

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

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785015

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EFCO, ECONOMIC & FINANCIAL COUNCIL
AUG. - OCT. 1943

34
199

Soln	Date	Ref	To/From	Subject
1	22 Aug	66 HQ	From 15 Aug Group	EFCO - Establishment
1	27 Aug	44 HQ	From: CSO	Creation of Economic Committee
2	16 "	208 HQ	" CSO	Comments on 2.
3	21 "	"	" CSO	EFCO.
4	19/8	"	" E.P.	Note to CCMAO
5	30 Aug	"	" CSO	Re Organisation Meeting
6	2 Sept	3026 PH	To Lt Col Clough	Commissioning Rep of P.S.
7	3 "	5054 CS	From Director of Civ Supply	Economic + Financial Council
8	3 "	74 HQ	" Lt Col Clough Adm Officer	Agenda for Meeting
9	4 "	74 HQ	" " "	Economic + Financial Council
10	4 "	74 HQ	" " "	Agenda for Meeting
11	4 "	74 HQ	" " "	Economic + Financial Council
12	4 "	74 HQ	" " "	Agenda for Meeting
13	5 "	74 HQ	" Capt E. Talbot, Secretary to EFCO	Special Meeting
14	-	-	-	Minutes of meeting
15-16-17	-	-	-	do
18	7 Sept	-	-	Memo
19	7 Sept	-	-	Minutes of meeting
20	31 Aug	-	from Controller of Property	Representative
21	10 Sept	74 HQ	-	-
22	10 Sept	74 HQ	Agenda for 2nd meeting	
23	18 "	4035 L	from Legal Div.	"Confinate" at USTICA
24	-	-	from Legal Div	Memorandum for EFCO
25	13 Sept	74 HQ	Minutes of 2nd meeting, EFCO	
26	-	-	Agenda for 3rd meeting of EFCO	to be held 19 Sept 43
27	-	-	Minutes of the 3rd "	" " held 19 Sept
28	-	-	Agenda for 4th Mtg of E.F.C.O.	
29	-	-	Statement of functioning for AMQOT	

11	14 Aug	"	"	14, Economic & Financial Council
12	4 "	74 HQ	"	"
13	5 "	74 HQ	"	Capt E. Talbot, Secretary to EFCO, Special Meeting
14	-	-	-	Minutes of meeting
15-17	-	-	-	do
18	7 Sept	-	-	Memo
19	7 Sept	-	-	Minutes of meeting
20	31 Aug	-	-	from Controller of Property Representative
21	10 Sept	74 HQ	-	Agenda for 2nd meeting
22	10 Sept	74 HQ	-	from Legal Dir "Confinate" at USTICA
23	18 "	4035 L	-	Memorandum for EFCO
24	-	-	-	from Legal Dir
25	13 Sept	74 HQ	-	Minutes of 2nd meeting, EFCO
26	-	-	-	Agenda for 3rd meeting of EFCO to be held 19 Sept
27	-	-	-	Minutes of the 3rd " " " " held 19th Sept
28	-	-	-	Agenda for 4th Mtg of E.F.C.O.
29	-	-	-	Statement of Functioning for AMQOT
30	26 Sept	-	-	Minutes of 4th meeting of EFCO.
31	-	-	-	Agenda for 5th " " "
32	3 Oct	-	-	Minutes of " " "

785015

AMGOT/74/40

Minutes of the

5th Regular Meeting of Economic
and Financial Council, held on
3 Oct. 43.

Present.

Lt. Col. E. L. Clough.
Lt. Comdr. F. A. Southard.
Lt. Col. C. J. Hayes.
Major C. G. Hannaford.
Capt. E. Talbot (Secretary).

29. The Council was called to order by the Chairman at 1105 hours.
30. The minutes of the previous meeting were approved.
31. After a short discussion the Council agreed that the Italian Advisers to the Council should normally be invited to attend all meetings of the Council. At times the Council might wish to discuss matters without the attendance of the Italians, and in that case the Secretary should be informed and should make the necessary arrangements.
32. The Council adjourned at 1130 hours.

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D.C.C.A.O.
C.S.O.
D.C.S.O.
Lt. Col. E. L. Clough.
Lt. Comdr. F. A. Southard.
Lt. Col. C. J. Hayes.
Lt. Col. R. M. J. Martin.
Major C. G. Hannaford.
Major E. J. Witte.
Capt. Boyard.
Capt. Talbot. (Secretary)
File.

E. TALBOT.
Secretary to
EFCCO.

74/HQ
31

A G E N D A .

For 5th Regular Meeting of
Economic & Financial Council to
be held at 1100 hrs. 3 Oct. 43.

1. Minutes of last meeting.
2. Italian Advisers to Council.
3. Any other business.

G. TALBOT.
Captain.
Secretary to E.C.O.

Distribution:

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Lt. Comdr. F. A. Southard.

Lt. Col. C. T. Hayes
Lt. Col. R. H. J. Martin
Maj. C. G. Hannaford
Maj. E. S. Witte
Capt. Bovard
File

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MINUTES OF 4TH REGULAR MEETING OF ECONOMIC AND FINANCIAL COUNCIL
Held on 25th September 1943 at 1100 hrs.

PRESIDENT:-

Lt. Col. E. L. CLOUGH
Lt. Comdr. F. A. SOUTHARD
Major CHAYTON (Not a member of the Council)
Major C.G. HAMILTON
Major E.N. WIFE
Capt BOVARD
Capt E. TALBOT (Secretary)

24. The Council was called to order by the Chairman at 1100 hrs.

25. During a description of the Plan for Reorganization of Agricultural Control prepared by Civilian Supply Division, Major Chayton stated that the present structure was both Fascist and inefficient and resulted in considerable trouble. The new plan was simple and furthermore, was readily adaptable. Though the plan was designed for the Control of Agriculture in Sicily, it could without difficulty be adapted to operate in successive regions in Italy as they came into being. Again, though the plan was designed to operate within the framework of MIG it could readily be taken over in toto by the Italians. SCAOs and Prefects were cited as examples. The latter would be able to assume, with the minimum of dislocation, the duties allotted to SCAOs in the plan. The Council expressed its approval of the plan and agreed to forward it to EFCO with a recommendation that it be adopted.
(Action: Major Chayton).

26. Major Witte read a statement he had prepared on the functioning of AMGOT. The Council approved of the statement and instructed the Secretary to place a copy on the H.Q. EFCO file. It was decided not to send it forward since all the points had been far more ably dealt with by C.C.A.O. in his report.

27. The Council discussed Lt. Comdr Southard's paper on Inflation Control. It was noted that if the plan was adopted specific action would have to be taken, or continued, by Divisions. Lt. Comdr Southard said he had been round to all the Divisions concerned and they had all agreed with his proposals. Furthermore, with one exception, the Divisions had stated to him that they were prepared to take immediate action on the proposals if adopted. The one exception was the Chief Revenue Officer, who saw difficulties in regard to the proposal to raise taxes, but, at the same time, he agreed that it was desirable to do so if possible. The Council unanimously and emphatically agreed that the proposals as to the posting of price lists in all shops and street booths, the suggested method of enforcement of, and the severe penalties attaching to non-compliance with the orders issued, were all matters upon which action should be taken forthwith whether or not the plan, as a whole, was adopted (Vide para 5, sub-para (a) of the plan). Lt. Comdr Southard was asked by the Council to insert two paras in his plan to deal with the following points:-

- (A) As long as rations are below the amount normally consumed, a strong incentive exists to patronize the Black Market. Rations must be as high as available supplies permit.
- (B) Far too much indiscriminate requisitioning, and even seizure, of civilian transport had been and was being allowed, very seriously

785015

could readily be taken over in toto by the Italians. SCAOs and Prefects were cited as examples. The latter would be able to assume, with the minimum of dislocation, the duties allotted to SCAOs in the plan. The Council expressed its approval of the plan and agreed to forward it to EXCO with a recommendation that it be adopted.

(Action: Major Chayton).

26. Major Witte read a statement he had prepared on the functioning of AMGOT. The Council approved of the statement and instructed the Secretary to place a copy on the H.Q. EXCO file. It was decided not to send it forward since all the points had been far more ably dealt with by C.C.A.O. in his report.

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(A) As long as rations are below the amount normally consumed, a strong incentive exists to patronize the Black Market. Rations must be as high as available supplies permit.

(B) Far too much indiscriminate requisitioning, and even seizure, of civilian transport had been and was being allowed, very seriously affecting the supply situation.

These amendments were made and sub-paras (c) and (e) were inserted in para 5 of the original plan.

The Council agreed to forward the plan as amended to EXCO, with a strong recommendation that it be adopted forthwith as the basic plan for the control of inflation in Sicily.

28. The Council adjourned at 1220 hrs.

DISTRIBUTION:-

C.C.A.O.
D.C.C.A.O.
C.S.O.
D.C.S.O.
Lt. Col. CLOUGH

Lt. Comdr SOUTHARD
Lt. Col. G.J. HAYES
Lt. Col. R.H.J. MARTIN
Major CHAYTON
Major C.G. HAMILFORD

E. TALBOT,
Captain,
Secretary, EXCO.

Major E.F. WITTE
Capt. BOVARD
Capt. E. TALBOT (Secretary)
Lt. C. VAN HEUKELOM (Secretary
to EXCO)
File

27.6 EFL

STATEMENT ON REORGANIZATION OF ARMY

1. There are certain responsibilities which any military government must assume and in which its ultimate success or failure will be judged by the population concerned as well as by the people back home. Among these responsibilities are:

- (a) Maintaining public order.
- (b) Seeing that food, shelter and clothing are available to the people.
- (c) Maintaining public health.
- (d) Controlling prices and restoring the economy.

2. These responsibilities are not only essential to our military activities, but are required by humanitarian considerations and public opinion at home.

3. The first consideration of ARMY should be centered on these primary responsibilities and every activity considered should be weighed as to whether it will contribute to these primary objectives. In the consideration of any given project essential to increasing the food supply in the immediate future, so is it just a desirable improvement which can wait until the native government has been reestablished? Will the use of available weapons, in one way or another, provide any immediate shelter for those requiring it is the test on which the decision should be based rather than any long term plan of rehabilitation, no matter how desirable.

4. There are numerous activities whose immediacy may open to question and into which time, energy and funds are going during the initial period of our occupation. Where all attention needs to be given to the essentials, i.e. restoration of government and civilization, the reorganization of the financial system, the reorganization of the social structure, long term economic plans, major rehabilitation of roads, bridges and railroads.

5. It is the opinion of this Council that ARMY has on occasion allowed the primary objectives to become secondary, and therefore secondary items have been projected into the future.

6. It is our recommendation that the present of "first things first" be the policy to be rigidly adhered to in the future.

2. These responsibilities are not only essential to any military activity, but are required by fundamental constitutional and public opinion as well.

3. The first consideration of a nation should be centered on these primary responsibilities and every activity administered should be weighed as to whether it will contribute to these primary objectives. In the consideration of any given project essential to increasing the food supply in the immediate future, or as it just a desirable improvement which can wait until the future government has been established? Will the use of available resources, in one way or another, provide any immediate shelter for those requiring it is the test on which the decision should be based rather than any long term plan of rehabilitation, or better housing.

4. There are numerous activities whose immediacy are open to question and into which time, energy and funds are going during the initial period of our occupation, whose attention needs to be given to the essentials, i.e. restoration of resources and sanitation, the reorganization of the financial system, the reorganization of the social structure, long term export-import plans, major rehabilitation of roads, bridges and railroads.

5. It is the opinion of this Council that there is no occasion to delay the primary objectives to become secondary, and likewise secondary items have been projected into immediacy.

6. It is our recommendation that the concept of "first things first" be the policy to be rigidly adhered to in the future.

MINUTES OF THE 3rd REGULAR MEETING OF
ECONOMIC AND FINANCIAL COUNCIL HELD
ON 19th Sept. 1943.

PRESENT.

Lt. Col. E. L. Clough.
Lt. Col. F. A. Southard.
Lt. Col. C. J. Hayes.
Lt. Col. R. M. J. Martin.
Major C. G. Hannaford.
Major E. F. Witte.
Capt. Bovard.
Capt. E. Talbot, (Secretary).

15. The Chairman called the Council to order at 1000 hrs.
16. At the request of Major Witte (who had been ordered to Messina immediately after the last meeting) the Council agreed to wait until the next Regular Meeting for the Statement Major Witte had been asked to prepare on the subject of feeding the people (vide Minute 12 of last meeting). It was further agreed that the words "that this problem was not being adequately tackled" appearing in the 9th line of Minute 12 of the 2nd Meeting, be deleted. (Action Major Witte).
17. The question of the consolidation of Salaries and Indemnities of State and Provincial Officials was referred back to Major Hannaford to bring up again, after consultation with Divisions concerned, at the end of November. (Vide C.C.A.O.'s instruction on Minute 11, folio 25 of File - AIGOT/74/HQ), (Action Major Hannaford).
18. Lt. Col. Southard proposed that Civilian Supply Division should study a revision of basic Salaries of Civil Servants (as defined in Proclamation No. 1, para. 6) in consultation with all concerned and, in due course, report back to the Council. The Council agreed to this. (Action Lt. Col. Hayes).
19. The Chairman drew the attention of the Council to the C.C.A.O.'s remarks at the last Meeting of EXCO. C.C.A.O. had said that Economic and Financial but NOT Administrative questions should be considered by EXCO. This led to a general discussion on the functions of EXCO and the position of Members of the Council vis a vis their Divisions. It was agreed to stress the point that the Members of the Council were NOT representatives of their Divisions, and that it was their opinions and proposals as individuals which were required. The point was made, however, that members before introducing a proposal for the consideration of the Council should first consult with their own Division, and with any other Division or individuals who might be concerned, so that the proposal would be fully aired before coming before the Council.
20. The names of GUIDO JUNG and GUIDO AJROLDI were noted by the Council as two of the Italian Consultants selected by C.C.A.O. A third Consultant will be selected in due course. It was agreed that any member who wished the attendance of an Italian

785015

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20. The names of GUIDO JUNG and GUIDO JROLDI were noted by the Council as two of the Italian Consultants selected by C.C.A.O. A third Consultant will be selected in due course. It was agreed that any member who wished the attendance of one of the Italian Consultants at a Council Meeting, should so inform the Secretary, giving him fair warning.
21. Captain Paebles reported to the Council on the electricity situation in the Island. The thanks of the Council were expressed for a very able statement.
22. It was agreed that future Meetings of the Council should take place on Sundays at 1100 hrs., instead of 1000 hrs.
23. The Council adjourned at 1135 hrs.

DISTRIBUTION:

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Lt. Col. E.D. Clough,
Lt. Col. F.A. Southard,
Lt. Col. C.J. Hayes,
Lt. Col. R.M.J. Martin.

Major C.G. Hannaford,
Major E.F. Witte,
Capt. Boward,
Secretary,
File.

E. TALBOT,
Captain,
Secretary, EXCO.

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File 31
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AGENDA.

4th Regular Meeting of

Economic and Financial Council.

To be held on Sunday, 26 September, 1943, at 1100 hours.

- ✓ 1. Minutes of the previous meeting.
- ✓ 2. Statement on food situation (Major Witte)
- ✓ 3. Inflation (Lt. Comdr. Southard)
- ✓ 4. Reorganization of Agricultural Control (Lt. Col. C. J. Hayes). *Major Clayton*

7-11-43
E. TALBOT,
Captain,
Secretary to E.F.C.O.

Distribution:

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C.S.O.
D.C.S.O.
Lt. Col. E. L. Clough
Lt. Comdr. F. A. Southard.

Lt. Col. C. J. Hayes
Lt. Col. R. M. J. Martin
Maj. C. G. Hammaford
Maj. F. E. Witte
Capt. Deyard
Secretary
File. ✓

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File 74

26

AGENDA.

3rd REGULAR MEETING OF ECONOMIC AND FINANCIAL
COUNCIL TO BE HELD AT 1000 hrs. SUNDAY,
19. Sept. 1943.

1. Minutes of previous meeting.
 2. Salaries and Indemnities of State & Provincial Officials.
 3. Supply and distribution of electrical energy (report by Capt. Peebles)
 4. Statement on food situation.
(Major Witte for submission to EXCO).
- Italian members.

E. Talbot
E. TALBOT, Capt.
Grenadier Guards,
Secretary, EFCO.

1: C.C.A.O.
D.C.C.A.O.
C.S.O.
D.C.S.O.
Lt. Col. E. L. Clough.
Lt. Comm. F. S. Southard.
Lt. Col. C. J. Hayes.

Lt. Col. R. M. J. Martin.
Major C. G. Hannaford.
Major E. F. Witte.
Capt. Bovard.
Capt. Peebles.
Secretary.
File. —

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6

Minutes of the
26 Regular Meeting of
Economic & Financial Council
Held on 12-9-43

AMCOT/74/HQ
AMCOT HQ SICILY
September 13, 1943

Present

Lt. Col. E. L. Clough (Chairman)
Lt. Comdr. F. S. Southard (Vice-Chairman)
Lt. Col. R. M. J. Martin
Major Hamaford
Major Witte
Captain Eovard

The Council was called to order by the Chairman at 1000 hours.

9. A report from the Legal Division on the very inadequate food issued in the Central Prison, Palermo, was submitted by Major Hamaford. The Council referred the matter to Public Safety Division and Civilian Supply Division for their immediate action. (Action Lt. Col. Martin and Lt. Col. C. J. Hayes)

10. In a discussion on the question of inflation led by Lt. Comdr. Southard, it was agreed that the subject was of quite outstanding importance and one of the biggest problems on the island. Lt. Comdr. Southard said that the remedies against inflation must be initiated as soon as possible. He reminded the Council that the prices were rising and that the arrival of the Allied forces in Sicily would place an extra 2 billion lire in the hands of the people which was rather more than 50% addition to the previous circulation. The remedies against inflation included opening of Banks and particularly Post Office Savings Banks, Insurance Offices, and the prompt collection, and possibly the raising, of rents and taxes. Lt. Comdr. Southard stressed the importance of starting a cost of living index which would be a accurate assessment of rents, rates, taxes and wage scales and be made. The Council referred the whole question back to Lt. Comdr. Southard who was instructed to produce a plan for the control of inflation which would be submitted to the Executive Council - plan to be prepared in collaboration with the Legal and Civilian Supply Division and to be ready by 26 September 1943. (Action Lt. Comdr. Southard)

11. Major Hamaford spoke on the subject of salaries and indemnities to State and Provincial officials. The problem was not being tackled. Considering the alarming rise in prices and the fact that no official can plan a family budget if he does not know the amount of his salary and indemnities, it would be wrong to expect any efficient cooperation from people (especially the small civil servants) when we shall have reduced, if not to starvation, at least to a social position totally incompatible with the office they occupy. Major Hamaford proposed that as from October 1, 1943, all State and Provincial payments be paid in cash equal to their previous salary plus indemnities on the basis of the 1943 salary. The Council was instructed to consider the matter.

*W. H. H. very
See Hamaford
E. F. C. O.
Sent 11.16/43*

referred the matter to Public Safety Division and Civilian Supply Division for their immediate action. (Action Lt. Col. Martin and Lt. Col. C. J. Hayes)

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11. Major Harnaford spoke on the subject of salaries and indemnities to State and Provincial officials. The problem was not being tackled. Considering the alarming rise in prices and the fact that no official can plan a fairly budget if he does not know the amount of his salary and indemnities, it would be wrong to expect any efficient cooperation from people (especially the small civil servants) whom we shall have reduced, if not to starvation, at least to a social position totally incompatible with the office they occupy. Major Harnaford proposed that as from October 1, 1943, all State and Provincial employees should be paid in accordance with their previous salary plus indemnities. He stated that the Government had agreed to such a plan. The Council agreed to this proposal with the understanding that Major Harnaford should first consult with the Division and bring the matter up again at the next meeting in a form that could be sent forward immediately to the Executive Council. (Action Major Harnaford)

12. The Chairman spoke on the need for essential public works being organized on an Island wide basis. But he stressed the word "essential". Our first task was to get the people fed and for the time being only those public works which contributed to this aim, should be considered essential. Obvious instances were electricity, and transport facilities. The Council agreed to instruct Lt. Comdr. Southard to attend the next meeting of the Council to report on the supply and distribution of electrical energy. Further, Major Witte, representing Public Health Division was instructed to prepare a very strong statement to the effect that, in the opinion of the Council, the main problem before ANG was the feeding of the people, that this problem was not

Cost Problem

of 1 hour.

~~being estimatedly looked for~~ that too many less urgent problems were engaging the attention of this Headquarters. It was agreed to send this statement forward to the Executive Council. The Council discussed the question of putting P.O.W.s to work on land not privately owned or abandoned, and Captain Doyard said that his department was already investigating this question. (Action Major Witte and Lt. Loeb)

13. It was agreed to defer consideration of the plan for the re-organization of agriculture until the next meeting.

14. The Council adjourned at 1100 hrs.

S. T. H. Capt.

E. TALBOT,
Captain,
Secretary to E.F.C.O.

Distribution:

C.C.A.O.
D.C.C.A.O.
C.S.O.
D.S.C.O.
Lt. Col. E. L. Clough
Lt. Comdr. F. A. Southard
Lt. Col. C. J. Hayes
Lt. Col. R. M. J. Martin
Major C. S. Hannaford
Major E. F. Witte

Capt. Doyard
Lt. Loeb
Secretary
File
Spares

24

MEMORANDUM FOR E.F.C.O.

Salaries for States and Provincial Officials

1. In view of the policy pursued by AICOT in regard to reducing Allied personnel, it is obvious that the Allied Government will have to rely more and more on the efficiency of Italian Officials to carry on with the administration of the Island.

2. To date a large proportion (39%) of Italian Officials have not returned to their posts. This is due to two factors:

- (a) many are refugees on the Continent;
- (b) more are dispersed all over the Island.

Generally, this second category of refugees have not been able to resume their functions for lack of transport and lack of funds.

3. Though nearly 50% of state officials have received on 14 July, four months salary in advance from the Italian Government, their indemnities, which double their salaries, have not been paid.

4. For nearly two months, we have been discussing with them the proportion of salary and indemnities due by the Italian Government or AICOT, taking into consideration the "mensualite" paid in advance and considered by them as a bonus. In fact most of this advance has been absorbed by the expenses incurred in moving from their offices and their homes to new premises, when transport was extremely costly and rents in safe towns extremely high.

5. Considering Lt. Comdr. Southards' report setting out that the official cost of living had risen since the occupation by 245% and the Black Market 638% and the fact that no official can plan a family budget, if he does not know what will be the amount of his salary and indemnities, it would be preposterous to expect any efficient co-operation from people (especially the small civil servants) when we shall have reduced, if not to starvation, at least to a social position totally incompatible with the office they occupy.

6. Could a definite policy be recommended to the Executive Committee for its next sitting, urging them to publish as soon as possible, the general conditions under which Italian State and Provincial Officials will be requested to function.

7. The suggestion put forward tentatively is to include all indemnities

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3. Though nearly 50% of state officials have received on 14 July, four months salary in advance from the Italian Government, their indemnities, which double their salaries, have not been paid.

4. For nearly two months, we have been discussing with them the proportion of salary and indemnities due by the Italian Government or AMOT, taking into consideration the "mensalite" paid in advances and considered by them as a bonus. In fact most of this advance has been absorbed by the expenses incurred in moving from their offices and their homes to new premises, when transport was extremely costly and rents in safe towns extremely high.

5. Considering Lt. Comdr. Southard's report setting out that the official cost of living had risen since the occupation by 245% and the Black Market 636% and the fact that no official can plan a family budget, if he does not know what will be the amount of his salary and indemnities, it would be preposterous to expect any efficient co-operation from people (especially the small civil servants) whom we shall have reduced, if not to starvation, at least to a social position totally incompatible with the office they occupy.

6. Could a definite policy be recommended to the Executive Committee for its next sitting, urging them to publish as soon as possible, the general conditions under which Italian State and Provincial Officials will be requested to function.

7. The suggestion put forward tentatively is to include all indemnities paid by the Italian Government before July 1st into the salary and treated as such from October 1st.

For instance, a civil servant who received 800 lire monthly salary, plus 650 lire in various indemnities, would, from October 1st, receive 1450 lire net as salary.

This method will not only allow the civil servants to balance their budget but would facilitate the future collection of taxes.

8. Any adjustment of the amount of salary to be paid as from October 1st, if the cost of living so justifies, should be worked out by Wage Section (Capt. Morse) at their early convenience.

W. G. H. 149

12th Sept. 43.

G. G. Harmaford, Major.
Legal Division

Subject:- "Confinati" at Ustica.

To:- Major G.G. Hammaford.

File EFCO
ANGOT/4035/L.

8 Sept. 1943. 23

The following Report is forwarded for submission to E.F.C.O. if you think fit.

On 5, 6 and 7, September, 1943, Capt. MAUDE and I were at the Central Prison, Palermo, interviewing "confinati" from USTICA. We heard bitter complaints of the food. We saw the daily meal on one day: Soup (slightly coloured water) with pasta and some bread which were hard and uncooked. The prison doctor stated that the diet was insufficient in vitamins and nourishment and that the beans were of a kind usually given to pigeons and not to human beings. I understand that the daily bread ration is now 400 grams instead of 500 as previously, but I heard of no complaint on that score.

Capt. MAUDE has seen and approved the above.

Ian Campbell

IAN CAMPBELL, Major,
Legal Division.

IC/HW.

*Matter referred to
P.S. Div. & Civ. Supply
vide EFCO memo
9 on 25 43*

*PA. 5-1319.
736*

AMCOT H.Q.

AGENDA.

Ordinary
2nd Meeting of Economic & Financial Council
to be held in the Conference Room
1000 hours, Sunday, 12th Sept. 43.

1. Minutes of the previous Meeting.
2. Plan for reorganization of Agricultural Control (Lt. Col. Hayes).
3. "Confirmiti" at USTICA. (Major Harnaford)
4. Inflation. (Lt. Col. Southard)
5. Policy on Salaries and Indemnity of State Personnel in Sicily.
(Major Harnaford).
6. Formation of a plan for island-wide public works. (Chairman)
7. Italian members of the Council.

10. Sept. 43.

DISTRIBUTION:

C.C.A.O.
D.C.C.A.O.

C.S.O.

D.C.S.O.

Lt. Col. Clough.

Lt. Col. Southard.

Lt. Col. R. M. J. Martin.

Lt. Col. C. J. Hayes.

Major C. G. Harnaford.

Major E. F. Witte.

Capt. Morse.

Security File.

E. Talbot Cur
E. Talbot.
Captain,
Secretary, E.F.Co.

735

21

CSO

Major Smith's Comments
are on pgs 15.

Sf 9.9.43

BO on return of
2 C.A.O.
to CSO

734

74
ROUTING SLIP

C.C.A.O. _____
D.C.C.A.O. _____
D.C.S.O. _____
COL. CLOUGH _____
MAJOR SMITH _____
MAJOR McDOUGALL _____
LT. VAN HEUKELOM _____
CAPT. GRAHAM _____
P. R. O. _____
ADVISOR P. A & M. _____
CAPT. DAVIS _____
CAPT. TALBOT _____
LEGAL DIV. _____
FINANCE DIV. _____
CIVIL SUPPLY _____
PUBLIC SAFETY _____
PUBLIC HEALTH _____
CONTROLLER PROPERTY _____
REGISTRY _____

REMARKS

*Pls give us comments
on how deals have @*

9/9
DATE

[Signature]
C.S.O.

745

20

74
83/HO

ANGOT IN SIGN.

31 August 43.

Subject: E.P.O.O.

To: Chief Staff Officer.

Reference your memorandum dated 27 August 43, I submit the following name as representative of the Controller of Property Division.

Captain J. M. Howard. (U.S.).

See folio 9.
Already known.
9/9/43 Reg
Chas. Harris
Lieut-Colonel,
Controller of Property.

733

MINUTES OF A SPECIAL MEETING OF ECONOMIC AND FINANCIAL COUNCIL HELD ON
7TH SEPTEMBER 1943.

SECRET

PRESENT

Lt. Col.	E. L. CLOUGH.	(Chairman)
Lt. Comdr.	F. S. SOUTHWARD.	(Vice-Chairman)
Lt. Col.	C. J. HAYES.	
Capt.	ROVARD.	
Capt.	MORSE.	(Not a member of the Council)

The meeting was called to order by the Chairman at 1000 hrs.

1. The Chairman stated that the meeting was for the purpose of considering Capt. MORSE's Labour Plan.
2. Capt. MORSE emphasized that his plan was basic and general and that there were many problems, to which no reference was made in his plan, and which would have to be solved by the Provincial Labour Offices.
3. It was agreed that there be incorporated in the plan arrangements for a Central Control of Labour in PALMISTO. Capt. MORSE was asked to draft an additional paragraph setting up a Labour Controller to coordinate the activities of the Provincial Labour Offices. It was suggested that this person might be called "Director of Labour for SICILY." (Action Capt. MORSE).
4. It was agreed to recommend to the C.C.A.O. the adoption of the plan (as added to by Capt. MORSE in respect to the question of setting up a Central Control) and Capt. MORSE was authorized by the Council to take the plan straight to C.S.O. for submission to C.C.A.O. (Action Capt. MORSE).
5. The meeting adjourned at 1045 hrs.

DISTRIBUTION:-

Secretary to C.C.A.O.

C.C.A.O.
D.C.C.A.O.
C.S.O.

2. Capt. MORSE emphasized that his plan was basic and general and that there were many problems, to which no reference was made in his plan, and which would have to be solved by the Provincial Labour Offices.

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5. The meeting adjourned at 1045 hrs.

732

E. TALBOT
Captain
Secretary to I.F.C.O.

DISTRIBUTION:-

C.C.A.O.
D.C.C.A.O.
C.S.O.
D.C.S.O.
Lt. Col. E.L. CLOUGH.
Lt. Col. F.S. SOUTHERD.
Lt. Col. C.J. HAYES.
Lt. Col. R.M.J. MARTIN.
Major C.C. HANFORD.
Major E.F. WIND.
Capt. BOYARD.
Capt. MORSE.
Secretary.
File.
Spares.

732

I think it's going to be difficult to
have an Italian on the Com^{tee} who
doesn't speak any English. They
seem to rule out Lauritano.

Have another name to suggest
Finco Ciroldi (Palermo).

Consult Majors D. Smith
about these names & submit
them on my return.

7/9

J.

Report attached.
D. H. H.
731

CC 17
 MINUTES OF FIRST MEETING OF ECONOMIC AND FINANCIAL COUNCIL, 4TH SEPTEMBER 1943.

SECRET

PRESENT

Lt. Col. C.M. SPOTTWOOD.
 Lt. Col. E.L. CLOUGH.
 Lt. Col. F.S. SOUTHWARD.
 Lt. Col. C.J. HAYES.
 Lt. Col. R.M.J. MARTIN.
 Major BUNNEY.

(Not a member of the Council)

Major C.G. HAINARD.
 Major D.F. WHITE.
 Capt. MORSE

(Not a member of the Council.
 Standing for Capt. BOVARD,
 reported sick).

(not a member of the Council).

Opening Remarks.

Lt. Col. SPOTTWOOD said he was present only to launch the Council on its way, and he described briefly its functions. He stressed that the Council was advisory and not executive, and would find itself dealing with problems raised at the Executive Council Meetings which cut across divisional lines and required detailed study. The C.C.A.O., he said, was anxious to try out the inclusion of Italian members, who would attend meetings of the Council as and when the Council thought fit. It was suggested and recommended that the Council should select not more than 3 Italian persons of important standing and of intelligence who could assist the Council, in a general way, as required, and that these persons be charged with submitting the names of other Italians who would be available to assist the Committee in its deliberations on particular subjects from time to time.

1. It was agreed to submit for the approval of the C.C.A.O. the names of Lt. Col. CLOUGH and Lt. Col. SOUTHWARD as Chairman and Vice-Chairman of the Council respectively. (Action C.C.A.O.)
2. It was agreed to appoint Capt. E. TALBOT as Secretary to the Council.
3. It was agreed to meet for the next three weeks on Sundays; the next meeting to be at 1000 hrs on Sunday, 12th September 1943.
4. The names of 4 Italian persons were submitted, from which not more than three could be selected by C.C.A.O. to act as temporary members of the Council when called upon. The names, with their qualifications, are as follows:-
 GUIDO JUNG. Ex-Minister of Finance of Italy. It is understood that this person is well known to the C.C.A.O.
 LUCIO BORDOMARO. An influential landowner. Recommended by Bank of Sicily to be in charge of ENTE COLONIZZAZIONE LATIFONDO.
 COUNT GLACCO TAGLIOLIA. This man is an exceedingly keen Italian independently

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COUNT GIACOMO TAGLIOLIA. This man is an exceedingly keen Italian, independently wealthy and extensive business experience. He is widely known in the community and is familiar with economic and financial questions affecting the island. He understands and speaks English very well.

BARON LAVITERANO. A cousin of the Cardinal, and business manager for church properties. Has a very keen mind, wide interests, and wide acquaintance with problems in Sicily. Was anti-fascist in his attitude ~~I have been informed~~. He does not understand or speak English. (Action C.C.A.O.)

5. Capt. MORSE, of the Civilian Supply Division, read to the Council his plan for labour in the island. He said the matter was one of great urgency. Existing labour bureaux and Syndicates were riddled with fascism and were not functioning in any of the 9 Provinces. His plan proposed widespread changes. It was agreed that the plan be circulated to members and be considered by the Council at a special meeting to be held at the earliest possible moment.

N.B. It was later agreed to hold this Special Meeting at 1000 hrs Tuesday, 7th September 1943. (Action Capt. MORSE).

- 2 -

6. Lt. Col. HAYES referred briefly to the plan prepared by Civilian Supply Division for the reorganization of Agricultural Control. It was agreed that no useful purpose could be gained by discussion of the plan before members had had time to digest it. Moreover, there were various points in the plan as prepared to which it was felt **the C.O.A.O.** might not agree. It was agreed that the plan be distributed to members and be discussed at the next regular meeting of the Council. (Action Lt. Col. HAYES).
7. It was agreed that discussion on Lt. Comdr **SOUTHARD's** Inflation Study should be deferred until the next regular meeting of the Council, and that copies of a paper by Lt. Comdr **SOUTHARD** be circulated to members before the meeting. (Action Vice-Chairman).

8. The meeting adjourned at 1720 hrs.

E. Talbot
E. TALBOT, Captain,
Secretary to EFCO

DISTRIBUTION:-

C.C.A.O.
D.C.C.A.O.
C.S.O.
D.C.S.O.
All members of EFCO
Major BUNDY
Capt MORSE
Secretary
File
Spares

N.B. The following memorandum was received after the above minutes were prepared and should be read as part of Minute 4.

I suggest that the name of Professor Catinello be added to the list of Sicilians to be considered for membership on the Council. Professor Catinello speaks English fluently, he has studied in England (London School of Economics), he is a lawyer and a noted professor of constitutional law at the University. His wife is an American. He served time in jail and in a concentration camp for his anti-Fascist and pro-Allied attitudes.

E. TALBOT, Captain,
Secretary to EFCO

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F.A. Southard

(Acting C.A.D.)

Guido Young

Extremely able & intelligent.

C.C.A.O. Knows him & has already interviewed him.

Guido Apoldi

Very pro-British, intelligent & speaks English well. Randowner & very keen sportsman, in fact has devoted more time to sport than to business.

Prof. Catimella

Very intelligent. Had trouble with Fascists.

Have not seen him since arriving in Palermo, but knew him before he was both here & in London. Is honest & well thought of, & I think he is the type we want.

Lucio Tasea
(Bordonaro)

Presume this is the man indicated.

Extremely intelligent, in fact is reputed to be better than his brother Alessandro. Very good on agriculture. Only bar - rumors that he is being pushed by Mafia.

Carmit. Giacomo
Tadina

Important. Shipping agent who

very intelligent. Had trouble with assets.
 X Have not seen him since arriving in
 Sicily 16/9/43 Palermo, but knew him before he was
 both here in London. Is honest
 & well thought of, I think he is
 the type we want.

Lucio Tasea
 (Bordonaro) Presume this is the man indicated.

Extremely intelligent, in fact is
 reputed to be better than his brother
 Alessandro. Very good on agriculture.
 Only bar - rumours that he is
 being pushed by Mafia.

Count Giacomo
Tagliavia.
 In Italy 16/9/43
 There is another
 Tasea who
 has recently been
 reported to have
 been in London (16/9/43)
 Baron Lavitiano.
 Important shipping agent who
 inherited a good business, & is very
 well known. Went into motor
 Trade, but apparently was not very
 successful.

729

I do not know this man.

But NOT known to
 E.F.O.

144
74/HQ
MOST SECRET
MINUTES OF FIRST MEETING OF ECONOMIC AND FINANCIAL COUNCIL, 14TH SEPTEMBER 1943.

PRESENT

Lt. Col. C.M. SPOTTONE.
Lt. Col. E.L. CLOUGH.
Lt. Comdr F.S. SOUTHARD.
Lt. Col. C.J. HAYES.
Lt. Col. R.M.J. MARTIN.
Major HUNTER.

(Not a member of the Council.
Standing for Capt. BOVARD,
reported sick).

Major C.G. HANNIFORD.
Major E.F. WITTE.
Capt. MORSE

(not a member of the Council).

Opening Remarks.

Lt. Col. SPOTTONE said he was present only to launch the Council on its way, and he described briefly its functions. He stressed that the Council was advisory and not executive, and would find itself dealing with problems raised at the Executive Council Meetings which cut across divisional lines and required detailed study. The C.C.A.O., he said, was anxious to try out the inclusion of Italian members, who would attend meetings of the Council as and when the Council thought fit. It was suggested and recommended that the Council should select not more than 5 Italian persons of important standing and of intelligence who could assist the Council, in a general way, as required, and that these persons be charged with submitting the names of other Italians who would be available to assist the Committee in its deliberations on particular subjects from time to time.

1. It was agreed to submit for the approval of the C.C.A.O. the names of Lt. Col. CLOUGH and Lt. Comdr SOUTHARD as Chairman and Vice-Chairman of the Council respectively. (Action C.C.A.O.)
2. It was agreed to appoint Capt. E. TALLENT as Secretary to the Council.
3. It was agreed to meet for the next three weeks on Sundays; the next meeting to be at 1000 hrs on Sunday, 12th September 1943.
4. The names of 4 Italian persons were submitted, from which not more than three could be selected by C.C.A.O. to act as temporary members of the Council when called upon. The names, with their qualifications, are as follows:-

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LUCIO BORDONARO.

An influential landowner. Recommended by Bank of Sicily to be in charge of ENTE COLONIZZAZIONE LATIFONDO.

COUNT GLACIO TAGLIOVIA.

This man is an excellent Italian and a

and he described briefly its functions. He stressed that the Council was advisory and not executive, and would find itself dealing with problems raised at the Executive Council Meetings which cut across divisional lines and required detailed study. The C.C.A.O., he said, was anxious to try out the inclusion of Italian members, who would attend meetings of the Council as and when the Council thought fit. It was suggested and recommended that the Council should select not more than 3 Italian persons of important standing and of intelligence who could assist the Council, in a general way, as required, and that these persons be charged with submitting the names of other Italians who would be available to assist the Committee in its deliberations on particular subjects from time to time.

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A cousin of the Cardinal, and business manager for church properties. Has a very keen mind, wide interests, and wide acquaintance with problems in Sicily. Was anti-fascist in his attitude ~~has been informed~~. He does not understand or speak English.

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N.B. It was later agreed to hold this Special Meeting at 1000 hrs Tuesday, 7th September 1943. (Action Capt. MORSE).

(Action CCAO)

785015

- 2 -

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8. The meeting adjourned at 1720 hrs.

E. Talbot
E. TALBOT, Captain,
Secretary to EFCO

DISTRIBUTION:-

C.C.A.O.
D.C.C.A.O.
C.S.O.
D.C.S.O.
All members of EFCO
Major BUNDY
Capt MORSE
Secretary
File
Spares

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E. TAIROT, Captain,
Secretary to EFCO

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F.A. Southard

(Achen CCNO)

785015

File 74HQ

13

SPECIAL MEETING OF EFCO.

In view of the urgency of the situation, it has been decided that the Economic and Financial Council should hold its special meeting to consider Captain Morse's Labour Plan on Tuesday, 7th September 1943, at 1000 hrs., instead of on Wednesday, 8th September 1943, at 1600 hrs.

5th September 1943.

E. Talbot
E. TALBOT.
Captain,
Secretary to EFCO.

DISTRIBUTION:-

C.C.A.O.
D.C.C.A.O.
C.S.O.
D.C.S.O.
Lt. Col. CHAUGH,
Lt. Comdr. SOUTWARD.
Lt. Col. HAYES.
Lt. Col. R.M.J. MARTIN.
Major BUNDY.
Major C.C. HANNAFORD.
Major E.F. WITTE.
Capt. MORSE
Secretary.
File.

P/A
6/9
6/9

785015

File

12

AMGOT/74/HQ.

AMGOT HQ. - Sicily.

4th September, 43.

Subject: Economic and Financial Council.

To : Chief Finance Division
Chief Legal Officer
Director Civilian Supply & Resources
Controller of Property
Director Public Health Division
Director Public Safety Division.

1. Please have your representatives on the subject council attend the first meeting prepared to submit to the Council the names of suggested Italian advisory members. The selection thereof will be on the agenda.

E. L. Clough
E. L. Clough
Lt. Col., A.G.D.
Admn. Officer.

Distribution:

As above
File copies
C.S.O.
Lt. Col. Clough.

File

AMGOT/74/HQ.

AMGOT HQ. - Sicily.

4th September, 1943.

Subject: Agenda for council meeting 4 Sept, 43.

To : All members of Economic and Financial Council.

1. Organization of Council - selection of Chairman and Secretary.
2. Organization and procedure.
3.
 - (a) Inflation study by Cmdr. Southard.
 - (b) Labor plans.
 - (c) Plan for reorganization of Agricultural Control.
 - (d) Selection of Italian advisory members.

E. I. Clough
E. I. Clough
Lt. Col. A. G. D.
Adm. Officer.

10
AMGOT/5054/CS
AMGOT HQ SICILY
1 September 43

Memorandum

To: Chief Staff Officer

The activities of the Supply Division are so wide-spread and varied that I find it impossible to suggest the name of one man who has sufficiently broad enough knowledge and experience to be a member of the E.F.C.O. It is therefore suggested that Supply Division will invite in a specialist for any particular subject that may be for discussion at any meeting.

JFRS/jfl


J. F. R. SEITZ
Lt. Col., G. S. C.
Director Civilian Supply
and Resources

P/A
6

ROUTING SLIP

C.C.A.O. _____
D.C.C.A.O. _____
D.C.S.O. _____
✓ COL. CLOUGH _____
MAJOR SMITH _____
MAJOR McDOUGALL _____
LT. VAN HEUKELCH _____
CAPT. GRAHAM _____
P. R. O. _____
ADVISOR F. A & M. _____
CAPT. DAVIS _____
CAPT. TALBOT _____
LEGAL DIV. _____
FINANCE DIV. _____
CIVIL SUPPLY _____
PUBLIC SAFETY _____
PUBLIC HEALTH _____
CONTROLLER PROPERTY _____
REGISTRY _____

REMARKS

OK at 4:00

723

DATE

[Signature]
C. S. O.

785015

AMGOT/3026/PH

AMGOT HQ SICILY

3 September 1943

Subject: Economic and Financial Council

To : Chief Finance Officer
Chief Legal Officer
Director Civilian Supply & Resources
Controller of Property
Chief Staff Officer

1. The following named officers, designated by Division, are announced as members of EFCO:

Finance Division
Legal Division
Civilian Supply & Resources
Division
Property Division
Administrative Staff

Lt. Comdr. F. S. Southard
Maj. G. G. Hannaford
Lt. Col. Hayes
Capt. J. W. Bovard
Lt. Col. E. L. Clough

2. The following are named as additional members to be called into council on questions affecting their respective fields:

Public Health Division
Public Safety Division

Major E. F. Witte
Lt. Col. R. M. J. Martin

3. The C.S.O. has directed me to call a meeting of the entire Council, those named above, in the Council Room, AMGOT HQ, at 1600 Saturday, 4 September, 1943. The above named will please attend.

E. L. Clough
E. L. CLOUGH
Lt. Col., A.G.D.
Administrative Officer

2 Sept 43

8

To: Chief Legal Division

" Finance Division

" Public Safety Division

" Civilian Supply Division

" Public Health

" Property Division

For Instr.

Subject: Economic and Financial Council.

1. Please indicate in the proper space below your nomination of the proper person to represent your division on the subject committee and return to the writer as promptly as possible.

Division

Council Member

Legal

Maj. G. G. Hammon

Finance

Mr. C. W. F. S. Southard

Public Safety

Mr. Col. R. A. G. Hunter

Civilian Supply & Resources

Mr. Col. Hayes

P. H. G. 11

Subject: Economic and Financial Council.

1. Please indicate in the proper space below your nomination of the person who is to represent your department on the subject committee and return to the writer as promptly as possible.

Division

Council Member

Legal

May. G. G. Hammond

Finance

Dr. C. W. F. S. Southard

Public Safety

Dr. Col. R. M. J. Hunter

Civilian Supply & Resources

H. Col. Hayes

Public Health

Dr. F. F. White

721

Property

Capt. J. M. Board

Administration

Dr. Col. E. V. Laugh

Laugh

C.F.O.

Establishment of F.F.C.O.

AM 607/74/HQ.
7 2 Sep 43

Lt. Col. Martin, D.C.S., is ~~is~~ nominated as the
Representative of the Public Safety Division, where
the Division is interested

Samuel N. Hall
Col. of
Comm. Public Safety

llu.
10
6
AMST/7/8

AMST/7/8

30 August 1945

Memorandum to: Heads of All Divisions

Reference memorandum dated 27 August 1945 creating HRCO, will you please submit names of representatives of your Division so that an organization meeting may be held.

[Signature]
CHARLES E. STOFFORD
Lt. Col., G. S. C.
Chief Staff Officer

p/m
31/8
6/8
720

file EFCO

HEADQUARTERS AMGOT
Office of the Chief Finance Officer

74/114 6A
Received in Registry
23/7/43 65

29 August 43

Subject: Establishment of Economic and Financial Council.

To : C. S. O.

1. With reference to your memorandum AMGOT/74/HQ of 27 August, I wish to submit the name of Lieutenant Commander F. A. Southard, Jr., to represent the Financial Division on E.F.C.O. (1)

2. Owing to contacts already made, Lt. Cmdr. Southard is well qualified to advise on the selection of Italian advisory members from the field of finance and economics.

A. P. Grafftey-Smith

A. P. GRAFFTEY-SMITH
Colonel
Chief Finance Officer

cc: Lt. Cmdr Southard

In as much as some of the property may
be parastatal and under C. P. it is
suggested he be represented on committee
JTB. for C. P.

(4)

[Signature]

DOCAO

(5/15/5)

- ① See # ~~272~~ 2
- ② When I lost your
commitment I could circulate
to persons or per
DO's suggestion

Log

8/19

717

*I really care - we need
something like this badly
Sitz*

AMGOT/208/HQ

21 August 1943

To Chiefs of Divisions:

Your comments are invited on item 49. Please
circulate.

AMGOT HQ
15 Army Group

[Signature]
C. S. O.

716

*I concur in suggestion W.C. G. L. O.
Though not directly concerned I think
the suggestion a good one. Ruffy DCP
I agree but committee should
include some Italian experts. Cp. CPO
Concur & L. G. D.P.H.*

785015

*John H. ...
10 C 80*

AMOT/208/HQ

16 August 1943

Subject: Creation of Economic Committee

To: C.C.A.O.

1. There are a number of questions coming up on the economic side which cut across divisional lines. For example, Col. Seitz raised the matter of subsidies to private industry at the Executive Council meeting yesterday. Price Control and Wage Costs are others. These are forerunners of other like problems which arise from our undertaking to back up the financial and supply systems of the territory.

2. I believe that before questions which have the implications of the one presented yesterday are raised for decision by the Executive Council, a thorough study should be made of the underlying facts and recommendations presented by a committee or board, to consist of one representative each of Civilian Supply and Finance Divisions, the Legal Division, and where pertinent questions are presented, the Public Health Division. If the staff permits, one of the administrative officers might also sit on this committee. The Executive Council would refer to this committee economic and financial questions not clearly falling in the jurisdiction of a single Division or on which a broad study or analysis is thought to be required.

3. I dislike a multiplicity of boards and committees as much as anyone, but I feel that decisions on economic policy would be materially helped by the joint group proposed.

CF
CHARLES E. SPOFFORD,
Lt. Colonel, G.S.C.,
Chief Staff Officer.

AMOT HQ
15 Army Group

2/105
Q

I agree with para. 3 but I
think constant joint meetings
between CS & F will meet the
case inside the office. There
is something more to be said
for a Committee with Italian
members because I doubt
whether CS & F have enough
local experience and information
to work out some of these questions
on their own.

Let me have (in a file) the
views of divisions on above.

7/8

J.

"APPENDIX A"

AMGOT/74/HQ

AMGOT HQ SICILY

27 August 1943

Subject: Establishment of Economic and Financial Council (EFCO)

To : All Concerned

1. There is established within AMGOT the Economic and Financial Council (EFCO). The functions of EFCO will be advisory and not executive, and will be:

- (a) To coordinate questions of economic and financial policy as between the various special divisions of the AMGOT staff.
- (b) To survey and make recommendations with respect to such economic and financial questions as may be submitted to EFCO by the C.C.A.O. or the Executive Council.
- (c) Through Italian advisory members of EFCO to make available to AMGOT the services of Italian experts in various economic and financial fields.

2. There shall initially be five members of EFCO, one each to be designated by the C.F.O., C.L.O., D.C.S.R., C.P., and the C.S.O. On questions affecting their respective fields the D.P.H. and C.P.S. shall also be entitled to name additional members to the Council.

EFCO shall choose from among its own members a chairman and shall also appoint a Secretary who need not be a member of the Council.

3. EFCO shall select and, with the approval of the Executive Council, add to its membership not more than three Italian advisory members who shall participate in so much of the deliberations of EFCO as it may determine. It may also employ or retain other experts on special subjects or for special inquiries or studies as it may deem desirable.

4. EFCO shall be entitled to examine all books, accounts and records found within the occupied territory, governmental or private, if pertinent to the subject of any survey or study with which it is charged. If it seems expedient or desirable to hold formal hearings upon any subject, it is authorized, with the approval of the C.C.A.O., to do so and may summon witnesses to testify and call for the production of books, accounts and records in its discretion.

(b) To survey and make recommendations with respect to such economic and financial questions as may be submitted to EFCO by the C.C.A.O. or the Executive Council.

(c) Through Italian advisory members of EFCO to make available to AMGOT the services of Italian experts in various economic and financial fields.

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By order of the Chief Civil Affairs Officer:

Charles M. Spofford
CHARLES M. SPOFFORD
Lt. Col., G.S.C.
Chief Staff Officer

0407