

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

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10000/100/511
(VOL. II)

817

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

10000/100/511
(VOL. II)

FINANCIAL CURRENCY ARRANGEMENTS
JUNE, JULY 1943

2
11
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Folio.	Ref.	Date.	From: To:
134.	CA/550.	22 July 43	To: AGWAR.
135	CA/554.	23 "	To: ADV. HQ 7 Army
136	CA/547	22 "	" 86 AREA SYRACUSE.
137	157AC/7804A 2A	"	To: D.F.G. 15 Army GROUP.
138	"	23 "	To: Col. THORNE THORNE.
139	CA/556 24	"	To: FREEDOM.
140	3339	22 "	From: Freedom
141	3930.	24 "	From AFHQ.
142	CA 558	25 "	To: AFHQ.
143.	2642.	23 "	From: AFHQ.
144	None	25 "	To: CCAO Syracuse.
145.	38/A2	25 "	From: DAY 15 AG.
146	7804 26	"	To: 6th Army.
147	7804 26	"	To: CCAO ADV AMGT SYRACUSE 9 Gp (AF) DENSON
148	CA 564 26	"	To: FREEDOM.
149	4615	26 "	From: A.F.H.Q.
150	4613	26 "	From: AFHQ.
151.	FCR/AFK.	19 "	From: Commanding Officer
152A	AM 607/16	28 "	From: ADV AMGT
152	CA 578	29 "	To: Freedom
153	CA 579	29 "	To: Freedom
154	7952	29 "	To: Mil Sec AFHQ
155	CA 582	29 "	To: Freedom
156	5503	29 "	From: AFHQ
157	646	30 "	

143.	3642.	23	"	From: AFHQ.
144	None	25	"	To: CCAO Syracuse.
145.	381/12	25	"	From: DAG 15 AG.
146	7804	26	"	To: 6 Gen 7 th Army.
147	7804	26	"	To: CCAO Adv AMGOT SYRACUSE 9 Sp (AP) DENSON
148	CA 564	26	"	To: FREEDOM.
149	4615	26	"	From: R.F.H.Q.
150	4613	26	"	From: AFHQ.
151.	FCB/ADP.	19	"	From: Command for AFHQ.
152A	AM 607/16	28	"	From: Adv AMGOT
152	CA 578	29	"	To: Freedom
153	CA 579	29	"	To: Freedom
154	7952	29	"	To: ML In Sec AFHQ
155	CP 582	29	"	To: Freedom
156	5503	29	"	From: AFHQ
157	6160	31	"	From: Freedom
158	CA 587	1	Aug	To: FREEDOM.
159	R/121/31.	30	July	From: FREEDOM.

3799

FOLIO

REF NO.

FROM/TO

101	—	24 June	112000 to Chief Finance Dept
102	1 HQ/PA/156/114	27 June	To Chief Finance Officer
103	—	24 June	To Chief Administrative Officer
104	—	13 "	112000 to Chief Finance Dept
105	8CP/5/1/17 No	"	Special Command Pay Office
106	114/CA	24 "	HQ 343 FORCE
107	F/one	July 1	Adm 12th Army
108	CA/249.	- 3.	To: Adm. Ech. 12 Army for AMGT.
109.	7804/CA.	- 2.	To: Comd. Paymaster - Algiers.
110.	W.3552.	June 26.	From: Mil. Govt. Sec. A.F.H.Q.
111	—	" 25	To: C.A. 343 Force.
112	CA/248	Jul 3	" "
113	F/2	" 5	From Algiers to 12th Army
114	1HQ/PA/156/114	" 2	From: D.P.I.C., AFHQ (Brick)
115	8CP/5/1/17	" 3	From: No 8 Special Bd Pay Office.
116.	7804/CA	" 7	To: The Senior Paymaster, Tunisia.
117	9734	" 8.	From: Troopers. Transferred to #7979.
118	No 4861	26 June	From A.F.H.Q.
119	No 415	2 July	From A.F.H.Q.
120	No. W4217	6 July	From A.F.H.Q.
121	CA 24	15 "	From Patton
122	CAF/46	16 "	To, 12th Army for Algiers
123	—	18 "	From Military Government Section

111			25	To: C.A. 343 Force
112	CA 248	Jul 3	"	"
113	F/2	" 5	"	From Amgot Twelve Field Army
114	1HQ/PA/156/114	" 2	"	From: D.P.I.C., AFHQ (Brix)
115	8CP/5/1/17	" 3	"	From: No 8 Special Bldg Office
116	7804/CA	" 7	"	To: The Senior Paymaster, Taiwan
117	9734	" 8	"	From: Troopers. Transferred to 7979
118	No 4861	26 June	"	From F.F.H.G.
119	No 415	2 July	"	From F.F.H.G.
120	No. W 4217	6 July	"	From F.F.H.G.
121	CA 24	15 "	"	From Puller
122	CAF/146	16 "	"	To 10th Army for Amgot
123	---	16 "	"	From Military Government Section
123A	NONE	24 June	"	From: Tallman to ex. Bernstein
123B	"	19 June	"	From: 1 Arm'd Cops. Reinf.
124	"	17 June	"	From: " " "
125A	416	3 July	"	From: AGUAR
125B	W. 4217	6 July	"	From: M.C.S. AGUAR
126	A. 94	9 July	"	TO TRIPORSE FROM 30 COPS
127	Freedom 416	9 July	"	From: AGUAR for FREEDOM (GPD)
128	7804	12 July	"	To: C.F.O. Rear HQ
129	736	12 July	"	From: PANTOX AMGOT
130	Pay 246	30 June	"	From: FREEDOM for TPRS
131	95729 F2	3 July	"	From: TROOPERS for FREEDOM
132	1,248/PA/156	2 July	"	From: A7440
133	1-47/94	13 July	"	From: A7440 TO AGUAR (MARSHALL)
134	R15072951	20 July	"	From: FREEDOM - CARTER

3798

785015

~~TOP SECRET~~

CIPHER MESSAGE

FOLIO NO. 18,469.
30 JULY 43.FROM : FREEDOM
TO : TANTOX
ORIG. NO : R/121/31IN
7910
17804
139
AMGOTTOO 1634/30
THI NIL
TOR 1932

159

FOR AMGOT TANTOX REFERENCE CA556 FROM CARTER FISCAL DIRECTOR
REMAINING PORTION ALLIED MILITARY POSTAL STAMPS ARE NOW
AVAILABLE FOR SHIPMENT REMAINING PORTION ALLIED MILITARY
CURRENCY WILL BE AVAILABLE AS OUTLINED IN OUR RADIO NUMBER
THREE ZERO FIVE ZERO *PAREN TWO ZERO JULY SPTSM PLEASE EXPEDITE
REPLY AS TO HOW SHIPMENT SHOULD BE MADE AS REQUESTED IN OUR
RADIOS 3050 DATED 20 JULY AND 3209 JULY 22 DATED.

CIVIL AFFAIRS 3 ACTION

N. TRACED OUT SEE 141, 148, 152, 155

SMC 2115B/31.

T.T. 2155B/31.

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ACTION

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158

AMOT PARTOX

Q103X8

FRISUCH

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Sec/Army by TAG/ _____ date _____
411410

CA 587

157

YOUR 6160 of 31. JULY (.) 52830 of 25. JULY RECEIVED LAST MESSAGE
NOT RECEIVED (.) REPEAT.

R. J. F. THORNE TROENE, Col.

ROUTINE

379
PH
RSH/2

**MOST
SECRET****IMPORTANT
CIPHER MESSAGE
IN**

157 ✓

FOLIO NO. 18206
31 JULY 43.

FROM : FREEDOM SIGNED CINC
TO : REAR 15 ARMY GROUP FOR/ASG VVT/AMG
ORIG NO. : 6160

TOO 0916B/31
THI NIL
TOR 1226B/31

FOLLOWING OET/88400 OF 29 JULY IS QUOTED FOR YOUR INFORMATION AND NECESSARY ACTION BY YOU. QUOTE. YOUR 528880 OF 25TH JULY. ONE. XF-5 FROM CFA. AGREE INTRODUCTION NEW CURRENCY TRIPOLITANIA URGENT AND HOPE TO CARRY THROUGH BY OCTOBER 6. TWO. BOTH IN TRIPOLITANIA AND CYRENAICA UNLICENSED EXPORT OF LIRE IS ALREADY PROHIBITED BY PROCLAMATION NUMBER 7, ARTICLE 3. DPIC ARRANGING ORDER THAT TROOPS MAY NOT TAKE OUT MORE THAN THE EQUIVALENT OF TWO POUNDS. THREE. ARRANGING FOR ANY EVIDENCE OF SPECULATION TO BE IMMEDIATELY REPORTED. PRESENT OPEN MARKET RATE TRIPOLITANIA IS 535, APPARENTLY A REACTION TO WAR NEWS. FOUR. DPIC WILL ARRANGE EXCHANGE AT 400 NOTES OF SICILY ORIGIN US TO TWO POUNDS AS SUGGESTED BY YOU AGAINST CERTIFICATE OF ORIGIN BUT WE CONSIDER IMPOSSIBLE PREVENT NOTES PASSING TO SICILY BY AIR OR SEA IF SPECULATORS ARE DETERMINED TO OPERATE. PRESUME PAYMASTERS IN SICILY WILL NOT EXCHANGE LIRE FOR TROOPS, UNQUOTE. 52880 OF 25 JULY REFERRED TO ABOVE WAS REPEATED TO YOU BY AFHQ MESSAGE CENTRE.

* INSERT 'BOTH'

*Signals instructions to be inserted in***AMC DISTRIBUTION**AMCOT
CG-MAN

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Spec/Army by TAG/ date

411410

ACTION
158

SMC 132/31
T T 1403B/31 RHG

31/7 379

156

HEADQUARTERS

Date

7804

SECRET

CIPHER MESSAGE CE 141
IN

FOLIO NO : 17703
29 JUL 43

FROM: SIGNED EISENHOWER CITE PHMGS
TO: AMGOT
ORIG NO: 5503
FOLLOWING TROOPERS FIVE THREE FOUR ONE SIX DASH F FIVE OF TWO
SEVEN IS QUOTED FOR YOUR INFORMATION.
COIN, TOTAL ONE FIVE TWO TWO ZERO ZERO. FOR AMPA. MY
LETTERS ONE TWO JULY TO RENNELL AND TWO ONE JULY, EM DASH
TWO NINE, TO STANHAM REFER. QUOTA CONSIGNMENT SEVEN NINE BOXES,
EACH L ONE TWO TWO FIVE ZERO, TOTAL L NINE SIX SEVEN SEVEN
FIVE ZERO. FIVE ONE FIVE NOT FIVE ONE FOUR BOXES BRITISH.

TOO 1236B/29
THI

TOR 2120B/29

AMGOT 3 ACTION

SMC 2230B/29
T.T.2315B/29 JT

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Sec/Army by TAG/ ----- d41-14-10

ACTION

No TRACE

to SEE:

LT COL FARLEY SMITH Seen on 7804/8.

PA 9'
30/7

158

RECOT PATION.

2917003

WREDDH

GA 502

SECRET (.) FOR M.C.S. (.) ARGUMENTS HAVE BEEN MADE FOR BALANCE
OF FIRST SHIPMENT OF WHEAT AMOUNTING 450 TONS TO BE SHIPPED AGAINST FOR
AMOUNT CASH CUL. SIES (.) IF CARRYING SITUATION MAKES IT POSSIBLE CASH
AGREE TO EACH SHIPMENT DIRECT TO PALMER.

PA 307

CA 502

SECRET (.) FOR X.L.S. (.) ARRANGEMENTS HAVE BEEN MADE FOR DELIVERY
OF FIRST SHIPMENT OF MINE MINIMUM 150 TONS TO BE SHIPPED ABOARD FOR
ABOUT ONE OR TWO DAYS (.) IF SHIPPING SITUATION MAKES IT POSSIBLE OTHER
AGREEMENT TO MAKE SHIPMENT DEFERRED TO LATER.

RA 307

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Sec/Army by TAG/ 411410
date

3793

7804

RAE
for
COLUMBIA

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

File 7804 1524
AMGOT 15 ARMY GROUP
APO 777

SECRET

DLF/7952/CA

July 29, 1943

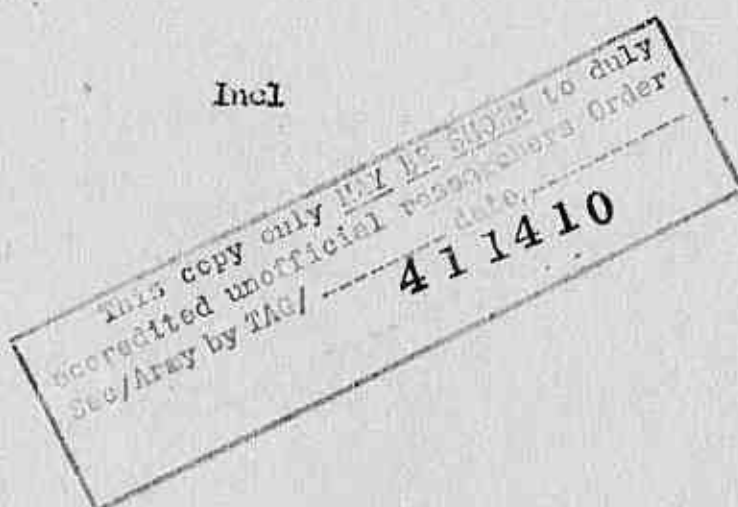
SUBJECT: A M lire - Press Release

MEMORANDUM FOR: Military Government Section, AFHQ

Attached find amended proposed press release covering currency plan of A M lire which has been approved by General Rennell and General McSherry. Please release forthwith through Major SOMMERS, Public Relations Officer.

Rh
Colonel,
S.S.O.

Incl



To SER 3792
LT JAMES

29/7

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

Exemption
See paper insert

ALLIED FORCE HEADQUARTERS

Public Relations Office

HOLD FOR RELEASE

Allied Force Headquarters, North Africa

One of the most closely guarded secrets concerning the Allied occupation of Sicily was revealed today with the announcement of the currency plan developed and directed by the joint British and American Allied Military Government for the Island.

When the Allied troops landed in Sicily, they carried "spearhead currencies" to pay for what they bought. These spearhead currencies, in the form of United States "Yellow Seal" currency and British Military Authority notes, were declared to be legal tender in a proclamation posted by our armed forces as they took over areas of Sicily.

The proclamation also fixed a rate of exchange of 100 Italian lire to the Yellow Seal dollar and 400 Italian lire to the British Military Authority pound. The rate between the B.M.A. pound and the Yellow Seal dollar was fixed at the usual rate of 4 American dollars to the British pound.

The United States "Yellow Seal" currency is the same as ordinary currency notes in circulation in the United States except that a yellow seal is overprinted on the right hand side of the front of the bill in place of the familiar blue seal. The British Military Authority currency is in pounds sterling and shilling notes, similar to the currency already in circulation in Tripolitania.

British and U.S. subsidiary coin - shillings, pence, half dollars, quarters, dimes, nickels, pennies, and so on - were also brought in by the Allied Armies.

The Italian lira, however, continues to be legal tender on the Island as heretofore.

A second step in the Allied Military Government currency program for Sicily

154-B

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The Italian lira, however, continues to be legal tender on the Island as heretofore.

A second step in the Allied Military Government currency program for Sicily is now announced with the arrival in Sicily of stocks of lire in the form of Allied Military Lire notes which have been printed in Washington by the U. S. Treasury Department. A second currency proclamation has been issued declaring such notes to be legal tender in Sicily and to be in all respects equivalent in value to and interchangeable with any other lire currency circulating in Sicily.

Allied Military Lire notes are merely a supplement to and not a substitute for existing Italian lire currency.

The plans for the Allied Military Lire and the carrying out of the printing and transportation of it comprise one of the most interesting episodes in the careful and secret preparations made by the American and British officers, who jointly constitute the Allied Military Government of Sicily, whose work paralleled the plans for

the invasion of the Island.

Some time before the invasion day, the U. S. Treasury had carried forward the manufacture of the notes as far as military secrecy permitted. But not until the day the first British, Canadian and American troops landed in Sicily were any words added to the plates which would have revealed the territory in which it was planned to use the currency.

Soon after the invasion began, two closely guarded transport planes left the United States for Tunis with the first load of Allied Military Lire. They were followed in five days by two more planes carrying additional stocks of the supplementary currency.

In Tunis, officials of the Allied Military Financial Agency (AMFA), set up by the Allied Military Government to supervise currency and credit matters in occupied territory, awaited the planes carrying the new notes. They had guards and transportation ready for the trip to Sicily, where the notes were needed as quickly as possible. The first use of the money is for soldiers' pay. The currency will also be used to support the banks of the area if they need it when they are reopened.

It is obviously essential for the proper administration of Sicily that there be a sufficient and adequate currency in circulation. Allied leaders anticipated that the Fascist authorities, faced with retreat or surrender, would take measures to reduce stocks of Lire in Sicily. Happily in some cases they did not have time to complete the destruction. The banks in Sicily are of course closed for the time being; it has not yet been possible to ascertain the total amount of Italian lire currency which has been left.

The Allied Military Lire notes will be used in exactly the same way as other Lira currency, and the Allied Military Government will take every precaution necessary to insure its acceptability as a medium of exchange at the same value as the Italian

the Allied Military Government to supervise currency and credit matters in occupied territory, awaited the planes carrying the new notes. They had guards and transportation ready for the trip to Sicily, where the notes were needed as quickly as possible. The first use of the money is for soldiers' pay. The currency will also be used to support the banks of the area if they need it when they are reopened.

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The Allied Military Lire notes will be used in exactly the same way as other lira currency, and the Allied Military Government will take every precaution necessary to insure its acceptability as a medium of exchange at the same value as the Italian lira.

The amount of A.M. Lire currency to be put into circulation will be strictly controlled by the Allied Military Government so as to mitigate the possibility of inflation.

It is anticipated that in any ultimate armistice or peace arrangement made with a future non-Fascist Italian Government, provision will be made to insure that Allied Military Lire currency notes are given full value by the Italian authorities and treated indistinguishably from other lire currency in circulation in Sicily.

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ADOT PANTON

2912000

PHEDOL

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Sec/Army by TAG/ ----- date -----

411410

GA 573

SECRET(.) FOR U.S. PUBLIC RELATIONS FOR BOSTON FROM JAMES (.) REVERED
FEDERAL BUREAU OF INVESTIGATION AIR M.C.B., A.P.B.C., VIA YOURS PHEDOL JOHN (.)
PLEASE CONTACT AND RETURN IMMEDIATELY IN NEW FORM (.) YOURS FORWARDED. 378,

7804

G.B.

IMPORTANT

785015

ACCT TANK

2012008

TANK

CA576

SECRET (.) For M88 and Col Sims (.) ADVANCE AHEAD PURCHASE requests following be sent AHEAD for OCS and CAMER (.) Ref your cables 135 of 2 July and R 150/2951 of 20 July and 3950 of 24 July 233 boxes of notes and 8 boxes of stamps have duly arrived ACHUENHO (.)

Have delivered on July 26 against a receipt Lire 500,332,000 in Allied Military Currency to Captain O C OULMANN 0-125830 Ranking Officer 26th Machinegun Section Symbol No 111-185 on instructions of Colonel William Chief Finance Officer Seventh Army (.) Captain OULMANN is one of the persons designated by Col SIMS for the purpose of receiving such money (.)

Have undertaken to deliver to Captain OULMANN as instructed by Colonel WILLIAMS balance required to make up approximately one thousand million Lire in next few days (.)

Any finance officers will not pay out all Lire until proclamation relating such Lire legal tender is published (.) Instructions have been issued to publish such proclamation (.)

Request you ship 2 tons of 25, 25 and 50 centimetre stamps by air to PALERMO not ACHUENHO and ship balance of stamps by vessel to PALERMO (.) In all instances address boxes to AHEAD (.) Ende

04576

SECRET (.) For MRS and Col Sims (.) AWAY FROM PORTAGE to posts following the sent AMAR for GDS and GARRER (.) Regime (.) Ref your cables 415 of 2 July and R 157/2951 of 20 July and 1953 of 24 July 209 boxes of notes and 6 boxes of stamps have duly arrived ALBUQUERQUE (.)

Have delivered on July 26 against a receipt 140,352,000 in Allied Military Currency to Captain C C CHAMBERLAIN 0-425830 Acting Officer 26th Distancing Section Symbol No 211-105 on instructions of Colonel William Chief Finance Officer Seventh Army (.) Captain CHAMBERLAIN is one of the persons designated by Col SIMS for the purpose of receiving such money (.)

Have undertaken to deliver to Captain CHAMBERLAIN as instructed by Colonel STELLMAN balance required to make up approximately one thousand million lire in next few days (.)

Any finance officers will not pay out all lire until proclamation making such lire legal tender is published (.) Instructions have been issued to publish such proclamation (.)

Request you ship 2 tons of 15, 25 and 30 centime stamps by air to PALERMO not ALBUQUERQUE and ship balance of stamps by vessel to PALERMO (.) In all instances address boxes to ALBUQUERQUE (.) Ende

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372

117200040

Link 001

785015

To: AGWAR for CCS and CARTER

Cable NO: ALGOT/16

26 July 1943

118. 141
 Ref your cables 415 of 2 July and R 150/2951 of 20 July and 3950 of 24

July 289 boxes of notes and 8 boxes of stamps have duly arrived AGRIGENTO. (.)

Have delivered on July 26 against a receipt Lire 500,352,000 in Allied

Military Currency to Captain O. C. CULBRETH O-425830 Funding Officer 26th

Disbursing Section Symbol No. 211-185 on instructions of Colonel Tillman Chief

Finance Officer Seventh Army. (.) Captain CULBRETH is one of the persons designated
 by Col. SILS for the purpose of receiving such money. (.)

Have undertaken to deliver to Captain CULBRETH as instructed by Colonel
 TILLMAN balance required to make up approximately one thousand million lire in
 next few days. (.)

Army finance officers will not pay out AL lire until proclamation making
 such lire legal tender is published. (.) Instructions have been issued to publish
 such proclamation. (.)

Request you ship 2 tons of 15, 25 and 30 centisimi stamps by air to
 PALERMO not AGRIGENTO and ship balance of stamps by vessel to PALERMO. (.) In all
 instances address boxes to ALGOT. (.)

Taken by Major Croft:

Clear Tillman M.G.S. + Col. Sils at AFH

Army finance officers will not pay out AM lire until proclamation making such lire legal tender is published. (.) Instructions have been issued to publish such proclamation. (.)

Request you ship 2 tons of 15, 25 and 30 centisimi stamps by air to PALERMO not AGRIGENTO and ship balance of stamps by vessel to PALERMO. (.) In all instances address boxes to AMOT. (.)

Taken by Major Croft:

Clear thru M.G.S. + Col. Linares at H.F. 746

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28 Jul 43
7704

SECRET

IMMEDIATE
CIPHER MESSAGE
IN

FOLIO NO: 17486
19 JUL 43

FROM: S COMMAND PAY OFFICE
TO: FANTOX FOR COMMAND PAYMASTER
ORIG NO: FCP/ACP

TOO
THI
TOR 185EB/27

LOCAL CURRENCY POSITION SAFE AT PRESENT. HOLD TWENTY MILLION
AND FURTHER FIFTY MILLION AVAILABLE LOCAL BANKS. CLOSE CONTACT
MAINTAINED WITH AMGOT. PLENTY REQUIRED FOR EXCHANGE
PURPOSES UNITS OTHER THAN REP. SUGGEST INCREASED QUANTITY
HELD TO MEET POSSIBLE URGENT DEMANDS. WILL SIGNAL DPIC
IF NECESSARY.

COND PAYMASTER 2 ACTION
AMGOT 3

SEC 2100B/27
7.2.2125B/27 JT

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To Sec

LT Col M. H. Smith

T.B.

N/A. 1 of the Paymaster's reg

P/A 28/7/43

28/7/43

785015

SECRETCIPHER MESSAGE
IN

HEADQUARTERS

FOLIO NO 17167
26TH JULY 43FROM : AFHQ SIGNED CINC
TO : AMGOT
ORIG. NO: 4613 CITE FHMG

FORCE 141

TOO NIL

THI 1911B.

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YOUR CA 558 JULY 25.

THE FOLLOWING MESSAGE, NUMBER 2305 JULY 11, CAN 161 IS QUOTED FOR YOUR
INFORMATION:

THE COMBINED CHIEFS OF STAFF HAVE APPROVED THE FOLLOWING INSTRUCTIONS REGARDING CURRENCY ACCOUNTS AND RECORDS AS A SUPPLEMENT TO THE DIRECTIVE FOR MILITARY GOVERNMENT FOR HUSKY CABLED TO YOU ON 31 MAY, TEN JUNE AND 25 JUNE 1943. THE SUPPLEMENTARY INSTRUCTIONS FOLLOW:

PARA ONE. APPROPRIATE RECORDS WILL BE KEPT (A) IN WASHINGTON, (B) IN LONDON, AND (C) AT THE ALLIED MILITARY FINANCIAL AGENCY'S HEADQUARTERS OR OTHER DESIGNATED AGENCY IN THE FIELD OF OPERATION, OF AIR RECEIPTS, EXPENDITURES AND TRANSFERS OF SPECIAL CURRENCIES OBTAINED OR EXPENDED IN THE HUSKY OPERATION. SIMILAR RECORDS WILL ALSO BE KEPT OF THE DISPOSITION OF ALLIED MILITARY LIRA POSTAGE STAMPS UTILIZED IN THIS OPERATION. THE ALLIED MILITARY GOVERNMENT WILL FURNISH SUCH MONTHLY REPORTS AS MAY BE NECESSARY TO THE BRITISH AND US TREASURIES.

THE LIRMS "SPECIAL CURRENCIES" WILL FOR THE PURPOSE OF THIS DIRECTIVE INCLUDE: (A) US YELLOW SEAL DOLLARS AND US SUBSIDIARY COIN, (B) BRITISH MILITARY AUTHORITY NOTES AND BRITISH SUBSIDIARY COIN, (C) ALLIED MILITARY LIRA NOTE, (D) OVER IMPORTED LIRA CURRENCY, WHATEVER THE SOURCE, (E) LIRA FUNDS CONFISCATED AND MADE AVAILABLE FOR ALLIED EXPENDITURES WITHIN THE AREA, (F) NORTH AFRICAN FRANCS OR ANY OTHER FOREIGN CURRENCY OR ALLIED MILITARY NOTES NOT LISTED ABOVE.

PARA TWO. THE US ARMY WILL ACCOUNT FOR ALL LIRA NOTES IN THE SAME MANNER AS IT ACCOUNTS FOR ALL YELLOW SEAL DOLLARS.

PARA THREE. ANY TRANSFER OF YELLOW SEAL CURRENCY FROM US ARMY TO BRITISH ARMY ACCOUNT OR FROM THE AM FINANCIAL AGENCY TO BRITISH ARMY, OR US ARMY ACCOUNT, WILL BE RECORDED IN TERMS OF YELLOW SEAL DOLLARS.

PARA FOUR. THE US TREASURY WILL PREPARE, PRINT, AND PACKAGE AN LIRA CURRENCY NOTES AND AN LIRA POSTAGE STAMPS, IN ACCORDANCE WITH REQUIREMENTS STATED BY THE US MILITARY AUTHORITIES. THE COSTS INCIDENT THERETO WILL BE BORNE INITIALLY BY THE US ARMY. THE BRITISH ARMY WILL BE LIABLE TO THE US ARMY FOR ITS SHARE OF THE COSTS ON A BASIS TO BE DETERMINED LATER.

PARA FIVE. THE US TREASURY WILL RELEASE FOR SHIPMENT AN LIRA CURRENCY AND STAMPS TO THE US MILITARY AUTHORITIES, AS REQUESTED. THE AMOUNTS RELEASED TO THE US MILITARY AUTHORITIES WILL BE RECORDED BY THE US TREASURY AT FACE VALUE IN TERMS OF LIRA. THE RECORDING OF SUCH LIRA IN TERMS OF DOLLARS OR STERLING FOR BOOKKEEPING PURPOSES SHALL BE LEFT FOR SUBSEQUENT DETERMINATION AND ADJUSTMENT, EXCEPT AS HEREINAFTER INDICATED.

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EXPENDITURES AND TRANSFERS OF SPECIAL CURRENCIES OBTAINED OR EXPENDED IN THE HUKY OPERATION. SIMILAR RECORDS WILL ALSO BE KEPT OF THE DISPOSITION OF ALLIED MILITARY LIRA POSTAGE STAMPS UTILIZED IN THIS OPERATION. THE ALLIED MILITARY GOVERNMENT WILL FURNISH SUCH MONTHLY REPORTS AS MAY BE NECESSARY TO THE BRITISH AND US TREASURIES.

THE PLANS "SPECIAL CURRENCIES" WILL FOR THE PURPOSE OF THIS DIRECTIVE INCLUDE: (A) US YELLOW SEAL DOLLARS AND US SUBSIDIARY COIN, (B) BRITISH MILITARY AUTHORITY NOTES AND BRITISH SUBSIDIARY COIN, (C) ALLIED MILITARY LIRA NOTE, (D) OVER IMPORTED LIRA CURRENCY, WHATEVER THE SOURCE (E) LIRA FUNDS CONFISCATED AND MADE AVAILABLE FOR ALLIED EXPENDITURES WITHIN THE AREA, (F) NORTH AFRICAN FRANCS OR ANY OTHER FOREIGN CURRENCY OR ALLIED MILITARY NOTES NOT LISTED ABOVE.

PARA TWO. THE US ARMY WILL ACCOUNT FOR ALL EMA NOTES IN THE SAME MANNER AS IT ACCOUNTS OR ALL YELLOW SEAL DOLLARS.

PARA THREE. ANY TRANSFER OF YELLOW SEAL CURRENCY FROM US ARMY TO BRITISH ARMY ACCOUNT OR FROM THE AM FINANCIAL AGENCY TO BRITISH ARMY, OR US ARMY ACCOUNT, WILL BE RECORDED IN TERMS OF YELLOW SEAL DOLLARS.

PARA FOUR. THE US TREASURY WILL PREPARE, PRINT, AND PACKAGE AN LIRA CURRENCY NOTES AND AN LIRA POSTAGE STAMP, IN ACCORDANCE WITH REQUIREMENTS STATED BY THE US MILITARY AUTHORITIES. THE COSTS INCIDENT THERETO WILL BE BORNE INITIALLY BY THE US ARMY. THE BRITISH ARMY WILL BE LIABLE TO THE US ARMY FOR ITS SHARE OF THE COSTS ON A BASIS TO BE DETERMINED LATER.

PARA FIVE. THE US TREASURY WILL RELEASE FOR SHIPMENT AN LIRA CURRENCY AND STAMPS TO THE US MILITARY AUTHORITIES, AS REQUESTED. THE AMOUNTS RELEASED TO THE US MILITARY AUTHORITIES WILL BE RECORDED BY THE US TREASURY AT FACE VALUE IN TERMS OF LIRA. THE RECORDING OF SUCH LIRA IN TERMS OF DOLLARS OR STERLING FOR BOOKKEEPING PURPOSES SHALL BE LEFT FOR SUBSEQUENT DETERMINATION AND ADJUSTMENT, EXCEPT AS HEREINAFTER INDICATED.

PARA SIX. THE US MILITARY AUTHORITIES WILL CONSIGN AN LIRA CURRENCY AND STAMPS TO THE AM FINANCIAL AGENCY WHICH ACTING ON BEHALF OF AND FOR THE ALLIED MILITARY GOVERNMENT WILL ASSUME RESPONSIBILITY FOR ISSUANCE. THE AM FINANCIAL AGENCY WILL KEEP CAREFUL RECORDS BY VALUES AND DATES OF THE CURRENCY AND STAMPS ISSUED TO (A) THE US ARMY, (B) THE BRITISH ARMY, AND (C) THE ALLIED MILITARY GOVERNMENT.

PARA SEVEN. LOCAL LIRA FUNDS AND ASSETS SEIZED OR TAKEN OVER WITHIN THE AREA OF OPERATIONS WILL BE DEPOSITED WITH THE ABOVE AM FINANCIAL AGENCY AS SOON AS POSSIBLE. CAREFUL RECORD AS TO AMOUNT AND SOURCE WILL BE MAINTAINED. IF SUCH LIRA FUNDS ARE MADE AVAILABLE TO EITHER THE AMERICAN OR BRITISH ARMIES FOR LOCAL EXPENDITURES, THE TRANSACTION WILL BE RECORDED AS AN ADVANCE FROM THE GENERAL POOL OF LIRA CURRENCY AVAILABLE TO BOTH ARMIES AND THE AMOUNT SO ADVANCED WILL BE CHARGED TO THE ARMY RECEIVING IT, AS IN SECTION 9 BELOW. ON THE OTHER HAND ALL GOLD, FOREIGN CURRENCIES, FOREIGN SECURITIES AND OTHER FOREIGN EXCHANGE ASSETS SEIZED OR TAKEN OVER BY THE ALLIED ARMIES WILL BE IMPROVED WITH THE AM FINANCIAL AGENCY AND WILL BE HELD PENDING SETTLEMENT AT A LATER DATE.

Planned 2. To see ited early - Smith
N.A. TS
Copies furnished at 1446

NOTHING IN THE SECTION WILL BE INTERPRETED AS APPLYING TO FUNDS IN THE PHYSICAL POSSESSION OF PRISONERS OF WAR.

PARA EIGHT. THE BRITISH TREASURY WILL REPORT TO THE US TREASURY THE AMOUNT OF ITALIAN LIRA CURRENCY OBTAINED OUTSIDE THE AREA AND MADE AVAILABLE FOR THE OPERATION. THE BRITISH MILITARY AUTHORITIES WILL REPORT SUCH LIRA AS ARE TURNED OVER TO THEIR FORCES, TO THE ALLIED MILITARY FINANCIAL AGENCY, WHICH WILL CONSIDER THE AMOUNT AS AN AUGMENTATION OF ITS CURRENCY RESERVE, AND IMMEDIATELY RECORD IT AS AN ADVANCE TO THE BRITISH MILITARY FORCES. IT IS AGREED THAT FOR ALL PURPOSES OF ACCOUNTING AND CONVERSION THE LIRA AS UTILIZED WILL BE IDENTICAL WITH THE ALLIED MILITARY LIRA PREPARED BY THE US TREASURY.

PARA NINE. THE US ARMY WILL, WHEN IT OBTAINS ALLIED MILITARY LIRA, FROM THE ALLIED MILITARY FINANCIAL AGENCY FOR THE EXPENDITURES IN THE AREA FOR PAY OF TROOPS AND OTHER EXPENDITURES, THAT PLAQUE NORMALLY BE CHARGED TO ITS APPROPRIATION, SET ASIDE IN AN EARMARKED ACCOUNT (WITH THE US TREASURY). THE DOLLARS EQUIVALENT AT THE DECREED RATE OF EXCHANGE AND THE REVELANT US WAR DEPARTMENT APPROPRIATION WILL BE THERE UPON DEBITED ACCORDINGLY. THE UK WAR OFFICER WILL DEAL IN LIKE MANNER WITH AMOUNTS CERTIFIED AS PAY, ETCETERA, FOR BRITISH TROOPS.

PARA TEN. EXPENDITURES IN THE AREA FOR AND BY THE ALLIED MILITARY GOVERNMENT IN TERMS OF LIRA, AS DISTINCT FROM ALLIED MILITARY EXPENDITURES, OUTLINED IN SECTION NINE ABOVE, WILL BE EFFECTED WITHOUT SPECIFIC DOLLAR OR POUND STERLING EQUIVALENT PAYMENTS INTO EARMARKED ACCOUNTS.

PARA ELEVEN. THE BRITISH TREASURY WILL REPORT TO THE US TREASURY THE AMOUNT OF BMA NOTES MADE AVAILABLE TO THE BRITISH FORCES, AND THE AMOUNT ON HAND AS OF A DATE LATER TO BE AGREED UPON. SIMILARLY, THE US TREASURY WILL REPORT TO THE BRITISH TREASURY THE AMOUNT OF YELLOW SEAL DOLLAR NOTES MADE AVAILABLE TO THE US FORCES, AND THE AMOUNT ON HAND AS OF A DATE LATER TO BE AGREED UPON.

PARA TWELVE. MUTILATED AND WORN OUT CURRENCY WILL BE WITHDRAWN FROM CIRCULATION. SUCH BMA NOTES AND YELLOW SEAL DOLLARS WILL BE HELD IN THE EUROPEAN CUSTODY OF THE AM FINANCIAL AGENCY PENDING FURTHER DECISION. AM LIRA NOTES AND ITALIAN LIRA NOTES SO DESIGNATED, WILL BE HELD BY THE AM FINANCIAL AGENCY PENDING THE WORKING OUT OF A SATISFACTORY METHOD OF DESTRUCTION, WITH AN ADEQUATE RECORDS SYSTEM FOR SUBSEQUENT IDENTIFICATION OF NOTES DESTROYED.

PARA 13. EXPENDITURES OF THE OPERATION WILL BE RECORDED IN TERMS OF (A) DOLLARS, (B) STERLING, (C) LIRA, OR (D) OTHER CURRENCIES. THESE CATEGORIES OF EXPENDITURES WILL BE KEPT SEPARATE AND SHALL NOT BE LUMPED IN TERMS OF A COMMON UNIT. THE ALLOCATION OF THE COST OF MILITARY OCCUPATION AS BETWEEN THE AMERICAN AND BRITISH TREASURIES ON THE ONE HAND, AND THE COUNTRY OF OCCUPATION ON THE OTHER, WILL BE A MATTER FOR NEGOTIATION AND AGREEMENT BETWEEN THE US AND BRITISH GOVERNMENTS.

785015

CHARGED TO ITS APPROPRIATION, SET ASIDE IN AN EARMARKED ACCOUNT (WITH THE US TREASURY). THE DOLLARS EQUIVALENT AT THE DECREED RATE OF EXCHANGE AND THE REVELANT US WAR DEPARTMENT APPROPRIATION WILL BE THERE UPON DEBITED ACCORDINGLY. THE UK WAR OFFICER WILL DEAL IN LIKE MANNER WITH AMOUNTS CERTIFIED AS PAY, ETCETERA, FOR BRITISH TROOPS.

PARA TEN. EXPENDITURES IN THE AREA FOR AND BY THE ALLIED MILITARY GOVERNMENT IN TERMS OF LIRE, AS DISTINCT FROM ALLIED MILITARY EXPENDITURES, OUTLINED IN SECTION NINE ABOVE, WILL BE EFFECTED WITHOUT SPECIFIC DOLLAR OR POUND STERLING EQUIVALENT PAYMENTS INTO EARMARKED ACCOUNTS.

PARA ELEVEN. THE BRITISH TREASURY WILL REPORT TO THE US TREASURY THE AMOUNT OF BMA NOTES MADE AVAILABLE TO THE BRITISH FORCES, AND THE AMOUNT ON HAND AS OF A DATE LATER TO BE AGREED UPON. SIMILARLY, THE US TREASURY WILL REPORT TO THE BRITISH TREASURY THE AMOUNT OF YELLOW SEAL DOLLAR NOTES MADE AVAILABLE TO THE US FORCES, AND THE AMOUNT ON HAND AS OF A DATE LATER TO BE AGREED UPON.

PARA TWELVE. MUTILATED AND WORN OUT CURRENCY WILL BE WITHDRAWN FROM CIRCULATION. SUCH BMA NOTES AND YELLOW SEAL DOLLARS WILL BE HELD IN THE EXCHANGERS CUSTODY OF THE AM FINANCIAL AGENCY PENDING FURTHER DECISION. AM LIRA NOTES AND ITALIAN LIRA NOTES SO DESIGNATED, WILL BE HELD BY THE AM FINANCIAL AGENCY PENDING THE WORKING OUT OF A SATISFACTORY METHOD OF DESTRUCTION, WITH AN ADEQUATE RECORDS SYSTEM FOR SUBSEQUENT IDENTIFICATION OF NOTES DESTROYED.

PARA 13. EXPENDITURES OF THE OPERATION WILL BE RECORDED IN TERMS OF (A) DOLLARS, (B) STERLING, (C) LIRA, OR (D) OTHER CURRENCIES. THESE CATEGORIES OF EXPENDITURES WILL BE KEPT SEPARATE AND SHALL NOT BE LUMPED IN TERMS OF A COMMON UNIT. THE ALLOCATION OF THE COST OF MILITARY OCCUPATION AS BETWEEN THE AMERICAN AND BRITISH TREASURIES ON THE ONE HAND, AND THE COUNTRY OF OCCUPATION ON THE OTHER, WILL BE A MATTER FOR NEGOTIATION AND AGREEMENT BETWEEN THE US AND BRITISH GOVERNMENTS. DISCUSSION TO THE DISTRIBUTION OF MILITARY OCCUPATION EXPENSES, WILL BE UNDER TAKEN BY THE REPRESENTATIVES OF THE US AND BRITISH GOVERNMENTS UPON RECEIPT OF THE FIRST EXTENDED FINANCIAL REPORT FROM THE APPROPRIATE MILITARY AUTHORITIES IN THE FIELD.

CIVIL AFFAIRS

3 ACTION.

add
S.M.C. 1230B/27.
T.F. 1430B/27. JOD.

3781

785015

MOST SECRETCIPHER MESSAGE
INFOLIO NO 17142
26 JUL 43FROM: SIGNED EISENHOWER CITE FRINGS
TO : 15 ARMY GROUP FOR AMOT
ORIG NO: 4615

HEADQUARTERS

TOO 1913B/26
THI ---
TOR 0056B/27

REF NO: YOUR CA 558 OF JULY 25.

THE FOTYOCIG MESSAGE NUMBER 2814 JULY 19, PAR 167 IS QUOTED FOR YOUR INFORMATION: LATTER PARAGRAPHS OF SUPPLEMENTAL INSTRUCTIONS REGARDING CURRENCY ACCOUNT SHARE REPEATED AS REQUESTED, QUOTE PARAGRAPH 9, REFERENCE YOUR W 4907, DATED 15 JULY 1943. THE US ARMY WILL, WHEN IT OBTAINS ALLIED MILITARY LINE FROM THE ALLIED MILITARY FINANCIAL AGENCY FOR EXPENDITURES IN THE AREA FOR PAY OF TROOPS AND OTHER EXPENDITURES THAT WOULD NORMALLY BE CHARGED TO ISS APPROPRIATION, SET ASIDE IN AN EARMARKED ACCOUNT (WITH THE US TREASURY) THE DOLLAR EQUIVALENT AT THE DECREED RATE OF EXCHANGE AND THE RELEVANT US WAR DEPARTMENT APPROPRIATION WILL BE THEREUPON DEBITED ACCORDINGLY. THE UK WAR OFFICE WILL DEAL IN LIKE MANNER WITH AMOUNTS CERTIFIED AS PAY ETCETERA FOR BRITISH TROOPS. PARAGRAPH 10. EXPENDITURES IN THE AREA FOR AND BY THE ALLIED MILITARY GOVERNMENT IN TERMS OF LIKE, AS DISTINCT FROM ALLIED MILITARY EXPENDITURES, OUTLINED IN SECTION 9 ABOVE, WILL BE EFFECTED WITHOUT SPECIFIC DOLLAR OR POUND STERLING EQUIVALENT PAYMENTS INTO EARMARKED ACCOUNTS. UNQUOTE. BY EARMARKED ACCOUNT IS MEANT BOOKKEEPING TRANSFER BY THE US ARMY FROM ITS CONGRESSIONAL APPROPRIATION INTO A SPECIAL ACCOUNT TO BE HELD BY THE TREASURY DEPARTMENT, OF THE DOLLAR EQUIVALENT AT THE DECREED RATE OF EXCHANGE FOR AN LIRA OR OTHER LIRA, CURRENCY OR CREDIT, OBTAINED FROM THE AMFA WHEN SUCH FUNDS ARE TO BE USED FOR THE PAY OF TROOPS, AND OTHER EXPENDITURES THAT WOULD NORMALLY BE CHARGED TO THE CONGRESSIONAL DOLLAR APPROPRIATION US ARMY.

SAC DISTRIBUTION

CIVIL AFFAIRS

This copy only MAY BE SHOWN to duly
accredited unofficial researchers Order
Sec/Army by TAG/-----date

411410

3 ACTION

ACTION

SAC 378/21
TT 0458B/27 IV

148

AMCOT PANTOX

261800B

FREEDOM

780K

accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----
411410

04564.
MOST SURELY (.) FOR MILITARY GOVERNMENT SECTION
MENTIONED (.) 57 BOMBS RECEIVED 25 JULY AND FROM SICILY SAME DATE (.) WILL
WIRE RAPIDLY IF ANY QUANTITY ADDITIONAL STAFFS SHOULD BE SENT BY AIR (.) YOUR
3950 ON 24 JULY CITE THESE ITEMS (.)

141.

P/A 20/7 378.
L

Copy on 7910 "Postage".

IB

IMPORTANT

785015

SUBJECT: Effect of Excessive Spending.

BY FAST AIR

147

15AC/7801/CA.

C.C.A.O., ADV. AMOT H.Q., SYRACUSE.
Gp. Capt. Hanson, AMOT H.Q., Main 2th Army.

26 July 43.

Forwarded herewith for your information are copies of a
letter on the effects of excessive spending addressed to D.A.G.,
15 Army Group, and of his reply thereto.

137

145

AMOT H.Q.,
15 Army Group,
Field.

Lieut. Colonel,
C.S.O.

3781

785015

SUBJECT:- Effects of Excessive Spending.

BY AIR.

146

Commanding General,
Seventh Army.

15AG/7304/CA.

26 July 43.

Forwarded herewith for favour of passing to Lt.Col.C.Poletti,
Senior Civil Affairs Officer at your H.Q., are copies of a letter
addressed to D.A.G., 15 Army Group, and of his reply thereto.

145

137

ANGOT H.Q.,
15 Army Group,
Field.

Lieut.Colonel,
C.S.O.

785015

SUBJECT:-

Effect of Excessive Spending

Date 25 Jul 43

N 7804

FORCE 141

5181/A2

25 Jul 43

145

A.M.R.O.T.

In reply to your 15AC/704/CA dated 22 Jul 43, the present is not considered the right moment to issue further orders from this H.Q. on excessive spending in Sicily.

The principles were referred to in A.M. Instructions No. 9 and 12 which are considered sufficient for the present.

Any representation which it is desired to make locally on the island should be made by your representatives direct to local Military Commanders.

To SKK

W. P. Parley.

CAT

11 Col PARLEY-Small

See 146 & 147.

D.A.C., 15 Army Group

Colonel

37
ACTION
146 1/47

785015

AMGOT H.Q.,
15 ARMY GROUP.

HEADQUARTERS

Date 25 JUL 43 25th July 1943

N 7804

FORCE 141

To:- C.C.A.O.
AMGOT Adv H.Q.,
SYRACUSE.

Copy to: C.A.O.
AGRIGENTO.

Subject:- Directive.

I forward copy of A.F.H.Q. telegram No. 3642, together with copies of AGWAR telegrams FAN 161 and FAN 167. Colonel Bernstein has seen these telegrams and copies of all other financial telegrams to date. He is now proceeding to the air field to arrange to fly to Sicily with the last of the money which has now arrived. He states that Lord Rennell knows about the directive and intended to discuss it with Colonel Graffey-Smith on his arrival in Syracuse.

He has taken one copy of each telegram and has asked that further copies be sent to the C.A.O. at Agrigento. This is being done.

AMGOT H.Q.,
15 Army Group,
Field.

To SER

Colonel,
S.S.O.

W Col GRAFFEY-SMITH

377

SECRET

CIPHER MESSAGE
IN

FOLIO NO: 16354
23 JUL 43

FROM: AFHQ SIGNED CINC CITE PHMGS
TO: PANTOX FOR ANGOT
ORIG NO: 3642

TOO 1759B/23
THI
TOR 0252B/24

PAN ONE SIX ONE CG PAN ONE SIX SEVEN REFERENCE.
OPERATE ON ABOVE DIRECTIVE FORTHWITH. CONSIDERING FURTHER
QUESTIONS LIKELY TO ARISE WHEREFROM AND AFTER CONSIDERATION
CCS WILL ADVISE YOU LATER.

ANGOT 3 ACTION

SMC 0345B/24 JT
ACTION F.T.0445B/24 JT

This copy only MAY BE SHOWN to duly
accredited unofficial researchers Order
see Army by TAC/-----date-----
411410

Copy of above refs
handed to Col Bernstein.
to Col above. thing for
disposal comm. 25/6
see 144

To SEE
at Col PAXLEY. 3773.
Seen
25/7

785015

FROM: AGWAR FROM THE COMBINED CHIEFS OF STAFF

TO : FREEDOM AIRLINES FOR DISSEMINATION

NO : 2505 July 11, 1943

PAN 161

The Combined Chiefs of Staff have approved the following instructions regarding currency accounts and records as a supplement to the directive for Military Government for HUSKY cabled to you on 31 May, 30 June and 25 June 1943. The supplementary instructions follow:

1. Appropriate records will be kept (A) in Washington, (B) in LONDON, and (C) at the Allied Military Financial Agency's Headquarters or other designated agency in the field of operation, of all receipts, expenditures and transfers of special currencies obtained or expended in the HUSKY operation. Similar records will also be kept of the disposition of Allied Military Lira postage stamps utilized in this operation. The Allied Military Government will furnish such monthly reports as may be necessary to the British and US Treasuries.

The terms "special currencies" will for the purpose of this directive include: (A) US yellow seal dollars and US subsidiary coin; (B) British Military Authority Notes and British subsidiary coin; (C) Allied Military Lira Note; (D) other imported Lira currency; whatever the source; (E) Lira funds confiscated and made available for Allied expenditures within the area; (F) LIRA AFRODIS PRIZES or any other foreign currency or Allied Military Notes not listed above

2. The US Army will account for all BMA Notes in the same manner as it accounts for all yellow seal dollars.

3. Any transfer of yellow seal currency from US Army to British Army account or from the AF Financial Agency to British Army, or US Army account, will be recorded in terms of yellow seal dollars.

4. The US Treasury will prepare, print, and package all Lira currency notes and all Lira postage stamps in accordance with requirements stated by the US Military authorities. The cost incident thereto will be borne initially by the US Army. The British Army will be liable to the US Army for its share of the costs on a basis to be determined later.

5. The US Treasury will release for shipment all Lira currency and stamps to the US military authorities, as requested. The amounts released to the US military authorities will be recorded by the US Treasury at face value in terms of Lira. The recording of such Lira in terms of dollars or Sterling for bookkeeping purposes shall be left for subsequent determination and adjustment, except as herein-after indicated.

United States Army. The Allied Military Government will furnish such monthly reports as may be necessary to the British and US Treasuries.

The terms "special currencies" will for the purpose of this directive include: (A) US yellow seal dollars and US subsidiary coin, (B) British Military Authority Notes and British subsidiary coin, (C) Allied Military Lira Note, (D) other imported Lira currency, whatever the source, (E) Lira funds confiscated and made available for Allied expenditures within the area, (F) NORTH AFRICAN POUNDS or any other foreign currency or Allied Military Notes not listed above

2. The US Army will account for all DMA Notes in the same manner as it accounts for all yellow seal dollars.

3. Any transfer of yellow seal currency from US Army to British Army account or from the AM Financial Agency to British Army, or US Army account, will be recorded in terms of yellow seal dollars.

4. The US Treasury will prepare, print, and package AM Lira currency notes and AM Lira postage stamps in accordance with requirements stated by the US Military authorities. The cost incident thereto will be borne initially by the US Army. The British Army will be liable to the US Army for its share of the costs on a basis to be determined later.

5. The US Treasury will release for shipment AM Lira currency and stamps to the US military authorities, as requested. The amounts released to the US military authorities will be recorded by the US Treasury at face value in terms of Lira. The recording of such Lira in terms of dollars or Sterling for bookkeeping purposes shall be left for subsequent determination and adjustment, except as herein-after indicated.

6. The US military authorities will consign all AM Lira currency and stamps to the AM Financial Agency, which acting on behalf of and for the Allied Military Government will assume responsibility for issuance. The AM Financial Agency will keep careful records by values and dates of the currency and the stamps issued to (A) the US Army, (B) the British Army, and (C) the Allied Military Government.

377

2 pages
July 11, 43
100/511

A TRUE COPY

T. B. JACKMAN, MAJOR
MILITARY GOVERNMENT SECTION

7. Local Lira funds and assets seized or taken over within the area of operations will be deposited with the above AM Financial Agency as soon as possible. Careful records as to amount and source will be maintained. If such Lira funds are made available to either the American or British Armies for local expenditures, the transaction will be recorded as an advance from the General Pool of Lira currency available to both Armies, and the amount advanced will be charged to the Army receiving it, as in section 9 below. On the other hand all gold, foreign currencies, foreign securities and other foreign exchange assets seized or taken over by the Allied Armies will be impounded with the AM Financial Agency and will be held pending settlement at a later date. Nothing in this section will be interpreted as applying to funds in the physical possession of the Prisoners of War.

8. The British Treasury will report to the US Treasury the amount of Italian Lira currency obtained outside the area and made available for the operation. The British Military Authorities will report such Lire as are turned over to their forces, to the Allied Military Financial Agency, which will consider the amount as an augmentation of its currency reserve, and immediately record it as an advance to the British Military Forces. It is agreed that for all purposes of accounting and conversion the Lire as utilized will be identical with the Allied Military Lire prepared by the US Treasury.

9. The US Army will, when it obtains Allied Military Lire, from the Allied Military Financial Agency for expenditures in the area for pay of troops and other expenditures, that if it is normally be charged EIO its appropriation, set aside in an earmarked account (with the US Treasury). The dollar equivalent at the decreed rate of exchange and the relevant US War Department appropriation will be thereupon debited accordingly. The US War Officer will deal in like manner with amounts certified as pay, etcetera, for British troops.

10. Expenditures in the area for and by the Allied Military Government in terms of Lire, as distinct from Allied Military expenditures, outlined in section 9 above, will be effected without specific dollar or pound sterling equivalent payments into earmarked accounts.

11. The British Treasury will report to the US Treasury the amount of BMA Notes made available to the British Forces, and the amount on hand as of a date later to be agreed upon. Similarly, the US Treasury will report to the British Treasury the amount of yellow seal dollar notes made available to the US Forces, and the amount on hand as of a date later to be agreed upon.

12. Mutilated and worn out currency will be withdrawn from circulation. Such BMA Notes and yellow seal dollars will be held in the custody of the AM Financial Agency pending further decision. AM Lira Notes and Italian Lire Notes so designated, will be held by the AM Financial Agency pending the working out of a satisfactory

British Military Authorities will report such Lire as are turned over to their forces, to the Allied Military Financial Agency, which will consider the amount as an augmentation of its currency reserve, and immediately record it as an advance to the British Military Forces. It is agreed that for all purposes of accounting and conversion the Lire as utilized will be identical with the Allied Military Lire prepared by the US Treasury.

9. The US Army will, when it obtains Allied Military Lire, from the Allied Military Financial Agency for expenditures in the area for pay of troops and other expenditures, that place normally be charged DMO its appropriation, set aside in an earmarked account (with the US Treasury). The dollar equivalent at the decreed rate of exchange and the relevant US War Department appropriation will be thereupon debited accordingly. The UK War Officer will deal in like manner with amounts certified as pay, etcetera, for British troops.

10. Expenditures in the area for and by the Allied Military Government in terms of Lire, as distinct from Allied Military expenditures, outlined in section 9 above, will be effected without specific dollar or pound sterling equivalent payments into earmarked accounts.

11. The British Treasury will report to the US Treasury the amount of BMA Notes made available to the British Forces, and the amount on hand as of a date later to be agreed upon. Similarly, the US Treasury will report to the British Treasury the amount of yellow seal dollar notes made available to the US Forces, and the amount on hand as of a date later to be agreed upon.

12. Mutilated and worn out currency will be withdrawn from circulation. Such BMA Notes and yellow seal dollars will be held in the custody of the AMF Financial Agency pending further decision. AM Lire Notes and Italian Lire Notes so designated, will be held by the AM Financial Agency pending the working out of a satisfactory method of destruction, with an adequate records system for subsequent identification of notes destroyed.

13. Expenditures of the operation will be recorded in terms of (A) dollars, (B) sterling, (C) Lire, or (D) other currencies. These categories of expenditures will be kept separate and shall not be lumped in terms of a common unit. The operation of the cost of military occupation as between the American and British Treasuries on the one hand, and the country of occupation on the other, will be a matter for negotiation and agreement between the US and British Governments. Discussion to the distribution of military occupation expenses, will be undertaken by the representatives of the US and British Governments upon receipt of the first extended financial report from the appropriate military authorities in the field.

1533

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

785015

ROUTING

MESSAGE

143A

ROUTINE

FROM : AGWAR THE COMBINED CHIEFS OF STAFF
 TO: FREEDOM SOLDIERS FOR EISENHOWER
 NO: 2844, July 19, 1943.

FAN 167

Latter paragraphs of supplemental instructions regarding currency accounts are repeated as requested, "Paragraph 9, reference your W 4907, dated 15 July 1943. The US Army will, when it obtains Allied Military lire from the Allied Military Financial Agency for expenditures in the area for pay of troops and other expenditures that would normally be charged to its appropriation, set aside in an earmarked account (with the US Treasury) the dollar equivalent at the decreed rate of exchange and the relevant US War Department appropriation will be thereupon debited accordingly. The UK War Office will deal in like manner with amounts certified as pay etcetera for British troops.

10. Expenditures in the area for and by the Allied Military Government in terms of lire, as distinct from Allied Military expenditures, outlined in section 9 above, will be effected without specific dollar or pound sterling equivalent payments into earmarked accounts." By earmarked accounts is meant bookkeeping transfer by the US Army from its Congressional Appropriation into a special account to be held by the Treasury Department, of the dollar equivalent at the decreed rate of exchange for AM lire, or other lire, currency or credits, obtained from the AMFA when such funds are to be used for the pay of troops, and other expenditures that would normally be charged to the congressional dollar appropriation US Army.

NOTE: Relayed to FANTOX.

A TRUE COPY

T.B. JACKMAN, MAJOR
 MILITARY GOVERNMENT SECTION

3775

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

(142)

AMGOT FANTOX

250000B

FREEDOM

see 150.
see 149.

CA558

FOR M G S (.)

143.

NO RPT NO TRACE REFERENCES. 161 and 167 YOUR 3642 of 23 JUL REFERS (.)

SEND REPEATS

ROUTINE

LT. COL.

377.

785015

7910
1C

(141)

Copy sent to Board
7804
25/MOST SECRETCIPHER MESSAGE
INFOLIO NO. 16,150.
24 JULY 43.FROM : AFM (SIGNED EISENHOWER)
TO : FAX FOR AMGOT
ORIG. NO : 3950 (CITE FHMGS)TOO 1643/24
THI NIL
TOR 2347/2426 Feb
1910

FOLLOWING IS EXTRACT OF MESSAGE RECEIVED FROM AGWAR.
 QUOTE PLANE NUMBER C 54-279, AMERICAN AIR LINES, DEPARTED
 FROM WASHINGTON EVENING 21 JULY WITH 49 BOXES AMERICAN
 CURRENCY AND 3 BOXES AMERICAN GOVERNMENT POSTAL STAMPS, ETA
 DESTINATION FRIDAY NIGHT 23 JULY. REFERENCE YOUR RADIO
 NUMBER W5231 DATED 19 JULY. CURRENCY BOXES SERIALLY NUMBERED
 241 THRU 269 3PFEM. STAMP BOXES CONTAIN 600000 STAMPS, 30
 CENTESIMI DENOMINATION AND LABELLED SAME AS CURRENCY BOXES
 BUT SERIALLY NUMBERED S-1 THRU S-8 AND WEIGH 123 POUNDS. ALL
 BOXES ON AIRWAYBILL 392550. 800000 EACH 15 AND 25 CENTESIMI
 DENOMINATION WILL BE AVAILABLE HERE FOR SHIPMENT 31 JULY. DO
 YOU WANT SHIPPED BY AIR THESE DENOMINATIONS AND BALANCE OF 30
 CENTESIMI STAMPS. UNQUOTE.
 PLEASE TAKE ACTION AND INFORM THIS SECTION OF DECISION AS TO
 SHIPPING OF DENOMINATIONS.

AMGOT 3 ACTION

SMC 06008/25. JJC.
T.T.0650B/25. JJC.

ACTION TAKEN	
This copy only to be shown to duly accredited unofficial researchers Order Sec/Army by TAG/ date	
20 11 10	

 KE 148
 To SMC
 Lt Col [unclear]
 [unclear]

**IMPORTANT
CIPHER MESSAGE
IN**

7804.

ACTION AGENDA

TOO.MIL.
THI.00458/23.
TOR.MIL.

3050 AND 2951 OF JULY 21 AND 20TH RESPECTIVELY FROM WARTER. CHANGE TO YOU.

SMC. 0540B/23.
T. T. 0545B/23. 3SB.

ANGOT

3 ACTION

ANCOT

3 ACTION.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 08-14-10 BY 60322 UCBAW/BJS

cc/Amy by TAG/

To S
Lt Col

To S&K
Lt Col. FARLEY, 1900

377

AMGOT FANTOX

240800/B

FREEDOM

CAS56

SECRET (.) For AGWAR attention CARTER (.) Received today additional
eighty boxes AM Lire (.) If remaining forty-nine not already shipped request
you ship them directly to Agrigento Sicily advising AMGOT Headquarters
Syracuse (.) When may we expect stamps (.) Request you ship them by air
also to Agrigento.

Captain

IMPORTANT.

J. E. Mc...

7804

CASB6

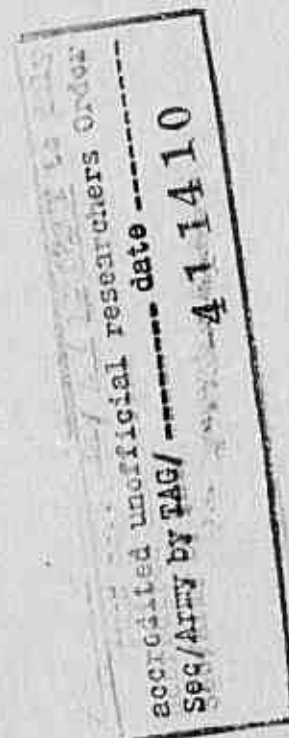
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Syracuse (.) When may we expect stamps (.) Request you ship them by air
also to Agrigento.

Captain

S.R. McR.

IMPORTANT

7804



377

Col. Thorne Thorne

138 22 July 1943

If the attached is agreeable to you & Gen. MacGarry it should be forwarded to Col. Pidsley as per Gen. Kennell's instructions.

(Benjamin)

DCCAO

377

Do you agree?
P/A 22/7 OK. JGM 22/7 J.E.

Subject: Effect of Excessive Spending.

15AG/7804/CA.

22. Jul. 43.

D. A. G.,
15 Army Group.

Major-General Lord Rennell, Chief Civil Affairs Officer, feels that it would be helpful if you could issue orders to the U.S. 7th and British 8th Armies on the lines of the following draft:-

"Effect of Excessive Spending.

It is the intention of the Allied Military Government in Sicily to bring about a stability and strengthening of the economic and financial structure of the area. This is important to enable us more effectively to govern Sicily and to carry out the benevolent program that has been laid down for the Allied Forces. It is also important for the significant propaganda effect that it will have in other parts of Italy and elsewhere in Europe where there is a great shortage of supplies and people have far more currency than they can spend on available goods. Army personnel play a big role in this program.

The attention of all ranks and attached civilian personnel is drawn to the harmful effects of excessive spending of money by them in Sicily.

Such spending frequently absorbs part of the very limited supply of available goods, many of which are essential to the life of the local population. Even when a soldier spends his money excessively purely for entertainment or for liquor, he helps create an increased demand for civilian goods. Expenditures by Army personnel unless curbed, will result in sharply rising prices and increased hardship to the local population who are unable to buy goods with prices rising. Such expenditures by Army personnel may produce inflation of the currency which would be disastrous from the viewpoint of the prestige of the Military Government, as well as for the people governed.

It makes no difference, in this connection, whether the spending is in dollars, pounds, lire or any other currency.

On the other hand, harmful effects are avoided if:-

- (a) you do not draw your full pay, but let it accumulate to your credit at home or deposit it in Army or other saving deposit systems; or
- (b) you send the money home through the Finance Officers, the

for the significant propaganda effect that it will have in other parts of Italy and elsewhere in Europe where there is a great shortage of supplies and people have far more currency than they can spend on available goods. Army personnel play a big role in this program.

The attention of all ranks and attached civilian personnel is drawn to the harmful effects of excessive spending of money by them in Sicily.

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It makes no difference, in this connection, whether the spending is in dollars, pounds, lire or any other currency.

On the other hand, harmful effects are avoided if:-

- (a) you do not draw your full pay, but let it accumulate to your credit at home or deposit it in Army or other saving deposit systems; or
- (b) you send the money home through the Finance Officers, the Army Post Office or similar channel, for your family, to your bank or to buy War Savings Bonds; or
- (c) you increase your allotments for your family or for War Savings Bonds or for life insurance; or
- (d) you spend the money in the PX, M.A.A.F.I., or A.F.I., or in any other way which will result in the money not flowing into the local economy of Sicily.

It is hoped that all concerned will play their part in such ways as those indicated towards making the present experiment in Allied Military Government a success which could have important consequences in the future. Army personnel will at the same time be building up for themselves accumulated savings which will be most helpful to them when the war is over."

Major-General Lord Rennell further suggested that these orders should be repeated in formation orders, and repeated again periodically at intervals of say three weeks.

H.Q. AMGOT,
15 ARMY GROUP,
M.T.D.

For C.C.A.O. *Chen*

C O P Y

136.

Jul221800 B

AMGOT FANTOX

86 AREA SYRACUSE

CM/547

Repeated - see 135

SECRET (.) FOR ADV HQ AMGOT FOR RENNELL AND GRANTLEY SMITH (.)
FIVE AND HALF TONS HALF ELEVEN TONS AM LINE ARRIVED TONIS 22 JULY
WHICH BEING DESPATCHED TILMAN NOW AGRICENTO BY SEA IN CHARGE
WINSTON CLAYBOURNE SOUTHEARD WHO WILL AWAIT AGRICENTO YOUR INSTRUCTIONS
THEIR FURTHER MOVEMENTS

(Sec) Has CROCK.
IMMEDIATE.

3768

135

JUL 23 1905

AMCOT PATROX.

ADV HQ SEVENTH ARMY.

GA/554

Repetition of 136

SECRET (.) FOR POLETTI FOR GRANTY SMITH (.) FIVE AND HALF TONS
HALF ELEVEN TONS AM LIKE ARRIVED TUNIS 22 JULY WHICH BEING DESPATCHED
TILLMAN NOW AGRICENTO BY SEA IN CHARGE CURTIS CLAUDOUER SOUTHARD WHO
WILL AWAIT AGRICENTO YOUR INSTRUCTIONS THEIR FURTHER MOVEMENTS.

THIS COPY ONLY MAY BE SHOWN to duly
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

411410

7804

3767

CR
Lieut. Colonel.

DISSEMINATE.

134

ARMY PAPER

221800 B

ARMY

133

GA/598

MOST SECRET (.) Per GARTER (.) Ref your R 150/2951 of 20 July 160 boxes reached
TUES 1230 hours today(.). We are sending these on to HEBBARD tomorrow with ARMA
officers who will also take with them copies of Proclamation 12 announcing Allied
Military Lire to be legal tender and interchangeable with other lire currency.
Intended that this shipment will be delivered principally to 7th Army disbursing
officers.

THIS COPY ONLY IS TO BE SHOWN TO ONLY
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

11 14 10

7004

22

D. J. MacArthur
Lieut-Colonel

DEBILATE

376

133

SECRET

HEADQUARTERS
CIPHER MESSAGE
IN N 2804
FORCE 141

FOLIO NO: 15807
20 JUL 43

FROM: CARTER FISCAL DIRECTOR FREEDOM
TO: PANTON
ORIG NO: R150/2951

FOR 2146B/20
THE
FOR 1226B/21

PORTION OF AIR SHIPMENT OF ALLIED MILITARY CURRENCY CONSISTING OF ONE SIX ZERO BOXES SERIALLY NUMBERED FROM ONE TO ONE SIX ZERO LABELED AMCOPT IN CARTHAGE AREA CONTAINER TUNIS APR ONE SEVEN ZERO NINE ZERO NINE DEPARTED FROM WASHINGTON TODAY IN TWO PLANES. PLANE NUMBER ONE THREE SEVEN TWO SEVEN FOUR TWO CARRYING EIGHT ZERO BOXES ON AIRWAYBILL NUMBER THREE NINE TWO FIVE THREE EIGHT AND PLANE NUMBER ONE THREE SEVEN TWO EIGHT NINE CARRYING EIGHT ZERO BOXES ON AIRWAYBILL THREE NINE TWO FIVE FOUR FOUR ZERO ETA WEDNESDAY MORNING JULY TWO ONE BIGOT HUSKY BALANCE OF TOTAL TO BE SHIPPED BY AIR REFERRED TO IN OUR RADIO FOUR ONE FIVE DATED JULY SECOND WILL BE SHIPPED IN ONE TWO NINE BOXES LOADED ON TWO PLANES LEAVING HERE JULY TWO FIVE SEVEN EACH BOX CONTAINS EIGHT CARTONS EACH CARTON CONTAINS FOUR THOUSAND LARGE SIX NOTES OR EIGHTY THOUSAND SMALL SIX NOTES CARTONS LABELED TO SHOW CONTENTS AND SERIAL NUMBERS ALL SHIPMENTS SUBJECT TO COUNT IN EVENT OF ANY DISCREPANCY LABEL ON CARTON AND STRAP ON PACKAGE SHOULD BE RETAINED FOR VERIFICATION SHIPMENT TO BE MADE JULY TWO ZERO WILL CONTAIN LIST OF ALL BOXES SHIPPED CONTENTS OF EACH BOX BY DENOMINATION AND SERIAL NUMBER PLEASE RADIO IMMEDIATELY UPON RECEIPT OF EACH SHIPMENT

411410
date
accredited official researchers Order
Sec/Army by TAC/

TO SEC.
FINANCE
BB m/7

3 ACTION

Jul
21/7

SEC 2420B/21
P.T. 1420B/21

3765
P/A
m/7

Lt. Col. BERSTEIN
Lient SOUTHARD.

Original of this
letter said to be
in transit: replied
in M.S. to the
questions in IB ii
and 2c. i.e.
a) to be treated
as belonging to
RATC.

b) Do NOT want
to be l' A. comage.

als
10/7

785015

EQUALS BRITISH MOST SECRET
SECRET
 WAR DEPARTMENT
 CLASSIFIED MESSAGE CENTER
AFHQ
OUTGOING MESSAGE

HEADQUARTERS
 DATE 4 JUL 1943
 NO. 7304
 F. 143

ROUTINE

TO: AGMAR (MARSHALL)
 SIGNED EISENHOWER

REF NO W-4764
 CITE FVMS

Re Fortune 445, we assume you are able to ship balance of first order in one convoy. If priority in shipment is necessary, prefer next partial shipment consist of 100's and 50's. We will notify you later if we have any preferences as to priority in shipment of second order. We hope greatest care will be taken in shipment of currency and that if possible one or more officers on transport will be made responsible for safe delivery.

ORIGINATOR: AMDOT (REAR)

AUTHENTICATION: J.C. HOLMES, BRIG GEN

INFORMATION: MIL GOVT SEC
 AG RECORDS

This copy only MAY BE SHOWN to duly
 accredited unofficial researchers under
 Spec/Army by TAG/ ----- date -----

410

MC-OUT-4675

13 July 43

1153B

Ref No W-4764

tea

To SLK

FINANCE

BB

376

EQUALS BRITISH MOST SECRET

SECRET

COPY No.

1

Subject: Currency

LOST SECRET - BIGOT

ALLIED FORCE HEADQUARTERS

Refce: 1 H.Q./Fay/156

8th July, 1943.

Dear Graffley-Smith

As promised by phone, herewith details of E.M.A. and small coin held by us.

I am giving you approximate figures and an only including the E.M.A. and coin which is "boxed" and therefore available to be moved at any time. (But see paragraph 2 C).

1. E.M.A.

(A) At present in North Africa

<u>Amount</u> £	<u>Location</u>	<u>Remarks</u>
490,000	TUNIS	Less any amount which may be used for "exchange" purposes at SOUSSE etc.
367,500	CONSTANTINE	Of this amount £25,000 is being sent to BONE and £25,000 to PHILIPPEVILLE for "exchange" purposes if required there.
2,524,750	ALGIERS (Vaults)	Vault in Avenue Marechal Petain.
£ 3,062,500	ALGIERS (2 G.P.O.)	At Casino la Corniche, Pointe Descade, ALGIERS.

TOTAL 6,502,750

(B) Required for HUSKY and to be taken by Colonel Rooney's parties

<u>Date</u>	<u>Amount</u>
D + 14	1,004,500
D + 28	4,005,750
<u>TOTAL</u>	<u>£ 5,010,250</u>

NOTES on above

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411410

376

(A) At present in North Africa

Amount	Location	Remarks
490,000	TUNIS	Less any amount which may be used for "exchange" purposes at SOUSSE etc.
567,500	CONSTANTINE	Of this amount \$25,000 is being sent to BOME and \$25,000 to PHILIPPEVILLE for "exchange" purposes in required there.
2,504,750	ALGIERS (Vaults)	Vault in Avenue Marechal Petain.
3,062,500	ALGIERS (2 C.R.O.)	At Casino la Corniche, Pointe Pescade, ALGIERS.

TOTAL 6,504,750

(B) Required for HUBBY and to be taken by Colonel Rooney's parties

Date	Amount
D + 14	1,004,500
D + 28	4,005,750
TOTAL	5,010,250

NOTES on above

(i) After D + 28, the amount of E.M.A left in North Africa will be approximately \$1,500,000, distributed between ALGIERS, TUNIS, and CONSTANTINE.

(ii) As regards the amount marked "H" in (A),

This is contained in 250 boxes which were received here in May and is the amount referred to in Key's letter P/5/CM/M29(P5) dated 14th May, a copy of which was addressed to Major General Lord Remell. We cabled P5 on 30th June, 1943 (see enclosure "H") for confirmation that we should debit our account with the sum of \$3,062,500.

P5 replied (enclosure "H") that we should hold for you and not book it.

P.M.O.

THIS COPY ONLY MAY BE SHOWN TO duly accredited unofficial researchers Order Sec/Army by TAG/ date

411410

As will be seen from the totals at (A) and (B), however, we cannot meet Colonel Rooney's requirements (5 million) from our own (original) stocks, and therefore we have to dip into the reserve marked "A".

Presumably this is quite in order, but may we have your confirmation on this point?

2. COIN

(A) Boxed coin available now

	Q	Location
6d 20 boxes @ £500 per box	= 10,000	
3d 10 " @ £100 "	= 1,000	
1d 20 " @ £25 "	= 500	
1d 15 " @ £20 "	= 300	

11,800

Less to be taken by Colonel Rooney's party on D + U.

6d 1 box @ £500
3d 1 " @ £100

600

TOTAL £ 11,200 ALGERS (Vault)

(B) Coin boxed locally, available by 14th July, 1943

1d 11 boxes @ £25
3d 2 " @ £20

275
40

TOTAL £ 315 ALGERS (Vault)

(C) Additional coin in Banque de l'Algerie, ALGERS

I have been informed by the Banque de l'Algerie that they hold the following Silver, Bronze and Copper :-

Silver 6d	£	s	d
26 Bags @ £50 per bag			1,300

Bronze 3d			
14 Bags @ £12. 10. 0 per bag			175

penies

Less to be taken by Colonel Rooney's
party on D + L.

11,800

6a 1 Box @ £500
3a 1 " @ £100

,600

TOTAL £ 11,200 ALGIERS (Vault)

(B) Coin boxed locally, available by 14th July, 1943

1d 11 Boxes @ £25
2d 2 " @ £20

275
40

TOTAL £ 315 ALGIERS (Vault)

(C) Additional Coin in Banque de l'Algérie, ALGIERS

I have been informed by the Banque de l'Algérie that they hold
the following Silver, Bronze and Copper :-

Silver 6d
26 Bags @ £50 per bag

£ 1,300

Bronze 3d
14 Bags @ £12. 10. 0 per bag

175

Pennies
293 Bags @ £2. 1. 8 per bag

610. 3. 4

Halfpennies

120. 16. 8

You will note that the bags of threepennies and halfpennies are
made up in 1,000 coins and the pennies in 500 coins. The result is
that the totals of these bags are rather odd to our way of thinking.
To count and re-sort these bags would be a laborious business.

On the other hand, boxes could be packed in accordance with the
standard "make-up" (see paragraph 2A), with the exception of the half-
pennies, where we would have to make up special boxes, each containing
either £18. 15. 0 (i.e. 9 bags x £2. 1. 8) or £20. 16. 8 (10 bags x
£2. 1. 8).

(continued)

If, therefore, you consider you may require this coin at some future date, I suggest that we collect it from the Bank and pack it (in its present bags) in suitable boxes. We have some spare boxes in stock, but shall have to order more for this job.

~~We~~ will await your remarks before taking any action.

Yours

very

W. Thacker

Lt. Col. Grafton Smith,
ALFOI.

3762

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

COPY

"Y"

TO: 0 OFFERS
FROM: FREEDOM ALGIERS

PAY/245

30

29

For P5 from DPIC. Your P5/CMT/H29 of 10 May and my PAY/58/201 of 29 May. No notification contents yet received. Assume each box contains \$12,250 and total consignment equals \$3,062,250. Confirm this amount to be charged from 2 General State.

3761

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

COPY

"2"

130

FROM: TROOPERS

5 Jul 1000

95729 B5

TO: FREEDOM FOR DEEC

129

Your PAY/245 30 Jun. Assumption regarding contents correct.
Continue hold in safe custody in accordance Keys letter 14 May.
No bookkeeping entries should be passed by you. Writing.

3760

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

EQUALS BRITISH MOST SECRET
SECRET

WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING MESSAGE

LRBS
29/12
FILED 122000B

HEADQUARTERS
DATE 12 JUL 1943
NO 7804
FORCE 141

AFSC H1092/12
122201B
jhb

PRIORITY

FROM: FANTOX, AMGOT.

TO : FREEDOM, FOR AMGOT REAR, FOR BERNSTEIN.

NO : 736, July 12, 1943.

(CAT 38)
By 2nd part, send 1,000 pounds worth of Lire if not already
sent with GRAFFEX. (CITE CAT/38).

ACTION: AMGOT REAR

INFORMATION: AG RECORDS

To SAC

FINANCE

BB 14/7

6/13/7

MC-IN-5498

12 JULY 43

2333B

Ref No: 736

htv

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accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----
411410

3759

EQUALS BRITISH MOST SECRET

SECRET

COPY No. 2

THE MAKING OF AN EXACT COPY OF THIS MESSAGE IS FORBIDDEN

785015

Subject: Amended Military Lira - Proclamation 2.

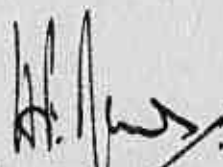
123
141F/7804/CA.

To: Chief Financial Officer,
AMGOT,
141 Force, Rear H.Q.

12 July, 1943.

Reference the translation of the above draft Proclamation handed to Col. Grafftey - Smith, certain errors have been found in the translation and an amended form is enclosed herewith shewing in pencil where the alterations take place.

AMGOT
A.F.H.Q.,
B.N.A.F.


Lt. Colonel.

2/A
3753

785015

INCOMING MESSAGE

WAR

filed 092213Z

AFSC N198/10
100225B
rbv

R E U T I N E

BIGOT HUSKY

FROM: AGWAR FROM CARTER SPFEM

TO: FREEDOM

NO: FORTUNE 445, July 9, 1943.

125
Currency air shipment reference your W 4217 dated 6 July in terms of HUSKY will be as follows: 1's, 1,600,000; 2's, 1,600,000; 5's, 1,600,000; 10's, 1,600,000; 50's, 1,600,000; 100's, 1,600,000; 500's, 1,800,000; 1,000's, 1,000,000, total number of notes 12,400,000, total face value 2,168,800,000. Reference is made to your radio 26 June 1943 in which you request additional 5,000,000,000 Allied Military Lire which for reference purposes is designated as the 2nd order fiscal director after shipment of 1st order has been completed. Do you prefer large or small denominations shipped next?

W-4217 MC OUT 1914 8/7/43 (Mil Gov Sec)

ACTION: MIL GOVT SEC

INFO: SCS
DTC
AG RECORDS

MC IN 4345 10 July 43 0930B Ref No. FORTUNE 445 1p

A TRUE COPY:

T. B. Jackman
T. B. JACKMAN,
Major,
Mil. Govt. Sec.

To SEC 124

Lt. Soubert Jr.

3757

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

COPY 125

OUTGOING MESSAGE

AFHQ

7804

TO: AGWAR

NO: W 4217

BIGOT HUSKY

PRIORITY

SIGNED: EISENHOWER

134
Please repeat last paragraph of your 415 of July 3 (FOR CARTER FISCAL DIRECTOR CITE PHMGS) as total face value does not agree with total number of notes. Essential that floats large in early phase but currency will be held later by AMFA and unnecessary withdrawals discouraged. Consign water shipments to AMGOT care of Finance Officer, AFHQ, informing ETA when possible.

ORIGINATOR: MIL GOV SEC

AUTHENTICATION: A.T. MAXWELL, COL.

INFORMATION: SGS
AG RECORDS

MC-OUT-1914

6 July 43

1340B

No. W 4217 ppm

4d 136
3756

ARMY FORM C-2138 (Small)
(Page of 100)

MESSAGE FORM.

125 A
Serial No.
0/48
GR.
OFFICE DATE STAMPCALL
AND
INSTRUC-
TIONS.

IN

OUT

(ABOVE THIS LINE IS FOR SIGNALS USE ONLY.)

TO

TRIPBASE apra Fortaine for Amcor 31

FROM

A 30 Corps

Originator's Number.

Date

In reply to Number.

data

24

0

ke

pan

Supply

15 JUL 1943

THIS MESSAGE MAY BE SENT AS WRITTEN
BY ANY MEANS.IF LIABLE TO BE INTERCEPTED OR FALL
INTO ENEMY HANDS, THIS MESSAGE MUST
BE SENT IN CIPHER.ORIGINATOR'S INSTRUCTIONS
DEGREE OF PRIORITY

TIME OF ORIGIN.

1200

SIGNED

(BELOW THIS LINE IS FOR SIGNALS USE ONLY.)

T. H. I.

281305

375 P. R.

System	Time	Reader	Sender	System	Time	Reader	Sender	System	Time	Reader	Sender

D P W

-F11 (319-G1461) - Dt. 26-11-41 - At. Las Pds.

INCOMING MESSAGE

AFHQ

FROM: AGWAR SIGNED CARTER FISCAL DIRECTOR
TO : FREEDOM ALGIERS
NO : 415, July 3, 1943

HEADQUARTERS
JUL 12 1943
7804
JG

124

Additional shipment of Allied Military Currency requested in your radio 26 June 1943 has been ordered from Treasury Department in same number of notes and face value as original order outlined in our radio 512 dated 17 June 1943 will be available earliest possible after original order has been shipped.

Substantial floating reserves should not be kept in hands of Disbursing Officers and Paymasters, but should be held in reserve by Allied Military Financial Agency for withdrawal by Disbursing Officers and Paymasters when necessary.

Request specific shipping destination for water shipments, reference your radio W-3283 dated 22 June 1943.

Air shipment of currency in terms of HUSKY will be as follows:

1's	-	1,600,000;
2's	-	1,600,000;
5's	-	1,600,000;
10's	-	1,600,000;
50's	-	1,600,000;

MC-IN-1543

Continued Below:

100's	-	1,600,000;
500's	-	1,800,000;
1000's	-	1,000,000.

Total number of notes 12,400,000; total face value 2,168,800.75!
Will occupy 736 cubic feet and weigh 11 1/2 tons.

arrived
10 July 1943

JO - June 30 '43

HEADQUARTERS
DATE: 7804
N°: 185
FORCE 141

Secret 123

24 June 1943

My dear Bernstein

Herewith copies instructions issued
re change of currency.

Cks. drawn in favor unit funds by
local banks payable at Par in U.S. can be
handled by our Dist Officers - either being
cashied or transmitted thru our transfer system
to U.S.

As to cash in possession DO &
personnel entering Horripes I have confirmed
our estimates - it appears 30-35 million in
DO hands and 10-15,000,000 in possession
individuals. Of the 30-35 in hands of DO
approx \$300,000 will be metallic.

Trust this clears all points.

Yours
J. L. Lallman
JO

THIS COPY ONLY MAY BE SHOWN to duly
accredited unofficial researchers Order
of Army by TAG/ date

1410

HEADQUARTERS I ARMORED C.C.F.S., REINFORCED

A. P. C. # 758

19 June 1943

DAILY BULLETIN)
:
NUMBER 157)

Items in this bulletin appearing above the signature of the Adjutant General are official and have the same effect as other official orders. All items for publication must be in the Adjutant General's office by 1000 on day publication is desired.

OFFICIAL SECTIONI - RELATIONS BETWEEN AMERICAN TROOPS AND NATIVES:

The following extract of Circular # 28, HQ Fifth Army, 11 June 1943 is published for the information and guidance of all concerned:

"I. RELATIONS BETWEEN AMERICAN TROOPS AND NATIVES:

American personnel must constantly keep in mind the fact that the native peoples of North Africa are unaccustomed to Americans, do not understand their ways and are easily disturbed by incidents foreign to their own customs and ways of living. Small disputes or quarrels with natives may start rumors circulating which will result in dangerous disturbances. It is imperative that American personnel keep away from native houses, never tamper with native livestock or other property, and above all, discontinue attempts to talk with, or have any sort of relations with native women. In cases of controversies with natives reports will be made to the American or French authorities. Attempts to use force will not be made." AG

II. GOLD SEAL CURRENCY.

Due to the shortage of local currency, payments to troops of this command will be made in gold seal currency. Incidental to this situation, it is directed that all local foreign currencies in the hands of members of this command be exchanged without delay. Unit Commanders will collect and list such currency so that exchange may be made in bulk by disbursing officers.

AG

III. FOOTLOCKERS.

All officers of this Headquarters, forward and rear echelon, are reminded that by 20 June 1943 all footlockers must be turned in to Headquarters Supply for storage at MBS.

HQ Comdt.

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III. FOOTLOCKERS.

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BY Command of LIEUTENANT GENERAL PATTON:

Glenn A. Herry
GLENN A. HERRY
2ND LT, AGD.
Asst Adj General.

Information Section

All lost and found inquiries will please be directed to the Provost Marshal. FOUND. Dark red wallet, containing \$20.00 dollars and 45 francs.

Individual pay records: T/4 Thomas W. Mc Guckin, 16063124

T/5 Denis F. O' Connor, 32024644

Light tan wallet containing social security card, pictures property of

Wilmer Clifford Weikel, 1257 Independence St., Shamokin, Pa.

C V E R

DB # 157, HQ IAC REINF, 19 June 1943 cont'd

CHURCH NOTICE:

Chaplain Jones will hold Episcopal Services at the Red Cross Theater, Mostaganem, at 1030B, 20 June 1943 and after services he will hold Episcopal Mass.

He will hold services at the 40th Station Hosp in the afternoon.

END

Col Bernstein

123B

FINANCE SECTION

HQ. I ARMD CORPS, REINT.

CONFIDENTIAL

HEADQUARTERS
DATE 12 JUL 1943
NO. 7804
FORCE 141

17 JUNE 1943

PRIORITY

BOOK MESSAGE

CG II CORPS
CG 1ST INF DIV
CG 9TH INF DIV

CG 2ND ARMD DIV
CG 3RD INF DIV
CG 82ND AIRBORNE DIV

DUE TO THE SHORTAGE OF LOCAL CURRENCY (FROM PATTON TO CG II CORPS, CG 1ST INF DIV, CG 9TH INF DIV, CG 2ND ARMD DIV, CG 3RD INF DIV, CG 82nd AIRBORNE DIV) PAYMENTS TO TROOPS OF THIS COMMAND WILL BE MADE IN GOLD SEAL CURRENCY X INCIDENTAL TO THIS SITUATION IT IS DIRECTED THAT ALL LOCAL FOREIGN CURRENCIES IN THE HANDS OF MEMBERS OF THE COMMAND BE EXCHANGED WITHOUT DELAY X UNIT COMMANDERS WILL COLLECT AND LIST SUCH CURRENCY SO THAT EXCHANGE MAY BE MADE IN BULK BY DISBURSING OFFICERS X DISBURSING OFFICERS WILL ARRANGE TO TRANSFER FOREIGN CURRENCIES RECEIVED BY THEM TO THE NEAREST FUNDING OFFICER OR TO EXCHANGE IT FOR GOLD SEAL AS CIRCUMSTANCES WARRANT X DISBURSEMENTS AND OTHER OUTGOING TRANSACTIONS IN LOCAL FOREIGN CURRENCIES WILL BE HELD TO A MINIMUM

ONE COPY TO 25th FINANCE DISBURSING SECTION
ONE COPY TO 26th FINANCE DISBURSING SECTION

171425B

3751

W. G. CALDWELL
Lt. Col., AGD
Adjutant General

122

ALLIED FORCE HEADQUARTERS
Military Government Section

dg/TBJ

10 July 1943

HEADQUARTERS
16 JULY 1943
N 7804
FORCE 141

MEMORANDUM TO: AMGOT HQ.
Lt. Col. Grafftey Smith.

Copy of FORTUNE 445 of 9 July is forwarded in continuation of
cables W4217 of 6 July, and 415 of 3 July.

Brigadier General Holmes would like your comment at earliest,
please.

119

118

J. C. Holmes
for J. C. HOLMES,
Brigadier General, G.S.C.
Chief, Military Government Section

dg/TBJ

1 Inclosure:
Copy Radiogram From: ACWAR
To : Freedom.

R/A

M/A

10

SEE

FINANCE :

ap.

17/6

3750

785015

C O P Y

INCOMING MESSAGE

BIGOT HUSKY

122A

FROM: AGWAR FROM CARTER SPFEM

TO : FREEDOM

NO : FORTUNE 445, July 9, 1943

119

Currency air shipment reference your W 4217 dated 6 July in terms of HUSKY will be as follows: 1's, 1,600,000; 2's, 1,600,000, 5's, 1,600,000; 10's, 1,600,000; 50's, 1,600,000; 100's, 1,600,000; 500's, 1,800,000; 1,000's, 1,000,000, total number of notes 12,400,000, total face value 2,168,800,000. Reference is made to your radio 26 June 1943 in which you request additional 5,000,000,000 Allied Military Lire which for reference purposes is designated as the 2nd order fiscal director after shipment of 1st order has been completed. Do you prefer large or small denominations shipped next?

W-4217 MC OUT 1914 6/7/43 (Mil Gov Sec)

ACTION: MIL GOVT SEC

3749

785015

ARMY FORM C.

MESSAGE FORM

Register No.

121

Call.	Srl. No.	Priority	Transmission Instructions
Above this line for Signals use only.			
From (A)	ORIGINATOR. FANTOX AMGOT	Date-Time of Origin. July 161100B	HEADQUARTERS Date 16 July 4 Office Duty Stamp. N 780 FORCE 1-1
For Action.			
To	7 ARMY FOR AMGOT	7804	
(W) For Information (INFO).			Message Instructions GR

ORIGINATOR's No. CAF/46.

REF CA/4 X DISAGREE X WHAT BANKS IN WHAT TOWNS? X
 WHAT PERCENTAGE CASH TO DEPOSIT LIABILITIES? X NO RPT
 NO SIMILAR REQUEST RECEIVED FROM 6 ARMY X

To SEE:
 FINANCE

This message may be sent AS WRITTEN by any means except WIRELESS	If liable to be intercepted or fall into enemy hands this message must be sent IN CIPHER.	Originators Instructions. Degree of Priority.	THI OR THOR
Signed.  Major.	Signed.		TIME, CLEARED 374

785015

SECRET

IMPORTANT
CLEAR MESSAGEHEADQUARTERS FOLIO 14126
16 JULY 43 UNDATED.FROM : PATTON
TO : CG 141 FORCE
ORIG NO : CITE CA 4

FORCE 141

TDO.NIL.
THI.NIL.
TOR.NIL.

ESSENTIAL FOR LOCAL ECONOMY REOPEN BANKS EARLY DATE. SUGGEST
SIMPLE PROCEDURE BLOCKING ALL FASCIST ACCOUNTS AND ALLOWING
OTHERS WITHDRAW NOT EXCEEDING CERTAIN PERCENTAGE OLD ACCOUNTS
DEPENDING CONDITION LOCAL BANKS SOME BANKS STILL HAVE CONSIDERABLE
LIRE IN ADDITION WILL PERMIT NEW ACCOUNTS.

AMGOT 3 ACTION

SMC.1720B/15.
T.T.1730B/15.

This copy only MAY BE SENT to any
accredited unofficial researchers Order
Sec/Army by TAG/

412410

3747

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

SECRET

BIGOT

C O P Y

ED/1
JUL 10 1943
7804.
KORDE 141
78

119

AFHQ.

OUTGOING MESSAGE.

NO: W 4217

BIGOT HUSKY

PRIORITY

TO: ACWAR

SIGNED: EISENHOWER.

Please repeat last paragraph of your 415 of July 3 (FBR CARTER FISCAL DIRECTOR CITE FHMGS) as total face value does not agree with total number of notes. Essential that floats large in early phase but currency will be held later by AMFA and unnecessary withdrawals discouraged. Consign water shipments to AMGOT care of Finance Officer, AFHQ, informing ETA when possible.

ORIGANTOR: MIL GOV SEC

AUTHENTICATION: A.T. MAXWELL, COL

INFORMATION: SGS
AC, RECORDS.

See Ser 122

MC- OUT- 1914

6 July 43

134 CB

No. W 4217 ppm.

THIS copy only MAY BE SHOWN to any
accredited unofficial researchers under
Sec/Army by TAG/ ----- date -----
411410

374

SECRET

785015

SECRET

COPY.

BIGOT

AFHQ.

OUTGOING MESSAGE.

WAR

/03

Filed 0321472

RECEIVED
 1 JUL 1943
 7804

AFSC N 159/04
 040158B
 dtm

ROUTINE

BIGOT

FROM: AGWAR SIGNED CARTER FISCAL DIRECTOR

TO : FREEDOM ALGIERS

NO : 415, July 3, 1943

Additional shipment of Allied Military Currency requested in your radio 26 June 1943 has been ordered from Treasury Department in same number of notes and face value as original order outlined in our radio 512 dated 17 June 1943 will be available earliest possible after original order has been shipped.

Substantial floating reserves should not be kept in hands of Disbursing Officers and Paymasters, but should be held in reserve by Allied Military Financial Agency for withdrawal by Disbursing Officers and Paymasters when necessary.

Request specific shipping destination for water shipments, reference your radio W-3283 dated 22 June 1943.

Air shipment of currency in terms of HUSKY will be as follows:-

1's- 1,600,000;
 2's- 1,600,000;
 5's- 1,600,000;
 10's- 1,600,000;
 50's- 1,600,000;

MC-IN-;543

- 1 -

REGRADED UNCLASSIFIED
 ORDER SEC ARMY BY TAG 12

411410

3745

SECRET

BIGOT

AFSC N 159/04 continued-b i g o t

100's - 1,600,000;
 500's - 1,800,000;
 1,000's - 1,000,000;

Total number of notes 12,400,000; total face value 2,168,800.
 Will occupy 736 cubic feet and weigh 11 1/2 tons.

- 2 -

512 is MC OUT 7737 18/6/43 (COL HOLMES)
 W-3283 is MC OUT 6686 22/6/43 (COL HOLMES)

ACTION: COL HOLMES

INFORMATION: SGS

BTC

C-3

CAO

AG RECORDS.

Additional shipment of Allied Military Currency requested in your radio 22 June 1943 has been ordered from Treasury Department. In same number of notes and face value as outlined in our radio 17 June 1943 will be shipped as soon as possible after original order has been shipped.

Substantial floating reserves should not be kept in hands of Disbursing Officers and Postmasters, but should be held in reserve by Allied Military Financial Agency for withdrawal by Disbursing Officers and Postmasters when necessary.

Request specific shipping destination for water shipments, reference your radio W-3283 dated 22 June 1943.

For shipment of currency in terms of BUSK will be as follows:

100's - 1,600,000;
 500's - 1,800,000;
 1,000's - 1,000,000;
 10's - 1,000,000;
 1's - 1,000,000;

MC-12-1203

411410

TELETYPE

785015

SECRET

BIGOT

C O P Y

AFHQ

OUTGOING MESSAGE.

BIGOT MESSAGE.

PRIORITY.

TO: AGWAR FOR MARSHALL

REF NO W 3532

REPEAT: USFOR
NO : 4861

SIGNED: EISENHOWER

BIGOT SECRET HUSKY.

Grateful information amounts and ETA subsequent consignments of AM Lire after shipments of AM Lire 4625 million completed, reference your 512 of 18 June. Difficult estimate amount or time required before AMGOT could safely undertake total exchange yellow seal and BMS currency but consider further AM Lire 5 billion should be shipped earliest. Wish emphasise AMGOT do not expect or intend to place such large amounts in circulation. Large proportion would be provided Finance officers and Paymasters as floating reserves. In any event and in view future operations consider desirable accumulate substantial reserves AM Lire in HORRIFIED and NORTH AFRICA.

ORIGINATOR: MIL GOVT SEC

AUTHENTICATION: COL J.C.HOLMES

INFORMATION:

SGS
CAO
G-3
MAC
NAVY
DTC
AG RECORDS

THIS COPY ONLY MAY BE SHOWN TO duly
accredited unofficial researchers Order
Sec/Army by TAG/ _____ date _____

411410

MC - OU 7730 26 JUNE 43 1457B REF NO: W 3532, 4861 jdp

374

SECRET

785015

BIGOT - HUSKY

MOST SECRET

141F/7804/CA

To: The Senior Paymaster, SOUSSE.

Subject: Supply of A.F. N 1488

A request has just been received at these H.Q. to send forward another Finance Officer to accompany the assault troops.

The officer designated, who is the bearer of this letter, is Major J.C.D. SCARLETT.

Among the other duties of a Finance Officer is, after due investigation, to supply funds required by the Civil Administration Officers for purposes of communal expenditure such as wages, relief etc. He is also made responsible for seeing that Provincial services are continued. For this purpose the other Finance Officers have been supplied with a book of 'Requisition for Cash' forms on which they will draw from the local Pay Services who in their turn will furnish such funds as they are in a position to spare from their stocks. This procedure has received the full approval of the D.P.I.C. A.F.H.Q.

I shall be grateful if you can arrange for Major SCARLETT to receive the requisite A.F. N1488, he will furnish specimen signatures as required by you.

This copy only MAY BE SPORN to duly
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

411410

AMGOT REAR
A.F.H.Q. B.F.A.F.
7 Jul 43.

Colonel,
Chief Finance Officer.

*Delivered by
hand of Capt Scarlett*

P.H.O. 72

374

ae4

116

785015

MOST SECRET.

8CP/S/1/17.

To:- Chief Fina. Officer,
Amgot.

With reference to your 141F/7804/CA dated 2nd July 1943 and further to my letter of 26th June 1943.

It will probably be found that American Finance Officers normally carry a greater float than do our Field Cashiers because the settlement of what they term "commercial accounts" (and what we would describe as local purchases) is decentralised and also because they actually disburse in cash in the field the pay and allowances due to their officers and soldiers.

Our policy is to restrict settlement of local purchases and requisitions to the Command Pay Office, thereby relieving Area and Field Cash Offices of the burden of records, as far as possible, and also eliminating the dispersal of considerable sums required if payment is effected by formations.

There is, I may add, no question of centralising payment where operations or circumstances require immediate local settlement, and our Area and Field Cashiers are well aware of this. Normally, however, payment by the Command Pay Office is advocated and encouraged, and Cashiers are instructed - as are in fact unit imprest holders - to keep cash floats to a minimum for essential requirements.

The estimated position regarding official floats is as follows:-

Command Pay Office.
Area & Sub Area Cash
Offices.
Formation Cashiers.
On the persons of
soldiers coming into
the country

£ 4,000,000

1,500,000 only MAY BE SHOWN to duly
accredited official researchers Order
Sec/Army by TAG/ date

4-1410

1,500,000
£ 7,200,000

Spendings are estimated as follows:-

Command Pay Office
Area & Sub Area Cash
Offices.
Formation Cashiers.
Total

	1st Month	2nd Month	3rd Month
Command Pay Office	85,000	400,000	550,000
Area & Sub Area Cash Offices.	47,000	80,000	100,000
Formation Cashiers.	43,000	220,000	250,000
Total	175,000	700,000	900,000

Replenishment of Area and Field Cashier's is from No. 8, Command Pay Office so that, in effect, after dissipating their original floats totalling approximately £1,700,000, the main expenditure all initiates from the Command Paymaster.

As I foresee it in three months the pay services will have turned less than £2 million currency into the country, with £1.5 million brought in on the person of troops, and with a further £2 million by then held in floats of Cashiers.

During or after the 3rd month I anticipate that expenditure will soar, but I would prefer to postpone any estimates of this until a later date.

In case it will be of assistance, I should like to give you a brief picture of our cash system (see attached).

Normally the Command Cashier pays all local purchases and requisitions, and feeds in bulk all other cashiers. Area (1) and Sub Area (3) Cashiers can usually open and operate Bank accounts being refuelled only with minimum requirements.

Three of the Field Cashiers normally carry about £20,000 float each. Five of them about £30,000 each. They are refuelled weekly or, for preference, fortnightly.

It is the Command Cashier at the Command Pay Office who carries any real float.

I am sending this by Lieut. Hart of ours who is not in the picture, but could carry back any written questions if I have not cleared the matter.

/No.

-2-

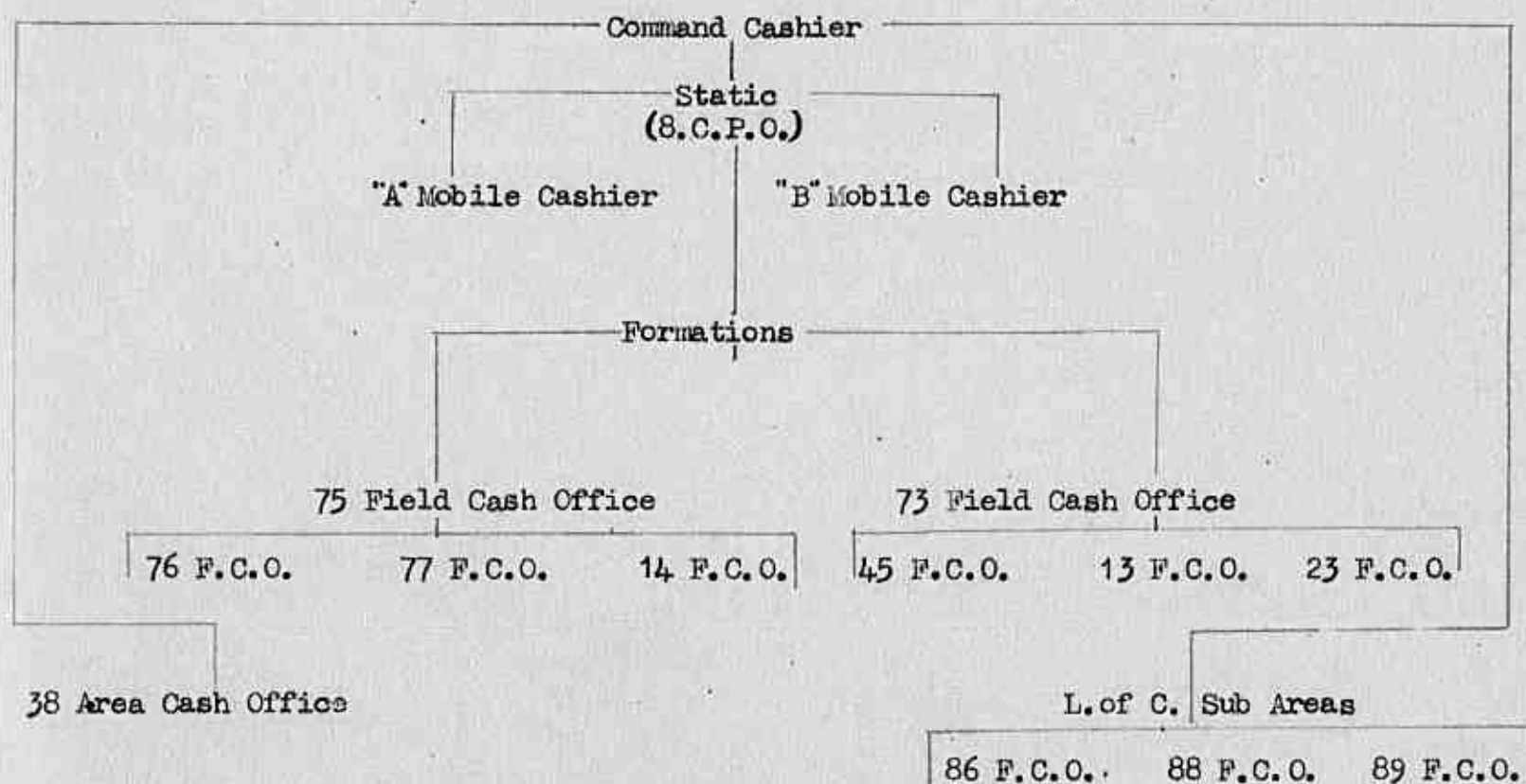
No. 2, Command Pay Office,
Casino la Corniche,
Pointe Pescade,
Algiers.
3rd July 1943.

Charles Bonny

Colonel.

Command Paymaster.

No. 8, Special Command Pay Office,
Attached No. 2, Command Pay Office.



Notes: A & B Mobile Cashiers are part of the Command Cashiers Staff.
F.C.O. = Field Cash Office.

3741

785015

Subject:

114 7804 FORCE 141

MOST SECRET

ARMED FORCE HEADQUARTERS

Refce: 1 H.Q./Pay/156/114

2nd July, 1943.

Command Paymaster,
No. 2 Command Pay Office

No TRACE.

1. Further to letter number 1 H.Q./Pay/156/72 dated 22nd June, 1943, herewith the sum of Lire 7,156,200 made up as under :-

Large wooden box	Lire 5,600,000
Small " "	1,556,200
Parcel	2,000,000

Lire 7,156,200

2. The relative correspondence received from Civil Affairs Branch C.H.Q., H.E.F., is attached. The sum of 4,000,000 lire has been retained in this H.Q. Our stock is, therefore, now 5,020,000 lire, made up of 1,020,000 previously held and 4,000,000 retained as above.

3. Receipt by signal has been acknowledged and you are requested to send the confirmatory letter when contents of boxes etc have been checked by you.

This copy only NOT BE SHOWN to duly
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

411410

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

Copy to - Lt. Col. Graffley-Smith, ✓
(Amgot),
Civil Affairs,
H.Q. 141 Force.

FINANCE

37.0

COPY

MOST SECRET

No. 11341/238/CA

Brig. Brickman,
D.P.I.C.,
L.I. Force

Civil Affairs Branch,
CHQ, MEF

30 June, 1943.

1. Please receive herewith per Captain Fairweather 3 boxes each marked AC/69.

2. Contents are as follows :-

Large wooden box	Lit. 3,600,000 in 100's	Lit. 3,600,000
Small " "	445,000 " 1000's	
	544,000 " 500's	
	300,000 " 100's	
	216,000 " 50's	
	31,200 " 10's	1,536,200
Small tin box	6,000,000 " 1000's	6,000,000

Lit 11,136,200

3. I enclose herewith the key of the small tin box.

4. Kindly acknowledge receipt by signal and confirmatory letter.

(signed) M.J. RABINGTON SMITH
Colonel
CONTROLLER OF FINANCE AND ACCOUNTS

COPY

TO: MIDEAST
FROM: FREEDOM ALGHERS PAY/250 2

For Civil Affairs from DPIC. Your 11341/238/CA of 50th. Fairweather with three boxes arrived.

This copy may only be shown to duly
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

A 11410

3739

113

FROM: ARMY IN THE ARMY ADV
VIA: TELETYPE CODES

SECRET 141

HEADCLAS
Date <u>78 July 43</u>
N <u>7804 28</u>
FORCE 141

TO: FORTUNE FOR A GOOD BLANK.

FOR COUNTRY SOUTH AFRICA

EXAMINED IN FORTUNE CAN OBTAIN 5000 (50000) POUNDS

THESE MILITARY A TROUBLESHOOTER'S PREPARED TO REPORT TO

BE PROVIDED WITH THE EASTERN TELEGRAPH'S NECESSARY ADVISORY

PLEASE ADVISE

My at Rear
Cox

88 523 PM



B.B.
A.H.F.A.

To Set

FINANCE

als

D.P.I.C. will signal as requested.
It will provide a sizeable addition
to Worsley's stocks.

als
7.7.

RECEIVED
COMMUNICATIONS SECTION
ARMY HEADQUARTERS

7804

112

AMGO Rear FREEDOM

July 051100E

Summit J.

SECRET.

PRIORITY.

CG Force 343

CG 1124E.

106

BIGON HUSKY - MOST SECRET (.) Reference your letter No. 014 GA (.)

For purpose of this operation including approval of financial transactions referred to in our letter dated 25 June 1943. Senior Civil Affairs

Officers follows: Lt Col Charles Poletti, Lt Col George H McCaffrey,

Lt Col Wymet R Irish, Lt Col Stephen B Story, Lt Col Leonard D. Densmore (.)

Full directive of nomenclature contemplated earliest practicable time.

This copy only LY BE SHOWN to duly
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date 4-14-10

7/2-3/2

CG Force 343

CA/2/8.

106

HICOF HUSKY - MOST SECRET (.) Reference your letter No. C14 CA (.)
For purpose of this operation including approval of financial transactions
referred to in our letter dated 23 June 1940, Senior Civil Affairs
Officers follows: Lt Col Charles Peletti, Lt Col George H. McGeffrey,
Lt Col Wynot R. Irish, Lt Col Stephen B. Story, Lt Col Leonard D. Denmore (.)
Full directive of nomenclature contemplated earliest practicable time.

This copy only KLX BE SHOWN to duly
accredited unofficial researchers Order
Sec/Army by TAG/ ----- date 4 - 14 - 10

7/2-3/12

372

785015

7804

NOT SECRET III

BR/DP

25 June 1943

TO: Commanding General Hq. Force 343
(Through Hq. D.I., U.S. Contingent)

1. Enclosed is a copy of a Sub-Allotment Advice for \$1,000,000, issued by the Commander-in-Chief, NATOUSA, to cover the necessary expenses of AMGOT for the first quarter of the fiscal year 1944.

2. Col. L. H. Sims, Chief Finance Officer, NATOUSA, is forwarding to Col. Tillman the approved documents covering this appropriation and the method to be pursued in furnishing funds to the AMGOT Finance Officers. The following have been designated as AMGOT Finance Officers:

Major C. C. Hayes (British)	0-919652
1st Lt. Hiram S. Gans	0-900986
Capt. Lionel C. Perera	0-919782
Capt. Arthur E. Puccinelli	0-261128
1st Lt. John A. Becker	

3. It is requested you instruct the AMGOT Finance Officers that -

1. No money is to be drawn under the allocation until July 1, 1945.
2. No money is to be drawn by an AMGOT Finance Officer except with the written approval of a Senior Civil Affairs Officer.
3. Major Hayes will prepare for the signature of the Commanding General of AMGOT D.I. Force (U.S. Contingent) the monthly report required by the instructions appearing on the enclosed Sub-Allotment Advice.

FRANK J. MOSHERY
Brigadier General, U.S.A.
Commanding (U.S. Contingent)
D.C.C.A.O.
AMGOT

Accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

410

3736

785015

War Department
Form No. 46

SUBALLOTMENT ADVICE

SECRET
By Authority of
CinC, AF
Initials *P.H.S.*
Date *24 June 43.*

Commanding General, AMGOT 141 FORCE	
Issued to	Station No.
(U. S. Contingent)	
APO 777	
Address	

AGWAR 521
18 June 1943
Allotment advice No.NATOUSA 11
Subadvice No.

Change No.

1 July 1943
Date issued

COMMANDER-IN-CHIEF, NATOUSA

APO 534
Station No.signed *L. H. Sims*

Authorizing signature

L. H. Sims, Colonel, F. D.

Chief Finance Officer, NATOUSA
Title

Appropriation identification (1)	Purpose No. (2)		Net amount previously sub- allotted under above advice (3)	Suballotment changes on this advice		Revised net amount available under above advice No. (3+4-5) (6)
	Project	Object		Original issue or increase (4)	Withdrawal or decrease (5)	
FDGA 66 P-99 A 0102-1	P-99			\$1,000,000.00		\$1,000,000.00
Totals				\$1,000,000.00		\$1,000,000.00
Net total of this advice				\$1,000,000.00		

OTHER INSTRUCTIONS: FOR PERIOD ENDING SEPTEMBER 30, 1943.

To be available for all local requirements and any other purposes under this appropriation only, except Official Entertainment. Applicable appropriations and purpose numbers as listed in Finance Circulars "D" Series will be used. Any balance remaining at the end of the quarter may be carried forward to succeeding quarters within the fiscal year.

- SEE OTHER SIDE -

Obligations incurred and expenditures made under this suballotment advice will be subject to such specific limitations, purpose numbers, and instructions as are indicated above. They also will be subject to provisions of applicable Army Regulations, circulars, and other published instructions pertaining to the availability of appropriations and the use of authorized purpose numbers in respect to such appropriations. Specific purpose numbers will be recorded on all procurement papers issued and chargeable to this suballotment.

SECRET

ADDITIONAL FISCAL INSTRUCTIONS

1. Commanding Officers to whom these funds are allotted are required to render a report to the Commanding General, MATCUSA, APO 534, Attention Chief Finance Officer, as of midnight the last day of the month, showing the total amount obligated for each appropriation only and the amount obligated for official entertainment. This report should be submitted so as to reach this headquarters not later than the 10th of the month following the month being reported on, and will reflect the amount obligated through midnight of ~~the last day~~ the month. The amount reported as obligated should be only the amount obligated during the month covered by the report, and not cumulative totals of preceding months.

2. Funds allotted under this authority which are used for Military Intelligence will be charged against "Contingencies of the Army", FD GA 66 P 410-07 A 0102-4. Such vouchers must be approved by the Commanding General. To carry out this last provision, all such vouchers will be approved by Command of General EISENHOWER, and signed by the C-2 of your headquarters.

3. The attached form may be used in rendering the report. In column (1) will appear the amount of funds allotted for obligation and expenditure. This amount will be the initial allotment as shown on Form 46, plus changes thereto increasing the allotment, less changes decreasing the amount made available for obligation and expenditure. In column (2) headed "Amount Obligated" will appear the amounts of all purchase orders and other procuring instruments which are to be paid from FD GA 66 funds. Columns (3), (4), (5), (6), and (7) will be used to show the breakdown of the amount shown in column (2) as to obligations against appropriations.

785015

HEADQUARTERS
 Date: 3 Sept 43
 File: 7804
 TORGES 141

EQUALS BRITISH MOST SECRET
SECRET
 WAR DEPARTMENT
 ASSIGNED MESSAGE CENTER
AFHQ
OUTGOING MESSAGE

AMGOT
 110

BIGOT MESSAGE

PRIORITY

TO: AGWAR FOR MARSHALL

REF NO: W 3532

 REPEAT: USPOK
 NO: 4861

SIGNED: EISENHOWER

BIGOT SECRET HUSKY

Grateful information amounts and ETA subsequent consignments of AM Lire after shipments of AM Lire 4625 million completed, reference your 512 of 18th June. Difficult estimate amount or time required before AMGOT could safely undertake total exchange yellow seal and Bich currency but consider further AM Lire 5 billion should be shipped earliest. With emphasis AMGOT do not expect or intend to place such large amounts in circulation. Large proportion would be provided Finance officers and paymasters as floating reserves. In any event and in view future operations consider desirable accumulate substantial reserves AM Lire in MORRIFIED and NORTH AFRICA.

ORIGINATOR:

MIL GOVT SEC

AUTHENTICATION: COL. J. C. HOLMES

INFORMATION:

 SCS
 CAC
 G-3
 MAC
 NAVY
 DTC
 AG RECORDS

10 SEE:

FINANCE

alp 5/7

14C-03

7730

26 JUNE 43 1457D REF NO: W 3532, 4861

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411410

EQUALS BRITISH MOST SECRET

SECRET

COPY No.

20

785015

MOST SECRET

7804
7408
141B/7480/CA

109

To:- Command Paymaster,
No. 8 Special Command Pay Office,
CASINO LA CORNICHE,
POINTE PESCADE,
ALGERES.

105

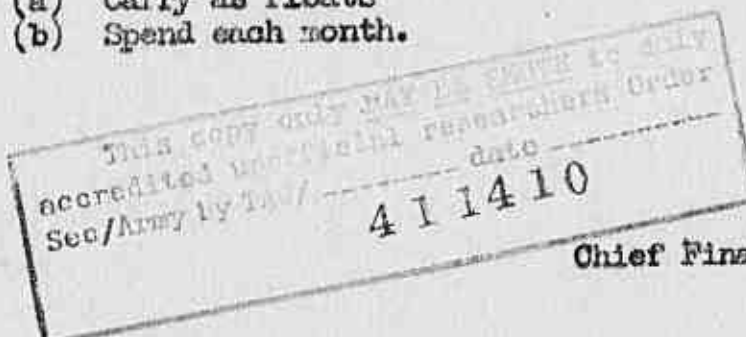
Ref your 8 CP/S/1/17 dated 26 Jun 43, can you please confirm that your estimate of cash requirements covers whole British portion of 141 Force including 545 Force?

Reason for this request is that your present figures appear substantially less than previous estimates. For your private information, 12 American Disbursing Officers with 343 Force are expected to take in about \$30 million as floats and to issue about \$12 million per month for pay, etc.: i.e., total expenditure of \$36 million in first 3 months compared with your £1.7 million or say \$7 million.

Could you please let me know how many Field Cashiers you expect to go in, and approximately how much they will

- (a) Carry as floats
- (b) Spend each month.

AMCOT 141 Force,
Field.
2 Jul 43.



app
Colonel,
Chief Finance Officer.

785015

108

FREEDOM MARKET REAR

3rd July 1943

Summit 3.

SECRET

7292

Cable No. GA/249

ADV ECH 12 Army for AMGOT via Main 30 Corps.

107 SECRET (.) 1 (.) Amendment made by CCAO means that communes rpt communes can borrow directly from banks etc as hitherto not rpt not CAO's (.) CAO's will not borrow from banks to pay communes but will be fully familiar with budgetary situation and will consult F.O's as indicated in the instructions (.) Your F/ONE of 1/7 refers (.) 2 (.) Summary follows of further amendments to General and Special instructions to CAO's and PO's (.) (a) Expenditure on AMGOT local staff etc will not be charged to local bodies but will be accounted separately for later inclusion AMGOT budget (.) (b) Collection and payment taxes are suspended until moratorium prescribed Proclamation 5 partly lifted by General Order (.) (c) Authorisation is granted to CAO's and PO's to make advances to authorised private relief agencies e.g. Red Cross where no satisfactory mechanism exists to make payments for such agencies from communal or provincial budget (.) Amendments in transit and detailed accountancy instructions follow shortly (.)

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411410

373

[Signature]
Colonel.

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

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CONFIDENTIAL

WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER

INCOMING MESSAGE

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JCJC

Filed 011105

AFSC N 9/2

mbc

PRIORITY

2 Jul 43
7804

FROM: ADV ECH TWELFTH ARMY VIA MAIN XXX CORPS FROM McFADZEAN

TO : FREEDOM AMNOT REAR, FOR GRATTY SMITH

NO : F/ONE, July 1st, 1943.

Reference 141F/7804/CA financial instructions to CAOS. Do not like amended Paragraph 3 and part enclosed in brackets in sub Paragraph (F). Consider supply of cash from sources other than revenue should be responsibility of SFO and CAOS should not be given authority to borrow without prior reference. Scheme now proposed makes degree of control dependent on money available in local banks. This is fortuitous and irrelevant to budget which should be the criterion. It also destroys purpose of sub paragraphs 3 (A) and 3b).

141F/7804/CA not in AFHQ MC files.

Action
108

ACTION: ~~AMNOT (REAR)~~ *2*

To SEE P/A 3/7.

INFORMATION: SGS
CAO
AG RECORDS

FINANCE app.

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AK-14-635

2 JULY 43

0506B

Ref No: F-1

htv

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CONFIDENTIAL

COPY No.

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3732

785015

HEADQUARTERS FORCE 343
APO 758

24 June 1943

014 CA

Subject: Financial queries.

To: Commanding General, Force 141, AMGOT Rear,
APO 512, U. S. Army.

With reference to the financial queries contained in a memorandum brought to this headquarters by General McSherry. The information requested was given to Lt Colonel Bernstein by Colonel Tillman during his visit to your headquarters.

For the Commanding General:

W. G. Caldwell
W. G. CALDWELL,
Lt Colonel, AGD,
Adjutant General.
v.f.

TO SEC.
FINANCE

3731

Recd 28 June 43 1707

785015

7804

302/570/17.105

20.2, Command Pay Office,
Casino La Corniche,
Pointe Escadre,
Algiers.

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411410

Re: - Angot,
H. A. 1141 Verne.

At the request - verbal, 25th June 1957, from the
General of 1st, I am writing to give estimates of expected cash requirements.
These estimates do not include cash for the United States Forces but are
framed to include probable demands from the Royal Navy, Royal Air Force and
Ministry of War Transport (D.S.T.O.), whose accountants normally obtain their
funds from the Command Paymaster.

The Canadian Forces have also been omitted as it is considered that they will
be self sufficient in the early stages.

Service.	First Month	Second Month	Third Month
Payment to Officers	10,000	40,000	60,000
Payment to troops including "petty" local purchases.	30,000	350,000	150,000
Payment of Army Service Purchases and Labour.	-	10,000	40,000
R.A.	70,000	130,000	130,000
R.A.F.	10,000	30,000	120,000
D.S.T.O.	2,000	40,000	100,000
Total	172,000	700,000	500,000

Action
109

Chun H. H. H.

To SEE

FINANCE

GB

all

2/17

ATIFA (see outline)

P/H 2/7 3730

AMIFA

Does not include
any 'float'. I
ascertained from
Col. Rooney that their
normal floats are
about £50⁰⁰ per
field cashier which
is about 1/10 of what
we have been reckoning.
If he uses the S/H
extensively they will
not be as large as
this.

als

1. VII. 43

BIGOT

SECRET

26 June 1943

MEMORANDUM FOR FILES

General McSherry stated, upon his return from Mostaganem, that he had left with Col. Poletti copy of the memorandum of financial matters to be discussed with Force 343 and the documents attached thereto.

Col. Poletti told him that there were no financial questions not raised in the forementioned memorandum.

On 22 June, Colonels Grafftey-Smith and Bernstein went to Algiers to discuss with Col. Sims, Finance Officer of AFHQ, a series of financial questions. Col. Sims indicated that we should get the information from Col. Tillman, Finance Officer of Force 343. Col. Sims did not indicate that the Class "A" Agent officer device would not be an appropriate means for dealing with the problem of meeting funds for AMGOT's finance officers.

Col. Sims did say that supplies of Yellow Seal currency located at various points in North Africa would be made readily available to the Army Finance Officers in HORRIFIED upon a cabled request.

Col. Sims said that we did not have a Field Audit Service; that the records of the Finance Officers are audited by the Financial Department in Washington and then by the Comptroller General, and that the Field Auditors located here are people with limited abilities who audit the accounts of the P.X. and Quartermaster sales stores.

We advised Col. Sims of the anticipated currency program, including use of A.M. lire and ALFA. He stated that he would let us know when he receives the A.M. lire and he will do nothing with such currency other than deliver it to us.

Col. Sims stated that company fund accounts could be handled by having such funds held in Postal Money Orders, which could then be cashed by the A.P.O.'s as needed.

On 23 June we reviewed all the financial questions with Col. Tillman and with Major Hayes in a meeting at Headquarters of AMGOT. Col. Tillman indicated why use of the Class "A" Agent device would not be satisfactory for our purposes. We drafted a document for General McSherry's signature addressed to Commander-in-Chief of AFHQ, requesting that funds be made available to the AMGOT Finance Officers in the manner indicated in such memorandum. The memorandum signed by Gen. McSherry, endorsed as "recommending approval by Major General Huebner", was cleared with Col. Holmes and Col. Sims of AFHQ at a meeting at AFHQ attended by these people and also by Col. Tillman and Major Hayes. At such meeting a further document was prepared and signed by General McSherry asking that \$1,000,000 be allocated to cover the necessary expenses of AMGOT for the

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We advised Col. Sims of the anticipated currency program, including use of A.M. lire and A.L.F.A. He stated that he would let us know when he receives the A.M. lire and he will do nothing with such currency other than deliver it to us.

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Under the arrangements contemplated, not only will Americans be able to draw, but British AMGOT Finance Officers, like Major Hayes, will also be able to draw money. (It will probably be necessary for the C.C.A.C. to formally designate the Finance Officers for the purpose of withdrawing the funds.)

Col. Tillman stated that 343 has already issued orders requiring the conversion of currency into Yellow Seal currency and that copies of such orders will be furnished to us. He also stated that he is calling the currency simply Yellow Seal currency, and that all of the disbursing officers at 343 have been furnished copies of the circular issued by Force 141 relating to the convertibility of various currencies at an indicated rate, including Yellow Seal currency.

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Col. Tillman stated that it would be impossible to tell just how much Yellow Seal currency is being taken into the area by the Army personnel, but that approximately \$30,000,000 will be taken in by the twelve disbursing officers of Force 343, each disbursing officer having about 2 to 2-1/2 million dollars in Yellow Seal. Col. Tillman will furnish us with information as to the amount of U. S. coinage being taken in by 343.

Some of the disbursing officers will go in with the Division Troops around D4. He did not know definitely when the disbursing officers with the Corps Troops would be allowed to go in. He was sure that all the disbursing officers would arrive at the latest by D30. Col. Tillman was not particularly concerned about the handling of company funds, since such funds are taken in by Postal Money Order to be converted at the A.P.O.'s. He will also let us know if his disbursing officers will be authorized to cash checks for company funds drawn by an Algerian Bank in dollars. As far as concerns funds remitted to our troops from the States, he seemed to feel it was sufficient that such funds could be remitted by Postal Money Order or through traveler's checks, which the Finance Officers could cash. Col. Tillman estimated that anywhere from 5 to 15 million dollars of Yellow Seal currency might be in the personal possession of the troops.

Col. Tillman thought that disbursing officers and troops would not be taking in lire currency, but he will check into this and let me know definitely.

Attached is a list of Finance and Disbursing Officers of the 343 Force, furnished by Col. Tillman.

Col. Tillman stated that under the arrangements we have agreed to for the furnishing of funds to the AMGOT Finance Officers, it will not be necessary for the AMGOT Finance Officers to make any accounting other than to execute the certificate saying that the funds are needed for AMGOT purposes. I told him that within AMGOT we would require the Finance Officers to get the approval of the S.C.A.O. before requesting any moneys, and that the Finance Officers would have to account to AMGOT for the funds.

I described to Col. Tillman how we envisaged to handling the A.M. lire; that 10 ton would be sent by air to the Area Commander, Tunis, and the rest will come c/o AMGOT to the U.S. Finance Officer at AFHQ.

Col. Tillman said he did not know definitely where he would be at the time the A.M. lira was received, except that he would be with Hq. 343. We will try to get the 10 ton of A.M. lire into Col. Tillman's hands at 343 unless Col. Tillman is in HORRIFIED at the time, in which event we will send him about 5 ton of the currency and send the other 5 ton to any one of his disbursing officers who are still in North Africa. That disbursing officer will arrange to disburse the 5 ton to other disbursing officers still in North Africa. When later shipments of A.M. lira arrive, we will notify Col. Tillman and make available to him at a central point what he needs in A.M. lira and he will distribute the currency to his disbursing officers and make the necessary financial arrangements for delivery. Col. Tillman said that the estimate which he would make

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Attached is a list of Finance and Disbursing Officers of the 343 Force, furnished by Col. Tillman.

Col. Tillman stated that under the arrangements we have agreed to for the furnishing of funds to the ALGOT Finance Officers, it will not be necessary for the ALGOT Finance Officers to make any accounting other than to execute the certificate saying that the funds are needed for ALGOT purposes. I told him that within ALGOT we would require the Finance Officers to get the approval of the S.C.A.O. before requesting any moneys, and that the Finance Officers would have to account to ALGOT for the funds.

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Col. Tillman stated that if he needed more Yellow Seal currency than the amount being taken in he would be able to get it from N. Africa.

ALGOT
141 Force
Field

B. J. Tillman
Lt. Col.

MOST SECRET

Memorandum to Gen. McSherry.

Financial Matters Which You May Wish to Discuss at Force 343.

1. (a) Do the Army Disbursing Officers with each unit have in hand an adequate supply of yellow seal currency and U.S. coinage in order to be able to
 - (1) Convert all coinage and currency held by Army personnel into yellow seal currency and U.S. coinage.
 - (2) Provide funds to AMGOT C.A.O.'s and Finance Officers for functions which they are expected to perform.
 - (3) Pay Army Personnel and pay for supplies purchased, and labor employed in the area.
- (b) What arrangements have been made for yellow seal currency and coins to be sent in after D day. Col. Sims, Finance Officer of AFHQ is supposed to be collecting this information. Attached for your information is a memorandum showing the funds being taken in by Force 545.
2. Have instructions been issued by or arrangements made by Force 343 for the conversion into yellow seal currency and U.S. coins all currency and coin held by Army personnel and also to explain to Army personnel that they must not take any currency into HORRIFIED except yellow seal currency and U.S. coins. In this connection Administrative Planning Instructions No. 9 re Currency & Finance, issued by Force 141 on June 10, incorrectly describes United States yellow seal currency as "United States Military Authority (yellow seal) special dollar notes". Hq. 141 phoned 343 of the correction. Force 343 should refer to the currency supply as "United States yellow seal currency".
3. Check to insure that Force 343 does not plan to take any Italian lire into HORRIFIED.
4. (a) Arrangements have been made between C.F.O. and Col. Sims that the American Finance Officers (CA) will be designated by the latter in official orders as Class A agents. This will exclude Major Hayes who will have to draw his funds from one of the other F.O.'s. (See attached memo of instructions to Major Hayes).
- (b) Have arrangements been worked out for Army Finance Officers to provide such sums as are needed in HORRIFIED by AMGOT Finance Officers for advances to communes, provinces, etc., and to social insurance and social welfare institutions and perhaps also for other purposes. The amounts involved may be considerable.
5. Attached is a set of Financial documents to be given to Major Hayes, some of which are still drafts and will be changed. Major Hayes can see the changes which have been made over prior drafts. Also, tell him that General Rennell is opposed to lifting the moratorium on payment of taxes until the banks are reopened, and that C.A.O. will

to be sent in after D day. Col. Sims, Finance Officer of Army, is to collect this information. Attached for your information is a memorandum showing the funds being taken in by Force 545.

2. Have instructions been issued by or arrangements made by Force 343 for the conversion into yellow seal currency and U.S. coins all currency and coin held by Army personnel and also to explain to Army personnel that they must not take any currency into HORRIFIED except yellow seal currency and U.S. coins. In this connection Administrative Planning Instructions No. 9 re Currency & Finance, issued by Force 141 on June 10, incorrectly describes United States yellow seal currency as "United States Military Authority (yellow seal) special dollar notes". Hq. 141 phoned 343 of the correction. Force 343 should refer to the currency supply as "United States yellow seal currency".

3. Check to insure that Force 343 does not plan to take any Italian lire into HORRIFIED.

4. (a) Arrangements have been made between C.F.O. and Col. Sims that the American Finance Officers (CA) will be designated by the latter in official orders as Class A agents. This will exclude Major Hayes who will have to draw his funds from one of the other F.O.'s. (See attached memo of instructions to Major Hayes).

(b) Have arrangements been worked out for Army Finance Officers to provide such sums as are needed in HORRIFIED by AMGOT Finance Officers for advances to communes, provinces, etc., and to social insurance and social welfare institutions and perhaps also for other purposes. The amounts involved may be considerable.

5. Attached is a set of Financial documents to be given to Major Hayes, some of which are still drafts and will be changed. Major Hayes can see the changes which have been made over prior drafts. Also, tell him that General Rennell is opposed to lifting the moratorium on payment of taxes until the banks are reopened, and that C.A.O.'s will be provided with funds to pay for interpreters, stenographers, etc. that they hire and for other disbursements that they make instead of charging the items to communal or provincial budgets.

6. Tell Poletti and Hayes that we are currently working on instructions covering accounting, private insurance companies, postal savings, monopolies and gathering of financial and economic intelligence.

7. Ask Poletti and Hayes if there are any financial questions on which they want further decisions.

BB/DP

Lt. Col.

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417410

MOST SECRET

Memorandum to Gen. McSherry

This is a very delicate document. I have written it in pencil.

Financial Matters Which you may wish to discuss at Force 343

1. (a) Do the Army Disbursing Officers with each unit have in hand an adequate supply of yellow seal currency and U.S. coinage in order to be able to
 - (a) Convert all coinage and currency held by Army personnel into yellow seal currency and U.S. coinage.
 - (b) Provide funds to AMGOT C.A.O.'s and Finance Officers for functions which they are expected to perform.
 - (c) Pay Army Personnel and pay for supplies purchased, and labour employed in the area.
2. (b) What arrangements have been made for yellow seal currency and coins to be sent in after D day. Col. Sims, Finance Officer of AFHQ is supposed to be collecting this information. Attached for your information is a memorandum showing the funds being taken in by Force 343.
3. Have instructions been issued by or arrangements made by Force 343 for the conversion into yellow seal currency and U.S. coins all currency and coin held by Army personnel and also to explain to Army personnel that they must not take any currency into HORRIFIED except yellow seal currency and U.S. coins. In this connection Administrative Planning Instructions No. 9 re Currency & Finance, issued by Force 141 on June 10, incorrectly describes United States yellow seal currency as "United States Military Authority (yellow seal) special dollar notes". Hq. 141 phoned 343 of the correction. Force 343 should refer to the currency supply as "United States yellow seal currency".
4. Check to insure that Force 343 does not plan to take any Italian lire into HORRIFIED.
 - (a) Arrangements have been made between C.F.O. and Col. Sims that the American Finance Officers (CA) will be designated by the latter in official orders as Class A agents. This will exclude Major Hayes who will have to draw his funds from one of the other F.O.'s. *Will you be attached to inform Major Hayes to make provision for \$400 in yellow seal currency to be issued to each C.A.O. and F.O. (C.A.) before embarkation.*
 - (b) Have arrangements been worked out for Army Finance Officers to provide such sums as are needed in HORRIFIED by AFHQ Finance Officers for advances to communes, provinces, etc., and to social insurance and social welfare institutions and perhaps also for other purposes. The amounts involved may be considerable.
5. Attached is a set of Financial documents to be given to Major Hayes, some of which are still drafts and will be changed. Major Hayes can

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3. Check to insure that Force 343 does not plan to take any Italian lire into HORRIFIED.
4. (a) Arrangements have been made between C.F.O. and Col. Sims that the American Finance Officers (CA) will be designated by the latter in official orders as Class A agents. This will exclude Major Hayes who will have to draw his funds from one of the other F.O.'s. *Will you be attached to Major Hayes to make provision for 343 in yellow seal currency instructions of to Major Hayes*
 to be issued to each C.A.O. and F.O. (C.A.) before a tankation.
- (b) Have arrangements been worked out for Army Finance Officers to provide such sums as are needed in HORRIFIED by AMST Finance Officers for advances to communes, provinces, etc., and to social insurance and social welfare institutions and perhaps also for other purposes. The amounts involved may be considerable.
5. Attached is a set of Financial documents to be given to Major Hayes, some of which are still drafts and will be changed. Major Hayes can see the changes which have been made over prior drafts. Also tell him that General Rennell is opposed to lifting the moratorium on payment of taxes until the banks are reopened, and that C.A.O.'s will be provided with funds to pay for interpreters, stenographers, etc. that they hire and for other disbursements that they make instead of charging the items to commercial or provincial budgets.
6. Tell Poletti and Hayes that we are currently working on instructions covering accounting, private insurance companies, postal savings, monopolies and gathering of financial and economic intelligence.
7. Ask Poletti and Hayes if there are any financial questions on which they want further decisions.

Lt. Col.

BB/DP

BIGOT

MOST SECRET

141F/7804/04

Memorandum for: Major Hayes, Force 343

20 June 1943

SUBJECT: Designation of Class "A" Agents and Drawing of Currency

1. The following AMGOT Finance Officers, to be attached to Force 343, are being designated as Class "A" Agents by official order, through arrangements with Col. Sims, Chief Finance Officer, AFHQ.

Lt. Hiram S. Gans
Capt. Lionel C. Perera
Capt. Arthur E. Puccinelli
Lt. John A. Becker

2. Will you arrange to have sufficient funds drawn through Lt. Gans to provide \$4,000 in Yellow Seal currency to Lt. Col. Poletti, and \$2,000 to the Senior Civil Affairs Officer, with each sub-task force, before embarkation. Col. Poletti and the other S.C.A.O.'s will decide what, if any, amount of such funds will be made available to other C.A.O.'s. Each S.C.A.O. or C.A.O. given funds will be instructed that he is responsible for the safe custody of such funds and for producing supporting receipts showing the extent and nature of disbursements.

3. You will instruct each of the four above named persons who are to be Class "A" Agents that they are not, at any time, to draw funds as Class "A" Agents without the prior written approval of an S.C.A.O.

4. Since you are not a Class "A" Agent, any funds which you require will be drawn through one of the above-named Class "A" Agents.

A.P. Grafftey-Smith
Lt. Col.
C.F.O.

information, Col. Volzetti and the other S.C.A.O.'s. Each amount of such funds will be made available to other C.A.O.'s. Each S.C.A.O. or C.A.O. given funds will be instructed that he is responsible for the safe custody of such funds and for producing supporting receipts showing the extent and nature of disbursements.

3. You will instruct each of the four above named persons who are to be Class "A" Agents that they are not, at any time, to draw funds as Class "A" Agents without the prior written approval of an S.C.A.O.
4. Since you are not a Class "A" Agent, any funds which you require will be drawn through one of the above-named Class "A" Agents.

A.P. Graffey-Smith
Lt. Col.
C.F.O.

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100000 SECRET
141F/7804/CA
19 June 1943

REPORT ON CURRENCY ARRANGEMENTS FOR FORCE 545

- D The three field cashiers carry a total of £55,000 in B.M.A. and an unspecified small quantity of lire will be taken by Army Purchasing Services.
- D3 Lt. Col. Worsley, Staff Paymaster, arrives with a staff of 2 R.A.P.C. Officers and 3 O.R.'s. The total of currency carried will be 10,000,000 lire and as much B.M.A. currency as can conveniently be stowed and handled by his staff (£2150,000). In addition, every Finance Officer and Civil Affairs Officer will be issued before embarkation with £100 in B.M.A. The 3 Finance Officers have the necessary books for the requisitioning of cash and must draw on the Staff Paymaster.
- D? Force X arrives with 10,000,000 lire and £73,000 in B.M.A.
- D3-D14 In order to have currency available to supplement the small amounts taken up to D3, and to fill the gap to D14, dumps of B.M.A. currency have been arranged at ports from which maintenance will be supplied, viz. LAURAGH, 20 boxes of £12,250 - £245,000; CHIRPAZZER, 20 boxes of £12,250 - £245,000. Shipping to FINANCE and onwards is said to be extremely difficult to arrange, and it has therefore been decided not to make a dump at this place. This currency will be consigned to the Staff Paymaster as and when shipping permits, and will probably be escorted by an officer of the R.A.P.C. If large quantities of lire are available in Italian banks, these will be used to supplement the Staff Paymaster's stocks. In this event it is doubtful if such a large quantity of B.M.A. notes as proposed on later convoys will be necessary, and it would be extremely helpful to learn from the Staff Paymaster whether this is the case.
- D14 8 officers, 35 O.R.'s, viz. a complete area cash office and 3 field cash offices arrive with £1,000,000 in B.M.A. and 25,000,000 lire.
- D28 5 officers, 41 O.R.'s arrive to complete the Command Post Office with £4,000,000 B.M.A.
- D? Additional
Force Y following up Force X brings £1,000,000 B.M.A. On a date between D15 and D30 it is expected that A.M. lire 2.2 billion will be shipped from Algiers.

A. P. Graftley-Smith,
Lt. Col.

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A. P. Graftey-Smith,
Lt. Col.
C.F.O.

372

Furnished by: Col. Tillman
23 June 1943.

Finance and Disbursing Officers of 343 Force:

1st Inf Div	Capt P. C. Wagner
45th Inf Div	Lt Col R. H. Routh
3rd Inf Div	Lt Col D. H. Nielson
3rd Inf Div	Maj I. J. Shuman (32nd Fin Disb Unit)
9th Inf Div	Lt Col E. O. Lee
82nd Airborne Div	Lt Col Johnson
2nd Armored Div	Lt Col H. W. Urbroock
1st Corps	Maj H. A. Miner
1st Corps	Capt Culberth
II Corps	Capt J. H. Worden
II Corps	Maj F. C. Hartmann
10th Port Embarkation	Lt Col C'ap R. Jones
Finance Officer, Hq Force 141	Col Leighton
Finance Officer, Hq Force 343 (1st Armored Corps)	Col Tillman
Finance Officer, 2nd Corps	Col Summa
Assistant to Col Tillman	Lt Col Brock
Finance Officer, AFHQ	Col Sims

SECRET
(Equals British M. SECRET)

B I G O T

AMGOT 141 FORCE
(U. S. Contingent)
A.P.O. 777

141F/7831/CA

In The Field.
24 June 1943.

SUBJECT: Re Funds for AMGOT Finance Officers.

TO : Commander in Chief, A.F.H.Q. (Thru: Military Channels).

1. In connection with the forthcoming operations of AMGOT in Horrified it is desired that arrangements be made so that AMGOT may obtain cash from the various Military Disbursing Officers until such time as the Allied Military Financial Agency (AMFA) is established.
2. To accomplish this purpose it is recommended that instructions be issued to the Commanding Force 343 to instruct his disbursing officers as follows:
 - (a) Upon receipt of a signed request from any finance officer AMGOT (as designated by the Chief Civil Affairs Officer of AMGOT) for funds to be used in the administration of AMGOT and/or the handling of any problems arising in connection with the military government in Horrified, the disbursing officer receiving such requisition will issue the funds called for and take receipt therefor on Public Voucher Form No. 1034 and attach thereto the original of the request for funds.
 - (b) The disbursing officer will take credit in his accounts for such vouchers.
 - (c) Appropriation to be charged on these vouchers will be FDGA66P99-A0102-4. It is suggested that contingencies of the army are probably the only appropriations which could be quoted for the purposes above mentioned.

For the Commanding General:

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accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----

/s/ Frank J. McSherry,
Brigadier General, AUS,
Commanding.

2. To accomplish this purpose it is recommended that instructions be issued to the Commanding Force 343 to instruct his disbursing officers as follows:

(a) Upon receipt of a signed request from any finance officer AMGOT (as designated by the Chief Civil Affairs Officer of AMGOT) for funds to be used in the administration of AMGOT and/or the handling of any problems arising in connection with the military government in Horrified, the disbursing officer receiving such requisition will issue the funds called for and take receipt therefor on Public Voucher Form No. 1034 and attach thereto the original of the request for funds.

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(c) Appropriation to be charged on these vouchers will be FDGA66P99-A0102-4. It is suggested that contingencies of the army are probably the only appropriations which could be quoted for the purposes above mentioned.

For the Commanding General:

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--

/s/ Frank J. McSherry,
Brigadier General, AUS,
Commanding.

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SECRET

Recommending approval.

/s/ C. R. Huebner,
Major General, Commanding
U.S. Contingent Force 141.

3723

SECRET
(Equals British SECRET)

SECRET

AMEOT 141 Force
(U.S. Contingent)
A.P.O. 777

23 June 1943.

141F/7831/CA

SUBJECT: Funds.

TO : Commander-In-Chief, A.F.H.Q.

1. Request an allotment of funds in the amount of \$1,000,000 to cover the necessary expenses of AMEOT for the first quarter of the fiscal year 1944.
2. This request has been approved by C. R. Huebner, Major General, Commanding U.S. Contingent, Force 141.

FRANK J. MCHERRY,
Brigadier General, A.U.S.,
Commanding.

*The original of this document
was approved by Maj Gen Hughes Dep C-in-C Malaya
& Brig Gen Sawbridge G.I. Malaya
BB*

*Original document was being sent by Col Sims AFHQ to
Col Tillman Fin Officer 343 together with original
of memo of 23/6/43 signed by Gen McSherry requesting C & C
of AFHQ for the funds.*

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(Equals British Most Secret)

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accredited unofficial researchers Order
Sec/Army by TAG/ ----- date -----
10

3722

Financial Summary for month of _____

1. Expenditures during month:

Officers net pay	_____
Men	_____
Civilian employees net pay	_____
Commercial account	_____

Total expenditures. _____

2. Receipts of cash by APO for remittances home

Receipts of cash by P.X.	_____
Other cash receipts	_____

Total funds collected _____

3. Net cash expenditure in area during month _____

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AMCOT REAR HEADQUARTERS

A.S.H.Q.

(U.S. Contingent)

A.P.O. 777

HR/DP

24 June 1945

TO: Vice Admiral Hewitt, Commander U.S. Naval Force
Northwest Africa (THRU: Military Channels)

SUBJECT: Re. Lt. Frank A. Southard, Jr. (U.S.N.R.)

1. At the request of the General Staff of the U. S. Army, Lieutenant Southard was ordered to this area for duty with Allied Military Government of occupied territories (AMCOT). Enclosed is a memorandum on the Service Record of Lieutenant Southard.
2. In the AMCOT Organization Lieutenant Southard has been designated as the American Economic and Intelligence Officer. In the AMCOT Table of Organization this position bears the military rank of Major, and the British Officer designated as the British Economic and Intelligence Officer has the rank of Major.
3. It is also intended to use Lieutenant Southard's services in connection with the Allied Military Financial Agency to be set up, and also to use him as an expert on general financial and economic problems of the whole occupied territory.
4. In my opinion, the character of work Lieutenant Southard will be called upon to perform, and the level at which it will be conducted, make it very desirable for him to be promoted to the rank of Lieutenant Commander. Furthermore, the work that Lieutenant Southard has already done at AMCOT has been of a high order. I accordingly strongly recommend that the U. S. Naval authorities promote Lieutenant Southard to the rank of Lieutenant Commander.

Brigadier General, U.S.A.,
Commanding.

2. In the AMSCOT Organization Lieutenant Southard has been designated as the American Economic and Intelligence Officer. In the AMSCOT Table of Organization this position bears the military rank of Major, and the British Officer designated as the British Economic and Intelligence Officer has the rank of Major.

3. It is also intended to use Lieutenant Southard's services in connection with the Allied Military Financial Agency to be set up, and also to use him as an expert on general financial and economic problems of the whole occupied territory.

4. In my opinion, the character of work Lieutenant Southard will be called upon to perform, and the level at which it will be conducted, make it very desirable for him to be promoted to the rank of Lieutenant Commander. Furthermore, the work that Lieutenant Southard has already done at AMSCOT has been of a high order. I accordingly strongly recommend that the U. S. Naval authorities promote Lieutenant Southard to the rank of Lieutenant Commander.

Brigadier General, U.S.A.,
Commanding.

3714

MEMORANDUM ON THE SERVICE RECORD OF LIEUTENANT FRANK A. SCOTTHARD.

JR., U.S.N.R.

1. Commissioned Lieutenant, I(V)S, U.S.N.R., June 11, 1942.
2. Ordered to active duty and went on duty July 20, 1942, in the Bureau of Operations, Navy Department.
3. Attended Foreign Intelligence School, July 20-August 10, 1942.
4. Detached and ordered to temporary duty at the Office of the Naval Attache, Habana, Cuba, August 11, 1942.
5. Returned to duty, Bureau of Operations, Navy Department, early September, 1942, and detailed to Operations 16 (Naval Intelligence, Latin American Section) as Geographic desk officer. In early November assigned as assistant to the Assistant Chief, Lt. Col. O'SHEA, USMC, and on his detachment, designated by Colonel JOHN THOMASON, Jr., (Head, Latin American Intelligence) as head of Geographic Desks, in charge of intelligence and counter-intelligence.
6. On June 1, 1943, on the request of the General Staff, U.S. Army, detached from the Bureau of Operations, and ordered to report to the Commander, U.S. Naval Forces, Northwest African Waters, for duty with the Army Military Government Activity, at the Allied Force Headquarters.
7. Navy File No. is 150611.

JOHN THOMAS, Jr., (Head, Latin American Intelligence) as head of Geographic Desk,
in charge of intelligence and counter-intelligence.

6. On June 1, 1943, on the request of the General Staff, U.S. Army, detached
from the Bureau of Operations, and ordered to report to the Commander, U.S. Naval
Forces, Northwest African Waters, for duty with the Army Military Government Acti-
vity, at the Allied Force Headquarters.

7. Navy File No. is 150611.

3717

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SECRET
141F/7848
19 June 1943

Subject: Rank of Lt. Southard (U.S.N.)

To: D.C.C.A.O.

From: C.F.O.

1. The a/n officer has been designated as the American Economic and Intelligence Officer, which bears the military rank of Major.
2. As you are aware, it is intended in the early phase to use Lieut. Southard's services in AITA; and it is intended subsequently to employ him as an expert on the general financial and economic problems of the whole occupied territory.
3. In my opinion, the quality of this work and the level on which it will be conducted make it desirable for him to be promoted to the rank of Lieutenant-Commander.
4. I recommend, therefore, that on these grounds this promotion should be strongly urged on the proper U.S. Navy authorities.

Col. Miffy Smith
ok.
Please prepare letter
for my signature.
29MB

A.P. Graboer Smith.

Lt. Col.
C.F.O.

371

1 page

19 June 43

100/511

To. Lt.Col. Bernstein
From Lt. Southard.

1. Attached is a brief memorandum outlining my service record since coming on active duty in the Navy.
2. Just before he was detached for duty in the South Pacific, Colonel Thomson recommended my promotion to the next higher rank. However, the Admiral in command of my Division preferred that the usual blanket promotion procedure be followed. Under this procedure I cannot expect promotion earlier than the early part of next year.

FAS

*Letter from Gen. to Admiral Hewitt.
Vice
U.S. Naval Forces North West Africa
Commander
AF-114*

3715

MEMORANDUM ON THE SERVICE RECORD OF LIEUTENANT FRANK A. SOUTHARD,

JR., U. S. N. R. +

1. Commissioned Lieutenant, I(V)S, U.S.N.R., June 11, 1942.
2. Ordered to active duty and went on duty July 20, 1942, in the Bureau of Operations, Navy Department.
3. Attended Foreign Intelligence School, July 20-August 10, 1942.
4. Detached and ordered to temporary duty at the Office of the Naval Attache, Habana, Cuba, August 11, 1942.
5. Returned to duty, Bureau of Operations, Navy Department, early September, 1942, and detailed to Operations 16 (Naval Intelligence, Latin American Section) as geographic desk officer. In early November assigned as assistant to the Assistant Chief, Lt. Col. O'Shea, USN, and on his detachment, designated by Colonel John Thomson, Jr., (Head, Latin American Intelligence) as Head of Geographic Desks, in charge of intelligence and counter-intelligence.
6. On June 1, 1943, on the request of the General Staff, U.S. Army, I was detached from the Bureau of Operations, and ordered to report to the Commander, U.S. Naval Forces, Northwest African Waters, for duty with the Army Military Government Activity, at the Allied Force Headquarters.

7. Navy File No. is 150611.

Frank A. Southard, Jr.,
Lieutenant, U.S.N.R.

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7. Navy File No. is 150611. B

Frank A. Southard, Jr.,
Lieutenant, U.S.N.R.

371

785015

7804/102

BICOT - HUSKY

Subject: Provision of Italian Lire

24 June 1943 SECRET

7804

DS

ALLIED FORCE HEADQUARTERS

Refce: 1 H.Q./Pay/156

27th June, 1943.

Chief Finance Officer,
 Argent,
 1st Force,
 In the Field

u/a

With reference to your L11/P/780A dated 26th June, 1943,
 1 million lire (in notes of 1,000 value only) are available for
 collection as ordered by you.

This will leave us with a balance of 20,000 (in notes of
 500 value) only, our disbursements having been :-

Originally received	10,000,000
A/3 1st Division	250,000
Lt.Col. Tando, U.S. Forces	5,000,000
Lt.Col. Oglethorpe for U.S. Forces	2,000,000
Lt.Col. Stirling	1,500,000
Col. Sims for U.S. Forces	250,000
Expended as above	1,000,000
Balance available	20,000

What
 was this?

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30/6

P/A
 C/F

Brigadier
 D/Taymaster-in-Chief
 A.P.H.Q. (British)

To SEE
 Fingerprint

Handed to
 Col. Sims
 (retd. 1946)

3713

BB/DP

26 June 1943

MEMORANDUM FOR FILES

I saw Col. Sims at AFHQ 24 June. He showed me the original two documents covering the authorization of \$1,000,000 for the use of the AAGOT Finance Officers, which documents have now been approved by Major-General Hughes, as well as General Sawbridge. Col. Sims is sending these original documents to Col. Tillman.

Col. Sims delivered to me the Sub-Allotment Advice for this \$1,000,000 and he stated that as provided on the instructions on the back of such Sub-Allotment Advice, reports should be as at the end of each month showing the amount withdrawn under the appropriation.

Capt. Edson of the U. S. Navy joined us at the meeting. I described to him the contemplated currency arrangements for Yellow Seal currency and A.M. lira currency. The Navy had apparently not as yet made any arrangements for the exchange of currency into Yellow Seal dollars. Capt. Edson agreed to issue instructions to the Navy Commander to get a two months' supply of Yellow Seal currency and coinage from Col. Rovin, Finance Officer at Oren, and supply the Yellow Seal currency to the Paymasters who will be at the four Navy advance bases. Capt. Edson also agreed to make arrangements about advising Navy personnel of the necessity of converting any currency which they hold into Yellow Seal currency.

Capt. Edison estimated that the advance party of Navy men will be from 1200 to 1500. He said that no effort will be made to convert currency of personnel on the Navy ships, in view of their tactical instructions not to stop at HORRIFIED. He will have the Navy issue instructions that its personnel should not take other than Yellow Seal currency and U. S. coinage into HORRIFIED.

Capt. Edson will furnish me with a list of the names of his Finance Officers and the amount of Yellow Seal currency and U.S. coinage which they will take into the area. I told Capt. Edson that when AMFA is set up and we have stocks of A.M. lire we will advise the Navy Paymasters so that they may draw on AMFA for such amounts of A.M. lire as they need.

After Capt. Edson left, Lt. Col. Belan, Finance Officer of the U.S. Air Corps, came in, and he later brought in a Captain who will act as the Finance Officer for the forward Air Corp contingents. I explained to them the program for handling Yellow Seal currency and A.M. lire and ALFA. Col. Belan said that he had been unable up to this point to learn what was to be the currency program; that he would now get out instructions telling Air Corps personnel not to take in any currencies other than Yellow Seal currency and U.S. coinage; that he will try to make provision for conversion of the Yellow Seal currency of Air Corps personnel who are now entering bivouac areas and that he will

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785015

Commander to get a two months' supply of Yellow Seal currency and coinage from Col. Rovin, Finance Officer at Oran, and supply the Yellow Seal currency to the Paymasters who will be at the four Navy advance bases. Capt. Edson also agreed to make arrangements about advising Navy personnel of the necessity of converting any currency which they hold into Yellow Seal currency.

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Col. Belan said that there will be three or four disbursing officers going in for the Air Corps, and that they will each have \$400,000 to \$500,000 in Yellow Seal currency. He said that two Air Corps units would be going in around D14, one unit on D28, and one unit sometime after that and that there would be a disbursing officer with each unit.

Col. Belan will arrange to have Air Corps disbursing officers draw whatever funds they need through the Central Funding Officer that Col. Tillman will designate. This will make it possible for the Central Funding Officer to draw from AMFA all the A.M. lire needed by the Army Ground and Air Forces, and then the Central Funding Officer will distribute the money as needed.

I indicated that AMFA will probably not request the Central Funding Officer to furnish a U.S. Treasury check in exchange for the A.M. lire, that we will furnish the currency against an appropriate voucher and that we will advise Washington of the Funding Officer, his symbol number, the

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amount of money transferred to him, and the rate of exchange; and thereafter, the Central disbursing Officer will account to Washington for the use of the money. Col. Sims and Col. Belan stated that this procedure was agreeable to them.

Col. Belan agreed to furnish me with the names of the Air Corps disbursing officers and the amounts of Yellow Seal currency and coinage which they take into HORRIFIED.

We discussed ALGOT's obtaining from the military forces monthly reports showing various categories of expenditures and receipts by the military forces in HORRIFIED. It was agreed that I would discuss this matter with Col. Tillman and have him furnish to ALGOT the monthly operational reports, including the reports for the Air Corps, which reports will show Army expenditures and receipts. If Col. Tillman is not able to arrange this with me, I am to let Col. Sims know and he will arrange to make extracts of such reports coming from HORRIFIED and furnish the information to ALGOT.

Attached is a memorandum which I prepared at the N.A.E.B. showing the monthly financial summary, which it would be useful for us to get from the military forces.

ALGOT
141 Force
Field

General Bearden
Lt. Col.

one monthly financial summary, which it would be useful for us to get from the military forces.

AMGOT
141 Force
Field

General Benvenuti
Lt. Col.

3720

7804
MOST SECRET

24 June 1943

To: The Chief Finance Officer

From: Lt. Southard

Subject: Estimated currency situation in HORRIFIED following occupation.

1. SUMMARY

- (a) It is estimated that the armed forces will carry into HORRIFIED about the equivalent of 7 milliard of lire in yellow seals and BMA sterling.
- (b) It is estimated that there will be available in HORRIFIED about 6.5 to 7 milliard lire (4.6 milliard in AM lire and 2 to 2.5 milliard in ordinary lire) 28 days after D.
- (c) This supply of lire may be sufficient, particularly if ALFA may arrange to reissue idle lire as they accumulate in local banks. But the margin of safety is probably small.
- (d) It is therefore recommended that Washington be requested to proceed as soon as practicable, the printing of an additional stock of AM lire equal in face value to the first printing.
- (e) It is probable, on the basis of the estimates herein, that the stock of AM lire now in sight will suffice for at least 2 months and will prevent the conversion of BM sterling and yellow seals issued in that period.

2. YELLOW SEAL DOLLARS AND BMA STERLING

Force 345 will carry yellow seal dollars as follows:

	Lire equivalent in milliards	
Total available for paymasters -	£30 - 35 million -	3 to 3.5
To 12 disbursing officers		
£2 million each, minimum -	24 million	
Balance at HQ	6 - 11 "	

Carried in pockets of officers and men:

June pay, about	£12,000,000
On hand from prior	
pay days, say	4,000,000
	<u>£16,000,000</u>

Of which, say one half
may be retained in
pocket

£ 8,000,000

Force 545 will carry HMA £ as follows:

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(d) It is therefore recommended that Washington be requested to proceed as soon as practicable, the printing of an additional stock of AM lire equal in face value to the first printing.

(e) It is probable, on the basis of the estimates herein, that the stock of AM lire now in sight will suffice for at least 2 months and will prevent the conversion of RM sterling and yellow seals issued in that period.

2. YELLOW SEAL DOLLARS AND BMA STERLING

Force 343 will carry yellow seal dollars as follows:

Total available for paymasters - \$30 - 35 million -	3 to 3.5
To 12 disbursing officers	
\$2 million each, minimum - 24 million	
Balance at HQ	6 - 11 "

Carried in pockets of officers and men:

June pay, about	\$12,000,000
On hand from prior	
pay days, say	4,000,000
	\$16,000,000

Of which, say one half
may be retained in
pocket

\$ 8,000,000

Force 545 will carry BMA £ as follows:

Available to paymasters	£ 1,773,000
First 13 days	5,000,000
14 - 28 "	
	£ 6,773,000

In pockets of men and officers
at embarkation, say

Total \$ and £

0.6
7.1 to 7.6

3. AM AND ORDINARY LIRE WHICH MAY BE AVAILABLE

AM lire to be available in Africa by D + 28,
beginning by, say, D + 12

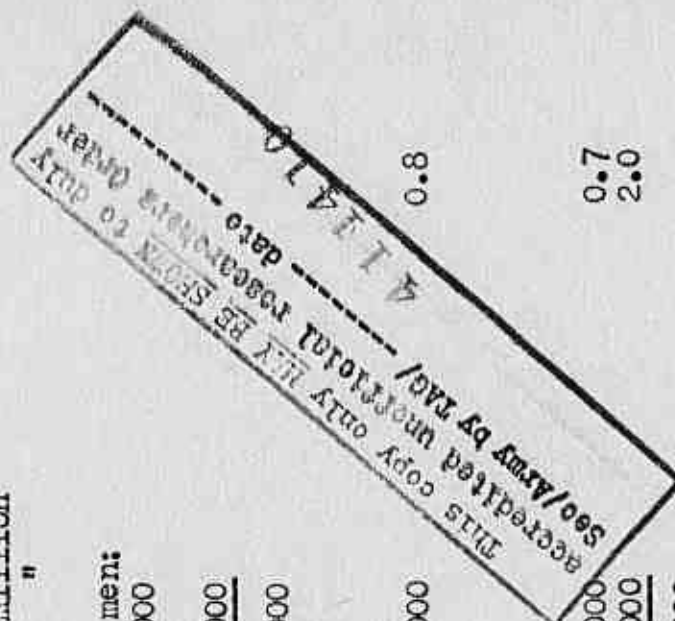
Ordinary lire:

Circulation in HORRIFIED at end of 1942
estimated at 80 percent of Italian per
capita, say 3.5 - 4.5 milliard of which,
say, 2 to 2.5 milliard may still be in
HORRIFIED in banks or private hoards.

4.625

3712

2.0 to 2.5



0.7
2.0

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- 2 -

Car. d in by 545 Force

Available lire by D + 28

.06

6.685 to 7.185

4. ESTIMATE OF ADEQUACY OF AVAILABLE LIRELire equivalent
in milliard

(a) Military expenditures ultimately to be converted to lire:

1. Payroll:

343: Monthly \$25 per man, of which
50% spent on PX first month
and 75% second month = \$4,590,000
for 2 mos. or

0.460

545: Same basis of calculation

0.460

2. Other military expenses locally, for
supplies and labor, estimated at
\$6 million per month for 343 and
\$1.5 million for 545, or, for two mos.

2.4

Total estimated at

3.320

(b) AMFA issue of AM lire to other than the military establishment, i.e., for AMGOT expenditure, advances to local governments and institutions, relief, etc., is almost impossible to estimate. However, it will be noted that, if AMFA at the end of two months were to convert 3.3 milliards of lire of HM sterling and yellow seals into AM lire, its stock of 4.6 milliard would be reduced to 1.3, or \$13 million worth, without taking into account any of the above types of expenditures.

5. ADVISABILITY OF PLACING ORDER FOR ADDITIONAL AM LIRE

(a) It is possible that AMFA may find 4.6 milliard lire a sufficient addition to HORRIFIED currency circulation to cover all needs during the next six months, even if prices increase 50%. This will be possible only if AMFA can make arrangements to reissue lire which have returned to and are lying idle in local banks in HORRIFIED. This could be done in several ways, the first of which seems most satisfactory: (a) If the bank of HORRIFIED or, possibly, the Bank of I depositaries in HORRIFIED, can be designated reserve depositories, then AMFA can require such depositories to make periodic deposits of lire currency in it, and this will replenish its stocks. In this manner, AMFA will itself be acting as a reserve institution and will have to stand ready to supply the Bank of H or of I with the deposited lire as needed. (b) AMFA could require all banks

26 million per month for 343 and
21.5 million for 545, or, for two mos.

2.4

Total estimated at

5.320

- (b) AMFA issue of AM lire to other than the military establishment, i.e., for AMGOT expenditure, advances to local governments and institutions, relief, etc., is almost impossible to estimate. However, it will be noted that, if AMFA at the end of two months were to convert 3.3 milliards of lire of EM sterling and yellow seals into AM lire, its stock of 4.6 milliard would be reduced to 1.3, or 813 million worth, without taking into account any of the above types of expenditures.

5. ADVISABILITY OF PLACING ORDER FOR ADDITIONAL AM LIRE

(a) It is possible that AMFA may find 4.6 milliard lire a sufficient addition to HORRIFIED currency circulation to cover all needs during the next six months, even if prices increase 50%. This will be possible only if AMFA can make arrangements to reissue lire which have returned to and are lying idle in local banks in HORRIFIED. This could be done in several ways, the first of which seems most satisfactory: (a) If the bank of HORRIFIED or, possibly, the Bank of I depositories in HORRIFIED, can be designated reserve depositories, then AMFA can require such depositories to make periodic deposits of lire currency in it, and this will replenish its stocks. In this manner, AMFA will itself be acting as a reserve institution and will have to stand ready to supply the Bank of H or of I with the deposited lire as needed. (b) AMFA could require all banks to deposit "excess" cash reserves with it. (c) AMFA could borrow lire currency from the larger banks in HORRIFIED.

(b) Although the above device may stretch the available lire to cover minimum needs, the margin of safety is so small that it may well disappear under the impact of rising prices and of any subsequent military operations. Consequently it is recommended that Washington be requested to proceed as soon as practicable with the printing of an additional stock of AM lire of the same size as the first printing - namely, about 4,625 million.

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