk of which will be transferred to the Mainland) A.M. lire's available stocks are reduced to A.M. lire 2,300 million. This includes A.M. lire 900 million deposited over the Island. We are faced by the possibility of having to provide funds in A.M. lire for the payment of Italian armed forces. A request for A.M. lire 1,000 million has been received from AGOT 3 Army. Such transaction will have to be arranged through branches of the Italian Treasury, and I am proceeding to BRUNISI to ascertain requirements. In these circumstances, we are most reluctant to reduce our stocks by as much as A.M. lire 450 million. Is it possible to arrange to meet part of this requirement out of Metropolitan lire which should now be available in Tripoli?

2. Potential commitments on the Mainland are enormous; A.M. lire will have to be made available for:-

- (a) British and American Forces.
- (b) Italian armed forces.
- (c) Normal civil requirements as in Region I.
- (d) Regions 4, 5, 6, 7 etc. which at the moment are outside the competence of AGOT.

2891

I consider it highly probable that the Germans will destroy the Banca d'Italia currency printing plates and press which will add considerably to the eventual demand.

3. In view of the above I suggest that you signal AGOT asking them to continue to print until further notice, A.M. lire notes in denominations suggested in W. 9511 of 8/9, and W. 9807 of 12/9. It is difficult to be specific as regards amounts and destinations or dates, but it seems desirable that you should ask for air shipment of a proportion of high denomination notes to ALAIERS, in so far as priorities permit.

4. CURRENCY has not yet returned from the Mainland, but it is known through Rooney that he deposited A.M. lire 50 million at the Banca di Napoli for the use of British Paymasters.

Cony to:- Lieut.Col. Bernes'ain

A. P. GRANTLEY-SMITH
Colonel,
Chief Finance Officer.

FROM: FREEDOM
TO: AGWAR - USFOR (FOR ACTION)
TROOPERS (FOR INFORMATION)

SEPTEMBER 29 1943.

REFERENCE NO: W 1220/807

S E C R E T

URGENT POLITICAL MILITARY POLICY REQUIRES WE FURNISH AM LIRE TO
FRENCH FOR PAYMENT TROOPS PROCEEDING ITALY PAREN TO AGWAR FOR
COMBINED CHIEFS OF STAFF REPEATED USFOR FOR BRITISH CHIEFS OF STAFF
AND TROOPERS SIGNED EISENHOWER CITE FMVGS NAF 425 PAREN X YOUR FORMAL
DIRECTIVE URGENTLY REQUESTED AUTHORIZING AMFA ISSUE TO FRENCH
PAYMASTER X FRENCH WILL PAY STERLING TO BLOCKED ACCOUNT.

Distribution: LGS
COS
AG RECORDS
EFIC
FINANCE

PRIORITY
MILITARY GOV SECT.
MAJOR T. R. JACKMAN

2890

FROM: FREEDOM
TO: AGWAR (FOR ACTION)
USFOR (FOR INFORMATION)

OCTOBER 02 1340A

53A

S E C R E T

INSTRUCTIONS NOTED X PAREN TO AGWAR FOR COMBINED CHIEFS OF STAFF REPEATED
USFOR FOR BRITISH CHIEFS OF STAFF SIGNED EISENHOWER CITE FMHGS REFERENCE YOUR
NINE ONE ONE SEVEN MAT 36 PAREN FOR YOUR INFORMATION FRENCH HAVE
OFFICIALLY NOTIFIED UNWILLINGNESS PART WITH FOREIGN EXCHANGE IN THIS
CONNECTION X DISCUSSION OF THIS POINT WILL NOW CEASE UNLESS YOU
OTHERWISE INSTRUCT

MGS
SGS
AI RECORDS
DPIC
FINANCE

ROUTINE

MILITARY GOVERNMENT SECTION

MAJOR T. B. JACKMAN
498

2889

AFSC X277/30
302218A/P
rbv

52A

filed 301645B

OF PRIORITY

FROM: FABLE, FROM BOULNOIS FABLE, SIGNED ROOSEVELT

TO: C IN C AFHQ FREEDOM, FOR HOLMES

REFERENCE NO. THIS MESSAGE: 5, 30 September, 1945.

Currency proclamation not arrived and CENTRAL BASSO strongly prejudicial against Allied Lira. No adequate safe custody arrangements yet available. Will report further.

ACTION: MGS
INFORMATION: SGS
DPIC
FINANCE
AG RECORDS

MC IN 16 1 Oct. 45 0101A Ref. No. 5 rht/WJM

WAR

FILED 010101Z

AFSC X39/1
010315A
rbv

OF PRIORITY

FROM: WASHINGTON, FROM MARSHALL

TO: EISENHOWER FOR MACAP

REFERENCE NO. THIS MESSAGE: 9039, 10 October 1943.

Reference your W 1088 dated 27th September.

Class 1 air priority has been granted for shipment of 3 plane loads of AM lire to your theatre. There is no indication that this was coordinated with G-1. Considering the fact that this will reduce all other movement to less than the equivalent of 10 individuals for a period of more than a week, it is felt that G-1 should be advised of this fact. UNO 12 departs 7th October. Will net water transportation on UNO 12 be sufficiently rapid for a whole or part of this cargo?

FOOTNOTE: W 1088 is MC OUT 8618 27/9/43 (MIL GOVT SEC)

ACTION: MGS

INFORMATION: G-1
AIR PRIORITIES
G-3
AG RECORDS
SGS

MC IN 221 1 Oct. 43 0835A Ref. No. 9039 re/VJMM

SECRET

2887

FROM: FREEDOM

October 1 1943. *see 1011/2*
50A

TO: (FOR ACTION) AGWAR

S E C R E T

HAVING BEEN CONSULTED CMA GEORGE ONE RECOGNIZES URGENCY OF THIS
MONEY SHIPMENT PD PAREN TO MARSHALL ACTION CITE NAGAF CITE
FILMS SIGNED EISENHOWER PAREN PD REFERENCE YOUR NINE ZERO THREE
NINE PD REITERATE ALL MUST COME BY FAST AIR

C. ORDINATED with G-1 NATOUA

Distribution:

MGS
SGS
AG Records
DPIC
Finance

Precedence:

Urgent

Originating Section: Military Government Sect.

Authenticated: MAJOR T. B. JACKMAN

SECRET

WAR

AFSC X 25/02
02012RA
alb

FILED: 012350Z

URGENT

FROM: ACTUAR CCS
TO: EISENHOWER FOR FRMBS RPT USFOR INFO BRITISH CHIEFS OF STAFF
REF. NO. THIS MESS: 9117, 01 Oct. 43.

CITE CCAG

AM lire for the French Military. TAM 24.

Reference HAF 426

Authorization is given to make available AM lire to the French Military for payment of their troops and procurement of local supplies for French Troops operating in Italy. Such funds should be made available through AMFA against receipt in the same way as AM lire are made available to AMERICAN and BRITISH Finance Officers. The question of settlement for such advances of AM lire currency should not be engaged in by you and will be subject to later adjustment.

FOOTNOTE: HAF 426 Ref No. W-1220/807 MC OUT 9108 Sep 29 (MGS)

ACTION: MGS

INFORMATION: SGE
DPIC
FINANCI
AG RECORDS
SUMMARY

MC-IN-712 2 Oct 43 0235A Ref No. 9117 tea WJM

see 10/12 481A

On October 2nd, Brigadier Hamlyn, Colonel Peley and I were at M.G.S.. Colonel Vivian Smith handed me a copy of the Decree in Italian issued by the King of Italy relative to currency and exchange. Colonel Smith stated that it was not until after the Decree was signed that it was noted that the King had signed not only as King of Italy, but as King of Albania and Emperor of Ethiopia, and that it was necessary to destroy this set of Proclamations so as to eliminate the reference to Albania and Ethiopia.

First thing on October 3rd, I arranged for Colonel Crawshaw to translate this Decree, copy of which translation is attached, and thereupon went over the document.

I noted that there were many differences between the King's Decree and Proclamations 3 and 12 of A.M.O. The following differences were particularly noted:-
Article I: The Italian Decree states that A.M. Lire were issued by the Allies.

This is most objectionable since we have always very deliberately avoided making any commitment that the Allies were the issuing authority, with a view ultimately to placing the responsibility on the Italian Government for the handling of the currency. This position is particularly important since we contemplate delivering large amounts of Allied Military Lire to the Italian Government for use by it in paying its Military Forces as well as for its other Governmental expenses.

Article II: The reference to "la valuta cartacea in sterline" is objectionable since it might lead the public into thinking that the B.M.A. notes had attributes of ordinary sterling currency.

Article III: The use and underscoring of the word "previdgements" was most undesirable since it would be an effective means of undermining the stability

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Article II: The reference to "la valuta cartacea in sterline" is objectionable since it might lead the public into thinking that the B.M.A. notes had attributes of ordinary sterling currency.

Article III: The use and underscoring of the word "provisoriamente" was most undesirable since it would be an effective means of undermining the stability of the rate of exchange, and might lead to hoarding of one or other of the currencies that are legal tender, and an appreciation or depreciation of one of the currencies against others, etc. The rates of exchange are fixed in terms of dollars, sterling and Italian lire, instead of in terms of Yellow Seal currency, B.M.A. notes, Italian lire and also Allied Military lire. In this connection, note the difference between Article III of the King's Decree and the Schedule attached to Proclamation No. 5.

The next to the last sentence of Article III is objectionable because it might possibly be construed as giving a holder of Italian or Allied Military lire the right to demand Yellow Seal Currency or B.M.A. notes in exchange

therefor. In A. M. G. Proclamation No. 3, the right of exchange is given merely to holders of B.M.A. and Yellow Seal currency and British and American coin.

The last sentence of Article III treats the table of values attached to the Proclamation as though it were part of the Proclamation, whereas in A.M.G. Proclamation No. 3, the table of values is simply some material added to assist the public and is not strictly a part of the Proclamation.

I discussed the foregoing with Brigadier Kaulyn and Colonel Peley who were in agreement as to the seriousness of the matter, and the need of having the document corrected if possible, particularly in view of the fact that the Proclamation had not as yet been issued in the more populated and more important places in Italy.

I telephoned Colonel Fairman at M.G.S. and advised him of the foregoing, and asked whether any corrective action could be taken. He said that he would discuss the matter with General Holmes, with a view to seeing if a cable could be sent to General Mason MacFarlane on the matter.

Colonel Fairman telephoned me later in the afternoon to say that he had discussed the matter with General Holmes, who felt that since General Mason MacFarlane had undoubtedly had an opportunity to go over the Proclamation, and had not corrected the errors, that it would be somewhat embarrassing to General Mason MacFarlane and be regarded by the latter as a criticism of him for us to ask him to have the corrections made, and that, weighing the advantages and the disadvantages, General Holmes felt that no cable should be sent asking that any changes be made. Colonel Fairman said that he would use this instance as an example for trying to improve methods whereby the Italians are issuing Proclamations etc.

Brigadier Kaulyn, Colonel Peley and I discussed the matter further, and felt

I discussed the foregoing with Brigadier Hamlyn and Colonel Foley and we were in agreement as to the seriousness of the matter, and the need of having the document corrected if possible, particularly in view of the fact that the Proclamation had not as yet been issued in the more populated and more important places in Italy.

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Brigadier Hamlyn, Colonel Foley and I discussed the matter further, and felt that in view of General Holmes' reaction, nothing further could be done at this time.

4th October, 1943.

B. BERNSTEIN, Lt.-Col., A.M.G.

October 3rd, 1943 - Translation prepared by Col. H. G. Crawshaw

BY ORDER OF THE SUPREME COMMAND OF THE ARMED FORCES

Regulations as to the circulation and exchange rates of Allied Military Currency.

VICTOR MARGHERIT, III

by the grace of God and the will of the nation

ALSO OF ITALY AND AUSTRIA HATSON OF AUSTRIA

Supreme Commander of the Armed Forces

With reference to articles Nos 15, 17 and 18

It is considered necessary, in the present circumstances, to regularise the circulation and exchange rates of Allied Military Currency.

PROCLAMATION

Article 1.

Paper currency issued by the Allies (bearing the inscription "Allied Military Currency") and carrying the value in Italian Lire as set out in the aforementioned denominations, must be accepted as legal tender bearing the same value as that of Italian currency and will be regarded as such both for payments and for receipts. Denominations are Lit. 1, 2, 5, 10, 50, 100, 500 and 1000.

Article 2

For the time being and until further notice, all metal money of the United States and all paper currency of the United States, commonly "yellow metal dollars," bearing a yellow seal on the right side of the face of the bill, and also all British metal coins and paper currency in sterling of that country bearing the inscription "British Military Authority" issued by the British Government are hereby made legal tender.

Article 3

The exchange rates of the various currencies described in Article 2 above are fixed provisionally as follows:

1 U.S. Dollar	=	Lit. 100
1 British Pound	=	" 400
(otherwise 20 shillings)		
1 British Pound	=	6 U.S. Dollars.
(as above)		

Any transactions at exchange rates other than those established above is forbidden.

The exchange is compulsory for all persons in the business of banking or the exchange of money, free of all commissions and fees for making such exchange.

PROCLAMATIONArticle 1.

Paper currency issued by the Allies (bearing the inscription "Allied Military Currency") and carrying the values in Italian Lire as set out in the undermentioned denominations, must be accepted as legal tender bearing the same value as that of Italian currency and will be regarded as such both for payments and for receipts. Denominations are Lit. 1, 2, 5, 10, 50, 100, 500 and 1000.

Article 2

For the time being and until further notice, all metal coins of the United States and all paper currency of the United States, commonly "yellow seal dollars," bearing a yellow seal on the right side of the face of the bill, and also all British metal coins and paper currency in sterling of that country bearing the inscription "British Military Authority" issued by the British Government are hereby made legal tender.

Article 3

The exchange rates of the various currencies described in Article 2 above are fixed provisionally as follows:

1 U.S. Dollar	=	Lit. 100
1 British Pound (otherwise 20 shillings)	=	" 400
1 British Pound (as above)	=	£ U.S. Dollars.

Any transactions at exchange rates other than those established above is forbidden.

The exchange is compulsory for all persons in the business of banking or the exchange of money, free of all commissions and fees for making such exchange.

A schedule is attached showing the relative values of the United States and British notes and coins (as set out in Article 2) and Italian notes and coins.

Article 4

Any person violating the provisions of this proclamation will be prosecuted with the utmost vigour of the law.

Article 5

This Proclamation will be inscribed in the Registers of the various Communes in the territory and will be affixed to the walls in public places and will immediately become operative.

From the Supreme Command, dated 24th Sept. 1943.

VICTOR EMANUEL

FROM:-

FREEDOM:

TO:-

(For action) FABLE

SEPTEMBER 29 1750A

ALL 1011/2

47H

Ref.: No.

1283

SECRET

DELAY IN DELIVERING ONE FIVE ZERO MILLION AM LIRE FOR PAY
ITALIAN TROOPS REGRETTED PAREN TO FABLE FOR ROOSEVELT
SIGNED EISENHOWER CITH FRIGS PAREN OWING DIFFICULTY
COMMUNICATIONS HOPE FORWARD DIRECT FROM SICILY SOONEST POSSIBLE

Distribution:

MGS
SGS
DEIC
FINANCE
AG RECORDS

Precedence:

PRIORITY

Originating Section: Military Government
Section

Name Typed: MAJOR T. B. JACKMAN

2882

FROM:- FREEDOM
TO:- (For action) TRIPBASE

SEPT 29 1445A

See 1011/2

46A

REFERENCE NUMBER: 1034

S E C R E T

WE ARE FACED WITH LIKELIHOOD OF ACUTE SHORTAGE OF ALLIED MILITARY LIRA UNTIL
NEWLY PRINTED NOTES CAN BE MADE AVAILABLE FOR ITALY X PAREN TO TRIPBASE
PERSONAL FOR LUSH FROM MAXWELL. SIGNED EISENHOWER CITY FILMS PAREN X
WOULD BE MOST GRATEFUL FOR ANY ASSISTANCE BY YOU SUPPLYING METROPOLITAN LIRA
NOTES OF ALL DENOMINATIONS BUT ESPECIALLY FIVE HUNDREDS AND ONE THOUSANDS
X APPRECIATE EARLIEST INFORMATION REGARDING AMOUNT AND DENOMINATION
AND WHEN THE WHOLE OR PART COULD BE MADE AVAILABLE X DO YOU WISH
US ARRANGE AIR PRIORITY.

Distribution: MGS
SOS
AG RECORDS
DPIC
FINANCE

Precedence: PRIORITY

Originating Section: Military Government
Section

Name typed: MAJOR T. B. JACKMAN

2881

FROM:- FREEDOM

SEPTEMBER 29 1420A

TO:- (For Action) MIDEAST

REF. NO.: 941

R E S T R I C T E D

REQUEST YOU INSTRUCT BARCLAYS BANK ALGIERS RELEASE THREE
MILLION FRANCS AT DISPOSAL LIEUTENANT COLONEL PROSEN X
PAREN FOR HQ YUGOSLAV FORCES FOR PUTNIK SINGED EISENHOWER
CITE PHAGS FROM JEREMIC PAREN X MONEY WILL BE HANDED TO
LIEUTENANT PLAMENAC CHIEF OF MISSION ATTACHED AND SICILY
FOR RELIEF OF LIBERATED YUGOSLAVS IN SICILY AND ITALY

Distribution:- SOS
AG RECORDS
MIS
DPIC
FINANCE

Precedence:- PRIORITY

Originating Section: Military
Government Section

Name typed: MAJOR T. J. JACKMAN

2839

FROM:- FREEDOM

September 29 1125A

TO:- (for Action) SEVENTH ARMY

TO:- (for Inf.) FILPOT

SECRET

SUPPLEMENTING OUR CABLE OF TWENTY EIGHT SEPTEMBER FORTY THREE REFERENCE PERSONAL LETTER GRAFTLEY SMITH TO SMITH DATED TWENTY FOUR SEPTEMBER FORTY THREE X PAREN TO SEVENTH ARMY FOR AMG FOR GRAFTLEY SMITH REPEAT FILPOT SIGNED EISENHOWER CITE PHAGE PAREN X FRENCH DEMANDS NOW NOT ESSENTIAL UNTIL THIRTIETH OCTOBER X IN VIEW THREE AND A HALF TO FOUR BILLION SHORTLY TO ARRIVE FROM U S A CARRY ON WITH DELIVERY HERE OF FOUR FIVE ZERO MILLION ACCOMPANIED BY CLAIBORNE UNLESS THIS PREJUDICES YOUR IMMEDIATE FUTURE REQUIREMENTS X SARDINIA REMAINS URGENT FOR DISBURSAL FIRST OCTOBER X UNLESS UNDER WAY ARRANGE DIRECT SHIPMENT X REGIONAL ALLIED COMMISSIONS ADVANCE PARTY LEFT THIS MORNING FOR CAGLIARI X ONE FIVE ZERO MILLIONS FOR PAYMENT ITALIAN TROOPS WAITED AT HQ OF GENERAL BASSO AT PORTIGATI NEAR MACOMER REMAINING FIFTY TO REGIONAL ALLIED COMMISSION.

Distribution: SGS
MGS
AG REC
DPIC
FINANCE

Precedence: PRIORITY

Originating Section: MILITARY GOVERNMENT SECTION

Name Typed: MAJOR T. B. JACKMAN

SEPTEMBER 2909010A.

FROM: FREEDOM
TO: AGWAR - USFOR
FOR INFORMATION TO: TROOPERS.

REF. NO. W1220/807

(CLASSIFICATION)

SECRET.

URGENT POLITICAL MILITARY POLICE REQUIRES WE FURNISH A M LIRE TO FRENCH
FOR PAYMENT TROOPS PROCEEDING ITALY PAREN AGWAR FOR COMBINED CHIEFS OF
STAFF REPEATED USFOR FOR BRITISH CHIEFS OF STAFF AND TROOPERS SIGNED
EISENHOWER CITE FMGS NAF 425 PAREN X YOUR FORMAL DIRECTIVE URGENTLY
REQUESTING AUTHORIZING AFMA ISSUE TO FRENCH PAYMASTER X FRENCH WILL PAY
STIRLING TO BLOCKED ACCOUNT.

DISTRIBUTION: MGS
SGS
AG RECORDS
DPIC
FINANCE

ORIGINATING SECTION: MILITARY GOVERNMENT SECTION.

2878

FINANCE OFFICE
HEADQUARTERS MEDITERRANEAN BASE SECTION

28 September 1943.

SUBJECT: Receipt for Lire.

TO: Lt.Col. Bernard Bernstein, AMG,
A.F.H.Q., A.P.O. 512, U.S. Army.

Enclosed herewith is receipt from the funding officer
of the Fifth Army for the total lire value of the currency
recently transferred.

(Signed) M.E. ROVIN,
Colonel, F. D.,
Finance Officer.

Encl.:
Receipt.

C O P Y

A M P A

1/13a

PAYMENT VOUCHER

(Military Cashiers, Sub-Accountants, Etc.)

Date 24th September 1943

No. _____

NAME OF PAYEE Major E. L. Dlugomsky, F. D., Symbol No. 211-683

PURPOSE OF PAYMENT Receipt of thirty (30) boxes of lire.

AMOUNT (IN FIGURES) \$6,400,000.00 EQUIVALENT IN LIRE 640,000,000

AUTHORITY FOR PAYMENT _____

(1) Approved for payment _____
(SIGNED) A. O. NICHOLSON
A. O. Nielsen,
Capt., F.D.

A. M. F. A. OFFICER.

(2) RECEIVED THE 15th DAY OF September 1943.

IN PAYMENT OF THE ABOVE ITEM(S) THE SUM OF (IN WORDS) Thirty (30)
boxes sealed.

(Signed) E. L. Dlugomsky
(Payee) E. L. Dlugomsky
Major, F.D.

(3) I certify that the sum indicated above has been duly paid by me to the
person(s) entitled thereto.

CASHIER

ACCOUNT TO BE CHARGED

AMOUNT (IN FIGURES) \$6,400,000.00 EQUIVALENT IN LIRE 640,000,000

AUTHORITY FOR PAYMENT _____

(1) Approved for payment _____
(SIGNED) A. O. NICHOLSON
A. O. Nicholson,
Capt., P.D.

A. M. P. A. OFFICER.

(2) RECEIVED THE 15th DAY OF September 1943.
IN PAYMENT OF THE ABOVE ITEM(S) THE SUM OF (IN WORDS) Thirty (30)
boxes sealed.

(Signed) E. L. DUGHERTY
(Payee) E. L. DUGHERTY
Major, P.D.

(3) I certify that the sum indicated above has been duly paid by me to the
person(s) entitled thereto.

CASHIER

ACCOUNT TO BE CHARGED _____

CASH BOOK FOLIO _____ SUB-LEDGER FOLIO _____

FILE NO. _____

2877

TOO: MFT

PRIORITY

AFSC N 799/24
2414003
elb

FROM: FATIMA

TO: FREEDOM

REF NO THIS MSG: 86

SECOND CIPHER PART
BEGINS

3. Have agreed with BADOGLIO and his Finance Minister to provide if necessary pay ITALIAN Army, Navy and Air Force formations in this region equivalent to (Op corrupt) 15 Divs in all and in addition finance current expenditure of BADOGLIO Government in so far as necessary. Finance Minister is unable to estimate how much cash generally required before he has access to bank of ITALY in ROME and it's 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 WASHINGTON prints forthwith further; 100,000,000,000 Allied military lire in denominations as recently requested by AMFA. These notes should if possible bear words in ENGLISH and ITALIAN indicating amount of notes. And as Finance Minister says he can finance all including his government which are drawing on funds available locally in Bank of ITALY and by authorising bank of ITALY and possibly other banks to issue circular bankers checks as substitute for current. Am doubtful whether this is a policy which we should encourage and would appreciate your directions on this point.

END OF CIPHER PART B

CIPHER PART C FOLLOWS

NOTE: R LAYED TO FAIRFIELD

MC IN 14634 B

ACTION: MIL GOVT SEC (PLEASE BE CERTAIN TO ADVISE ADV CP THAT YOU ARE TAKING ACTION)

INFORMATION:

SGS
MR. MURPHY
MR. MACMILLAN
AD RECORDS

2876

FILED: 241946

PRIORITY

FROM: FATIMA
TO: FREEDOM

AFSC N 861/24
241630
mw1

40A
Acc/1011/2

REFERENCE NO. THIS MESSAGE : 86, 24 September, 1943.

Third and last Cipher part.

5. AMFA has at present available in the Bank of NAPLES, TARANTO 50,000,000 Lira which it could make available for purposes of BADOLIO Government if required. Any further amounts to be made available by AMFA would have to be shipped either from SICILY or direct from USA to mainland of ITALY.

6. BADOLIO is prepared to place at disposal AMFA 1 ITALIAN cruiser and 1 ITALIAN destroyer if ALLIED Command agrees for the purpose of shipping currency rapidly between USA SICILY and points where it will be required on the mainland of ITALY. If ALLIED Command will permit this they should obtain from CCS WASHINGTON and AMFA in PALERMO indication of when and where these ships should report for the purpose of carrying out mission.

7. Have discussed these proposals with Col. GUNSTON AMFA, now here. Request you repeat them to REMBELL.

NOTE:- Has been relayed to FAIRFIELD.

ACTION: MBS (PLEASE BE CERTAIN TO ADVISE ADVANCE CP THAT YOU ARE TAKING ACTION)

INFORMATION: SGS MR. MURPHY MR. MACMILLAN RECORDS

MC IN 14634C 26 SEP 43 0807B Ref. No. 86 Jc7JM

FILED: 24 WIL

APSC N 664/24
241300B
mwl

PRIORITY

FROM: FATIMA FROM MACFARLANE

TO: FREEDOM FOR GEN BIGNARDINI

REFERENCE NO. THIS MESSAGE: 86, 24th September, 1943.

1. Have agreed with BADOGLIO and his Finance Minister text of proclamation which orders that

A. USA coin and Yellow seal dollar at rate of 100 lira per dollar.

B. BRITISH coin and British Military Authority Pound at rate of 400 lira per pound are legal for use 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 the King and BADOGLIO this afternoon. Will then send you by air text of proclamation as signed which propose broadcast radio RAI tonight.

Note:- Cipher Part B follows,
Relayed to FAIRFIELD.

MC IN 14634

ACTION: MIL GOVT SEC (PLEASE BE CERTAIN TO ADVISE ADV CP
THAT YOU ARE TAKING ACTION)

INFORMATION: SOS
MR. MURPHY
MR. MACFARLANE
AG RECORDS

MC IN 14634 25 SEPT 43 0440B REF NO: 86 jdp P 287'

PRIORITY

TO: FILPOT FOR AMO REF NC 35
FOR: GRAFFTEY SMITH
SIGNED EISENHOWER CITE PHMGS

3811
Acc 10/11/2

Following from Hamlyn with which we concur:

"In view of need for AMFA planning for all regions of Italy including Armistice Commission Control and general agreement here that there should be a single AMFA for all of Italy even though both AMO and Armistice C. C. exercise jurisdiction in Italy and that someone should be designated to act for AMFA in regions which are about to be or which may be occupied I suggest if agreeable to you that Lieutenant Commander Southard be sent to Tizi Ouzou to deal with all of AMFA problems from this end. He could function at Tizi or wherever Armistice C.C. Headquarters is located and keep MGS and AMO informed. In this way it would be possible to unify AMFA activities in all regions and in all Headquarters. A military mission is leaving for region 6 very soon with 2 finance Officers both of whom have essentially accounting experience. They will have 10,000,000 (Ten million) A M Lire with them obtained at Algiers. I think it would be most desirable if you could send here together with about 200,000,000 (two hundred million) Lire an officer of AMFA like Captain Cook or Captain Bennett picking the 1 with best banking experience and we will send him to Sardinia. We will send to you Major Meachin British for attachment to AMFA. If foregoing is satisfactory please take necessary steps at your end and advise. If you have any questions re foregoing or otherwise on the subject of Finance that you would like to discuss we should be very happy to have you visit us in the next few days."

This Headquarters should be furnished with regular weekly balance sheet of AMFA with duplicate for transmission to Hamlyn.

ORIGINATOR: MGS AUTHENTICATION: A. T. MAN WELL, Colonel
INFORMATION: DPIC
FINANCE
SGS
AG RECORDS

MC-OUT-8571

27 Sept. 45

1152A

Ref No. 35

2872
tom

ALLIED FORCE HEADQUARTERS
Military Government Section

SEVS/frt 37A

Acc/1011/2

MGS 123-3

24 September 1943.

TO: C.F.O.
AMG HQ, PALERMO.

Reference letter from this HQ. (Finance) of 18 September 1943 section 4. General Holmes handed the 50,000 Lire therein referred to, to 1st Lieut. A. Rahter, AGD, Adjutant General, Brindisi Mission. Receipt of this officer is enclosed herewith.

LT. COLONEL
M.G.S. (Finance)
A.F.H.Q.

1 Incl.
Receipt for Lire.

2872

JCJC

T O O 201830

AFSC N 508/31
211255B
was

36A
Acc/1011/2

P R I O R I T Y

FROM: WIDEAST, CIV AFFAIRS FROM VCFA

TO: TFOOPERS RPTD FREEDOM FOR DPIC RPTD HEMA TRIPDIST F5

REFERENCE NO. THIS MESSAGE: OET/12286, Sept. 20, 1943

Your 70626 of 18 Sept.

1. Paymasters holdings at TRIPOLI of BMA sterling are surplus to his requirements TRIPOLITANIA. All out payments in BMA ceased on 15 Sept. and only MA Lire now being paid out.

2. We hold here BMA sterling 6,000,000.00 and expect in due course further 4,500,000.00. Your 54111 of 29 July, Para 2 refers. Have received 50 cases Series (?) L recently which presume are first instalment of 2nd 5,000,000.00 promised. Have no knowledge approximate date arrival of the 4,500,000.00

3. In certain eventualities 6,000,000.00 at present held would NOT provide any surplus our requirements. Have taken view however that you would not wish same series BMA sterling issued in ATB territories as those issued in TRIPOLITANIA. If this view correct, your 70612 of 18 Sept seems to confirm, then all holdings of any series used in TRIPOLITANIA will be surplus our requirements. Such holdings comprise: (a) 750000 pounds held by Paymaster, (B) 526000 pounds (520000 (?) held by ME and (C) All acquisitions per present exchange operations in TRIPOLITANIA.

4. Time factor in regard to arrival of BMA sterling 4,500,000.00 and high policy reference ATB territories put outside my competence decision as to whether or not we have surplus.

5. Grateful your guidance.

NO: OET/12286 20 SEPT 43

70626 MC IN 11028 19/9/43 DPIC
54111 NOT IDENTIFIED IN AFHQ MC FILES

2871

ACTION: DPIC
INFORMATION: MIL GOV SEC AG RECORDS
MC IN 12431 21 SEPT 43 1804B NO OET / 12286 et/VAN

SEPTEMBER 201750A 34A

FROM: FREEDOM

TO: AGWAR

(CLASSIFICATION) SECRET. Acc/1011/2

AIR PRIORITIES BOARD HAS ASSIGNED AIR PRIORITY ONE FOR SHIPMENT
BY THREE PLANES TO TUNIS OF THREE AND ONE HALF BILLION TO FOUR
BILLION AM LIRE X PAREN FOR MARSHALL SIGNED EISENHOWER CITE FMGS
PAREN X THIS CURRENCY IS NEEDED IMMEDIATELY TO MEET THE
GOVERNMENTAL EXPENSES OF THE ITALIAN AUTHORITIES AND FOR PAY
OF ITALIAN MILITARY PERSONNEL X WE LEAVE AMOUNTS OF EACH
DENOMINATION TO YOUR DISCRETION.

Originating Section: Military Government Section.

Distribution: MGS
SGS
AG RECORDS
A.P.B.
G-3

ALLIED FORCE HEADQUARTERS
Military Government Section

Acc/1011/2
3511

26 September 1943.

COPY.

SUBJECT : Air priority for shipment of three plane loads of Allied Military Lire for Tunis.

TO : The Chief of Staff
Attn: Brigadier Sugden

I. DISCUSSION

1. Yesterday we received a cable from General Mason McFarlane in which he urges forwarding of very large amounts of Allied Military Lire to the mainland of Italy for use in paying the Italian Military Forces and for Italian governmental expenditures.

2. General Mason McFarlane indicated that Marshal Badoglio is willing to make one Italian cruiser and one Italian destroyer available for the delivery of currency from the United States to Italy. However, this is likely to involve a considerable time delay.

3. The only method of meeting the immediate needs of the Italian Government and its Armed Forces for Lire, in view of the fact that the Italian printing presses are in areas occupied by the Germans, is to ship by plane immediately three and one half to four billion lire of All Lire currency.

II ACTION RECOMMENDED

1. It is requested that the Chief of Staff direct the Air Priorities Board to assign air priority I for three plane loads of three and one half to four billion Lire of Allied Military currency to go to Tunis.

J. C. HOLMES
Brigadier General, G.S.C., Chief
Military Government Section

JAJA
/23
TOO: 231345

AFSC: H 423/24
240958B
WVA

ROUTINE

331
Ace/1011/2

FROM: TROOPERS

TO: MIDEAST RPTD FREEDOM (FOR DPIC) BEMA TRIPDIST (MIDEAST PASS) FOR
CIV AFFAIRS FOR VCFA

REF NO THIS MSG: 72178 F5, 23 September, 1943.

Your OET/12286, 20 September.

2. Confirmed 60 cases are first instalment of premised series L for which full particulars given my memo 16/ABD/1424 by fast air, 11 September. Boxes 131-1425 now en route, remainder follow earliest opportunity. Completion of delivery will therefore increase your reserve BMA sterling to nearly 11 millions.

3. Agree that ideal is not to use same series 2 different territories and that we adhere far as possible.

4. Consider your reserve para 2 adequate for time being and therefore agree you release BMA notes from TRIPOLITANIA if BNAF consider this further supply for FREEDOM essential.

5. Your reserve position constantly under review here and we will arrange further shipments whenever necessary. You should cable whenever factors arise locally which in your view likely to affect position.

FOOTNOTE: OET/12286 is MC IN 12431 22/9/43 (DPIC)

ACTION: DPIC

INFORMATION: MIL GOV SEC
AG RECORDS

MC IN 14261

24 Sep 43

1501 E

Ref No. 72178 F5

ra/WJM

2868

32A
PRIORITY

TO FOR ACTION: AGAR FOR COMBINED CHIEFS OF STAFF

REF NO: W-1056

FOR INFO : USPOH FOR BRITISH CHIEFS OF STAFF

TROOPERS

ASER ADV UP

FATIMA FOR GENERAL MASON MACPARKLAND

REF NO: 9863

SIGNED: RICHMOND, CITE TIGMS

Cat 34

1. Kindly advise earliest possible time in which you can complete printing of first 5 orders of 100 lire currency and when we may expect to receive balance of such orders if shipments by boats.

2. General MASON MACPARKLAND has been discussing with SALVOLO and his Finance Minister provision of money for Italian armed forces and Governmental purposes before Italian authorities have access to Bank of ITALY in Rome and its printing works at Anagni. Possibility of sabotage by Germans of printing works before Allied occupation is recognized.

3. Italian Finance Minister thinks he can meet money needs by drawing on funds available locally in Bank of ITALY and by circulating Bank of ITALY and other notes to issue circular bank checks as a substitute for currency. We are inclined to raise no objection to such procedure if local banks are strong enough to remain open and if there is no sound banking objection to such policy.

4. Nevertheless, General MASON MACPARKLAND suggests that the printing of 100,000,000 lire (one hundred billion) 100 lire is denomination requested by EMMA recently for 4th and 5th currency orders, the notes to bear in possible words in English and Italian indicating denomination of notes. BARKLEY will make 1 Italian cruiser and 1 Italian destroyer available for shipping currency rapidly between UNITED STATES and ITALY.

5. General RICHMOND in SARINIA indicates need of 180,000,000 lire a month for payment of Italian forces there.

6. Our first impression is that 100,000,000,000 figure is much too high. We feel that preparation for possible eventualities requires a considerable amount of money. 100 lire to be printed even though we are not presently in a position to indicate possible needs. Suggest you expedite shipment of balance of first 5 orders sending 30 to a billion 100 lire by plane to TUNIS immediately. In separate cable we will arrange for air priority. Also suggest immediate printing of 5th and 7th orders for 100 lire duplicating 4th and 5th orders in amounts of each denomination but including in legend of currency if possible Italian words stating denomination so as to meet suggestion set forth in paragraph 4 above and also to reduce possibility of fraudulent alterations.

2. General Nelson Macmillan has been discussing with SALOMIO and his Finance Minister provision of money for Italian armed forces and for operational purposes before Italian authorities have access to bank of Italy in 1945 and its printing works at Anagni. Possibility of sabotage by Germans of printing works before Allied occupation is recognized.

3. Italian Finance Minister thinks he can meet money needs by drawing on funds available locally in bank of Italy and by substituting bank of Italy and other banks to issue circular bank checks as a substitute for currency. We are inclined to raise no objection to such procedure if local banks are strong enough to handle them and if there is no sound banking objection to such policy.

4. Nevertheless, General Macmillan suggests suggestion WASHINGTON print currency to additional 100,000,000,000 (one hundred billion) in lire in denomination requested by EFTA recently for 4th and 5th currency orders, the notes to bear if possible words in English and Italian indicating denomination of notes. EFTA will make 1 Italian cruiser and 1 Italian destroyer available for shipping currency rapidly between UNITED STATES and ITALY.

5. General ROOSEVELT in SARDINIA indicates need of 180,000,000 lire a month for payment of Italian forces there.

6. Our first impression is that 100,000,000,000 figure is much too high. We feel that preparation for possible eventualities requires a considerable increase in amount of lire to be printed even though we are not presently in a position to indicate possible needs. Suggest you expedite shipment of balance of first 5 orders totaling \$2 to a billion lire by plane to EFTA immediately. In separate cable we will arrange for air priority. Also suggest immediate printing of 6th and 7th orders for lire duplicating 4th and 5th orders in amounts of each denomination but including on legend of currency if possible Italian words stating denomination so as to meet suggestion set forth in paragraph 4 above and also to reduce possibility of fraudulent alteration of denomination.

7. Please advise us of your views on foregoing and also of your views re further printing of currency.

ORIGINATOR: MIL CONT SEC

ADMINISTRATIVE: CAPT. S. M. RICHMOND

REF ID: A610

508

DTU

DFIC

FINANCE

AG RECORDS

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

NGS ALG V NGS TIZ
25 SEPTEMBER 1943
MESSAGE NO 7

TO J A C S

SUBJECT CURRENCY REQUIRMENTS

REFERENCE MESSAGE NO R OF TO-DAY MEETING WILL BE HELD HERE
AT 1200 HOURU.

END KKKK
RECD

1808
25/9/43
574

31A

2866

MAJOR T B ACKVAN

ACE
10/11/43
Fin

FOR:- FILIPPO FOR ASSISTANT FOR GRANTING WITH

FROM:- FREEDOM FROM HAZARD

IMMEDIATE & MOST SECRET

DATE:- 25TH SEPTEMBER, 1943.

IN VIEW OF NEED FOR AREA PLANNING FOR ALL REGIONS OF ITALY INCLUDING ADVISORY
COLLECTIONS CONTROL AND GENERAL AGREEMENT THAT THESE SHOULD BE A SINGLE
AREA FOR ALL OF ITALY EVEN THOUGH BOTH AND AND ACC EXERCISE JURISDICTION IN ITALY
AND THAT SOMEONE SHOULD BE DESIGNATED TO ACT FOR AREA IN REGIONS WHERE AREA ABOUT
TO BE ON WHICH MAY BE OCCUPIED I SUGGEST IF AGREEMENT TO YOU THAT DISCUSSANT
COMMANDER 33 THARD BE SENT TO FIAT OUTDOOR TO DEAL WITH ALL OF AREA P. ORLINS HIGH
THIS END S T O P HE COULD FUNCTION AS FIAT OR WHATEVER ACC HEADQUARTERS
IS LOCATED AND KEEP LENS AND AM INFORMED S T O P IN THIS WAY IT WOULD BE
POSSIBLE TO UNIFY AREA ACTIVITIES IN ALL REGIONS AND IN ALL HEADQUARTERS
S T O P A MILITARY MISSION IS LEAVING FOR ADDITION SIX VERY SOON WITH TWO FINANCE
OFFICERS BOTH OF WHICH HAVE ESSENTIALLY ACCOUNTING EXPERIENCE S T O P THEY WILL
HAVE 10 000 000 (TEN MILLION) A. E. LINE WITH THEM OBTAINED AT ALL TIMES S T O P
I THINK IT WOULD BE MOST DESIRABLE IF YOU COULD SEND HERE TO ENHANCE WITH ABOUT
50 000 000 (FIFTY MILLION) LINE AN OFFICER OF AREA LINE CAPTAIN COOK OR CAPTAIN
BENNETT PICKING THE ONE WITH BEST BAKING EXPERIENCE AND WE WILL SEND HIM TO SALVEMIA
S T O P WE WILL SEND TO YOU MAJOR BRACHIN BRITISH FOR ATTACHMENT TO AREA S T O P
IF FOLLOWING IS SATISFACTORY PLEASE TAKE NECESSARY STEPS AT YOUR END AND ADVISE
S T O P IF YOU HAVE ANY QUESTIONS OR CONCERNING OR CONCERNING ON THE SUBJECT OF
FINANCE THAT YOU WOULD LIKE TO DISCUSS WE SHOULD BE VERY HAPPY TO HAVE YOU VISIT
US IN THE NEXT TEN DAYS S T O P WOULD APPRECIATE YOUR FURNISHING US WITH

REGULAR WEEKLY BALANCE SHEET OF AREA

Int O. P. 304

Acc 10/1/2

TELETYPE

2865

ALFA FOR ALL OF ITALY EVEN THROUGH BOMB AREA AND ACC EXERCISE JURISDICTION IN ITALY
AND THAT SOMEONE SHOULD BE DESIGNATED TO ACT FOR ALFA IN REGIONS WHICH ARE ABOUT
TO BE OR WHICH MAY BE OCCUPIED I SUGGEST IF AGREABLE TO YOU THAT LIEUTENANT
COLGANDER SHOULD BE SENT TO TICI ONCE TO DEAL WITH ALL OF ALFA PROBLEMS FROM

THIS END S T O P HE COULD FUNCTION AT TICI OR WHEREVER ACC HEADQUARTERS

2865

IS LOCATED AND KEEP HIS AND AMT INFORMED S T O P IN THIS WAY IT WOULD BE

POSSIBLE TO UNIFY ALFA ACTIVITIES IN ALL REGIONS AND IN ALL HEADQUARTERS

S T O P A MILITARY MISSION IS LEAVING FOR REGION SIX VERY SOON WITH TWO FINANCE

OFFICERS BOTH OF WHOM HAVE ESSENTIALLY ACCOUNTING EXPERIENCE S T O P THEY WILL

HAVE 10 000 000 (TEN MILLION) A.M. LIME WITH THEM OBTAINED AT ALPINES S T O P

I THINK IT WOULD BE MOST DESIRABLE IF YOU COULD SEND HERE SOMEONE WITH ABOUT

50 000 000 (FIFTY MILLION) LIKE AN OFFICER OF ALFA LIKE CAPTAIN COOK OR CAPTAIN

BERNETT PICKING THE ONE WITH BEST BANKING EXPERIENCE AND HE WILL SEND HIM TO SARDINIA

S T O P WE WILL SEND TO YOU MAJOR BEACHIN BRITISH FOR ATTACHMENT TO ALFA S T O P

IF FORTHCOMING IS SATISFACTORY PLEASE TAKE NECESSARY STEPS AT YOUR END AND ADVISE

S T O P IF YOU HAVE ANY QUESTIONS OR WISHING TO OTHERWISE ON THE SUBJECT OF

REASON THAT YOU WOULD LIKE TO DISCUSS WE SHOULD BE VERY HAPPY TO HAVE YOU VISIT

US IN THE NEXT FEW DAYS S T O P WOULD APPRECIATE YOUR FURNISHING US WITH

REGULAR MONTHLY BALANCE SHEET OF ALFA

202

JJEM

filed 21 NPT

AFSC X 239/21
212330B
haf

most immediate

From: FATIMA SINGED MACFARLANE

To: FREEDOM RPTD. AFHQ CP (FREEDOM PASS)

REF NO THIS MESSAGE: 045

21 September 1943.

Saw BADOGLIO and COUNT AQUILONI this morning. I made it clear to them that until we have sufficient lira in country all military administrative forms sterling and dollars currencies must be accepted at rate 100 and 400 respectively. Political again made great argument about rate exchange. I explained 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 area at once. The Italian mint is still in Italian hands and is guarded but it is in German occupied area and communication is impossible.

ACTION: MIL. GOVT. SEC.

INFORMATION: SGS
G-2
G-3
AG RECORDS

2863

ALLIED FORCE HEADQUARTERS
Military Government Section

21 September 1943.

MGS 123-

SUBJECT:- Lire Notes

TO: H.Q. 1 Div.
North African Forces

Reference is made to an amount of Lire 230,000 issued on 7 June 1943 to A/Q branch of your HQ. According to the understanding of the Paymaster-in-chief of this HQ, this amount was turned over by A/Q branch of your HQ to Col. N. W. Monford, U.S. Army (Civil Affairs). This officer who is under command of this section of AFHQ denies knowledge of this money.

May this section of AFHQ be informed as to whether this money was paid over and to whom.

Lt. Col.
M.G.S. (Finance)

2862

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

785015

MCS ALG V MCS T12
25 SEPTEMBER 1943
MESSAGE NO 4

TO J A C S

SUBJECT CURRENCY REQUIREMENTS

FOLLOWING REQUIRED FOR MEETING ~~XXXX~~ SUNDAY 26 SEPT A NEW LARGER
CURRENCY REQUIREMENTS OF ITALIAN GOVERNMENT - BRIGADIER HAMLYN, COL
FOLEY AND LT COL BERNSTEIN. INDICATE WHAT TIME MOST CONVENIENT. 2864

MAJOR T B JACKMAN

1345

25/9/43

565

29A
Acc/1011/2
Finances.

COPY

ALLIED FORCES HEADQUARTERS
Military Government Section

Vs/jw

123-2

21 September 1943

SUBJECT: Provision of A.M. Lire to French Forces.

TO: GWO AMG HQ Palermo

The Chief Paymaster, French Forces visited this HQ this morning and set down his requirements in A.M. Lire for the present campaign. These notes will have to be handed over to him in ALGERIA. He wishes to take them over in two lots, the 1st on 5 Oct. 43, and the 2nd on 15 Oct. 43.

The denominations requested are:-

1st lot totalling 150 million A.M. Lire

Notes of 5 and 10 AM Lire	1 million
" " 100 " "	30 "
" " 500 " "	40 "
" " 1000 " "	80 "
	<u>150</u> "

2nd lot totalling 300 million A.M. Lire

Notes of 5 and 10 A.M. Lire	2 million
" " 100 " "	50 "
" " 500 " "	80 "
" " 1000 " "	150 "
	<u>300</u> "

Priority shipment should be arranged by air of these notes to arrive MAISON BLANCHE if possible two days before date of requirement.

Lt. Colonel,
M.G.S. (Finance),
A.F.H.Q.

ACC/1011/2

26A

2801

COPY

ALLIED FORCE HEADQUARTERS
Military Government Section

BY AIR COURIER

23rd September, 1945

HQS-100

MEMORANDUM TO: C.C.F.
AND - M.G. PALERMO

Your memo by air courier has been received and the request indicated therein has been forwarded to C.C.F., asking that boxes may be delivered unopened to Bank of NAPLES and/or Bank of ITALY if either or both be named in directive as your agents.

S.S.V.C.

Lt. Col.
M.G.S. (Finance).
A.F.S.G.

FROM:

FREEDOM

TO:

ARMAR

INFO (FOR INFORMATION)

H 743/9334

REF.:

PERMISSION REQUESTED FROM TO ARMAR FOR COMBINED CHIEF OF STAFF
REPEATED INFO INFORMATION BRITISH CHIEF OF STAFF SIGNED FISHBROWER
CITE MEMO REFERENCE OUR SIGNATURE YOUR FOUR SEVEN MAY 32 1944
AND DELIVER INFORMED BOARD TO BANK HAPLES AND SLANT OR ITALY
ACCORDING INDICATION YOUR DIRECTIVE IS PERMITTED IN CASE BANK OF
STOLLY

Distribution: HQS
AS RECORDS
GCS
DTC
FINANCE.

Hand typed: MAJOR T.E. JACKMAN
Tel No. 400

2859

ACC/1011/2
334
PRIORITY

TO FOR ACTION: FILPOT (FOR AMG)
FOR INFORMATION: MIDEAST
REF NO: 7005
SIGNED: EISENHOWER CITE PHMS

Reference MIDEAST ATB/09548 of 15 September and your 864 of 18 September.

Party of 20 officers should have accompanied 8 Indian Division, but as this was not possible to arrange MIDEAST are arranging for earliest forward movement.

We sent Major JOHN A STEELE, US Army to CAIRO by air with AMG instructions and 2,000,000 L.re to join party.

We have already arranged upgrading of MAYNE and are dealing with postings.

ORIGINATOR: MIL GOV SEC AUTHENTICATION: A. T. MAXWELL, COL.
INFORMATION: SGS
AG RECORDS

2858

O AEC. 1101/2
724
PRIORITY

TO: (FOR ACTION) : AGWAR FOR CCS NO: W 209
(FOR INFO) : USFOR FOR BCS
NO: 5521
SIGNED: EISENHOWER (CITE PEMOS)

NAF 406

Suggested AND use Bank of Naples on mainland in similar
capacity Bank of Sicily in Island. Do you approve?

ORIGINATOR: MIL GOV SEC AUTHENTICATION: COL. A. T. MAXWELL
INFORMATION: SGS
FINANCE
DPIC
AG RECORDS

2857

COPYBY FAST AIR

SUBJECT: / Allocation from KAROTSA

AROOT/2002/7.ALROY H.C. BICKLEY12 Sept 43.

Military Government London,

A.H.B.C.

Reference your 1902 of 14th September just arrived, I should like to make the following comments:-

Ref Para. 1.

- (a) The system evolved was a compromise to circumvent the restrictive regulations of the U.S. Finance Division.
- (b) As stated in my 1902/V of 8th Sep, neither Colonel Tillman nor Lieut-Colonel Hayes was aware that details of such expenditure had to be submitted to MAJUSA. Copies of such instructions and of Form 48 are still awaited.
- (c) As the funds drawn from Colonel Tillman have now been repaid and a copy of the receipt sent to M.F.S. for onward transmission to MAJUSA, may it be assumed that Region I is now cleared? If this is the case, the need for the special instruction at AFHQ of an American officer in the accounting intricacies of the missing form 48 would not appear to be necessary.

Ref Para. 2

- (d) The facility is certainly no longer necessary in Region I nor ever was in Region 2 where the system with the British paymasters worked smoothly. In so far as matters of Yellor seal dollars were made in North Africa to certain officers of Region 3, I presume that they have received the full instructions and copies of Form 48, showing in detail the information necessary to the Chief Finance Officer MAJUSA. My own relations with this party do not exist, as I cannot correspond with them. If M.F.S. considers that the Region 3 officers are not fully aware of what accounts should be submitted, may I suggest that you send a warning order to Lieut-Colonel Barrett?
- (e) But owing to discretion I feel the difficulties may recur, and I prefer the suggestion in penultimate para of my 1902/V of 8 Sep.

restrictive regulations of the U.S. Finance Division.

- (b) As stated in my 1002/7 of 8th Sep, neither Colonel Fillman nor Lieut-Colonel Hayes was aware that details of such expenditure had to be submitted to HAFUSA. Copies of such instructions and of Form 46 are still awaited.
- (c) As the funds drawn from Colonel Fillman have now been repaid and a copy of the receipt sent to M.G.S. for onward transmission to HAFUSA, may it be assumed that Region I is now cleared? If this is the case, the need for the special instruction at AFHQ of an American officer in the accounting intricacies of the missing Form 46 would not appear to be necessary.
- Ref Para. 2
- (d) The facility is certainly no longer necessary in Region I nor ever was in Region 2 where the system with the British paymasters worked smoothly. In so far as officers of yellow seal dollars were made in North Africa to certain officers of Region 3, I presume that they have received the full instructions and copies of Form 46, showing in detail the information necessary to the Chief Finance Officer HAFUSA. My own relations with this party do not exist, as I cannot correspond with them. If M.G.S. considers that the Region 3 officers are not fully aware of what accounts should be submitted, may I suggest that you send a warning order to Lieut-Colonel Barrett?
- (e) But owing to discretion I feel the difficulties may recur, and I prefer the suggestion in para 2 of my 1002/7 of 8 Sep.
- (f) In so far as other Regions are concerned, and now that a supply of Allied Military Life is available, I strongly advise against any continuation of issuing yellow seal dollars to S.O.A.s, as I consider that the mechanism necessary for such transactions will always lead to trouble.
- (g) Lieut-Col. Bernstein is aware of the position and may be able to mollify C.F.O. HAFUSA.

/s/ A. P. CHAFFIN-SMITH

/s/ A. P. CHAFFIN-SMITH
Colonel,
Chief Finance Officer.

285

COPY

By Air Courier

MOST SECRET

To: Military Government Section AFHQ
for Maxwell and Bernstein

1. AMFA has received letters of 2 Sep. 43 from Office of Fiscal Director enclosing schedule in duplicate of all shipments of Allied Military Currency made by Washington up to that date except original air shipment consisting of four planes which left Washington 19-21 Jul. 43.

2. Preliminary check discloses that this schedule appears to contain a number of figures requiring correction. So far however AMFA has not been able to carry out complete check since it still awaits shipment now en route from Oran by water.

3. Please instruct whether AMFA should return schedule to you now with indication of errors so far discovered, or should retain schedule until it is possible to carry out complete check including Oran shipment.

/s/ A. P. GRAPPEY-SMITH
Colonel,
Chief Financial Officer.

AMCOT 15 Army Group.
18 Sep 43.

2855

WAP

PL82/16

FILED 100340Z

AFSC H619/16

1812403

Jab

COPY

2001117

FROM: AGMAR, SEVEN, CARTER, FISCAL DIRECTOR

TO: ECONOMIC ALIENAGE

REFERENCE NO. OF THIS MESSAGE: 7974, September 16, 1943.

After 65,000,000 notes in 1 lire and 70,000,000 notes in 2 lire denominations have been shipped, no further shipments in these denominations will be made. Approximately that number have been shipped and it is necessary to ship a round number in order to substitute the remaining face value of these denominations in first 8 orders with 500 lire and 1000 lire denominations as requested in your radio N. W-9668, dated 11 September. Approximately 2/3 of the first 8 orders in these denominations are stockpiled and available for overprinting 10 and when you ship next additional amounts. However, we have ordered 390,600 notes in 500 lire denomination and 200,000 notes in 1000 lire denominations, total face value 395,000,000 lire to replace lire amount of 1 lire and 2 lire denominations cancelled as requested in your radio W-3100 dated 8 September. We had previously ordered 270 million notes in 1000 lire and 3,000,000 notes in 500 lire to constitute the combined 4th and 5th orders in these denominations as requested in your radio No. W-9511, dated 8 September, and W-3207, dated 12 September. The following additional amounts of all currency have been ordered to complete the 4th and 5th orders: 5 lire, 20,000,000 notes; 10 lire 20,000,000 notes; 50 lire, 10,000,000 notes; 100 lire, 10,000,000 notes; 500 lire, 1,800,000 notes; 1000 lire, 3,000,000 notes; total number of notes 65,800,000, total face value 1,200,000,000. For clarification purposes after cancellation and revision a recapitulation of all all currency now shown by our records as ordered is as follows: 1 lire, 65,000,000 notes; 2 lire 70,000,000 notes; 5 lire 95,000,000 notes; 10 lire 50,000,000 notes; 50 lire, 55,000,000 notes; 100 lire 60,000,000 notes; 500 lire 11,190,000 notes; 1000 lire, 8,200,000 notes; total number of notes 417,840,000, total face value 23,075,000,000.

Please indicate in this message with your figures. Total amounts of 160 boxes as shown in paragraph 5, your radio W-9668 as 2,751,000,000 as correct. (21st pages).

Please verify and radio contents of 50 boxes which arrived 8 September, reference is made to paragraph 2, your radio No. W-9507.

substitute the remaining face value of 1000 lire denominations as requested in 8 orders with 500 lire and 1000 lire denominations as requested in your radio M. W-9583, dated 11 September. Approximately 2/3 of the first 8 orders in these denominations are stockpiled and available for overprinting as and when you might need additional amounts. However, we have ordered 200,000 notes in 500 lire denomination and 200,000 notes in 1000 lire denominations, total face value 395,000,000 lire to replace lire amount of 1 lire and 2 lire denominations cancelled as requested in your radio M-8160 dated 4 September. We had previously ordered 700 million notes in 1000 lire and 2,000,000 notes in 500 lire to constitute the combined 4th and 5th orders in these denominations as requested in your radio No. W-9511, dated 5 September, and W-9537, dated 12 September. The following additional amounts of AW currency have been ordered to complete the 4th and 5th orders: 5 lire, 20,000,000 notes; 10 lire 20,000,000 notes; 50 lire, 10,000,000 notes; 100 lire, 15,000,000 notes; 500 lire, 1,800,000 notes; 1000 lire, 8,000,000 notes; total number of notes 69,800,000, total face value 1,200,000,000. For clarification purposes after cancellation and revision a recapitulation of all AW currency now shown by our records as ordered is as follows: 1 lire, 65,000,000 notes; 2 lire 70,000,000 notes; 5 lire 95,000,000 notes; 10 lire 50,000,000 notes; 50 lire, 58,000,000 notes; 100 lire 60,000,000 notes; 500 lire 11,180,000 notes; 1000 lire, 8,200,000 notes; total number of notes 417,380,000, total face value 23,875,000,000 notes; total number of notes 417,380,000, total face value 23,875,000,000.

Please indicate if this agrees with your figures. Total contents of 160 boxes as shown in paragraph 5, your radio W-8583 as 2,751,000,000 as correct. (CITE FIGURES).

Please verify and radio contents of 50 boxes which arrived 8 September, reference is made to paragraph 2, your radio M. W-9511, dated 12 September. A box list of each air shipment is given to Pilot of plane with instructions to deliver to Officer at destination. If box list was not in 1 of the boxes marked as you suggested, perhaps that box would not arrive in time to identify contents of other boxes in the shipment. In future shipments are made by air. Air Transport Command will be requested to see that box list will accompany first part of shipment to arrive at destination if it is necessary to break down shipment enroute into smaller number of boxes. The Security Officer of Transport Command delivered schedules of water shipments to you in consultation with us to identify contents of boxes. Clarification of your radio No. W-9582, dated 11 September, is requested. There is available for shipment a supply in all denominations of AW postal stamps.

ACTION: AIR COT 370

INFORMATION: DUC
FINANCE
RECORDS

285'

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

COPY

WAR
487/18
filed 181756Z

APSC n 1126/18 19B
182124Z
haf

ROUTINE

FROM: ASWAR TAF 12

TO: HIGHPOWER FOR FIDGS

REF NO THIS MESSAGE: 8032, 18 September, 1943.

Directive designating bank of Italy for mainland being
dispatched today. Reference WAF 408 from GUS repeated USFOR
information British Chiefs of Staff. In this connection do
you still want to suggest bank of NAPLES or do you desire to
have both banks designated.

ACTION MIL GOV SEC

INFORMATION SEC
FINANCE
DPIC
AG RECORDS

2853

BY AIR COURIER

AMPA/FOL/S

To: Military Government Section AFHQ
for Maxwell.

In view of your recommendations mentioned in your letter of 15 Sept. that we use Bank of Naples as agent, will you please ensure that CGS authorize AMPA to deliver complete undamaged boxes to Bank of Naples on same terms as to Bank of Sicily?

/s/ A. B. CRAFTY-SMITH

Colonel,
Chief Financial Officer.

AMPOY, 15 Army Group,
19 Sept. 1945.

BY AIR COURIER

ANPA/POL/8

Subject: A.M. Lira Shipments.

To: Military Government Section AFHQ.
For Maxwell and Bernstein.

Ref. cable 7219 of 8 Sept from AGWAR, last sentence,
which states that they plan to make future shipments by water to
Palermo.

I trust that Washington will ensure that these water
shipments in fact arrive at Palermo in an even flow, and that no
hiatus occurs such as that of five weeks which occurred between
arrival of first and second air shipments.

(Signed) A. P. GRAPPEY-SMITH

Colonel,
Chief Financial Officer.

AMGOT, 15 Army Group.
19th Sept. 43.

WARP

file 190438 Z

AFSC N 341/19
190747B
omo

ROUTINE

FROM: AGWAR CARTER DISCAL DIRECTOR SPFA

TO: FREEDOM

REF NO THIS MESSAGE: 8121, 19 Sept. 1943.

Previous instructions require radio advice from AMFA and radio acknowledgment from U.S. Army Finance Officers, covering lire, turned over to such Finance Officers by AMFA. Inasmuch as both the radio advices and radio acknowledgments have been signed by EISENHOWER, some difficulty has existed in the past in determining whether the radios originated from AMFA or from Army Finance Officers and accordingly it is recommended that future radio advices from AMFA read substantially as follows: "AMFA advises delivery of blank lire to Colonel JOHN DOE disbursing symbol number blank on Sept blank", and that radio acknowledgments from Army Finance Officers read substantially as follows: "Colonel JOHN DOE disbursing symbol number blank acknowledges receipt of blank lire from AMFA on Sept blank". Such radio advices and acknowledgment should be addressed to Fiscal Director HQ Army Service Forces and should include HQ other subject matter.

Advise Army Finance Officers concerned.

ACTION: MIL GOVT SEC

INFORMATION: FINANCE
AO RECORDS

COPY

BY FAST AIR

Subject:- Currency

AMBOT/2002/F.

AMBOT H.Q. SICILY

19 Sep 43.

Military Government Section,
A.F.H.Q.

I shall be grateful if you will pass the following to
Brigadier Brickman, D.F.I.C. A.F.H.Q.

- (1) Reference your PAR/356 of 10th September addressed to myself and Gurnston which arrived evening 18th September. Your R/349 of 8th September from Spicer? refers.
- (2) No repeat no BMA currency drawn by me from Rooney.
- (3) A.M. Lire 1020 million destined for Rooney held here for past week waiting sea transport to Catania which Rooney trying to arrange.
- (4) Reference A.M. Lire requirements, for your other commitments, prefer you consult Lieut-Colonel Bernstein who is fully conversant our present and future currency position.
- (5) Am sending a copy of your signal and of this reply to Rooney.

/s/ A. P. GRAFFETY SMITH,
Col.,
Chief Finance Officer.

2849

AIR COURIER

AMFA/POI/8

Subject: A.M. Lire Shipments

To: Military Government Section, A.F.H.Q.
for Maxwell and Bernstein.

1. Ref cable 7219 of 8 Sept from AGWAR regarding 90 boxes A.M. currency which left Washington by air 4 Sept. AMFA proposes to pass following entries through its books:-
Lire

Credit

New A.M. Lire Notes received 1,952,000,000
(contents of 90 Boxes)

Debit

Reserve Cash
(contents of 58 boxes actually received by AMFA) 1,284,000,000
Payment on account of occupation costs: to U.S. Army
(contents of 2 boxes delivered to Lt. Col. Vivian Smith at AFHQ 48,000,000
(contents of 30 boxes sent from Algiers to Gran, 12 Sept.) 640,000,000

1,952,000,000

2. Ref Lt. Col. Bernstein's letter of 12 Sept regarding 727 boxes received at Gran. AMFA will pass no entries until 572 boxes arrive Palermo. AMFA will then require from you sufficient details to enable it to pass entries similar to those described in para. 1 in respect of remaining 155 boxes.

3. Please inform me whether you agree with paras. 1 and 2 above.

4. Will you please send to GCS Washington and if necessary to War Office London details (including payees symbol number necessary) of any cash which you have delivered to U.S. or 28143h

P.T.G.

- 2 -

Armed Forces out of consignments mentioned above. Kindly send to AMFA copies of your signals on these points so that AMFA can ensure correctness of entries through its books.

(Signed) A. P. GRAFFTEY-SMITH

Colonel
Chief Financial Officer

AMHQT, 15 Army Group
19 Sept. 43.

ALLIED MILITARY GOVERNMENT

20 September, 1943.

Subject: Report of Obligations of Funds
To: Chief Finance Officer, H.Q., NATOUSA, APO 534

1. The total amount obligated during the months of July and August, 1943 against allotment of \$1,000,000.00 to AMGOT, is \$26,000.00.

2. The amount of \$12,000.00 was returned to the Finance Officer 25th Finance Disbursing Section, APO 758, on 10 September 1943. (Copy of receipt was given to Col. Sims).

(Signed) BERNARD BERNSTEIN
Lt. Col.
A.M.G.
Disbursing Officer at Algiers.

Incl.
WD FD Form 38.

COPY

ALLIED FORCE HEADQUARTERS
Military Government Section

VS/jw

MGS-100

21 September 1945

SUBJECT:- 2 Allocations from MATOUSS
TO:- C.F.O., A.M.Q. H.Q. Palermo

1. Reference your AMFOR/2002/7 of 18 September 45,
this matter has all been arranged between Colonel SIMS
and Colonel BERNSTEIN. Latter officer will inform you
on his return.

Lt. Colonel,
1935 (Finance)
A.P.H.Q.

COPY

Allied Force Headquarters
Military Government Section

VS/jw

21 September 1945

SUBJECT: Currency
TO: Paymaster-in-Chief (British)
AFHQ

1. Copy of letter from G.P.O. - A.M.S. is enclosed.
2. Please inform this section AFHQ as to your wishes in connection Section 4 of the enclosed letter. Col. BACHMANN is now at TIKI-QUEON where you may wish to communicate with him direct.

Lt. Colonel
MGS (Finance)
AFHQ

Incl. as above.

Copy to GSC., AMG.
Lt. Colonel Bernstein

COPY

ALLIED FORCE HEADQUARTERS
Military Government Section

VB/jw

21 September 1943

SUBJECT: Delivery to AMFA of A.E. Lire
TO: CFC AMG HQ Palermo

Your air courier of 18 Sep 43 has been forwarded to Col. BERNSTEIN as requested.

SEC. 2. It is noted that schedule contains incorrect figures.

SEC. 3. Schedule should be retained by AMFA until complete check effected, when it should be returned with details of errors and omissions relating to the full total of notes received.

Lt. Colonel,
HMC (Finance)
A.F.H.Q.

Copy to Lt. Col. Bernstein

WAR
P24/21
Filed E101222

COPY

AFEC N 246/21
E104503
wlr

9A

ROUTINE

FROM: AGMAR, CHIEF FISCAL DIRECTOR, SPVEN

TO: FREEDOM ALGIERS

REF NO. THIS MESSAGE: 8208 Sept 21, 1943.

Ship number BY 849 loaded with 1400 boxes labelled 1492-
U-AEC-FIN and 600 boxes labelled 1492-S-D-FIN, containing following
amounts in currency: 1 Lira 18,752,000 notes, 18,752,000 face value,
2 Lira 31,350,000 notes, 62,720,000 face value, 5 Lira 16,852,000
notes, 84,100,000 face value, 10 Lira 2,112,000 notes, 21,120,000
face value, 50 Lira 15,130,000 notes, 608,000,000 face value,
100 Lira 12,162,000 notes, 1,812,200,000 face value, 500 Lira 100,000
notes, 30,000,000 face value, 22,528,000 total number of notes,
2,359,952,000 total face value of notes, schedule of 1400 boxes and 600
boxes by denomination and serial number in possession of Cargo Security
Officer with instructions to deliver to proper Officer at destination;
official schedule in duplicate being forwarded by airmail.

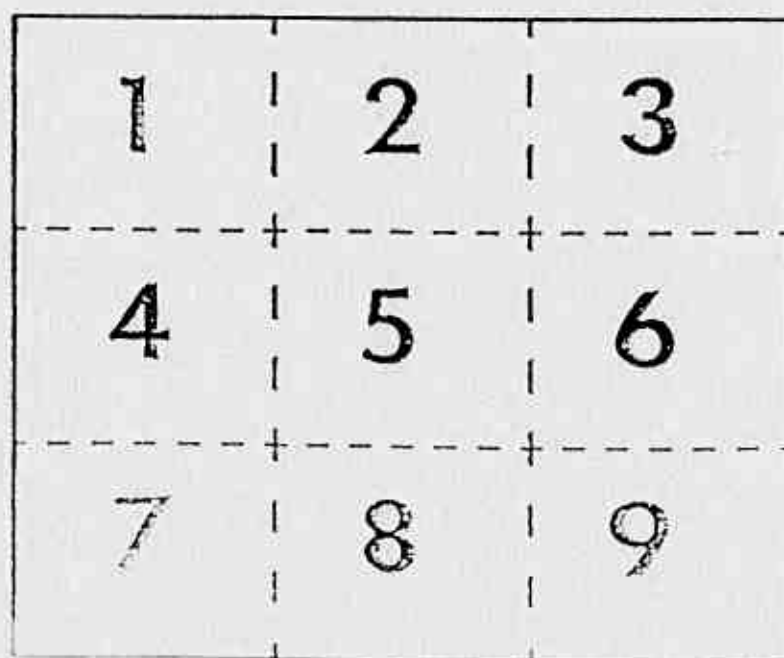
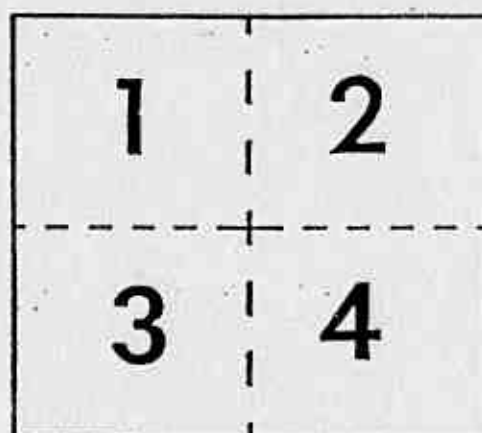
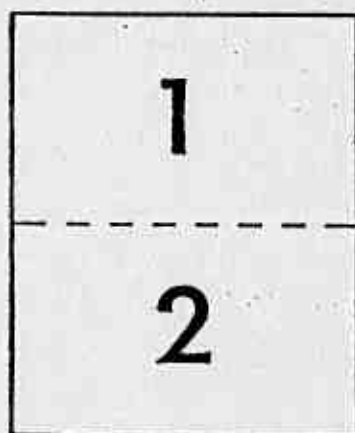
We have not received official receipts of schedules pre-
viously sent you by airmail for other air and water shipments.

ACTION: FINANCE

INFORMATION: NUS
H & TN
AC RECORDS

MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



CIRCULATION O

Notes Ordered.				Notes Delivered.			
Denomination.	Percent of value.	Number of Boxes.	Value.	Denomination.	1st Air Shipment.	Number 2nd Air Shipment.	of 1st Sea Shipment.
Lire 1	2	4,669		1	26	6	214
2	2	2,319		2	26	5	69
5	2	1,176		5	26	-	118
10	2	471		10	23	1	5
50	17	1,500		50	50	14	159
100	32	1,404		100	50	14	154
500	19	171		500	57	67	27
1,000	22	93		1,000	31	51	1
	100	11,823	Lire 13,875 Million.		292	160	727
				Value Millions of Lire.	2,163	2,751	1,241
				Weight Tons	12	6	30

* Of this balance in view of latest deno Washington, the lire 1 & 2 denomination with the 10 x 1000 & 20 x 500 boxes in

4th & 5th Orders.					1st Air Shipment	
Lire				Weight Tons.		Algiers. 11 Sep 43.
1	-	---	---	11	1	-
2	-	---	---	11	2	-
5	1	239	92.5 M	11	5	-
10	2	289	185.	11	10	-
50	6	289	462.5	11	50	-
100	15	433	1,387.5	17	100	-
500	27	156	2,497.5	6	500 mixed	57
1,000	50	144	4,625.	6	1,000	2
	100	1,600	9,250 Million 64			31
						90

Totals to end of 5th Order 13,423 boxes 23,125 Million Lire.

Value Millions of Lire 2,000

Total to date 9,818

Confirmation from Washing- 9,820 ton. 27 Aug.

CIRCULATION OF A. M. LIRE

Distrib

by A.M.

1st Air Shipment.	Number 2nd Air Shipment.	of 1st Sea Shipment.	Boxes 2nd Sea Shipment.	Balance of Orders 1 2 & 3	Totals in Millions of Lire.
Palermo 13. Sep.					
26	8	214	456	3,986	
26	6	69	477	1,742	
26	-	116	254	778	
26	1	5	128	513	
50	14	139	330	967	
50	14	154	278	910	
57	67	27	—	20	
31	51	1	—	10	
292	160	727	1,918	8,726 ⁸	Lire 13,875 Million.
2,163	2,751	1,241	1,603	8,057	
12	6	30	80	356	

Covers 1st and 2nd Air Shipment

AMG. Officers in Field

BK. of Sicily

Current a/c

Provisions against credits
granted by I.M.V.A.Purchases of supplies for CG
advanced

U.S. Army

U.S. Navy

AM Army.

AMGOT Expenses less revenue
in hand

Foreign Currencies purcha

this balance in view of latest denomination requirements as cabled to
Washington, the lire 1 & 2 denomination will probably now not be shipped. Query
with the 10 x 1000 & 20 x 500 boxes incl. in 90 box shipment?

U.S. official B/S

1st Air Shipment
Algiers. 11 Sep 43.

57
2
31

90

2,000

9,818

9,820

27 Aug.

PREPARED

Distribution of Notes.Totals
in Billions
of Lire.by A.M.F.A. as for R/S
9 Sep.

Covers 1st and 2nd Air shipments only.

AMG. Officers in Field		550 Million.
EM of Italy		
Current a/c	605.5 millions	
Provisions against credits		
granted by A.M.F.A.	<u>1,630.</u>	2,253.5
Purchases of supplies for Civ. Supplies Div.		2
Advances		30
U.S. Army	1,638.	
U.S. Navy	50.	
EM Army.	112.	
AMGOT Expenses less revenues	<u>.6</u>	1,750.5
in hand		152.
Foreign Currencies purchased.		<u>1.</u>
		<u>4,914.1</u>

3,875 Million.

ed to
pped. Quarry

U.S. official R/S includes stamps.

PREPARED BY COLONEL STEPHEN VIVIAN-SMITH, M.C.S., A.P.H.C.,

SEPTEMBER, 1943.

FROM:

FREEDOM

14 (14.9.43)

TO:

HQ AMGOT CMF

REPEATED TO 8 COMMAND PAYMASTER, COMPEIGHT, CMF

Pay/358 (.) Most Secret (.) For Grafftey Smith and Gunston from Brickman (.) Understand you have drawn three million BMA from Command Paymaster (.) This was and is required for British Army purposes and is only available reserve for all Mediterranean operations (.) Most strongly request you immediately place this three million at my disposal (.) Trust recent large deliveries of AML to you make this practicable (.) When can you supply sufficient AML for Rooney's needs and similar amount for my other commitments (.) Emphasise you must leave BMA for British Army until you can supply sufficient AML (.) Signal situation (.)

IMPORTANT

Copies for information: 01 (British
Military Government Section
Financial Adviser

Certified true copy

Lt.-Col.,
for Brigadier,
d/Paymaster-in-Chief.

284'

SECRET

Equals British MOST SECRET

MILITARY GOVERNMENT SECTION

Allied Force Headquarters

File # 313.3.

September 23, 1943
(Date)

SUBJECT: Transmittal of Papers.

TO : Lt. Col. Bernard Bernstein, M. G. Sch, & H.C.

1. Herewith are _____ copy(ies) of Ltr fr Col Grafftey Smith re AM Fire Shipment, Ltr fr Col JP Tillman re Banks of Sicily, copy of cable W/743/8354 Ltr to CFO fr Lt Col S.E.V. Smith.

2. Receipt is to be acknowledged on the form below, which should be returned immediately to Military Government Section, Allied Force Headquarters, A. P. O. #512.

T. B. JACKMAN
T. B. JACKMAN,
Major,
Mil. Govt. Sec.

28

SECRET

Equals British MOST SECRET

MILITARY GOVERNMENT SECTION

Allied Force Headquarters.

File # _____.

17 September 1943
(Date)

SUBJECT: Transmittal of papers

TO : Lt. Col. Bernstein

1. Herewith are one copy(~~ies~~) of Freedom cable to AGWAR, 17 Sept;
FRWEDOM cable to FILPOT, 17 Sept; MGS ltr to CFO, AMG, re A.M. Lire
held at MGS for emergency requirements; ltr fr Col Grafftey Smith to
MGS re disbursement of funds by ALFA; ltr fr Col Grafftey Smith to MGS
re A.M. lire shipments; list of boxes arrived Algiers 11 Sep 43.
2. Receipt is to be acknowledged on the form below, which should be
returned immediately to Military Government Section, Allied Force Headquarters,
A. P. O. #512.

T. B. Jackman
T. B. JACKMAN,
Major,
Mil. Govt. Sec.

2813

6A

CIRCULATION O

Notes Ordered.				Notes Delivered.			
Denomination.	Percent of value.	Number of Boxes.	Value.	Denomination.	1st Air Shipment.	Number 2nd Air Shipment.	of 1st Sea Shipment.
Lire 1	2	4,689		1	26	8	214
2	2	2,319		2	26	5	69
5	2 $\frac{1}{2}$	1,176		5	26	-	118
10	2	471		10	26	1	5
50	17 $\frac{1}{2}$	1,500		50	50	14	139
100	33 $\frac{1}{2}$	1,404		100	50	14	164
500	19 $\frac{1}{2}$	171		500	57	67	27
1,000	22	93		1,000	31	81	1
	100	11,823	Lire 13,875 Million.		292	160	727
		---	---	Value Millions of Lire.	2,163	2,751	1,241
				Weight Tons	12	6	30

Of this balance in view of latest den Washington, the lire 1 & 2 denominations with the 10 x 1000 & 20 x 500 boxes

4th & 5th Orders.					1st Air Shipment		
Lire				Weight Tons.			Algiers. 11 Sep 43.
1	-	---	---	11	1	-	-
2	-	---	---	11	2	-	-
5	1	289	32.5 M	11	5	-	-
10	2	289	135.	11	10	-	-
50	5	289	462.6	11	50	-	-
100	15	433	1,387.5	17	100	-	-
500	27	156	2,497.5	6	500 mixed	57	-
1,000	50	144	4,625.	6	1,000	2	-
	100	1,600	9,250 Million	64		31	-
						90	-

Totals to end of 5th Order 13,423 boxes 23,125 Million, Lire.

Value Millions of Lire 2,000

Total to date 9,818

Confirmation from Washing- 9,820 ton. 27 Aug.

41A

Distribution

by A.M.F.A.

Covers 1st and 2nd Air Shipments

AMG. Officers in Field

BN of Sicily

Current a/c

Provisions against credits

granted by A.M.F.A.

Purchases of supplies for Civ. S.

Advances

U.S. Army

U.S. Navy

THE ARMY.

ANGOT Expenses less revenues

in hand

Foreign Currenctes purchased.

N.B. official B/5 incl

Air Shipment
rs. 11 Sep 43.

PREPARED BY COLC

Distribution of Notes.by A.M.F.A. as for B/S
9 Sep.

Covers 1st and 2nd Air Shipments only.

AMG. Officers in Field		650 Million.
BK. of Sicily		
Current a/c	605.5 millions	
Provisions against credits		
granted by A.M.F.A.	1,693.	2,298.5
Purchases of supplies for Civ. Supplies Div.		2
Advances		50
U.S. Army	1,638.	
U.S. Navy	30.	
EU Army.	112.	
AMGOT Expenses less revenues	.6	1,780.6
in hand		152.
Foreign Currencies purchased.		1.
		<u>4,914.1</u>

N.B. official B/S includes stamps.

PREPARED BY COLONEL STEPHEN VIVIAN-SMITH, M.C.S., A.P.H.Q.,

SEPTEMBER, 1943.

3A
Tizi-Ouzou,
22nd September, 1943.

Colonel A. P. Grafftey-Smith,
A.M.G., H.Q.,
PALESTINE.

FILE: ACC/101/2

Dear Grafftey-Smith,

Enclosed is a memorandum prepared by Colonel Howell who is the Chief Financial Officer for Region IV, indicating cash requirements for the initial occupation. Colonel Howell asks that there be forwarded to him in Algiers the eight boxes referred to in paragraph 3. He also asks that the remainder of the boxes be delivered to him by AMFA as soon as possible at an appropriate port on the mainland of Italy. He asks for advice from AMFA as to what would be the appropriate denominations to be used for the payments to be made on the initial occupation.

I should be grateful for your views on the entire question as to the amounts of lire that may be needed in Regions IV and VI during the first 4 weeks, and the denominations of the lire which are most likely to be required. I would also like to have your views as to the desirability of trying to arrange for the tactical units of the Army to take appropriate measures to protect the currency printing presses, dies, etc. from destruction etc. even before the Civil Affairs Officers arrive on the scene.

It would be helpful if you could forward to M.O.S., 1,500 copies of the condensed form of bank balance sheet to be used in Regions IV, V and VI.

As you have heard from Colonel Vivian-Smith, the French are raising the question of obtaining A.M. lire for their expenditures in Italian territory. I believe that consideration should be given to the question of the basis on which A.M. lire will be delivered to the French, i.e., against dollars or sterling deposited in the earmarked accounts at the U.S. and British Treasuries respectively, or against North African Francs held in the earmarked account at the Bank of Algeria or the State Bank of Morocco. Our own view is that it would be preferable to require the French to put up dollars or sterling in an earmarked account at the U.S. or British Treasury, similar to those now in existence. We also feel that the Combined Chiefs of Staff should be asked for a directive on the matter before any final action is taken. Could you let me have your views on the foregoing.

Yours

Charles Smith

advice from AXFA as to what would be the appropriate denominations to be used for the payments to be made on the initial occupation.

I should be grateful for your views on the entire question as to the amounts of lire that may be needed in Regions IV and VI during the first 4 weeks, and the denominations of the lire which are most likely to be required. I would also like to have your views as to the desirability of trying to arrange for the tactical units of the Army to take appropriate measures to protect the currency printing presses, dies, etc. from destruction etc. even before the Civil Affairs Officers arrive on the scene.

It would be helpful if you could forward to M.G.S., 1,500 copies of the condensed form of bank balance sheet to be used in Regions IV, V and VI.

As you have heard from Colonel Vivian-Smith, the French are raising the question of obtaining A.M. lire for their expenditures in Italian territory. I believe that consideration should be given to the question of the basis on which A.M. lire will be delivered to the French, i.e., against dollar or sterling deposited in the earmarked accounts at the U.S. and British Treasuries respectively, or against North African Francs held in the earmarked account at the Bank of Algeria or the State Bank of Morocco. Our own view is that it would be preferable to require the French to put up dollars or sterling in an earmarked account at the U.S. or British Treasury, similar to those now in existence. We also feel that the Combined Chiefs of Staff should be asked for a directive on the matter before any final action is taken. Could you let me have your views on the foregoing.

Yours

Richard A. A. Early

BRIGADIER R. A. EARLY,
Chief, Financial Division, Assistance C. C.

P.S. Since dictating this I have received yours of the 19 Sept. to which I will reply as soon as possible - We are facing the same uncertainties here as you are.

(Signed) R.A.E.

2870

TO: Planning Staff, Armistice C.C. (Attention Chief Financial Officer).
 FROM: Chief Financial Officer, Region 4.
 SUBJECT: Cash requirements in initial occupation.
 REFERENCE: R4/1048/3.
 DATE: 20 September 1943.

1. The amount of A.M. Lire required for the initial four weeks of the occupation of Region 4, including possible advances to the Italian National Government during that period, is estimated to be Lit. 400,640,000.

2. It is suggested that the sum be prepared for delivery in the following denominations:-

No. of Boxes.	Denominations.	Amounts.
20	1 Lire	Lit. 1,280,000
20	2 Lire	2,560,000
40	5 Lire	12,800,000
25	10 Lire	16,000,000
40	50 Lire	64,000,000
40	100 Lire	128,000,000
11	500 Lire	176,000,000
196		<u>Lit. 400,640,000</u>

3. Due to the larger amount thought necessary, and the difficulties of transportation, the following amounts should be delivered before the C.A.O. Officers leave for the Task Forces, and it is requested that these amounts be delivered in sufficient time for that purpose:-

No. of Boxes.	Denominations.	Amounts.
1	1 Lire notes	Lit. 64,000
1	2 Lire "	128,000
2	5 Lire "	640,000
2	10 Lire "	1,280,000
1	50 Lire "	1,600,000
1	100 Lire "	3,200,000
8		<u>Lit. 6,912,000</u>

4. Of the remainder it is estimated that Lit. 115,728,000 will be needed for the initial four weeks of Region 4, which with the above-mentioned Lit. 6,912,000 makes a total estimate for Region 4 of Lit. 120,640,000, and all of which should be delivered in the early days of the occupation.

5. Lit. 230,000,000 is the estimated figure required for the Italian National Government in the initial four weeks. This will be needed if these advances are to be paid through Chief Financial Officer of Region 4, and should be delivered in sufficient time at an appropriate port.

2 Lire	2,880,000
5 Lire	12,800,000
10 Lire	16,000,000
50 Lire	64,000,000
100 Lire	128,000,000
500 Lire	176,000,000
	<u>Lit. 400,640,000</u>

3. Due to the larger amount thought necessary, and the difficulties of transportation, the following amounts should be delivered before the C.A.O. Officers leave for the Task Forces, and it is requested that these amounts be delivered in sufficient time for that purpose:-

No. of Boxes.	Denominations.	Amounts.
1	1 Lire notes	Lit. 64,000
1	2 Lire "	128,000
2	5 Lire "	640,000
2	10 Lire "	1,280,000
1	50 Lire "	1,600,000
1	100 Lire "	3,200,000
<u>8</u>		<u>Lit. 6,912,000</u>

4. Of the remainder it is estimated that Lit. 113,728,000 will be needed for the initial four weeks of Region 4, which with the above-mentioned Lit. 6,912,000 makes a total estimate for Region 4 of Lit. 120,640,000, and all of which should be delivered in the early days of the occupation.

5. Lit. 280,000,000 is the estimated figure required for the Italian National Government in the initial four weeks. This will be needed if these advances are to be paid through Chief Financial Officer of Region 4, and should be delivered in sufficient time at an appropriate port.

E.O. HOWELL.
Colonel, Inf. U.S.A.,
Chief Financial Officer,
Region 4.

TO: Planning Staff, Armistice C.C. (Attention Chief Financial Officer).

FROM: Chief Financial Officer, Region 4.

SUBJECT: Cash requirements in initial occupation.

REFERENCE: R4/1040/S.

DATE: 20 September 1943.

1. The amount of A.M. Lire required for the initial four weeks of the occupation of Region 4, including possible advances to the Italian National Government during that period, is estimated to Lit. 400,640,000.

2. It is suggested that the sum be prepared for delivery in the following denominations:-

No. of Boxes.	Denominations.	Amounts.
20	1 Lira.	Lit. 1,250,000
20	2 Lira.	2,500,000
40	5 Lira.	12,500,000
25	10 Lira.	16,000,000
40	50 Lira.	64,000,000
40	100 Lira.	128,000,000
11	500 Lira.	173,000,000
<u>198</u>		<u>Lit. 400,640,000</u>

3. Due to the large amount thought necessary, and the difficulties of transportation, the following amounts should be delivered before the C.A.C. Officers leave for the Task Force, and it is requested that these amounts be delivered in sufficient time for that purpose:-

No. of Boxes.	Denominations.	Amounts.
1	1 Lira notes.	Lit. 64,000
1	2 Lira notes.	128,000
2	5 Lira "	540,000
2	10 " "	1,280,000
1	50 " "	1,600,000
1	100 " "	3,200,000
<u>8</u>		<u>Lit. 6,912,000</u>

4. Of the remainder it is estimated that an additional Lit. 115,728,000 will be needed for the initial four weeks of Region 4, which with the above-mentioned Lit. 6,912,000 makes a total estimate for Region 4 of Lit. 120,540,000, and all of which should be delivered in time to be taken in by Region 4. The make up of that shipment is as follows:-

No. of Boxes.	Denominations.	Amounts.
19	1 Lira notes	Lit. 1,216,000
19	2 Lira "	2,432,000
36	5 " "	12,160,000
18	10 " "	11,520,000
3	50 " "	12,800,000

3. Due to the large amount thought necessary, and the difficulties of transportation, the following amounts should be delivered before the C.A.C. Officers leave for the Task Forces, and it is requested that these amounts be delivered in sufficient time for that purpose :-

No. of Boxes.	Denominations.	Amounts.
1	1 Lira notes.	Lit. 84,000
1	2 Lira notes.	128,000
2	5 Lira "	640,000
2	10 " "	1,280,000
1	50 " "	1,500,000
1	100 " "	3,200,000
<u>8</u>		<u>Lit. 6,912,000</u>

4. Of the remainder it is estimated that an additional Lit. 115,728,000 will be needed for the initial four weeks of Region 4, which with the above-mentioned Lit. 6,912,000 makes a total estimate for Region 4 of Lit. 120,640,000, and all of which should be delivered in time to be taken in by Region 4. The make up of that shipment is as follows :-

No. of Boxes.	Denominations.	Amounts.
19	1 Lira notes	1,215,000
19	2 Lira "	2,432,000
33	5 " "	12,150,000
18	10 " "	11,520,000
8	50 " "	12,800,000
8	100 " "	25,600,000
3	500 " "	48,000,000
<u>113</u>		<u>Lit. 115,728,000</u>

5. Lit. 280,000,000 is the estimated figure required for the Italian National Government in the initial four weeks. This will be needed if these advances are to be paid through Chief Financial Officer of Region 4, and should be delivered in sufficient time at an appropriate port, in the following denominations :-

No. of Boxes.	Denominations.	Amounts.
3	10 Lira notes.	3,200,000
31	50 " "	49,600,000
31	100 " "	99,200,000
8	500 " "	128,000,000
<u>75</u>		<u>Lit. 280,000,000</u>

2833

OTM
L. O. HOWELL.

Colonel, Inf. U.S.A.
Chief Financial Officer,
Region 4.

ACC
10/11/42

TO: Planning Staff, Armistice C.C. (Attention Chief Financial Officer).

FROM: Chief Financial Officer, Region 4.

SUBJECT: Cash requirements in initial occupation.

REFERENCE: R4/1048/3.

DATE: 20 September 1943.

1. The amount of A.M. Lire required for the initial four weeks of the occupation of Region 4, including possible advances to the Italian National Government during that period, is estimated to Lit. 400,640,000.

2. It is suggested that the sum be prepared for delivery in the following denominations:-

No. of Boxes.	Denominations.	Amounts.
20	1 Lira.	Lit. 1,280,000
20	2 Lira.	2,560,000
40	5 Lira.	12,800,000
25	10 Lira.	16,000,000
40	50 Lira.	64,000,000
40	100 Lira.	128,000,000
11	500 Lira.	176,000,000
<u>196</u>		<u>Lit. 400,640,000</u>

3. Due to the large amount thought necessary, and the difficulty of transportation, the following amounts should be delivered before the C.A.O. Officers leave for the Task Forces, and it is requested that these amounts be delivered in sufficient time for that purpose:-

No. of Boxes.	Denominations.	Amounts.
1	1 Lira notes.	Lit. 64,000
1	2 Lira notes.	128,000
2	5 Lira "	640,000
2	10 "	1,280,000
1	50 "	1,600,000
1	100 "	3,200,000
<u>8</u>		<u>Lit. 6,912,000</u>

4. Of the remainder it is estimated that an additional Lit. 113,728,000 will be needed for the initial four weeks of Region 4, which with the above-mentioned Lit. 6,912,000 makes a total estimate for Region 4 of Lit. 120,640,000, and all of which should be delivered in time to be taken in by Region 4. The make up of that shipment is as follows:-

No. of Boxes.	Denominations.	Amounts.
19	1 Lira notes	Lit. 1,216,000
19	2 Lira "	2,432,000
38	5 " "	12,160,000
18	10 " "	11,520,000
8	50 " "	12,800,000
8	100 " "	25,600,000

3. Due to the large amount thought necessary, and the difficulty of transportation, the following amounts should be delivered before the C.A.O. Officers leave for the Test Forces, and it is requested that these amounts be delivered in sufficient time for that purpose :-

No. of Boxes.	Denominations.	Amounts.
1	1 Lira notes.	Lit. 64,000
1	2 Lira notes.	128,000
2	5 Lira "	640,000
2	10 " "	1,280,000
1	50 " "	1,600,000
1	100 " "	3,200,000
5		Lit. 6,912,000

4. Of the remainder it is estimated that an additional Lit. 113,728,000 will be needed for the initial four weeks of Region 4, which with the above-mentioned Lit. 6,912,000 makes a total estimate for Region 4 of Lit. 120,640,000, and all of which should be delivered in time to be taken in by Region 4. The make up of that shipment is as follows :-

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18	10 " "	11,520,000
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8	100 " "	25,600,000
3	500 " "	48,000,000
113		Lit. 113,728,000

5. Lit. 280,000,000 is the estimated figure required for the Italian National Government in the initial four weeks. This will be needed if these advances are to be paid through Chief Financial Officer of Region 4, and should be delivered in sufficient time at an appropriate port, in the following denominations :-

No. of Boxes.	Denominations.	Amounts.
5	10 Lira notes.	5,200,000
31	50 " "	49,600,000
31	100 " "	99,200,000
8	500 " "	128,000,000
75		Lit. 280,000,000

2837
E. O. HOWELL.
Colonel, Inf. U.S.A.
Chief Financial Officer,
Region 4.

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ALLIED FORCE HEADQUARTERS
Civil Affairs Section

21

Minutes of meeting with Mr. E.M.H. Lloyd, Economic Adviser to the Minister of State, Cairo, 22nd July, 1943, at 1130 hours, on Inflation in the Middle East. Mr. Herbert presided.

PRESENT:

Visitors:-

Mr. E.M.H. Lloyd, Economic Adviser to the Minister of State, Cairo, (British)
Mr. J.S. Bennett, M.E.S.C. Cairo (British)
Mr. Eric H. Biddle, Bureau of the Budget (American)
Mr. J. Weldon Jones, Bureau of the Budget (American)

N.A.E.B. Representatives:-

Mr. R. Herbert, Chief British Economic Adviser
Mr. J. Miller, Deputy Chief British Economic Adviser
Mr. E. V. Rostow, Acting Director of Economic Operations
Mr. B. W. Heineman, Executive Office
Mr. H. Johnson, Executive Office
Mr. H. Glasser, Finance and Control Division
Mr. L. N. Cutler, Import Division
Mr. P. J. Watkins, Import Division
Mr. V. Munroe, Import Division
Mr. J. W. Dolphin, Procurement and Development Division
Mr. G. A. Cressley, British Economic Mission.

I. Inflation; Use of gold to combat inflation.

1. Mr. Lloyd stated that one of the greatest problems facing the M.E.S.C. throughout has been inflation. The degree of inflation varies in the different territories. The worst case is that of Persia whose whole economy has been strained by the use of that territory as a channel for supplies to Russia. There is an acute shortage of supplies for civilian consumption and the budget is not balanced, one-third of the expenditure being met by advances from the Central Bank. Compared with pre-war levels the prices in Persia and Syria have risen about 7 times while in Iraq they have risen about 6 times, chiefly on account of the expenditure of the Allied Armies. On the other hand the countries least affected by inflation are Egypt and Palestine where price levels are at about 2½ to 3 times pre-war. In the worse group of territories prices have risen more than the currency in circulation whereas in the second group currency has increased faster than prices have risen which indicates that money is being hoarded. The disadvantage of this,

N.A.E.B. Representatives:-

Mr. R. Herbert, Chief British Economic Adviser
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 Mr. H. Johnson, Executive Office
 Mr. H. Glasser, Finance and Control Division
 Mr. L. N. Cutler, Import Division
 Mr. P. J. Watkins, Import Division
 Mr. V. Munroe, Import Division
 Mr. J. W. Dolphin, Procurement and Development Division
 Mr. G. A. Crossley, British Economic Mission.

I. Inflation; Use of gold to combat inflation.

1. Mr. Lloyd stated that one of the greatest problems facing the M.E.S.C. throughout has been inflation. The degree of inflation varies in the different territories. The worst case is that of Persia whose whole economy has been strained by the use of that territory as a channel for supplies to Russia. There is an acute shortage of supplies for civilian consumption and the budget is not balanced, one-third of the expenditure being met by advances from the Central Bank. Compared with pre-war levels the prices in Persia and Syria have risen about 7 times while in Iraq they have risen about 6 times, chiefly on account of the expenditure of the Allied Armies. On the other hand the countries least affected by inflation are Egypt and Palestine where price levels are at about $2\frac{1}{2}$ to 3 times pre-war. In the worse group of territories prices have risen more than the currency in circulation whereas in the second group currency has increased faster than prices have risen which indicates that money is being hoarded. The disadvantage of this, however, is that hoarded supplies of money represent a potential menace in that if there should, at any given time, be a general desire to exchange this money against goods, prices would be sent up and inflation would increase.

2. The territorial governments tend to ignore the inflationary gap caused by military expenditure on the part of the visiting armies since they consider that the position is covered by the fact that an extra currency output is covered by sterling or dollars in London and Washington. An instance is Palestine, where of a total national income of about 90,000,000 pounds sterling, military expenditure represents about 35,000,000 pounds or just over one-third. The extra currency required by the military expenditure has been backed by sterling in London. As the pre-war budget of Palestine just balanced, this military expenditure represents a large inflationary gap. The M.E.S.C. have tried to persuade the territorial governments that this military expenditure should be offset against loans to the Allies in the local currency raised from

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increased taxation, loans, etcetera. These representations have met with but little success. Saving certificates have been attempted in Palestine and certain lottery loans have been issued, but with little effect. Government borrowing throughout the Middle East is extremely limited. Mr. Lloyd stated that in terms of its pre-war purchasing power the value of the pound now represents in the U.K. 12/6d., Egypt 7/6d., Palestine 6/4d., Persia 4/4d., Iraq 3/4d., and less than 3/- in Syria.

3. Two of the main remedies against this position are 1) to restrict the need for more currency, and 2) to bring in more consumer goods. Since the import of consumer goods must necessarily be restricted for shipping considerations, the Minister of State has urged during the past six months that he should be allowed to bring in gold for sale in the Middle East. The paper money price of gold has risen to a point where the prevailing price for one gold sovereign is five to six pounds, while the highest price touched has been eight pounds in Syria. Mr. Lloyd pointed out that the relation of paper money to gold should be borne in mind in considering paper money prices of for instance wheat. Although the Middle East wheat prices appear very high if they were considered from the angle of the ratio of paper currency to gold, the prices bore a surprising correlation with North American prices, 1 gram of gold being about/equivalent of one bushel of wheat in both cases. If the cultivator can be persuaded to hoard gold instead of wheat both the supply and the inflation position will be greatly improved. This gold policy has now been approved and has been started in Persia but has not been functioning long enough as yet for any accurate information to be available as to the degree of success attending it. Mr. Lloyd was able to say, however, that in Syria the French had until recently refused to allow nationals to buy sterling securities, which were held by the Caisse Centrale. Recently, however, the French were persuaded to allow the public to buy sterling securities and this produced the immediate effect of depressing prices generally, including even the price of gold. It is expected that the sale of gold in Persia will have a similar effect. As to the method by which the gold is sold Mr. Lloyd stated that the Banks would be used for retail sale of gold against local currency over the counter. Mr. Biddle added that when he left Persia recently the Public Auction system was also being used.

4. In reply to Mr. Cutler who enquired why wheat was not purchased directly with the gold Mr. Lloyd said that the aim was not to put the Middle East on a gold standard by using the gold as a currency but to mop up local currency particularly with a view to using this for the armies' expenditure instead of having to meet this expenditure with new issues of currency. Briefly therefore, the use of gold was 1) to save money for the Exchequer, and 2) to mop up purchasing power, thus reducing the demand for new currency and indirectly causing the dehoarding of wheat, because the native will sell his wheat in order to procure paper currency with which to buy gold. There is general opposition to any suggestion of the use of gold in any direct barter scheme.

5. The form of the gold used so far has been gold sovereigns or other

touched has been eight pounds in Syria. Mr. Lloyd said that the relation of paper money to gold should be borne in mind in considering paper money prices of for instance wheat. Although the Middle East wheat prices appear very high if they were considered from the angle of the ratio of paper currency to gold, the prices bore a surprising correlation with North American prices, 1 gram of gold being about equivalent of one bushel of wheat in both cases. If the cultivator can be persuaded to hoard gold instead of wheat both the supply and the inflation position will be greatly improved. This gold policy has now been approved and has been started in Persia but has not been functioning long enough as yet for any accurate information to be available as to the degree of success attending it. Mr. Lloyd was able to say, however, that in Syria the French had until recently refused to allow nationals to buy sterling securities, which were held by the Caisse Centrale. Recently, however, the French were persuaded to allow the public to buy sterling securities and this produced the immediate effect of depressing prices generally, including over the price of gold. It is expected that the sale of gold in Persia will have a similar effect. As to the method by which the gold is sold Mr. Lloyd stated that the Banks would be used for retail sale of gold against local currency over the counter. Mr. Biddle added that when he left Persia recently the Public Auction system was also being used.

4. In reply to Mr. Outler who enquired why wheat was not purchased directly with the Gold Mr. Lloyd said that the aim was not to put the Middle East on a gold standard by using the gold as a currency but to mop up local currency particularly with a view to using this for the Armies' expenditure instead of having to meet this expenditure with new issues of currency. Briefly therefore, the use of gold was 1) to save money for the Exchequer, and 2) to mop up purchasing power, thus reducing the demand for new currency and indirectly causing the dehoarding of wheat, because the native will sell his wheat in order to procure paper currency with which to buy gold. There is general opposition to any suggestion of the use of gold in any direct barter scheme.

5. The form of the gold used so far has been gold sovereigns or other coins but it has just been arranged to have very small bars cast in London in the form of a thin disc weighing 1-7/8 ounces, equivalent to about seven sovereigns. Mr. Glasser asked whether, assuming that the selling of gold introduced dehoarding and increased commercialisation of wheat and other produce, it was intended to permit this extra commercialisation of supplies to be consumed within the territories and whether it was expected that it would have the effect of bringing the prices down. Mr. Lloyd stated that the cereals collection schemes in the Middle East have been successful and have caused prices to descend. The present year's collection is now in progress and it is felt that this would have been more successful if more consumer goods had been available for distribution. In Persia silver is at present being sold in the villages as an inducement to dehoarding and if, as may well be, there is a still greater shortage of cotton piece goods next year, gold and silver will be of even greater value in this way. Gold in itself, however, is regarded not as a solution to the problem but rather as a palliative and it is not expected that the gold policy in itself will bring

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down prices. The aim is rather to stabilise prices and to reduce the rate of increase in currency circulation. It must furthermore be borne in mind that one of the first effects of the sale of gold will be a fall in the price of gold itself, which will thus lose some of its value in the eyes of speculators who will tend to turn rather to other commodities including land. Mr. Glasser suggested that if this policy caused the price of gold to fall lower and lower the purchasers would lose faith in gold as they already lost faith to a great degree in paper currency, but Mr. Lloyd thought that the Arabs in particular attach an intrinsic value to gold as a store of wealth if only for the simple reason that it is more durable than paper. He added that he thought that about six months would have to pass before one could judge how successful the scheme had been.

II. Problems arising from divergent price levels in adjacent territories.

6. Mr. Lloyd stated that one of the greatest problems of inflation was that of the different price levels existing in the different territories. An instance of the difficulties caused by this had been quoted by Commander Jackson in the recent meetings between the M.E.S.C. and the M.A.E.B. when on account of having received offers of 80 pounds to 90 pounds per ton from Syria and the Lebanon for their rice the Egyptians though unable to export to Syria and the Lebanon were influenced by this offer to impose an export duty of 50 pounds per ton on the rice which the Ministry of Food was to purchase at 25 pounds per ton for Ceylon. Commander Jackson had also described the way in which transport facilities and the exercise of censorship through the territorial governments have been used to combat this sort of difficulty. One extreme instance is provided by Syria and Palestine. Before the war fruit and vegetables crossed freely in both directions but now Palestine cannot afford to buy these goods from Syria, and export from Syria to Palestine has in any case been forbidden. It is hoped that the gold policy will prevent the various price levels from getting too much out of line with each other. The problem has been systematically tackled in the Sudan where the Government sell a great deal to the British Ministry of Supply at reasonable prices which are lower than those of any other Middle East territory. The Government also sell locally through the U.K.C.C. who hard any profits from these sales to the Sudan Government which sets them off against losses on high cost imports from surrounding countries.

7. Syria represents the other extreme since importers are there allowed to make windfall profits. A recent report has urged that the Syrian Government should impose import duties in order to subsidise exports but this idea meets with resistance from those who consider that an import duty cannot have an anti-inflationary effect since it tends to put up prices to consumers. Mr. Lloyd said that this need not be so if retail prices are already as high as supply and demand determine and unreasonable profits are being made by intermediaries.

8. Mr. Lloyd suggested that, as in the U.K., prices of essential

6. Mr. Lloyd stated that one of the difficulties was that of the different price levels existing in the different areas. An instance of the difficulties caused by this had been quoted by Commander Jackson in the recent meeting between the M.E.S.C. and the N.A.E.B. when on account of having received offers of 80 pounds to 90 pounds per ton from Syria and the Lebanon for their rice the Egyptians though unable to export to Syria and the Lebanon were influenced by this offer to impose an export duty of 50 pounds per ton on the rice which the Ministry of Food was to purchase at 25 pounds per ton for Ceylon. Commander Jackson had also described the way in which transport facilities and the exercise of conscription through the territorial governments have been used to combat this sort of difficulty. One extreme instance is provided by Syria and Palestine. Before the war fruit and vegetables crossed freely in both directions but now Palestine cannot afford to buy these goods from Syria, and export from Syria to Palestine has in any case been forbidden. It is hoped that the gold policy will prevent the various price levels from getting too much out of line with each other. The problem has been systematically tackled in the Sudan where the Government sell a great deal to the British Ministry of Supply at reasonable prices which are lower than those of any other Middle East territory. The Government also sell locally through the U.K.C.C. who hand any profits from these sales to the Sudan Government which sets them off against losses on high cost imports from surrounding countries.

7. Syria represents the other extreme since importers are there allowed to make windfall profits. A recent report has urged that the Syrian Government should impose import duties in order to subsidise exports but this idea meets with resistance from those who consider that an import duty cannot have an anti-inflationary effect since it tends to put up prices to consumers. Mr. Lloyd said that this need not be so if retail prices are already as high as supply and demand determine and unreasonable profits are being made by intermediaries.

8. Mr. Lloyd suggested that, as in the U.K., prices of essential commodities should be pegged, if necessary by subsidy, and prices of unessential goods should be allowed to rise, particularly through the imposition of a tax which could be used to meet the subsidies on essential items. He did not consider that prices should be fixed in the light of landed costs.

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ALLIED FORCE HEADQUARTERS
Military Government Section

12 August 1943.

MEMORANDUM TO: Lord Forrester.

SUBJECT : Requirements for Currency.

I have been considering in the last day or two what further requirements of Allied Military Lira notes will be required in connection with operations on the mainland of Italy up to and inclusive of the area laid down in paper number 5. I am sending a warning cable to the Combined Chiefs of Staff and I wish you to instruct Lt. Darlington forthwith to make a detailed study of the problem.

Clear Instruct Darlington to report here tomorrow morning, 13 August. He will then have an opportunity of looking through our financial files and decide what papers he wishes to incorporate in his own files. These will then be provided by Dalrymple and sent to Tizi Ouzou as early as possible.


A. T. MAXWELL
Colonel
Deputy Chief.

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