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MONTHLY REPORTS
JULY 1943 – APR. 1944

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[illegible] of Officers of Reg V and its Provinces.

Reg V H.Q. at [illegible]

Col. F.L. WHITLEY	A.	R.C.
Lt. Col. G.C. PEASEY	B.	Exec. Offr.
Capt. E.A. HEASSLER	A.	Adjt.
Capt. D.J. MAHONEY	A.	H.Q. Comdt.
Capt. R.C. ROBINSON	A.	Supply
Capt. J.H.C. WOMERSLEY	B.	Admin.
Lieut. T.M.D. HATT	B.	Asst. HQ Comdt.
2/Lt. C.W. HOUSTON	A.	Transport O.

[illegible] Regional HQ Pool.

Jeeps	2.
P.Cs.	7.
15 cwt.	5.
3 tonners	5.
M/Carriers	3.
C & R Cars	2.
M/C.	4.

Agriculture and Labour.

Lt. Col. H. MIDDLEWOOD	B.	Chief of Sec. (Agric)
Capt. A.T.S. LOCKWOOD	A.	Asst Chief of Sec. (Agric)
Maj. T.R. FISHER	A.	Chief of Sec. (Labour)

Economics and Supply.

Capt. A.M. WRIGHT	B.	Chief of Sec.
Capt. H.C. MC DANIEL	A.	Civilian Supply Accounting

Finance.

Maj. N.T. BEARD	B.	Chief of Sec.
Capt. L.F. ALDIS	B.	Asst Chief of Sec.
Lieut. F.B. FORSTER	B.	

Legal.

Lt. Col. W.E. BEHRENS	B.	Chief of Sec.
Maj. A.R. TUCKELL	A.	Asst Chief of Sec.
Capt. F.C. BADER	A.	Detailed for Aquila.

Public Health and Welfare.

Lt. Col. C. MARSHALL	B.	Chief of Sec.

Public Safety.

Maj. C.C. JACKSON	B.	Acting Chief of Sec.

Regional Engineering Section.

Maj. C.A. LATIMER	A.	Chief of Sec.
Maj. M. MARRIS	A.	Civil Transport Div.

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Maj. N.T. BEARD	B.	Chief of Sec.
Capt. L.F. ALDIS	B.	Asst Chief of Sec.
Lieut. F.B. FORSTER	B.	

Legal.

Lt. Col. W.E. BEHRENS	B.	Chief of Sec.
Maj. A.R. TROXELL	A.	Asst Chief of Sec.
Capt. F.C. BADER	A.	Detailed for Aquila.

Public Health and Welfare.

Lt. Col. C. MARSHALL	B.	Chief of Sec.

Public Safety.

Maj. C.G. JACKSON	B.	Acting Chief of Sec.

Regional Engineering Section.

Maj. C.A. LATIMER	A.	Chief of Sec.
Maj. M. HARRIS	A.	Civil Transport Div.
Maj. G.W. CUMMING	B.	Communications Div.
Maj. J.E. FODEN	B.	Engineering Div.
Maj. J.S. BENNETT	A.	Power & Light Div.

Civil Transport (Foggia Company).

1st Lt. R.O. BISSEY (Foggia)	A.	Future permanent station not decided: Now organising truck pool for Foggia Province.

Total 26 - Reg H.Q. & Staff
" 28 - Campobasso
" 23 - Chieti
" 37 - Foggia

Total 114

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APPENDIX 'A'.

FOGGIA PROVINCE.

Provincial Headquarters.

Lt. Col. C.K. TEMPERLEY	B.	P.G.	Jeeps	2.
Maj. E. TYSON	B.	P. Finance O.	15 cwts.	2.
Maj C.W. MANIFOLD	B.	Asst C.A.P.O.	3 tonners	2.
Maj. W.H. LEVIT	A.	P. Legal O.	W/Truck	1.
2/Lt. I. MANCK	A.	Pty Cont & C.S.	M/C	1.
			Requisitioned.	
Capt. J.P. SINCLAIR	B.	Civil Supply	4 str sedans	5.
Capt. M.T. COURDJIS	A.	Finance.	15 cwt. Ford Tr.	1.
Lieut. T.G. HOLLADAY	A.	Civil Supply		
Capt. L.M. BAILEY	A.	" " (Labour)		
Lieut. J.W. WAISH	A.	Roads		
Lt. Col. C.R. BRIGGS	B.	S.P.P.O.		
Lt. Comdr. E. GELLHIN	A.	Prisons. (Service Reg V completed, awaiting orders)		
Maj. L. MONTAGUE	B.	Civil Defence.		
Lieut. T.N.M. GRENFELL	B.	P.P.O.		
Lieut. G.H. BURROWS	B.	P.P.O.		
Capt. W.V.W. MANN	B.	P.O.		
Lt. Col. E.C. DALZIEL	B.	Public Health & Welfare		
Maj. C. BURT	A.	Education & P.H. & W.		
Capt. V.H. GILLOUGHEY	B.	Admin.		
1st Lt. F.J. PALACIO	A.	Censorship FCCO (Attached).		

Foggia District.

Maj. J.D. SCHOLTZ	A.	P.O.	15 cwt.	1.
Capt. R.E. GARRIGAN	A.	P.O.	Jeep	1.
Capt. A.A. GRANITZ	A.	P.P.O.		
Capt. R.G. HILLS	B.	P.P.O.		
Capt. J. O'NEILL	A.	P.O.		
Capt. J.W. HICKEY	A.	Fin. (From Reg. H.Q.)		

Lucera District.

2/Lt. M.K. ARONOFF	A.	P.O.	Jeep	1.

Cerignola District.

Capt. J.V. [illegible]	A.	P.O.	Jeep	1.

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Maj. G. BENT	A.	Education & P.W. & C.		
Capt. V.H. WILLOUGHBY	B.	Admin.		
1st Lt. F.J. PALACIO	A.	Censorship FCOO (Attached).		
Foggia District.				
Maj. J.D. SCHOLTZ	A.	P.O.	15 cwt.	1.
Capt. R.E. CARRIGAN	A.	P.O.	Jeep	1.
Capt. A.A. GRANITZ	A.	P.P.O.		
Capt. R.G. HILLS	B.	P.P.O.		
Capt. J. O'NEILL	A.	P.O.		
Capt. J.W. MICKEY	A.	Fin. (From Reg. H.Q.)		
Lucera District.				
2/Lt. M.K. ARONOFF	A.	P.O.	Jeep	1.
Cerignola District.				
Capt. J.V. ELLIOTT	A.	P.O.	Jeep	1.
1st Lt. J.C. BIGHAM	A.	P.O.		
Capt. S. BEATTY	A.	P.P.O.		
San Severo District.				
Maj. H. MICHALL	B.	P.P.O.		
Manfredonia District.				
Capt. M.G. RICHARDS	B.	P.O.	15 cwt.	1.
1st Lt. J.C. DAVENPORT	A.	P.O. (T.D. Co "C")		
Capt. S. GREENHOUGH	B.	P.P.O.		
Attached officers.				Detailed for
Lieut. E.P. BOLTER	B.	P.P.O. (with 1 Jeep from Reg. H.Q.)		Aquila
Lieut. T. MARSH	B.	P.P.O. (" " 15 cwt " " ")		Teramo
1st Lieut. R.O. BISBEY	A.	Civil transport		

Total 37

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APPENDIX 'A'.

CHIETI PROVINCE.

Provincial Headquarters.

Lt. Col. J.W. HOLMES	B.	S.C.A.O.	Jeeps	2.
			15 cwt	1.
Maj. C.M. WELSFORD	B.	P. Legal O.	M/C	1.
			From Reg. Pool.	
Capt. G. FORSTER	A.	Fin. O.	15 cwt	1.
Capt. W.G.J. HALL	B.	Fin. O. (Hosp)	P.U.	1.
Capt. T.P. COTTON	B.	S.C.A.P.O.	M/C	1.
2/Lt. E.H. AMYOT	A.	C.A.O.		

Vasto Town.

Maj. W.L. HENDERSON	A.	C.A.O.		
Lieut. J.H. DURRIDGE	B.	C.A.P.O.		
2/Lt. J.C. DAVIS	A.	C.A.O.		

Casalbordino.

Maj. L.W. MC INTYRE	A.	C.A.O.	Jeep	1.
Capt. S.D. BECKER	A.	C.A.P.O.		

Ciemi.

1st Lt. A.L. BERNARD	A.	C.A.O.	P.U. (Army)	1.
2/Lt. W.T. MAYO	A.	C.A.P.O.		

Carunchio.

Maj. A.S. CLINKSCALES	A.	C.A.O.	Jeep	1.
2/Lt. A.L. DE GAETANO	A.	C.A.O.		

Atessa.

Maj. F.J. BURNS	A.	C.A.O.	15 cwt	1.
1st Lt. A.A. THOMPSON	A.	C.A.P.O.(Hosp-not available for duty)		

San Salvo.

Capt. J.F. SEQUIN	Cdn.	C.A.O.

Lanciano.

Capt. A.E.F. BECKER	B.	C.A.O.
Lieut. T. Bellamy	B.	C.A.P.O.
Capt. E. Tuson	B.	Supply O. (Associate)

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Gibel.

1st Lt. A.L. BERNARD — A. C.A.C.
2/Lt. W.T. MAYO — A. C.A.P.C.

Carunchio.

Maj. A.B. CLINNSCALES — A. C.A.C. — Jeep 1.
2/Lt. A.L. DE CARTANO — A. C.A.C.

Atessa.

Maj. F.J. BURNS — A. C.A.C. — 15 cwt 1.
1st Lt. A.A. THOMPSON — A. C.A.P.C.(Hosp-not available for duty)

San Salvo.

Capt. J.F. SEQUIN — Gdn. C.A.C.

Lanciano.

Capt. A.E.P. BECKER — B. C.A.C.
Lieut. T. Bellacy — B. C.A.P.C.
Capt. F. TURNER — B. Supply C. (Provincial).

S. Vito.

Capt. T.C. MACKENZIE — B. C.A.P.C.

Ortona S. Leonardo.

Capt. T.S. WILSON — B. C.A.C.

Maj. C.C. STURGIS — B. S.C.A.C.

Total 23 (Not including 1st Lt. A.A. THOMPSON)

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APPENDIX "A".

CAMPOBASSO PROVINCE.

Provincial Headquarters.

Lt. Col. H.K. PARSONS	A.	S.C.A.O.	Jeep Willys
Capt. H.S. POLLARD	A.	Exec Offr.	15 cwt Dodge
2/Lt. G.L. BORDEN	A.	Admin	15 cwt Ford (8th Army loan)
Lieut. E.F. COCKS	B.	C.A.P.O.	M/C Matchless
Maj. D.M. RAISTON	B.	P. Fin. O.	
Capt. T.G. EVANS	B.	Fin. O.	
Maj. BOYD-CARPENTER	B.	P. Legal O.	
Capt. A.F. MC NULTY	A.	P. " O.	
Capt. E.C. WALSH	B.	Civil Supplies O.	3 ton Austin
2/Lt. E.A. ASH	A.	A/C.S.O.	
Maj. L.C. DEWING	A.	Refugee Centre	
1st Lt. B.R. JOHNSON	A.	" "	
Maj. E.B. REILLY	A.	C.A.O. (C.A.P.O.)	Requisitioned. Sedans 3.

Campobasso Town Area.

Maj. N.F. RUGGERA	A.	C.A.O.	Jeep Willys
1st Lt. H. LANDSMAN	A.	A/C.A.O.	
Lieut. G.H.C. LIDDLE	B.	C.A.P.O.	

Vinchiature Dist. of Campobasso Town Area.

Capt. O.H. MATHIS	A.	C.A.O.

Trivento Area.

Capt. J.J. KERNAN	A.	C.A.O.	Jeep Willys
1st Lt. C.M. MARINKOV	A.	A/C.A.O.	

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Larino Area.

Lt. Col. W.G. SMITH	B.	P.C. (Campobasso Reg V)	1 P.U. from Reg. Pool
1st Lt. F.C. STILES	A.	C.A.P.O.	P.U. Hillman(3 Army loan)
Maj. F.J. WILSON	B.	P.P.O. (Campobasso Reg V)	2 Requisitioned Sedans

Termoli Area.

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Campobasso Town Area.

Maj. H.P. ZUCENA	A.	C.A.O.	Jeep Willys
1st Lt. H. LANDSMAN	A.	A/C.A.O.	
Lieut. C.H.O. LIDDLE	B.	C.A.P.O.	

Vinchiature Dist. of Campobasso Town Area.

Capt. O.M. MATHIS	A.	C.A.O.

Trivento Area.

Capt. J.J. KERGAN	A.	C.A.O.	Jeep Willys
1st Lt. C.M. MARINKOV	A.	A/C.A.O.	

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Larino Area.

Lt. Col. W.C. SMITH	B.	P.O. (Campobasso Reg V) 1 P.U. from Reg. Pool
1st Lt. F.C. STILES	A.	C.A.P.O. P.U. Hillman(8 Army loan)
Maj. F.J. WILSON	B.	P.P.O.(Campobasso Reg V)2 Requisitioned Sedans

Termoli Area.

Capt. L.P. COLLINS	B.	C.A.S.	15 cwt Dodge
Capt. L.R. ASHTON	B.	C.A.P.O.	

Isernia Area.

1st Lt. C.S. ANDERSON	A.	C.A.P.O.

Castelnuovo Area.

Capt. F.A.B. BORAK	A.	C.A.O.

Agnone Area.

Lieut. H.R. HANBURY	B.	A/C.A.O.

Forli Area.

Capt. C. PAINTER	A.	C.A.O.

Total 28

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APPENDIX "A".

Table of Tentative Provincial Teams.

New Provinces Forward Area.

Aquila Team.	Now In.		
Lt. Col. W.G. SMITH	(B)	(PC)	Campobasso Province (Larino)
Maj. H.V. REILLY	(A)		" "
Maj. F.J. WILSON	(B)		" " (Larino)
Capt. H.S. POLLARD	(A)		" "
Capt. L.R. ASHTON	(B)		" "
Capt. T.G. EVANS	(B)		" "
Capt. R.E. CANNIGAN	(A)		Foggia "
Capt. F.C. BADER	(A)		Reg. H.Q.
Capt. ROYSTON	(B)		To be reserved for Campobasso Prov in rear of 8th Army
1st Lt. F.C. STILES	(A)		Campobasso Province
Lieut. E.F. COOKS	(B)		" "
Lieut. E.P. BUTLER	(B)		Reg. H.Q. (now T.D. Foggia)
2/Lt. I. MUNCK	(A)		Foggia Province (now T.D. Reg. H.Q.)

Teramo Team.	Now In.		
Maj. J.D. SCHOLTZ	(A)	(PC)	Foggia Province
Maj. M. MICHALL	(B)		" "
Capt. G. FORSTER	(A)		Chieti "
Capt. J.Y. ELLIOT	(A)		Foggia "
Lieut. H.R. HANBURY	(B)		Campobasso Province
Lieut. T. MAHER	(B)		Reg. H.Q. (T.D. Foggia)
1st Lt. T.C. HOLLADAY	(A)		Foggia Province

Pescara Team.	Now In.		
Maj. C.O. STURGIS	(B)	(PC)	Chieti Province
Maj. G.W. MANIFOLD	(B)		Foggia "
Capt. M.G. RICHARDS	(B)		" "
Capt. T.G. MAC KENZIE	(B)		Chieti "
2/Lt. E.N. AMYOT	(A)		" "

The following officers are required for service in Reg V. They belong to Reg V and are now serving in Region set opposite their names.

Lt. Col. L.R. KELLY	(A)	Region II
Lt. Col. E.C.V. BUTLER	(B)	" "
Maj. C. CARTER	(A)	" "

(Shown in Appendix F)

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150 59 Hqs. ACC

Maj. J.D. SCHOLTZ	(A)	(PC)	Foggia Province
Maj. H. MICHALL	(B)		" "
Capt. G. FORSTER	(A)		Chieti "
Capt. J.Y. KILLIOT	(A)		Foggia "
Lieut. H.R. MAHONEY	(B)		Campobasso Province
Lieut. T. MATCH	(B)		Reg. H.Q. (T.D. Foggia)
1st Lt. T.C. HOLLADAY	(A)		Foggia Province

Pesgara Team.	Now In.		
Maj. C.C. STURGIS	(B)	(PC)	Chieti Province
Maj. G.F. MANIFOLD	(B)		Foggia "
Capt. M.G. RICHARDS	(B)		" "
Capt. T.G. MAC KENZIE	(B)		Chieti "
2/Lt. E.N. AMYOT	(A)		" "

The following officers are required for service in Reg V. They belong to Reg V and are now serving in Region set opposite their names.

Lt. Col. L.E. KELLY	(A)	Region II
Lt. Col. E.C.V. RUTTER	(B)	" "
Maj. G. CARTER	(A)	" "
(Shown in Appendix F)		30 59 Hqs. ACC
Maj. A.C. NEWELL	(A)	" "
Capt. H.E. HUDSON	(A)	" "
Capt. D.A. ROGERS	(A)	" "
Capt. W.J. OATES	(A)	DISPER

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2nd Lt. G. DIAMANT (A) was ordered to return to duty with Reg V per 309 51 par 1 Hq ACC, 24 March 1944. This officer has not yet reported.

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PART B

FINANCE

1. CONTROL OF BUDGET EXPENDITURE & METHOD OF MAKING ADVANCES.

Instructions laid down in AMG - 15 ARMY GROUP, AMG/307/37 of 27 Dec 1945, were not being complied with by Provincial Finance Officers. This has been brought to their notice and directives have been issued that the order will be complied with. The desirability of having advances acknowledged by the Royal Treasury and the necessity for maintaining a strict control on currency was also brought to their notice.

2. FINANCIAL INSTITUTIONS. BANKS

Banks are functioning normally. The Bank of Italy has been cooperating with Provincial Finance Officers. An investigation is being carried out into Banks and other Financial Institutions and further reference will be made to this in my next report. The situation regarding blocked accounts and safe deposit boxes in Foggia is not satisfactory, but an Officer is now making investigations.

3. POST OFFICES.

Post Offices appear to be becoming more normal where their financial activities are concerned, and there has been an increase in their turnover. Post Offices too will be the subject of investigations during the month of April.

4. INSURANCE COMPANIES.

There has not been much insurance activity in the Region. What there has been was more or less confined to National undertakings. The Provincial Finance Officer of Foggia reported that the Istituto Nazionale had had funds transferred to its Foggia office prior to the separation of Rome from this part of Italy.

This has been reported to the Insurance department of the Finance Sub-Commission.

5. REVENUE

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This has been reported to the Insurance department of the Finance Sub-Commission.

5. REVENUE

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An investigation was carried out by Captain Cunningham - ACC Revenue - of conditions in Foggia, where he found conditions entirely unsatisfactory. The recommendations contained in his report have been noted and are receiving attention. The Intendenti has not as yet been replaced: the Provincial Commissioner now reports that there has since been an improvement in his conduct.

6. TAXATION

In Foggia Province postponement of payment of tax and remission owing to war damage has been authorised as follows:

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	FOGGIA TOWN	CERIGNOLA
Postponement of payment	1,300,000	400,000
Remission	988,000	- -
	2,288,000	400,000

The Foggia remission is approximately 11% of the total tax due, a not unreasonable figure in view of the damage suffered.

7. The communes of San Severo and Torre Maggiore each imposed a tax of 30 centesimi per litre of wine exported. This was to help meet communal deficits and was approved by AMG.

8. ADVANCES.

In Foggia Province, advances amounting to L. 25,167,000 were authorised to State and Provincial authorities for various normal purposes. Increased expenditure must be expected as the administrative machinery is gradually put into working order. The financial demands of Foggia town continue to expand owing to military requirements and necessary repairs of bomb damage. Advances were also made to Cerignola for repairs to a civilian hospital and to a public building occupied by the Allied Forces.

9. MONTHLY STATEMENT OF FOGGIA PROVINCE.

In Lits. 1,000's

	NOV & DEC., 1943.	JANUARY	FEB	MAR
RECEIPTS:				
Opening balance	-	52,243	45,270	40,991
Receipts - AMG Funds	101,263	-	-	-
- Sale of AMG supplies	-	370	-	1,618
- General - Fines, etc	56	418	870	796
	101,319	53,031	46,140	43,405
EXPENDITURES:				
Extra work on roads & Contracts	3,268	1,450	900	510

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hospital and to a [illegible]

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- General - Fines, etc	56	418	870	796
	101,319	53,031	46,140	43,405
EXPENDITURES:				
Extra work on roads & Cantonieri	3,988	1,450	900	510
Advances - FOGGIA Commune	4,900	6,215	4,000	-
- CERIGNOLA Commune	-	-	60	-
- TORRE MAGGIORE Commune	-	-	93	-
- Bank of Italy	24,000	-	-	-
Charter of Coastal Vessels	-	-	-	100
	158	61	96	122
General Expenses	16,030	35	-	-
Transfers to AMG a/cs	49,076	7,761	5,149	932
	52,843	48,270	40,991	42,673
Closing Balance Lits 1,000's	101,319	53,031	46,140	43,405

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10. PERSONNEL.

Lt. Col. Vetch, PPO, was posted away on 27 March. Major M. T. Beard, his deputy, was appointed to act in his place.

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LEGAL

11. ALLIED MILITARY COURTS.

Two general court cases were heard in Foggia Province during the month. A member of the CC.RR was acquitted on a charge of killing an Allied soldier; a carter was convicted of wire-cutting and sentenced to 10 years imprisonment. In addition two peasants (ex-soldiers) were formally acquitted by a General Court, to which they had been remanded, as the prosecution could produce no evidence in support of a charge of sniping at Allied troops.

12. SUPERIOR COURTS.

In Foggia Province there was one Superior Court case in which a woman was convicted of possession of arms. A charge of shooting at a soldier was dismissed, as the soldier had left the theatre.

In Campobasso Province there was one Superior Court case, the first in the province. It involved 40 accused, who were charged with unlawful assembly. The crime took place in December, 1943, but the trial could not be held earlier owing to the state of the roads.

13. SUMMARY COURTS.

There is no change in the organisation in Foggia Province, except that the Summary Court of Torremaggiore is no longer in operation. In the regional area of Campobasso Province there are 3 Summary Court districts, Larino, Termoli and Trivento, in each of which the Courts are held by the P. O.

14. The special "black market" Summary Court sat from 21 Feb to 9 March and is now temporarily closed. It disposed of 435 cases by the seizure of all contraband, and by the imposition of small penalties for pass violation. In addition, 350 of these offenders were referred to the Italian Courts for trial on black market charges.

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In Campobasso Province [illegible] involved 40 [illegible], the first in the province. It involved 40 [illegible], charged with unlawful assembly. The crime took place in December, 1943, but the trial could not be held earlier owing to the state of the roads.

13. SUMMARY COURTS.

There is no change in the organisation in Foggia Province, except that the Summary Court of Torremaggiore is no longer in operation. In the regional area of Campobasso Province there are 3 Summary Court districts, Larino, Termoli and Trivento, in each of which the Courts are held by the P. C.

14. The special "black market" Summary Court sat from 21 Feb to 9 March and is now temporarily closed. It disposed of 435 cases by the seizure of all contraband, and by the imposition of small penalties for pass violation. In addition, 350 of these offenders were referred to the Italian Courts for trial on black market charges.

15. In Foggia Province there is still a general tendency to excessive leniency in sentences, particularly for theft and possession of military property, and for possession of arms. Further instructions have, however, been issued and recent sentences show an increase. In Campobasso Province the sentences imposed in Allied Courts are alleged by Italian Judicial Officials to be far lighter than in Italian Courts, and accused persons are making application for trial by Allied rather than Italian Courts. Here also steps are being taken to obtain appropriate sentences.

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16. A probation system is being organised in Foggia Province in cooperation with the Provincial Welfare Officer to deal with juvenile offenders before AMG Courts. It has been found that existing methods are an inadequate deterrent.

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17. ITALIAN COURTS.

The Court of Appeal opens in Lucera 1 April 1944.

The Court of Assize completed its first session in Lucera on 21 March 1944, having disposed of 9 cases. The next session is fixed for 1 May 1944, and it is estimated that this session will suffice to clear off existing arrears. Arrangements are being made for a Court of Assize from the Naples circuit to open in Campobasso.

18. In Foggia Province the inferior courts continued in session throughout the month. In Campobasso Province the civil sides of the preture of Trivento and Civita Campomarano have been reopened. The Tribunale of Larino is in session. A detailed report on the state of the Italian Courts and judicial personnel in Campobasso Province is in course of preparation.

19. There is no undue delay in the hearing of cases before Italian Courts, and prisoners are not detained an undue length of time pending trial.

20. GENERAL

The investigation into the complaint against the advocates of Cerignola, referred to in this HQ report for February 1944, has not yet been concluded. At the original hearing the complainant requested an adjournment in order to have time to summon his witnesses.

21. Trouble is being caused in Foggia Province by the activities of the brothers Bonito, Antonio and Umberto. They are apparently endeavouring to undermine the authority of the Provincial Commissioner and to oppose the Allied Military Government. It may be necessary for them to be detained under proclamation 2, Article VII, Section 2.

22. Instructions are being issued for vigorous action to be taken in the suppression of prostitution. A difficulty arises in this connection from the fact that under Italian law an accused person who appeals from a court of first instance remains at liberty pending the appeal. This period is at least

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17.0

CIVILIAN SUPPLIES

23. WHEAT

The wheat and cereal position is satisfactory, and the ration scale has been lowered in Campobasso to conform to that in other provinces.

24. SALT

Present supply of this commodity unsatisfactory; transport is required to move large stocks from Margherita di Savoia to the provinces.

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25. OLIVE OIL

There is an acute shortage of olive oil in the provinces, despite every effort on the part of the Provincial Supply Officers to get it amassed. This has been taken up with ACC Food Sub-Commission, and their report is awaited.

26. FRUIT & VEGETABLES

There appears to be plenty of these commodities, but local Army purchasing Officers take most of them.

27. SOAP

Small quantities are now being manufactured in Campobasso, and once Caustic Soda is available, production will increase.

28. WAREHOUSING

Suitable storage space has been secured in Campobasso, where all civil supplies can be housed.

29. ACCOUNTING

Progress has been made in setting up administration for the accounting of civil supplies.

30. AMASSING. FOGGIA PROVINCE

Quantities amassed continue to be small. The season is pretty well over, and it must be considered that we have now got in practically all last year's grain, barley, beans and oats and oil which is likely to be available.

The present position is as follows:

	Amassed 1942-43	Amassed 1943-44	Balance remaining in Amassi 20 March 1944.	Local Needs per Month
Grain & Barley	156,600	85,000	11,650	9,000

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The present position is as follows:

	Amassed 1942-43	Amassed 1943-44	Balance remaining in Amassi 20 March 1944.	Local Needs per Month
Grain & Barley	156,000	95,000	11,650	3,500
Beans	11,600	6,000	3,450	4,000
Oats	17,600	13,500	6,800	300
Olive Oil	6,000	580	350	-

1759

31. EXPORTS

The figures set out below show exports from Foggia Province during the month:

	TONS		
	Total to February	March	Total to March
Flour, Grain & Barley	4,900	725	5,625
Beans and Legumes	1,300	394	1,694
Salt		215	
Wine	40	167	207

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32. GENERAL

Road conditions and inadequate transport has prevented the creation of safety-margin stocks of essential commodities, but essential foods have been provided for the population. There is still great shortage of clothing and boots. A large consignment of the latter arrived in Campobasso, but the price was prohibitive. Stocks were frozen pending investigation into the question of wholesale prices.

There has been no alteration of general prices during the month under review.

33. PUBLIC HEALTH AND WELFARE

The Public Health and Welfare Division of Region V arrived in Campobasso on 3rd March and opened office 4th. On the way to Campobasso from Matera, a stop was made at Foggia City by R.P.H.O. at the request of Deputy R.P.H.O. (Major Adams) for two days in order to make a survey of unsatisfactory conditions which were reported to prevail and actually found to be present. Conferences were held with P.C. Foggia Province and C.A.O. Foggia City, advice given, resulting in improvements being carried out.

34. The principal work during the month has been that of obtaining information as to the Italian Medical personnel available, hospital and welfare facilities, medical and food supplies required for relief. Each of which items are dealt with under their respective heading later in the report.

35. Considerable difficulty has been experienced due to two officers, i.e., one Welfare (Captain Triggs) one Sanitary (Lt. Bloomfield) not being returned to the Region at a time when their services were urgently required and could have been used to good advantage. On the 27th March, Deputy R.P.H.O. (Major Adams) was recalled, leaving only the R.P.H.O., resulting in the latter being tied to the office at a time when visiting liaison and inspections were of extreme importance.

36. On the 7th March 44, Lt. Col. Spencer reported to Region V and was taken on the staff of Public Health and Welfare as adviser in Antimalaria Measures. On the 10th he proceeded to

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37. HEALTH OF THE CIVILIAN POPULATION

The health of the people is very good, there being little sickness and no epidemics of any infectious disease have been notified. Scabies is very prevalent, but now that soap and sulphur ointment are available, the position should improve.

38. HOSPITALS

Hospitalization in the area at present under Region V is satisfactory, with the exception of Cerignola and Foggia City. Arrangements have now been made for Ospedali Riuniti Foggia to be handed back for civilian use, and finance have made available money for rebuilding at Cerignola, but materials are in short supply. This latter question is being taken up by Supply Division.

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39. MEDICAL SUPPLIES

A Regional Warehouse has been opened in Campobasso and at present four C.A.D. Units are held for distribution as required. The building is not considered very suitable owing to lack of space; another has been surveyed and should be available by the end of April, this latter will allow of racks being installed which when requisitions are requested item by item will be very beneficial and a saving in labour.

40. VENEREAL DISEASE

The ACC scheme for the examination and hospitalization of suspected women has been started in San Severo which is the most dangerous area in Foggia Province. In Foggia town, prostitutes have been under control for some time and are treated in the Civil Hospital (Piccolo). This arrangement, although working satisfactorily, will be improved at a later date.

41. MALARIA CONTROL

Owing to the late season and consequent large amount of water lying about, the date of opening had to be postponed, but is now proceeding and being supervised on behalf of AMG by Lt. Col. Spencer, who has his headquarters in Foggia City.

42. WELFARE

Arrangements under this heading are proceeding satisfactorily, all supplies required, with the exception of clothing and boots, are available through Economics and Supply on demand. The services of a Welfare Officer, as noted above, are urgently required.

PUBLIC SAFETY

43. CRIME

During the month under review, the principal crimes dealt with in the Province of Foggia have been for illegal

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PUBLIC SAFETY

43. CRIME

During the month under review, the principal crimes dealt with in the Province of Foggia have been for illegal possession of Allied Government property. Several cases have come to light of persons converting Allied blankets into [illegible] these persons have been charged.

44. There are still a very large number of cases of illegal entry into the province.

Black Market activities are dealt with under a seperate heading.

45. BLACK MARKET

This is very rife in Foggia Province. This province certainly appears to be and is the granary for all other provinces on the western side of Italy.

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46. Energetic steps have been taken to combat this black spot in the province by instituting from time to time at Bovino, on the main Foggia-Naples road, a 24-hour post which has operated for as long as 14 days on end. This post is manned by PPOs, US and British CMP, CC.RR, and CC.FF. Results have been good and very considerable quantities of contraband foodstuffs have been seized and directed into the Amassi. Full statistical reports for the month are not yet ready, but will be forwarded under separate cover when they have been prepared.

47. In spite of the success obtained at the "Bovino Post", it is felt that only the small fry are being caught and in order to overcome this, two experienced police officers, with transport, were detailed in the last days of the month by the Region to work in the province. It is considered that in time these officers will be able to trace consignments of black market foodstuffs from their source to collecting points, and thus be able to bring charges against the ring leaders of this traffic.

48. It is a matter of interest that since fixed posts and mobile patrols have been introduced, the number of military lorries taking part in black market operations seems to be decreasing. Memo numbers of Bovino Post Reports are FP/5130, dated 29 Feb, 14, 19, 25 Mar and 1 April.

49. STRENGTH OF POLICE AGENCIES

CC.RR: The strength of the CC.RR is 931 and another 30 men are to be transferred to the province in due time.

CC.FF: Strength - 241

Questore: Strength - 135

50. RELATION WITH POLICE AGENCIES

The CC.RR and CC.FF are working well, particularly the CC.FF, who are extremely helpful in black market cases and would be more so if they were more mobile. There has been an increase in sickness during the month. This has been put down to the very inclement weather, and the bad conditions of a large number of the boots worn.

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At the request of the 12th Air Force, patrols along the Gulf of Manfredonia have been arranged for the period of Seppia fishing season which begins in April.

51. RELATIONS WITH MILITARY POLICE

These are good with both US and British CMP, and also the C.I. Branch. Frequent requests are made from US CMP for the assistance of AMG P.S. Officers.

52. CONDUCT OF TROOPS

In this province there is an improvement. There are still cases being reported of troops interfering with the home life of Italians by demanding wine, etc., and when refused, threatening violence. All such cases reported are passed on to the competent military authorities.

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53. PRISONS

The Regional prison inspector has been attached to Foggia Province, and has devoted his entire time to visiting the prisons in the province with a view to their improvement.

At Manfredonia prison certain able-bodies prisoners were taken, under guard, outside the prison and put to work on clearing a refuse dump. The fact of being able to do some work appeared to be appreciated by the prisoners, and the possibility of extending this to other prisons is being explored.

No. of prisoners under sentence	625
No. in prison awaiting trial in Italian Courts	225

54. C.D.

In Manfredonia, this question has been taken seriously in hand, and there are now 200 wardens who mostly respond very well to warnings, of which there are many. Those who fail to report have been taken to task by the PPSO, who personally inspected the arrangements of town during the month.

55. In Foggia City, there are 71 wardens under the City Engineer. There is room for improvement in Foggia and this is being actively looked into.

The arrangements in the town of San Severo are also being overhauled.

Repairs and maintenance of shelters in the above localities are being taken in hand.

56. FIRE BRIGADE

The Brigade in Foggia is working efficiently, but is still handicapped by lack of equipment.

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57. PUBLIC MORALE

This appears to be good and there is no apparent criticism of AMG. The disrupting agent is the prevalence of the black market, which is being tackled. 1736

58. INDUSTRIAL

The industrial situation in the province is good. There are from time to time wage disputes, which in any case do not amount to strikes and cause lockouts. These are settled forthwith.

The main difficulty is caused by the marked difference between the fixed civilian rates and those paid by the Army.

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ENGINEERING

59. TRANSPORT

The report made on the regional requirements for civil transport was approved and a civil transport company authorized; this is now functioning after considerable labour pains. It was confidently expected that 70 trucks were to be made available; but disillusionment came swiftly, and out of the 58 produced only 36 - manned by Italian drivers and mechanics - were able to make the journey to Region V. 21 had to be left at the starting point and one fell by the wayside.

60. A great deal of spade work preceded the formation of this company. The Regional Civil Transport Officer (Major Harris) held discussions with ACC Internal Transportation Sub-Commission, Economic Section and Joint Finance Sub-Commission with the object of changing the original plan submitted by this Region, which was for two parallel companies, one to operate private Italian vehicles, and the other, AMG vehicles. The new plan combined the two into one company to be run on strictly commercial lines.

61. This was approved with the provision that the company should be in a position to be handed over entirely to Italian management to operate in due course when King's Italy took over, and that a national tariff be used that would provide for amortization of the sale price of the trucks. Both provisions can be met.

62. An Italian military truck company has been promised in the near future. This will operate immediately behind the Army rear boundaries, is self-contained and mobile.

COMMUNICATIONS

63. TELEGRAPHS

The office in Foggia City has been destroyed. Conditions elsewhere in this province have not been surveyed, but are understood to be good.

64. TELEPHONES

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64. TELEPHONES

In Foggia City the exchange is being operated by the Army - in Manfredonia, by the Air Corps. The telephone system of the Electric Power Company is in operation. Other conditions are not yet known.

17 34

65. The Communications Officer (Major Cumming) has interviewed the C.S.O., L of C, Italy, and the C.S.O., No. 2 District, who between them control all the lines in Region 5 area, with the exception of that part occupied by Eighth Army. They have been very helpful, and a course of action regarding line reconnaissance and repair has been agreed upon.

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66. They stated that they have had no programme submitted to them regarding future requirements of ACC-AMG, and that notice of these would enable these requirements to be embodied in building programmes. So far as it is possible, they wish so to arrange their construction and use of line plant that it will be suitable for conversion to civil use, at some future date, with the minimum of dislocation.

67. They stated also that they had been reluctant to give general permission for repair of any lines by civil authorities, because parts of some routes have been joined to parts of others, and on large routes, which are in partial use by the Allies, the numbering system has been altered.

68. The action agreed upon, as regards repairs, was that AMG-ACC should state their requirements in a certain area, and should state which route had normally been followed. The C.S.O. would then be in a position to state whether:

i. The route was wholly in use by the Allies and could not be touched, or

ii. Was partially in use, and certain specified wires could be repaired, or

iii. The route was not in use at all, and repairs could be carried out freely.

They stated that line stores were in very short supply, and that none could be provided from Army sources for civil repairs. It is considered, therefore, that any stores required will have to be salvaged from less important routes.

69. A Signals Line Section installed the private telephone system at Regional HQ, for which AMG has been able to reciprocate by obtaining T.I.M.O. assistance for Army Signals.

PUBLIC WORKS AND UTILITIES

70. WATERWORKS

Although not strictly within the orbit of the Region, the water supply at Campobasso has been restored to a nearly normal basis by the use of pump and motor borrowed from the power plant

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71. ELECTRIC SUPPLY

1733

Inspections of hydro-electric power plants on the Biferno are being made and action taken to restore all possible generating capacity. This will amount to 637 K.V.A. added output from 8 powerhouses already inspected.

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72. Some interruptions to power supply in this area have been occasioned by breakdowns in the 9 K.V. line due to the failure under ice and snow loads of the light constructions of the transmission line support. This line is being put on wooden poles as these failures occur and weak spots being corrected. Major Bennett is representing the Region on Power consumption committees set up in the 2nd District, and studies of needs and consumption in this area are being made.

73. To enable the Naples-Foggia railway line to operate and to provide additional power for the Eighth Army area, drastic cuts in the consumption of electric power in Foggia Province were called for on a scheme laid down by No. 2 District. Some inconvenience was caused to begin with by pasta factories and flour mills being down at short notice, and by the closing of the shut Torre Maggiore-San Severo-Peschici railway. By the end of the month all cuts had been restored, on the understanding that industrial users would use no power on Saturdays and Sundays.

74. GAS WORKS

The repair and reopening of Gasworks is not contemplated at this time. They have, however, been inspected.

75. REPAIR SHOP

A well-equipped machine and carpenter shop at the Campobasso Technical School is being investigated as to its possibilities as a central general repair shop.

76. FOGGIA TOWN

Progress has been made on the sewer and water repairs by Army using some civilian labour. The storm drainage system is reported completed and sanitary sewers are expected to be completed shortly. Lt. Col. G. de C. Findlay has been requested as loan from Region IV for a period of 4 to 6 weeks to assist in coordination of sanitary and street repair work about to be undertaken.

77. HIGHWAYS

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77. HIGHWAYS

A study is being made of road maintenance in order to effect improvements in Foggia Province and that part of Campobasso Province under Regional control. This was requested by CRE, District 2.

1732

LABOR

78. Labor offices have been created in Foggia Province, prov. Director located at Lucera, Field offices at Foggia town, Cerignola, Lucera, Manfredonia, S. Severo, Troia, Candela, Vico Greganico and Torremaggiore.

79. There has been but little labor unrest in the Region this month such that did occur was settled, if not immediately, the same day.

80. The difference in wages paid by the Army, and civilian employers has created very great potential problems. This has been reported to ACC, and is being dealt with.

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81. The registration of labor is going forward in Foggia Province.

The Regional Labor director put the following problems to ACC, and received the following answers:

1. Request authority to institute the following:

   a) Register all labor for Region V.

   b) Make it possible to create labor unions in Foggia Province.

2. Request ACC to rule on the following:

   a) Standard price for labor, also for horse-drawn carts.

   b) Does the wage increase apply to family allowance for government employees?

1. a) Approved as an emergency measure.
   b) Approved, as discussed it is better to have Unions in the open rather than drive them underground.

2. a) In hand. Final decisions will be sent as soon as possible.
   b) Yes.

AGRICULTURE

82. This being the first report, it is perhaps more detailed than will be the case in the future. Conferences have been held with Chief Inspector of Agriculture, Head of Consorzio Agrario, heads of Assertimenti, Vet. Service and Zootechnics of Campobasso Province, who have been encouraged to discuss their problems with the Regional Agricultural Officer and who have supplied much information of their respective departments. The Chief Inspector visits this Headquarters weekly to maintain liaison.

83. FISH

1731

In Manfredonia, Foggia Province, there are 13 motor fish-

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In Manfredonia, Foggia Province, there are 13 motor fishing boats and 160 sailing boats, plus 60 sailing boats kept in reserve for special runs of fish. Many of the sailing boats came from other Adriatic ports and fishing villages in the early stages of the invasion. There is a Fishermen's Cooperative and from the president the Regional Agricultural Officer (Lt. Col Middlewood) was able to get an outline of fishing methods and lists of urgent requirements. Samples of these were clearly labelled, for it is almost impossible even with a good interpreter to translate many of the trade names. Cotton for net repairs was the first priority, nets being repaired with wool pulled from old socks and the like; but new nets are needed (nails are also badly needed for boat repairs). They are not made by the fishermen themselves; but were machine made in Rome, Genoa, and other parts of Italy still occupied by the enemy. Samples were taken from Naples, and many of the items were obtained.

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84. METHODS

The fishing is all net fishing from boats. The Otter trawl is used by the motor boats and by some of the small sailing boats, and a type of Seine net is also used. The greatest number of the sailing boats, however, have a very fine cotton drift net for sardines. Drag nets are worked from the beach and umbrella nets in the harbour. The sardine season is now over, and the general opinion is that it has been a bad one. Seppia (cuttle fish) fishing has started: this is the chief harvest of the year and finishes about the end of May. The fish is sold in the Municipal fish market which has good storage space and refrigeration. The refrigerator is not in action at present owing to lack of ammonia; but efforts are being made to obtain supplies. Records of fish sales are available at the Market Office.

85. AMG has fixed fish prices in the Province both for the producer and the consumer. The system is rather complicated as a very large number of species is caught, and each species has been given a price, a new system is being prepared giving five grades only, each species being placed in one or other of these grades and prices fixed according to grades. Present prices to the public are from 44 per kilo for the best down to 16.5 lire per kilo for sardines and lower still for a nondescript mixture of small fish which usually forms part of the catch. There is apparently no law about returning immature fish to the sea, everything is landed including soles two inches long. High priced fish is only about five percent of the total. Current landings total under ten quintals a day; but this could be increased to twenty when proper repairs to nets are carried out. There is no organisation corresponding to the "Fisheries Protection" which could police the Adriatic, though it might be possible to get Italian Naval craft for the purpose. The matter is being taken up with the Navy.

86. Three tons of Hemp rope and lines have arrived in Campobasso and will be distributed to fishermen through their Co-operatives as soon as price lists are received. Discussions between representatives of Agriculture Sub-Commission AGC and Provincial Supply Officer of Foggia have taken place to arrange contracts

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the public are from 44 per kilo for the best down to 10.5 lire per kilo for sardines and lower still for a nondescript mixture of small fish which usually forms part of the catch. There is apparently no law about returning immature fish to the sea, everything is landed including soles two inches long. High priced fish is only about five percent of the total. Current landings total under ten quintals a day; but this could be increased to twenty when proper repairs to nets are carried out. There is no organization corresponding to the "Fisheries Protection" which could police the Adriatic, though it might be possible to get Italian Naval craft for the purpose. The matter is being taken up with the Navy.

86. Three tons of Hemp rope and lines have arrived in Campobasso and will be distributed to fishermen through their Co-operatives as soon as price lists are received. Discussions between representatives of Agriculture Sub-Commission ACC and Provincial Supply Officer of Foggia have taken place to arrange contracts for surplus fish for Naples.

87. <u>POTATOES</u>

After all requirements of Foggia Province had been met, there is a surplus of 300 tons of seed. This will be brought to Campobasso Province where planting can continue to the third week in April. Road transportation will be required to bring in a further 1500 tons of seed from Lucera expected to arrive via Bari.

1700

88. <u>WHEAT</u>

About 80 tons of Spring wheat could still be sown in Campobasso Province and small quantities are being collected but owing to extremely difficult weather conditions and transport shortage it is doubtful if all demands will be met before it is too late to sow.

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89. BLACK MARKET

Operations in grain - a report was sent to HQ, ACC, FC & MG Section under this office ref R5/515/44, dated 21 March 1944.

90. GENERAL

Statistical matters dealing with price fixing for 1944 harvest pass from Italian Ministry of Agriculture via ACC and this HQ to Chief Inspector Provinces. A system of sack control is being worked out to combat Black Market; prior to the arrival of grain sacks from ACC.

91. As shown by experience in Foggia and Campobasso Provinces, Proclamations and rules published in early stages of occupation may require modification on being taken over by the Region, by this means conformity with other provinces would be achieved in such matters as Fish prices, etc.

EDUCATION

92. By the end of the month 260 schools were open in the Province of Foggia, employing 1,120 teachers, teaching 42,000 children. A weekly health inspection of children has been started. New Media or Superiore Schools were opened in 9 Communes to overcome the difficulty of transport to other Communes. Expurgated textbooks have not yet been received from Naples. With the help of local Army Units, a recreation programme has been started in the Manfredonia Schools. A re-check of suspended School authorities has resulted in a further 27 being reinstated out of 41.

17-9

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92. By the end of the month 260 schools were open in the Province of Foggia, employing 1,120 teachers, teaching 42,000 children. A weekly health inspection of children has been started. New Medie or Superiore Schools were opened in 9 Communes to overcome the difficulty of transport to other Communes. Expurgated textbooks have not yet been received from Naples. With the help of local Army Units, a recreation programme has been started in the Manfredonia Schools. A re-check of suspended School authorities has resulted in a further 27 being reinstated out of 41.

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MAPS AND CHARTS FILMED ON 35MM ROLL

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3446
AMG/CA

Region IV

25 APR 1944

Monthly report for March 1944

Part A

1. Political -)
2. Food -)

As no part of Italy is under the control of Region 4, there is nothing to report under these headings.

3. Supply -

Representations were made to HQ A.C.C. that when Region 4 takes over Lazio, it would be necessary for the personnel in the warehouses commenced by 5th Army A.M.G.to be taken over by Region 4 and for HQ. A.C.C. to provide additional personnel for any further warehouses which are required. Suggestions were also made with a view to securing uniformity of recording and accounting for supplies in Regions and 5th and 8th Armies so that trained personnel would always be available for this work. A decision on these matters is awaited.

4. Crime)
5. Health)

As for 1 and 2 above.

6. Personnel -

Brigadier J.K. Dunlop took over control of Region 4 from Brigadier Carr on 21 March 1944. During the month, 23 Region 4 officers either left or received orders to leave for U.K. Of the remaining 120 officers available, 73 are temporarily attached to A.C.C., 5th and 8th Armies, Region 3 and A.F. HQ. Of the 201 EM/OR assigned to Region 4, 114 are also working with the same commands. During the month, 14 officers and 19 EM/OR were loaned to Region 3 to assist in relief work in connection with the Vesuvius eruption. Region 3 has thanked Region 4 for the help provided.

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7. Refugees)
8. Price tendencies) As for 1 and 2 above.

9. General comments - (a) Preparations for the Regional administration of Lazio and Umbria have continued. The experience which has been gained by Region 4 officers working with 5th and 8th Armies, Region 3 and at HQ. A.C.C. should be of great benefit when Region 4 takes over control of its area.

(b) A recommendation has been submitted to HQ. A.C.C. for an increase to be made in the rates of pay of interpreters. It is understood that the matter is still under consideration.

Part B

Nothing of special interest. The reports by heads of Special Divisions are attached in duplicate.

Part C

Nothing.

Regional Commissioner
Region 4 A.C.C.

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SECRET

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

14 April 1944

13071/F

SUBJECT: Report of the Finance Sub-Commission, HQ ACC - March 1944.

TO: Air Commodore, the R. Hon. The Viscount Stansgate,
Vice President,
Administrative Section.

For your information, there is forwarded herewith one copy of the Report of the Finance Sub-Commission, HQ ACC for March 1944, together with one copy of the Monthly Financial Review of Italy for the same month.

E.W. Peagh
Colonel,
Joint Director,
Finance Sub-Commission,
for: D.S. ADAMS, Col. C.E.,
Executive Officer,
Economic Section.

PFP.

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10 April 1974

(

SECRET/EYES ONLY

PLEASE HAND-CARRY

ACTION REQUIRED BY COB 8th

MEMORANDUM FOR: [illegible]

SUBJECT: [illegible]

[illegible]

[illegible]

[

Government Report into the Agencies.

In March, the Theatre was visited by a United States War Department Mission, consisting of Colonel Andrew Stewart, Fiscal Division, War Department; Lieut-Colonel R. A. McConahey, Budget Division, War Department; Mr. J. C. Nevitt, General Accounting Office; Mr. Harold Glasser, Division of Monetary Research, U.S. Treasury Department, and Mr. Gilbert Giles, Bureau of Accounts and Deposits, U.S. Treasury Department. The Mission was primarily interested in the accounts and records maintained by the Finance Sub-Commission and the procedures under which supplies and funds are accounted for. The Mission visited Naples, Salerno, and Palermo, and held extensive discussions with various sections of the Finance Sub-Commission and with other Sub-Commission those work was related to the interests of the Mission. Important specific points which were discussed with the Mission are referred to below in the appropriate sections of this Report.

At the conclusion of their work here, the Mission proceeded to London for discussions with the British War Office. Since there are certain differences of view between Washington and London on supply accounting procedures, it was deemed desirable that a representative of AFHQ be present at the London discussions. Accordingly, Colonel A. E. Grantham-Smith, Joint Director of the Sub-Commission, proceeded to London at the end of March, accompanied by the Chief Accountant.

I. INFLATION, PRICES AND THE COST OF LIVING

A. Report of the Foreign Economic Administration's Survey Mission on the Economic Activities of AFHQ

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The FEA Italian Survey Mission, headed by Mr. Adlai E. Stevenson, Special Assistant to the Secretary of the Navy, visited Sicily and Italy in the latter part of December 1943 and early January 1944. Upon the Mission's return to Washington a report embodying their findings and conclusions was submitted to the Administrator of FEA on 5 February 1944.

Copies of this report were forwarded to AFHQ, and the Economic Section requested various Sub-Commission to comment on the parts of the report relevant to their respective fields. Section IV of the report, entitled "Price Trends and Inflation" was passed to Finance Sub-Commission.

The Finance Sub-Commission made a detailed analysis of this section of the FEA report. We believe that the report made several errors of interpretation

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Porto Empedocle	200		200	"	"
Palermo	591		856	"	" 1944

The Italian Customs staff is reported as being reasonably efficient and capable of maintaining adequate control, but not well distributed amongst the various ports. Marco Mondaini who had been appointed head of the Customs service in the Finance Ministry was found to be unsatisfactory, both professionally and politically. His dismissal was requested and obtained. Customs offices and warehouses have suffered some damage, but are adequate for present requirements. However, as trade improves requisitioned Customs buildings should be released whenever possible. The existing geographical divisions of the Customs service are reported as satisfactory and able to assume control over further ports as they are re-opened. The Guardia di Finanza is available at all ports, but is not fully employed on its proper "preventive" duties. The efficiency of Customs control and the settlement of other tax appeals depends upon the release of this force immediately from all extraneous work. Representations have been made on this matter to the other Sub-Commissions concerned.

It is suggested that every effort should be made to stimulate coastwise traffic in order to relieve internal transport, and to permit the redistribution of goods from surplus districts to short districts. Such improvement is possible if all requisitioned coasting vessels not now required could be released for trade, and, in consultation with the Naval authorities, a system of "War Clearance Seals" initiated that would permit coastwise voyages within the hours of daylight.

(b) Amalgamation of customs work with revenue

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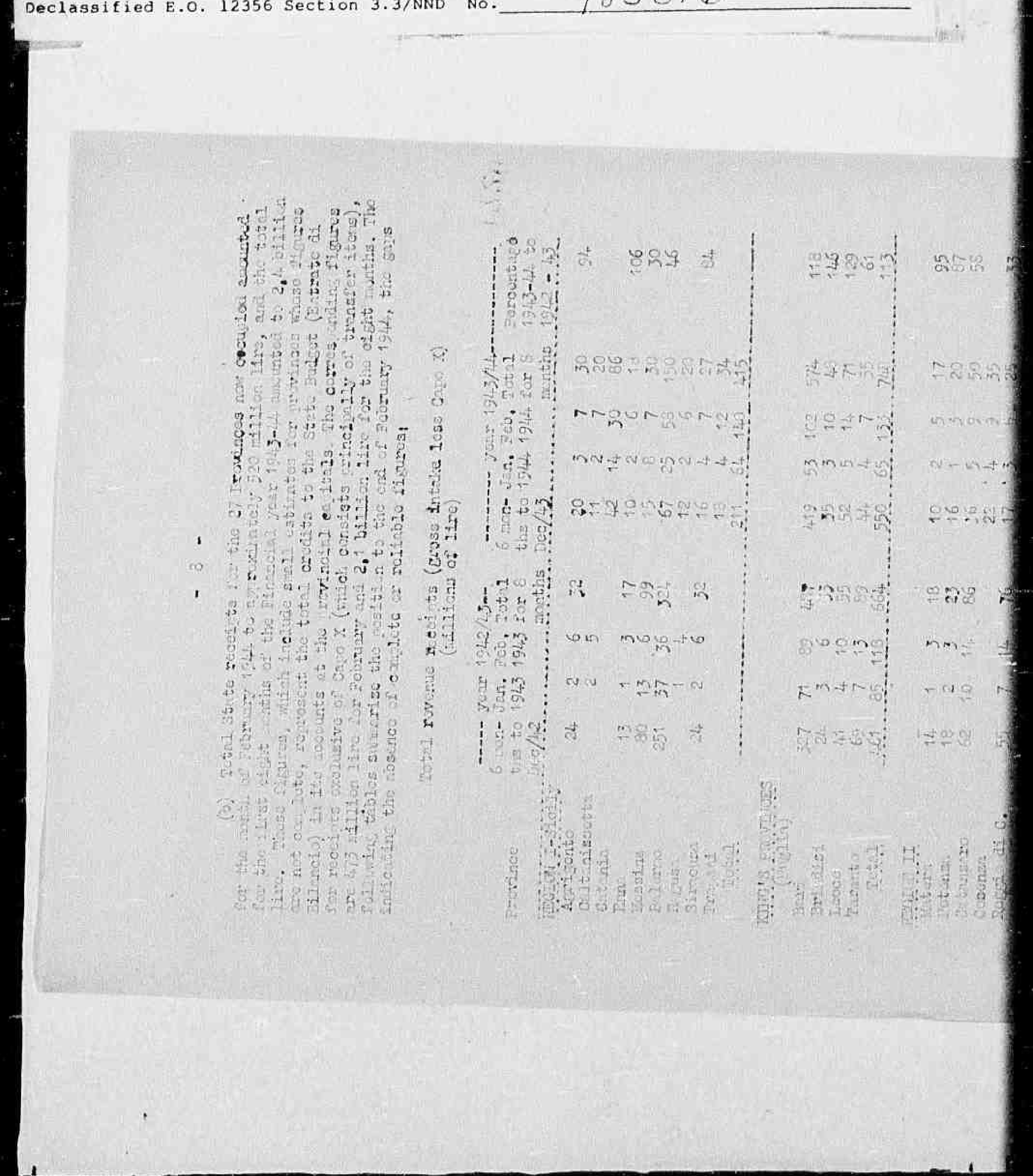
The two officers of the Customs Sub-Section have now left this theatre. The work of their Sub-Section is being amalgamated with that of the Revenue Sub-Section.

4. Revenue collections

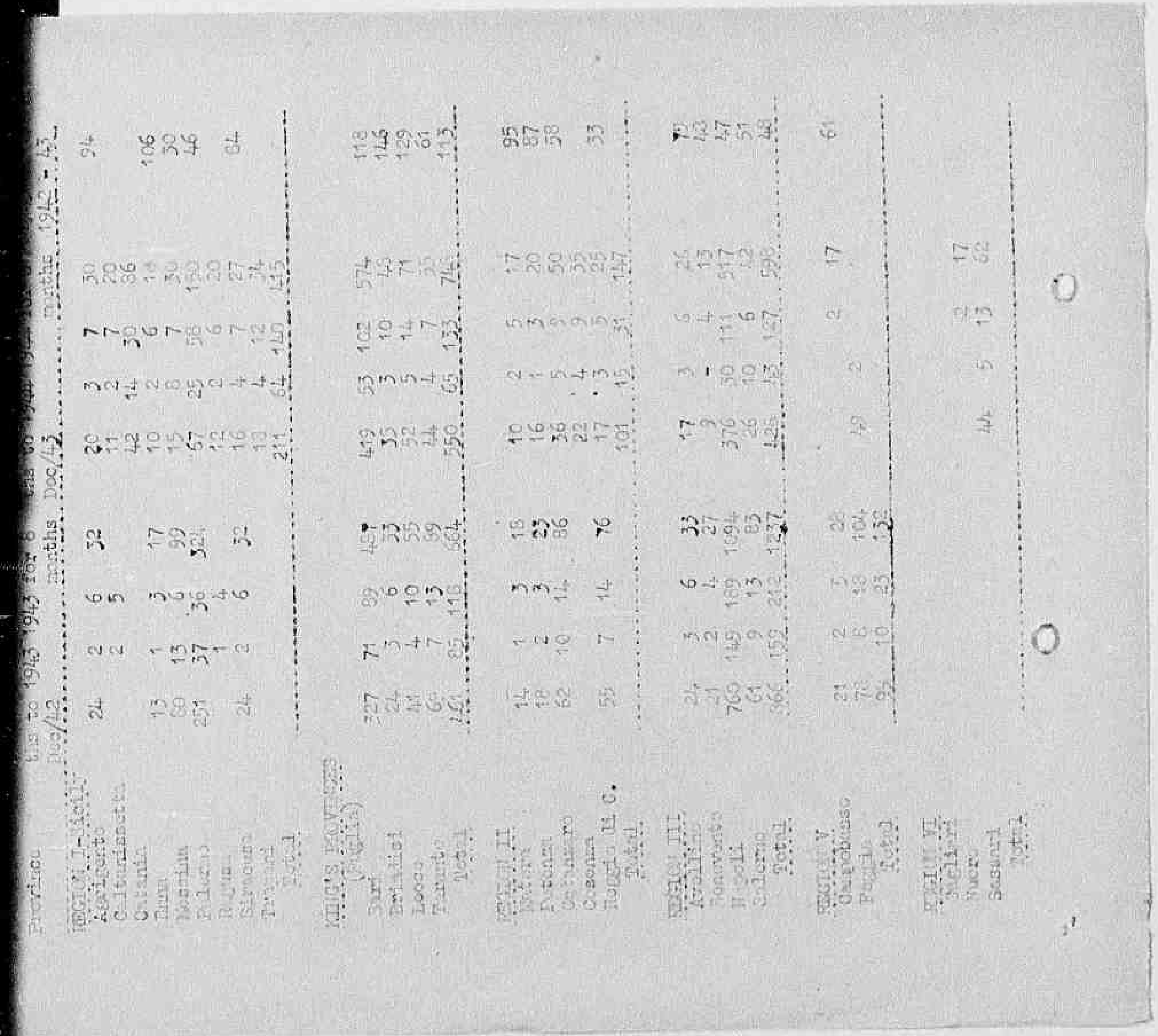
(a) During February a revision was made in the procedure for reporting revenues so as to ensure that reports from King's Italy and those from AMG territory would be uniform. A considerable number of these reports have now been received and the statistical position has therefore improved. Discrepancies are still fairly numerous, however, and the Italian officials are not yet able to submit all returns rapidly.

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Revenues by source for provinces for which information is available

(revenues from each source as a percentage of total revenues for first 6 months of fiscal year 1943-44 and for same period of previous fiscal year, and revenues for first 6 months of fiscal year 1943-44 as a percentage of same period of previous fiscal year).

	Direct taxes	Indirect taxes	Monopolies	Stamp taxes, customs, lotteries, and other receipts	Total Revenues
REGION I (5 provinces)					
% of total revenues 1943-44	40	35	14	3	100
% of total revenues 1942-43	24	27	38	11	100
1943-44 revenues to 1942-43	103	64	19	15	58
REGION II (4 provinces)					
% of total revenues 1943-44	28	19	46	7	100
% of total revenues 1942-43	21	18	59	21	100
% 1943-44 revenues to 1942-43	152	113	130	40	113
REGION III					
% of total revenues 1943-44	43	36	18	3	100
% of total revenues 1942-43	27	30	39	4	100
% 1943-44 revenues to 1942-43	97	66	18	44	50
REGION III & V (5 provinces)					
% of total revenues 1943-44	44	21	26	9	100
% of total revenues 1942-43	25	24	37	14	100
1943-44 revenues to 1942-43	85	42	35	30	49
TOTAL (10 provinces)					
% of total revenues 1943-44	39	23	32	6	100
% of total revenues 1942-43	25	24	38	13	100
% 1943-44 revenues to 1942-43	104	67	55	33	66

The table shows that in the fiscal year 1942-43 money like provided the greatest part (about 40 per cent) of the revenue of the Government, and that

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the Industry and Commerce Sub-Commission for the transport of salt and tobacco by sea whenever possible, and for the adoption of a long-term scheme for rail transport in place of the present practice of depending upon weekly allocations.

(c) Matches. A request has been made to CCS for the importation of chlorate of potash and other supplies needed for the continued production of matches at the SAFFA factory in Naples. Production at present is about 6 million boxes a month, or 75 per cent of capacity. About half of this production is supplied to the Allied Forces.

C. Budget and Expenditure Control

1. Expenditure control

(a) Dual operations

During the latter half of February and the month of March, there existed in that portion of King's Italy which was formerly AMG Regions I and II dual authorities in the field of budgetary control. This resulted from the fact that such territory had been placed on 11 February under the jurisdiction of the Italian government, which could not at that time assume control of fiscal operations. By agreement AMG continued to function in the area until 31 March 1944. Thereafter fiscal control is to be the responsibility of the Italian Government. The assistance of AMG during March was requested by the Italian Government, but resulted in the case of at least one province in the issuance of "authorities to a end" by both AMG and the Italian Government. This, in itself, might not be cause for concern, but since reliance is placed on the Treasury Section of the Banco d'Italia for records of expenditure, and since such records do not distinguish between authorities, it is only after a detailed analysis of all spending that a determination can be made as to the source of the authorization, and consequently the ultimate responsibility for the expenditure. Repetition of this situation should not occur after 1 April 1944.

(b) Revised procedure for expenditure control

(1) Italian Government. As a result of our studies of the Italian Government's budgetary control procedure, the necessity for the institution of more effective measures and a better system of recording expenditures became apparent. A procedure has been formulated and is being submitted to the Italian Government. Essentially, the suggested procedure provides for a revised budget and the accumulation of expenditure data independent of the Banco d'Italia. Once such expenditure data is available, problems in connection with the disbursement figures of the Banco d'Italia such as "segnanti

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collettivi", (described in this Sub-Commission's February Report) should be solved.

(ii) Sicily. Local government expenditure control set up during February for Sicily provided for the creation of a temporary "Finanza Locale" in Palermo to approve local budgets covering the period 1 April to 31 December 1944. This procedure was originally suggested because it was believed communication facilities between the mainland and the Island prevented such control being exercised from Salerno. A study of the time required for communication indicated the availability of facilities existing on the Island corresponding to those on the mainland and a decision was made by the Italian government to eliminate the "Finanza Locale" at Palermo and to process the work through Salerno.

2. Estimates

During March, no alteration was made in the nature or purpose of the Italian Government's budget estimates. They continue to bear no relation to subsequent issuance of "authorities to spend" and consequently have no control function. These estimates are made by the Minister of Finance himself, rather than by the Ministries concerned, and their sole purpose is to serve as a basis for estimating the need for currency by the Banca d'Italia to cover Government expenditures. Further, the estimates are not made in time to be useful. For example, the estimates for the month of March were not received until 11 March and the Minister of Finance has advised that estimates for April would not be available until 10 April.

Since the Italian Government was not in position to assume jurisdiction of territory other than Puglia the estimates for March cover only that area. Those estimates, for the first quarter of 1944, are given in the following table:

Estimates of Italian Government spending
Puglia (less Foggia), first quarter 1944
(millions of lire)

	January	February	March
Finance	20.0	20.0	16.0
Justice	5.0	5.0	5.0
Foreign Affairs	1.0	1.0	1.0
Education	15.0	15.0	15.0
Interior	55.0	70.0	100.0
Public Works	6.0	10.0	8.0
Communications	100.0	210.0	170.0
Agriculture	3.0	3.0	3.0

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expenditures. Further, the estimates are frequently revised. For example, the estimates for the month of March were not received until 11 March and the Minister of Finance has advised that estimates for April would not be available until 10 April.

Since the Italian Government was not in position to assume jurisdiction of territory other than Puglia the estimates for March cover only that area. These estimates, for the first quarter of 1944, are given in the following table:

Estimates of Italian Government spending
Puglia (less Foggia), first quarter 1944
(millions of lire)

	January	February	March
Finance	20.0	20.0	16.0
Justice	5.0	5.0	5.0
Foreign Affairs	1.0	1.0	1.0
Education	13.0	13.0	15.0
Interior	55.0	70.0	100.0
Public Works	6.0	10.0	8.0
Communications	190.0	210.0	170.0
Agriculture	5.0	3.0	3.0
Industry and Commerce	.5	.5	.5
Total Civil Ministries	295.5	332.5	318.5
Monopolies	70.0	45.0	40.0
Lotto	.5	.5	.5
Public Debt	16.0	22.0	24.0
Total exclusive of military	380.0	400.0	383.0
Army (Puglia only)	157.0	169.3	174.9
Navy (Puglia only)	164.4	175.9	201.1
Air Force (Puglia only)	84.5	58.7	76.0
Total Military (Puglia only)	409.9	403.9	451.6
TOTAL	789.9	803.9	834.6

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In the case of military expenditures, budget estimates are furnished monthly to the Ministry of Finance by the ministries concerned, and the estimates are not limited to Public but cover total needs. First quarter 1944 estimates for the military are given in the following table:

Estimates of expenditure by Italian Military Ministries
First quarter 1944
(millions of lire)

	January	February	March
Italian Army			
Puglia	157	169	175
Lucania	20	23	20
Calabria	47	50	51
Sicily	37	38	39
Campania	95	184	166
Sardinia	224	150	177
Total Army	578	614	626
Italian Navy			
Puglia	160	176	301
Campania	69	96	51
Sardinia		19	26
Total Navy	230	291	378
Italian Air Force			
Puglia	84	59	51
Campania	5	2	3
Sardinia	15	14	46
Sicily	5		
Total Air Force	104	75	105
Total Italian military	920	973	1,009

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Total Army	578	614	626
Italian Navy			
Puglia	169	176	201
Campania	69	36	51
Sardinia		19	26
Total Navy	238	231	278
Italian Air Force			
Puglia	84	59	51
Campania	2	5	8
Sardinia	15	14	46
Sicily	3		
Total Air Force	104	78	105
Total Italian military	920	973	1,009

Examination of the two tables of expenditure estimates indicates that the Italian armed forces are spending more than twice as much as the civil government and also that a little less than one-half the military spending is in Puglia.

J. Authorities to spend

Under Italian procedure authorization to spend funds are classified in a number of categories which may be broadly grouped into fixed expenditures and non-fixed expenditures. The former includes all items of expenditure the amount of which is determined by statute, including such items as salaries, pensions, rents, debt service, etc. Non-fixed expenditures are authorized by means of the issuance of an "ordine di accreditamento", by each ministry. These authorities are at present countersigned by the Minister of Finance. No data are available showing "authorities to spend" for fixed expenditures. The table on page 13 indicates the amounts of "ordini di accreditamento" countersigned by the Minister of Finance.

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Communications (Post & Telegraph)	.1	-	-
Agriculture	1.6	1.8	.5
Industry & Commerce	.3	.1	1.3
Popular Culture	.4	(1)	(1)
Foreign Exchange (Finance)			(2)
Monopolies (Finance)	50.4	107.5	73.9
Total Civil	152.8	197.7	221.1
Military			
Army	205.1	388.9	1,051.7
Navy	74.0	221.4	255.2
Air Force	25.0	129.3	91.3
Total Military	304.1	739.6	1,378.2
Total Government	456.9	937.3	1,597.3

(1) 2,000 lire for January and 50,000 lire for February.
(2) 10,000 lire for February.

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It will be seen that total authorizations to spend funds are increasing rapidly; authorizations for January were almost double the monthly average for the last four months of 1945, and authorizations for February were 70 per cent greater than those for January.

4. Cash Disbursements

In the absence of expenditure data, the Italian Ministry of Finance has been using the cash disbursement figures of the Treasury Section of the Banca d'Italia. Such figures do not serve the purpose of budgetary control. Because of unsettled conditions the lag between expenditures and disbursements has been large, and consequently important trends are concealed. Analysis of available disbursement figures further substantiates the conclusion that Italian Government spending is the major inflationary force in liberated Italy.

5. Provinces and Communes

(a) During the month an examination was made of the financial procedures of provinces and communes. In order to obtain data with which budget estimates for the current year could be compared, returns were called for from

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17 provinces and 168 communes. The total number of communes concerned is 1,510, but it was estimated that more than 60 per cent of all communal expenditures would be contained in the 168 communes from which returns were required. The remaining communes are of less than 500 inhabitants. Actual expenditure figures for each item of the budget for 1943, broken down into months were requested. Each return was to be supported by the Bilancio di Previsione, as approved, for the same year. No returns have yet been received. The budget estimates for 1944 for communes and provinces were also due at the Italian Ministry of Finance on 15 March. To date none have been received.

The Interior Sub-Commission is about to issue a circular, preceding an Italian Royal decree, to announce that the 1934 law governing local government is to be set aside and the law of 1915 restored in its place. The power to levy local taxation and authorise expenditure is less under the 1915 law than under that of 1934, and the attention of the Interior Sub-Commission has been drawn to this aspect of the change in order that the existing financial powers of communes and provinces may be left undisturbed.

(b) A survey of certain previously requested returns from the province of Caserta and 38 of its communes revealed:

(i) The estimate of expenditure for 3 months January through March 1944, is expected to exceed the actual expenditure for the same period last year by over 40 per cent;

(ii) The actual excess of expenditure over revenue for the 3 months September through November 1943 was 77 per cent in the province and 76 per cent in the communes;

(iii) In the budget estimates for the 3 months January through March 1944, the estimated revenue is 20 per cent of the estimated expenditure for the province, and 60 per cent for the communes;

(iv) The aggregate excess of expenditure over revenue for the 6 months under review (3 months actual - September through November 1943, and 3 months estimated - January through March 1944) is 9.5 million lire for the provinces and 4.8 million lire for the communes.

6. 1944 - 45 Italian Government budget

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Estimates of cash position of the Italian Government
March 1944

(millions of lire)

Estimated total cash expenditure of Italian Government in March (Civil Government in Puglia plus Military in all areas)		1,390	
Net deficiency in Banco d'Italia cash reserve on 1 March		31	
Total currency needs for the month			1,421
Less			
Government receipts in Puglia (less Foggia)		140	
Transfer of funds from Sicily		200	
Inflow of currency to Banco d'Italia through increased deposits, reimbursement of advances, etc.		220	
Military forces outside Puglia:			
Paid by vaglia: Campania	227		
Lucania and Calabria	71		
Sardinia	56		
Sicily	35		
Paid by AMG Sardinia	168	557	
Total resources to be subtracted			1,117
Net currency advance needed by Italian Government in March			304

(b) When presented analytically as in the foregoing table, the conclusion to be reached from the Minister's estimates is that an advance of 304 million lire is required. However, the estimates are not presented to us in this form, but rather in the form of a running commentary in his list of estimates. As a result, the Minister of Finance came to the following conclusion: "On the basis of the above figures, I consider that only a small supply, if any, of AMG currency in lire will be necessary in order to meet the cash requests of the Italian Government up to the end of March and keep a cash fund in the Banco

Government receipts in Puglia (Lusso Scorta)			140
Transfer of funds from Sicily			200
Inflow of currency to Banco d'Italia through increased deposits, reimbursement of advances, etc.			220
Military forces outside Puglia:			
Paid by variis:	Campania	227	
	Lucania and Calabria	71	
	Sardinia	56	
	Sicily	35	
Paid by AFC Sardinia		168	557
Total resources to be subtracted			1,117
Net currency advance needed by Italian Government in March			304

(b) When presented analytically as in the foregoing table, the conclusion to be reached from the Minister's estimates is that an advance of 304 million lire is required. However, the estimates are not presented to us in this form, but rather in the form of a running commentary on his list of estimates. As a result, the Minister of Finance came to the following conclusion: "On the basis of the above figures, I consider that only a small supply, if any, of AMG currency in lire will be necessary in order to meet the cash payments of the Italian Government up to the end of March and keep a cash fund in the Banco d'Italia up to a minimum of about Lire 400,000,000 which I consider indispensible for any unforeseen emergency". (Memorandum of the Minister of Finance to the Finance Sub-Commission, 9 March 1944.)

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This discrepancy between estimate and conclusion appears to have occurred through the Minister's adding into his estimate of receipts for the month, the cash balance of 369 million lire that the Banco d'Italia held at the beginning of the month in Puglia. Actually, since this 369 million lire cash balance was 31 million below the 400 million minimum reserve, it represented not a supply of available funds but a demand for 31 million lire. Having made this error, which resulted in giving him an estimated surplus of 65 million lire in currency for the month rather than a shortage of 304 million, the Minister prudently forbore to show this surplus in his memorandum to us.

(c) No advance was made to the Italian Government during the month. While complete data are not yet available, it appears that the flow of currency into the Banco d'Italia was so much greater than the figure shown in the Minister's estimates that no advance was needed. The transfer of 200 million lire from the Banco d'Italia in Sicily to the Banco d'Italia in Puglia, as shown in the estimate, was accomplished.

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2. Summary of past experience

A summary comparison of the Finance Minister's estimates of his currency needs with the "actual needs" as they appeared in the operations of the Banca d'Italia is given below. The sums actually advanced are the same as those shown as "actually needed", a circumst nce resulting from the fact that the advances of December and January were made near the ends of these months and with the aid of Banca d'Italia operations figures.

	Finance Minister's estimates of Government currency needs for the month.	Actual needs as shown in operations of the Banca d' Italia during the month.
	(in millions of lire)	
December 1943 - Advance requested	1,000	450
January 1944 - Minister's calculations	470	
Advance requested	450	
Minister's calculations adjusted by elimination of error of 50 million lire	420	280
February 1944 - Advance requested	0	0
March 1944 - Advance requested	0	
Minister's calculations adjusted by elimination of errors	304	0

3. Plans for the future

(a) Beginning 1 April all advances on Italian Government account in King's Italy or AMG Regions must be cleared through Finance Sub-Commission Headquarters in order to make possible co-ordination of the cash position as a whole.

(b) On 31 March a conference was held with the Minister of Finance and the Vice-Governor of the Banca d'Italia at which agreement was reached on a plan to make possible the absorption of excess cash in branches of the Banca d'Italia and a plan for a more regularized examination of the cash position of the Banca d'Italia. Owing to the decentralization of the Banca d'Italia system that prevailed until recently, advances to branches of the Banca have continued to be made in deficit currency areas while not inflow of currency in neighbour-

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December 1943 - Advance requested	1,900		450
January 1944 - Minister's calculations	470		
Advance requested	450		
Minister's calculations adjusted by elimination of error of 50 million lire	420		200
February 1944 - Advance requested	0		0
March 1944 - Advance requested	0		
Minister's calculations adjusted by elimination of errors	304		0

5. Plans for the future

(a) Beginning 1 April all advances on Italian Government account in King's Italy or AMG Regions must be cleared through Finance Sub-Commission Headquarters in order to make possible co-ordination of the cash position as a whole.

(b) On 31 March a conference was held with the Minister of Finance and the Vice-Commissioner of the Banca d'Italia at which agreement was reached on a plan to make possible the absorption of excess cash in branches of the Banca d'Italia and a plan for a more regularized examination of the cash position of the Banca d'Italia. Owing to the decentralization of the Banca d'Italia system that prevailed until recently, advances to branches of the Banca have continued to be made in deficit currency areas while a net inflow of currency in neighbouring areas created unduly large currency holdings in other Banca d'Italia branches. For this reason, and also for the reason that the re-unification of the branches of the Banca d'Italia into a single reserve pool has reduced the total reserve required to a sum considerably below that which was required when each branch had to depend solely upon its own resources, it was agreed that the Banca d'Italia is to repay 1.9 billion lire to the Allied Financial Agency and to hold this 1.9 billion lire for AFA in a special account at the Banca d'Italia to be known as Account Number 2, with a 100 per cent currency cover at all times. No payments may be made from such account except by AFA. The 1.9 billion lire will be drawn from the following areas:

	(millions of lire)
Naples	800
Sicily	800
Salerno	100
Puglia (less Foggia)	100
Lucania and Calabria	100
Total	1,900

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III. OPERATIONS OF THE ALLIED FINANCIAL AGENCY AND MILITARY AND EXCHANGE PROBLEMS

A. The lira exchange rate

Ever since his first appointment to the post, the present Italian Minister of Finance has maintained that the exchange rate of 100 lire to the dollar and 400 lire to the pound sterling, established at the time of the invasion of Sicily, has been, and continues to be, the principal cause of the inflation in occupied Italy. He argues that the rate has been responsible for the inflation for two reasons: because it has caused Italian sellers to demand higher lira prices and Italian buyers to be willing to pay such prices, and because it has given Allied troops too large a purchasing power in Italy. On 24 February Marshal Badoglio submitted a formal statement to the Allied Control Commission requesting that the dollar value of the rate be increased.

In view of the Finance Minister's emphasis upon the question, and in view of the fact that the Minister's arguments, unsupported, appear to have obtained wide acceptance, the Finance Sub-Commission's technical staff has prepared a number of studies of the entire problem. These studies have been summarized in a memorandum of 29 March which has been transmitted to the Combined Civil Affairs Committee of COS. A copy of this memorandum is attached as Appendix 'C'.

Consideration of the experience of devaluation in the United States and other countries and of the numerous historical cases of changes in exchange rates that were not followed by significant price changes is sufficient to dispose of the view that a direct psychological connection exists between exchange rates and prices. Furthermore, the facts that inflation was in progress in Italy long before the Allied invasion, that inflation continues in areas of Italy from which Allied troops have been largely removed, that there are real shortages of all essential items, and that for many years the Italian Government has had a large and growing deficit, are sufficient to demonstrate that Allied troop expenditures are by no means the original cause of inflation or the only inflationary force now at work. Accordingly, the Finance Sub-Commission's studies concentrated upon the measurement of Allied troop expenditures and other inflationary factors, and upon analysis of the effects that might be expected as result from a reduction in troop expenditures achieved through an increase in the dollar value of the lira to, say, 50 lire to the dollar and 200 lire to the pound.

In order to measure the expenditures of Allied troops in Italy it is necessary to subtract from their pay, not only the large sums that are allotted to their home countries, but also the very considerable sums that are spent in local Army stores, remitted to home countries through postal money orders, cables, and war bond purchases, and deposited with Finance officers. Data on

all of these items are now being received by AFHQ from all Allied military units operating in Italy. The figures presented in Appendix 'D' show that actual soldier expenditures in Italy, so measured, amount only to some 1.7 billion lire per month, and later figures now available indicate that in February soldier expenditures amounted to only about 1.6 billion lire. If it can be assumed that soldiers would react to a 50 per cent reduction in their lire incomes by reducing the dollar or sterling value of their war bond purchases and cable remittances by 1/3, then their lire expenditures after the change in the rate would be 1.0 billion lire, or only 700 million lire less than at present. While 700 million lire per month would represent a significant reduction, there would remain 1 billion lire per month of soldier expenditures, about 400 million lire per month of Allied military expenditures for local supplies and labour, and the enormous and rapidly growing deficit of the Italian Government, which, while still unknown, is variously estimated at from 3 to 5 billion lire per month. It seems clear that a reduction in soldier expenditures imposed by an increase in the dollar value of the lire could not correct, nor materially affect, the inflationary situation in Italy.

While such an increase in the dollar value of the lire would not materially improve the situation in Italy, it would impose a very great burden upon our troops. The purchasing power of that portion of their wages which they now spend in Italy would be severely cut. Furthermore, in an effort to maintain their present spending habits, many would reduce their remittances to their home countries. If it could be demonstrated that soldiers' expenditures are a sufficiently important factor in the situation to demand restrictive action, their expenditures could be reduced by means, such as compulsory allotments, that would not reduce their real income.

The Finance Sub-Commission is strongly of the opinion that the Italian Government deficit, and not Allied troop expenditures, is the principal monetary factor in the Italian inflation. The Italian Government, in continuing to focus attention upon Allied soldiers' expenditures, has obscured its own failure to prevent its revenues from declining and its expenditures from increasing.

B. A programme for conversion of Metropolitan lire

It has been realized for some time that the German Army, upon abandoning areas in Italy or recently occupied, issue large quantities of Italian currency in order to complicate the position for the Allies. In any event, the Germans are known to be receiving some seven and a half billion lire per month as occupation costs in occupied Italy, to which should be added the monthly deficit of the Mussolini Government. Finally, there are other forms of liquid assets which may find their way into circulation unless strict controls are maintained. To combat the large volume of liquid assets that the Allies are

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being made whereby banks will be paid all blue seal lire deposited or for exchange into lire. Other measures, which cannot be disclosed at this time, are also being taken.

E. Italy's clearing and foreign exchange payments

The groundwork is being laid for a complete investigation of the financial position of the National Foreign Exchange Control Institute (Istcambi) in Rome, once that city is liberated. Valuable data have already been obtained from branches of the Banca d'Italia in Naples and Palermo regarding the operations of Istcambi. The Sub-Commission is obtaining texts of clearing and exchange agreements, confidential circulars, and explanations of particular accounts provided for in the clearing correspondence with Germany and satellite countries. In addition, outstanding payments advices from Istcambi to branches of the Banca d'Italia are being carefully screened in cooperation with the Counter-Intelligence Corps of the United States Army.

F. AM lire currency

The major development of the month was the decision to order a resumption of shipments of AM lire from Washington, taken for the final purpose of covering necessary expenditures of Allied forces in future months, and withdrawing from the over-crowded storage rooms of the Bureau of Printing and Engraving some of the currency which has already been printed and boxed. As of 29 February 1944, the Bureau held 17,705 millions of lire which were ready for shipment, while no additional quantity of notes, valued at 19,295 million lire, was to be printed. In placing the shipment order with the Bureau, it was suggested that one shipment be made each month to Naples, in an amount slightly in excess of AFHQ's current monthly requirements, in order to facilitate proper storage of the currency by AFHQ. Assuming that all shipments are received at the specified rate and that disbursements of 1000 lire notes do not exceed the February figure of 1,664 million lire, the reserve held at the end of March plus the new shipments should cover normal requirements for new notes for approximately eleven months, from 31 March 1944. The 1000 lire note is the one which is disbursed most rapidly, relative to available supply.

During the month, a relatively small shipment of AM lire, valued at 721 million lire, was lost at sea in the course of transshipment from Palermo to Naples. This is the first loss of AM lire resulting from the hazards of water transport; one of the earliest shipments from the U.S. was destroyed when a

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cargo plane crashed in Florida. The cargo security officer has certified to the loss of all cargo. However, all branches of the Allied Financial Agency have been advised that notes bearing the following serial numbers are not valid:

Denomination	Serial numbers
5 lire	A 31 584 001 B - A 34 976 000 B
10 lire	A 74 240 001 A - A 74 304 000 A
	A 74 368 001 A - A 74 432 000 A
	A 75 072 001 A - A 75 200 000 A
	A 75 584 001 A - A 75 648 000 A
	A 75 712 001 A - A 77 184 000 A
	A 77 248 001 A - A 77 312 000 A
	A 77 440 001 A - A 89 984 000 A
50 lire	A 72 576 001 A - A 72 600 000 A
	A 72 672 001 A - A 72 696 000 A
	A 73 248 001 A - A 77 984 000 A
100 lire	A 88 640 001 A - A 89 984 000 A
500 lire	A 21 952 001 A - A 21 984 000 A
1000 lire	A 18 016 001 A - A 18 176 000 A

With a view to reducing the possibility of raising 20 lire, all branches of the Allied Financial Agency were instructed on 30 March 1944 to avoid, in so far as possible, paying out unopened boxes of 20 lire which were printed in the early lots, and which do not state the denomination in words. On the same date the branches received detailed instructions covering the redemption of mutilated 20 lire notes, as laid down in an Aidgram from the Combined Civil Affairs Committee.

C. Advances of AFA funds

1. Advances to Allied armed forces

In accordance with instructions from the Combined Chiefs of Staff, branches were instructed on 25 March to make payments to and to obtain receipts directly from certain Allied and all Dominion, or Colonial military units which are paying out AM lire for military purposes, whenever it is physically possible for the said Allied unit to draw from an AM branch. In cases where it is found necessary to continue the current practice of issuing funds to the British paymaster for distribution to such units, refunds will be made to the British paymaster when receipts have been received from these Allied, Dominion, or Colonial officers who will be designated by SCS to receive funds from AFA. Records of [illegible] issued to these forces are being obtained from the British

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With a view to reducing the [illegible] of the Allied Financial Agency were instructed on 30 March 1944 to avoid, in so far as possible, paying out unpaged boxes of AM lire which were printed in the early lots, and which do not state the denomination in words. On the same date the branches received detailed instructions covering the redemption of mutilated AM lire notes, as laid down in a telegram from the Combined Civil Affairs Committee.

G. Advances of AFA funds

1. Advances to Allied armed forces

In accordance with instructions from the Combined Chiefs of Staff, branches were instructed on 23 March to make payments to and to obtain receipts directly from certain Allied and all Dominion, or Colonial military units which are paying out AM lire for military purposes, whenever it is physically possible for the said Allied unit to draw from an AM branch. In cases where it is found necessary to continue the current practice of issuing funds to the British paymaster for distribution to such units, refunds will be made to the British paymaster when receipts have been received from these Allied, Dominion, or Colonial officers who will be designated by CCS to receive funds from AFA. Records of past issues to these forces are being obtained from the British Deputy Paymaster in Chief so that refunds may be made to cover past issues of this character. On 22 March the British War Office reported that CCS would be asked to apply a similar procedure to all advances made to co-belligerents for military purposes, and also reminded the Command Pay Office to report to AFA all advances made by the Royal Navy or the Royal Air Force to Allied, Dominion, or Colonial units.

2. Advances to the Italian treasury

A decision was made to centralize all financing of the Italian budgetary deficit under the supervision of the Finance Minister and the Finance Sub-Commission, ACC. Accordingly, after 1 April 1944 no further advances will be made to the Italian treasury, to associated institutions or to the Bank of Italy or any other Italian bank by AFA or by any ACC officer other than those serving under the Senior Civil Affairs Officers with the Fifth and Eighth Armies, without the prior authorization of the Joint Directorate of the Finance Sub-Commission. Advances to provinces and communes are not affected by this directive. Wherever possible, it is hoped to provide

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Ther[illegible] missions attached to the [illegible] Sub-Commission in Bari at present: the Russian, Belgian, Czechoslovak, French, Partisan Yugoslav, Polish, Netherlands, Greek, Norwegian, and Royal Yugoslav. For some time, AFA has been advancing funds to cover personal expenses of the missions and on 16 March was instructed to make lump-sum advances for the relief of their nationals, subject to proper accounting therefor and subsequent repayment of the debt by the home government of the mission concerned. A ruling has been sought from CCS as to these categories of relief expenditure, in excess of Italian relief scales, which may be charged to occupation costs or to the Italian treasury. An attempt was made to anticipate the detailed information which will be necessary to distinguish benefits paid to involuntary residents of Italy, from those paid to voluntary residents, in setting forth the accounting procedure to be applied by the Czechoslovak mission in recording disbursements from an advance of 200,000 lire authorized for that mission on 27 March.

The manager of the Bari branch of AFA was ordered to Naples for consultation on the entire problem of advances to missions. He has recommended that the Internees and Displaced Persons Sub-Commission be made a Sub-account of AFA, to disburse funds and account to AFA for them as directed. However, he reports that the missions do not have staffs or facilities for paying relief to their nationals in any systematic fashion and suggests that all payments be made by the I. and D.P. Sub-Commission, and charged to the appropriate governments on its records. At present nationals of Allied countries not resident in I. and D.P. camps are receiving relief from the Italian Government, in many cases on a scale exceeding the Italian relief scale, although this has not as yet been approved by CCS.

The missions also desire to obtain lump-sum advances for unspecified purposes, especially for expenditures outside of liberated It.T. AFA does not consider itself authorized to make advances of this sort, for which no accounts will be forthcoming.

1. Advances by nationals of U.S. and U.K.

The draft executive memorandum which was discussed in Section II, A,2 of this Sub-Commission's Report for February was approved without substantial change. Copies of the necessary applications and receipts, which are to be completed in sextuplicate, are also being printed. In Sicily, the Consul-General has reported that he has been able to certify as U.S. nationals only

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three of the first twenty applicants. As the existing procedure has absorbed a very great amount of time in proportion to the advances actually made, and the new procedure will absorb even more, the Palermo branch of AFA has suggested that it be abandoned so far as U.S. nationals are concerned, and replaced by registrance initiated by the State Department to those persons indicated on its records as having been in Italy at the time of the closing of the U.S. consulate, and not otherwise accounted for, in so far as this is possible.

H. Deposits with AFA

1. Deposits by "A" Force

On 10 March 1944, the branches at Bari and Naples were instructed to open deposit accounts from which payments will be made by the non-officers of AMG/AMG, acting as agents of "A" Force.

2. Deposits of U.S. Army unit funds

On 24 March, 1944, a memorandum was handed to Col. Stewart, of the Office of the Fiscal Director, War Department, and a member of the War Department Mission that visited Italy during the month, suggesting the following three methods by which AFA could avoid the immobilization of yellow seal dollars as exchange cover for accounts representing deposits of U.S. Army unit funds, now made necessary by the requirement that the accounts be carried in dollars:

"(a) An Army directive providing that custodians of unit funds shall be liable only for the currency received by them and not liable in dollars.
(b) Deposit of these funds in lire with AFA, in the name of an Army Finance Officer, rather than in the name of the custodian, with the Army Finance Officer taking the exchange risk.
(c) Purchase by AFA from an Army Finance Officer of Treasurer's cheques, payable to the Allied Financial Agency, in Blue Seal dollars outside of Italy, or payable in Yellow Seal dollars in Italy, to be held in a reserve against the dollar liability which AFA would continue to assume."

J. Foreign exchange transactions

1. Remittances from the U.S. and the U.K.

The Combined Civil Affairs Committee of SCAC was advised on 5 March that the Banco di Napoli was prepared to act as agent for effecting personal remittances to Sardinia and to the two provinces of southern Italy which were liberated by Sardinia IV, and the Peninsula Accord. On 31 March it advised SCAC

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exchange cover for accounts representing [illegible] made necessary by the requirement that the accounts be carried in dollars:

"(a) An army directive providing that custodians of unit funds shall be liable only for the currency received by them and not liable in dollars.

(b) Deposit of these funds in line with AFA, in the name of an Army Finance Officer, rather than in the name of the custodian, with the Army Finance Officer taking the exchange risk.

(c) Purchase by AFA from an Army Finance Officer of Treasurer's cheques, payable to the Allied Financial Agency, in Lire Sold dollars in Italy, or payable in Yellow Seal dollars in Italy, to be held as a reserve against the dollar liability which AFA would continue to assume."

J. Foreign exchange transactions

1. Remittances from the U.S. and the U.K.

The Combined Civil Affairs Committee of CCS was advised on 5 March that the Banco di Napoli was prepared to act as agent for effecting personal remittances to Sardinia and to the ten provinces of southern Italy which were listed in Section II, A,1 of the February Report. On 31 March AFA advised that banks in the U.S. would begin to send remittances to this area on or about 15 April 1944. The license authorizing such remittances has not as yet been received, but instructions have been sent by the Banco di Napoli to the branches.

In view of the desire expressed by additional U.S. banks to send remittances directly to the Banco di Sicilia, rather than through the seven correspondents originally designated to make remittances, the Banco di Sicilia was authorized to increase the number of its U.S. correspondents to twenty, and to effect remittances for non-correspondent banks if properly prepared and if accompanied by signed confirmation of a dollar deposit with a correspondent bank to cover such remittance lists. Some modification in British remittance procedure were transmitted to Palermo on 30 March, the chief of which was the agreement of the Bank of England to offset remittances for the sterling area countries as well as the U.S., and the grant of permission to effect remittances to grandchildren, grandparents, brothers, and sisters of the remitter, as well as the closer relatives previously specified. As of 14 March 1944, the sum of $ 82,302, representing 1,023 remittance orders, or an average of about $ 43.00

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finance have been abolished formally is less clear because (a) the Finance Sub-Commission has not been informed whether AFC General Order Number 5 has been posted in every part of the liberated area, and (b) the abolition of merely the Provincial Unions and their dependent units leaves in question the status of those parts of the system above the Provincial Union level. In order to insure uniformity and inclusiveness in the handling of all Fascist bodies in the field of finance, the Finance Sub-Commission suggests that the Legal Sub-Commission give consideration to a Legal Source/AFC Order which would abolish by joint action, in both Italian Government and AMG territory, the entire structure of the Corporazione delle Previdenze e del Credito, the Confederazione Fascista dello Aziende del Credito e dell' Assicurazione, the Confederazione Fascista dei Lavoratori delle Aziende del Credito e dell' Assicurazione, and all their associate and dependent bodies. Such action would formally abolish the entire structure created by Fascism to organize employers and employees in the fields of finance, banking, and insurance.

5. Biographical data on bank officials

In response to a request from G/S, biographical data was gathered and forwarded on each appointee to important banking or financial posts by the Italian Government with AMG approval.

6. Cassa di Depositi e di Prestiti

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A study was made of organization and functions of this institution. Its chief purpose is to serve as a depository for certain funds, to receive redeposits of postal savings funds, and (before Allied occupation) to lend money to provinces and communes. The deposit function continues unchanged; postal savings, although still deposited with the Banca d'Italia in a Cassa account, are available to the central bank as a source of currency; loans to provinces and communes are no longer being made. These functions of the Cassa, modified as indicated, continue in all of liberated Italy.

7. Reconstruction of communal and provincial buildings

After discussions with the Minister of Finance and Finance Sub-Commission representatives from Regions I and II, it was decided that no expenditures for new reconstruction projects should be authorized. Those projects now under way should be completed but in these a serious effort is to be made to conserve building materials.

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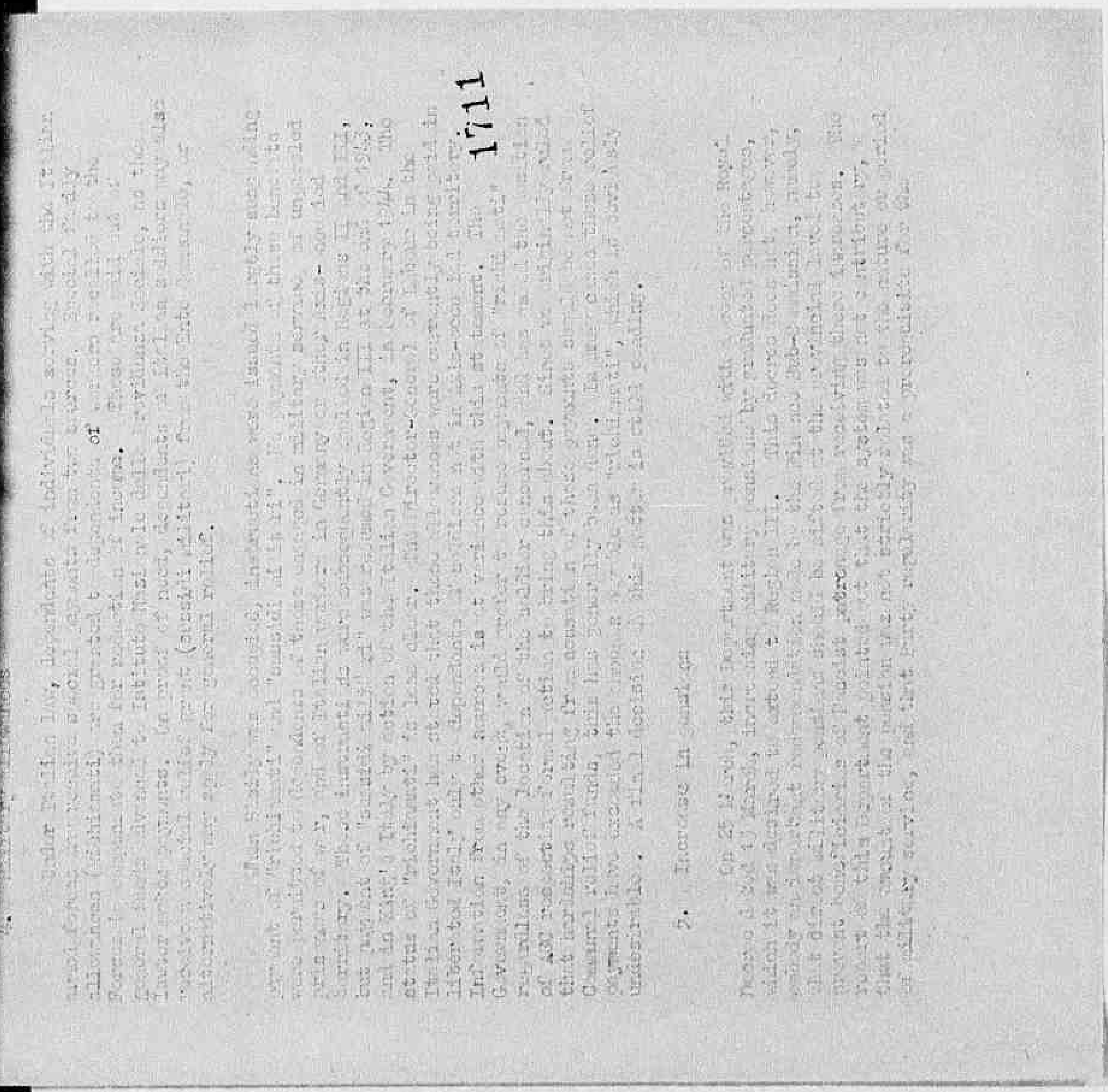
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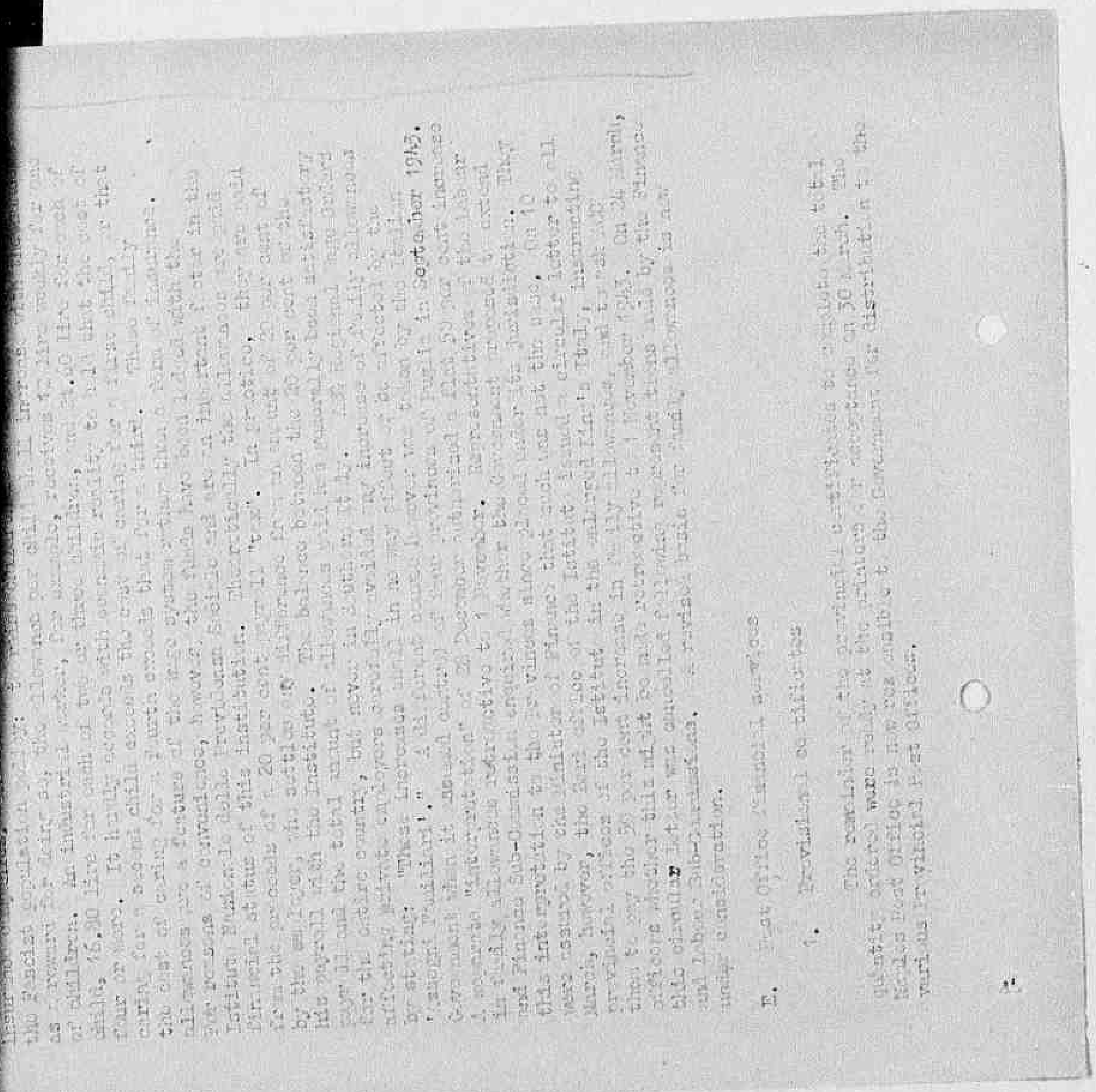
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the information necessary in constructing cost-of-service rates and in final financial settlements. In addition, the system of supply accounting including the manual forms, and special instructions for maintenance of records and submission of reports were discussed by the mission. Members of the party also visited the Naples warehouse and the warehouses in forward areas, Calvi Riccia and Sessa, to obtain first-hand information on the operating procedure in operation at the warehouses.

B. Allied Financial Agency

1. A revision of the heads and sub-heads in the AFA expenditure and revenue accounts was prepared, and the several AFA branches were instructed to give effect to the new classifications beginning 1 March 1944. The purpose of this change was to bring the AFA accounts in line with a recent reclassification of the AMG/AGC expenditure and revenue accounts.

2. Consolidated accounts for all Regions as at 29 February have been prepared.

3. Accounting procedure and forms for use in ordinary emergency financial assistance to needy U.S. and British nationals were revised in the early part of the month. It is expected that instructions covering the procedure and forms will be issued during April.

4. Accounting and reporting forms for remittances from U.S. and U.K. to private individuals in Italy were drafted and an agreement reached with the Banco di Napoli for their use.

5. Accounting instructions for advances of funds to the Advisory Council for Italy, and to certain small Allied missions, were prepared and issued to AFA branches.

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6. Requests were made to obtain payment from several officers who left their Regions without submitting a final account of outstanding balances due in their accounts (Area Line 14,000). Instructions have been issued that Regional Commissioners should inform the Chief Accountant of the proposed transfer of any officers to other theatres, in order that the necessary steps may be taken to see there are no unsettled balances against such officers.

C. AMG/AGC expenditure and revenue accounts

1. Reclassification of expenditures under new heads and sub-heads were completed and consolidated accounts for all regions were prepared as of 31

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APPENDIX 'A'

This Appendix contains Section IV entitled "Price Trends and Inflation", of the Report of the Foreign Economic Administration's Survey Mission to Italy, dated 5 February 1944, and a memorandum of 31 March 1944 prepared by the Finance Sub-Commission, giving general and detailed comments on the facts and figures of the Report and on the analysis and recommendations of the Mission.

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SECTION IV. PRICE TRENDS AND INFLATION

To the shortcomings of the distribution system discussed above, the shortages in supply, the lack of transportation, and the inadequacy of administrative controls, must be added an ever more damaging factor; namely, the inflationary spiral. Rising prices and doubt as to the future of the lira tend to encourage hoarding and immobilize business. The Finance Division of AAI headquarters has long realized that inflation is underway in Italy and has given serious study to the problem of checking it. With the continued outpouring of money for soldiers' pay and military expenses, with a virtually bankrupt Italian government in Brindisi, and with the Germans in a position to flood the north part of the country with currency from the printing presses in Rome, the outlook is not bright.

4. Cost of Living

1. Food Prices

In August, 1943, officers of the Finance Division of AAI made a study of food commodity prices in Sicily. This study has been followed up by more recent surveys and by the establishment of a mechanism for price reporting from all parts of the peninsula. The Division recognized as early as August that in the case of most foodstuffs and many industrial products the black market had become actually more important than the official legal market. This meant that in constructing a price index, allowance had to be made to a certain extent for black market prices.

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sion of A.C headquarters in Washington that inflation is underway in Italy and has given serious study to the problem of checking it. With the continued outpouring of money for soldiers' pay and military expenses, with a virtually bankrupt Italian government in Brindisi, and with the Germans in a position to flood the north part of the country with currency from the printing presses in Rome, the outlook is not bright.

A. Cost of living

1. Food Prices

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In August, 1943, the black market in the City of Palermo was doing business at prices which ranged around 1,000% of the Italian official prices prevailing when the city was occupied. AMG in August issued a new list of maximum prices on foodstuffs of almost all varieties. This price list made an average percentage increase in all prices of about 91%, although on some items the increase was between 200% and 300%.

In December, in Sicily, AMG official prices for everything except bread, pasta, olive oil, sugar, milk, coal, petroleum products, and soap were rescinded and control over prices of all other commodities was transferred to the local municipal administration. The latter undertook a study of prices and for the initial month fixed no maxima. Black market prices have continued to rise since August in spite of the higher AMG ceilings.

A typical cost-of-living budget as of September for Palermo was furnished to the Mission. A subsequent study

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cals in Italian officials in Palermo as November
by Sicilian Mission, are only a few available.

Secondary elementary education data
be available since the total number
1,305 since September, 1942 to September,
were still underway, 24 had been shutter
students.

In Rhodes, there were no complete
students as "refugees" from the bombing
fifth of the total number in the
of 7,4 children and 5 children, a
cent.

2. Rhodes

The relative cost of teaching
increase to civilian students as a result of
students declined by 70% between
10% on the average. Between
the number of students
cent. A breakdown
cent. 250 lire
250 to 100 lire
lire.

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order closing the banks, which took effect immediately upon the occupation of an area by allied troops, had the effect of saving the banks from collapse.

Thus, at the time the Allies came in, currency in circulation and in the hands of individuals had reached abnormally high levels. Furthermore, prior to our invasion, severe shortages had developed in the supply of foods and clothing, and there was a widespread black market.

2. Financial Operations of Military Government

(a) Nature of the Currency

The spearhead currency first used by the invasion troops was Yellow-Seal dollars and Bill pounds. This was merely a temporary measure pending the arrival of Allied Military Lire which for security reasons could not be manufactured until after the invasion had begun. As soon as sufficient quantities of AM lire were available, issuance of the Yellow-Seal dollar and Bill pounds was discontinued, and arrangements have now been made to withdraw these currencies from circulation and to replace them by AM lire.

AM lire have been declared to be legal tender by military government and circulate at par and interchangeably with the indigenous Italian currency. Military government has always avoided taking the position that it is the "issuer" or "obligor" of AM lire. AM lire do not embody any promise to pay, and are in fact pure fiat currency. The AM lire derives its value from the fact that AFHQ is the ruler de facto of occupied territory.

Nevertheless, the American and British treasuries are getting credit in suspended accounts on account equivalent at the fixed rate of exchange to the AM lire issued to their own armies. This fact, however, has no bearing on the internal acceptance of AM lire.

Facilities are looking in Sicily and Sardinia and in Italy south of Rome for the manufacture of Italian currency. So far, arrangements have not been made for the printing of Italian currency in the Allied countries. Therefore, the total increase of the note issue in the occupied areas is accounted for by the currency issued by the Allies.

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(Page 24) (b) Expenditures of AM lire

AM lire are used by the armies, British, American and French, and by the U.S. Navy, to pay their personnel, and to pay for local services and supplies. The total amount expended through these channels as of November 30, 1943 was 8,165,805,000 lire. It is estimated that at least half of this amount was paid out in Sicily.

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Assuming a continued expenditure by the armies at the same rate (which is probably a conservative assumption), total expenditures by the armies now, two months later, must be over 12 billion.

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of 11,500,000 lire.

(c) Currency Receipts of AMG

Against these expenditures, AMG has certain receipts. Civilian supplies imported by AMG have been sold through Italian distribution channels and the proceeds received in lire by AMG. To November 30, however, the total receipts (page 26) from this source amounted to only 31,000,000 lire. Some cash funds seized by the Controller of Property have been deposited with AMFN (the Allied Military Financial Agency, financial agency for AMG).

The banks, pursuant to various financial arrangements, have made some deposits with AMFN. However, the total amount of currency withdrawn from circulation by deposits with AMFN and by receipts from AMG was, as of November 30, well under 1,000,000,000 lire.

(d) Increase in the Circulating Medium

It is extremely difficult to arrive at any satisfactory estimate of the net increase in circulation since the invasion. The total amount of AM lire outstanding as of November 30 was slightly in excess of 14,000,000,000 lire. Not all of this, of course, was in circulation. As has been pointed out above, not all of the AM lire did pass into circulation and there are considerable deposits of AM lire both with AMFN and by AMG with Italian banks. In the month of November, AMG had on account (or not above the 14 billion above mentioned) of 2,000,000,000 lire unissued in its own possession. The spending of the Italian troops, which will be considerable later, has taken money out of the hands of individuals, but it is likely much of this money comes from hoards rather than from actual circulation.

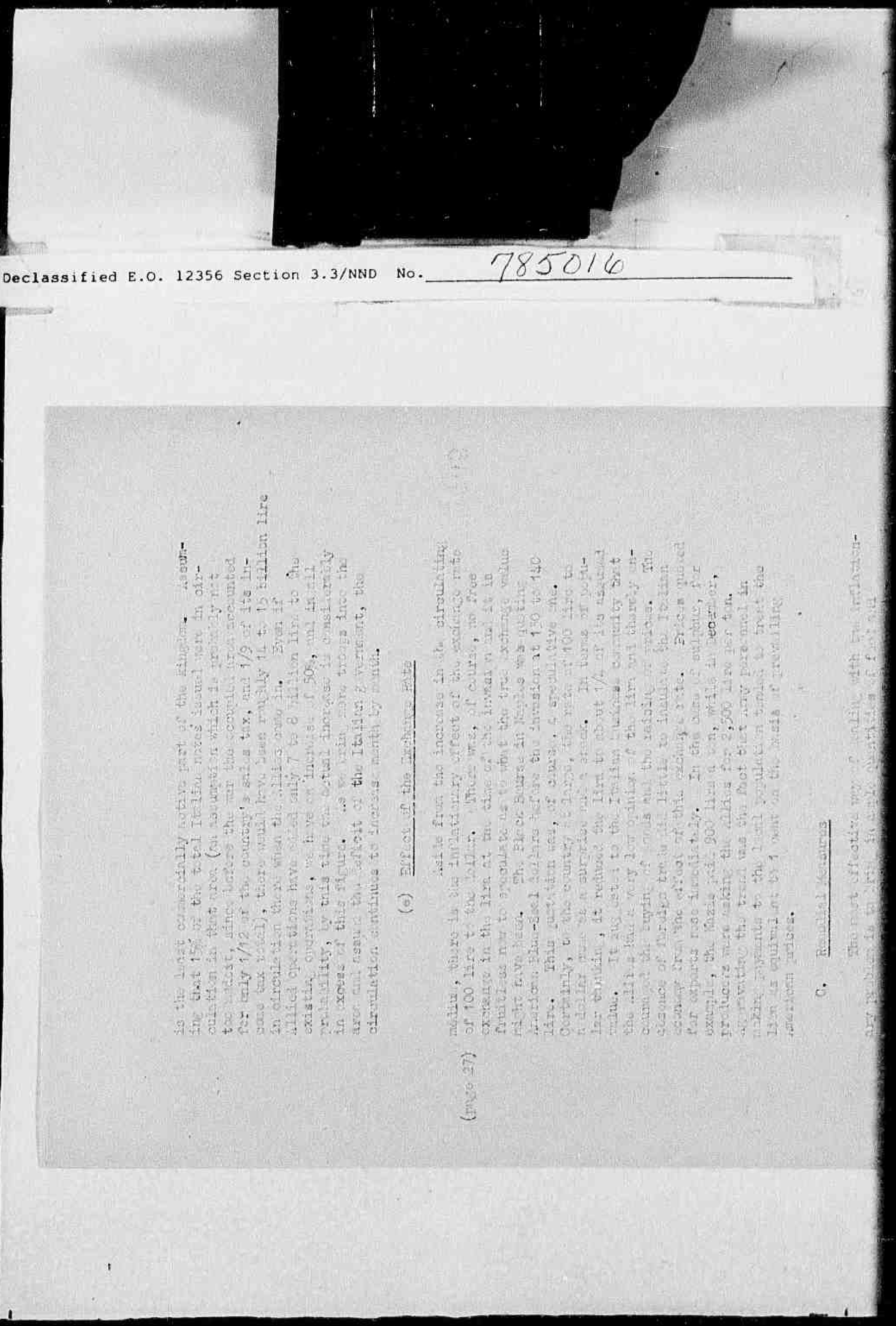
It was estimated, in December, that circulation in Sicily alone had been increased, from military sources only, between 3 billion and 4 billion lire.

In any case, the net increase has been sufficient to have considerable effect upon the price level. The occupied portion of Italy together with the two islands

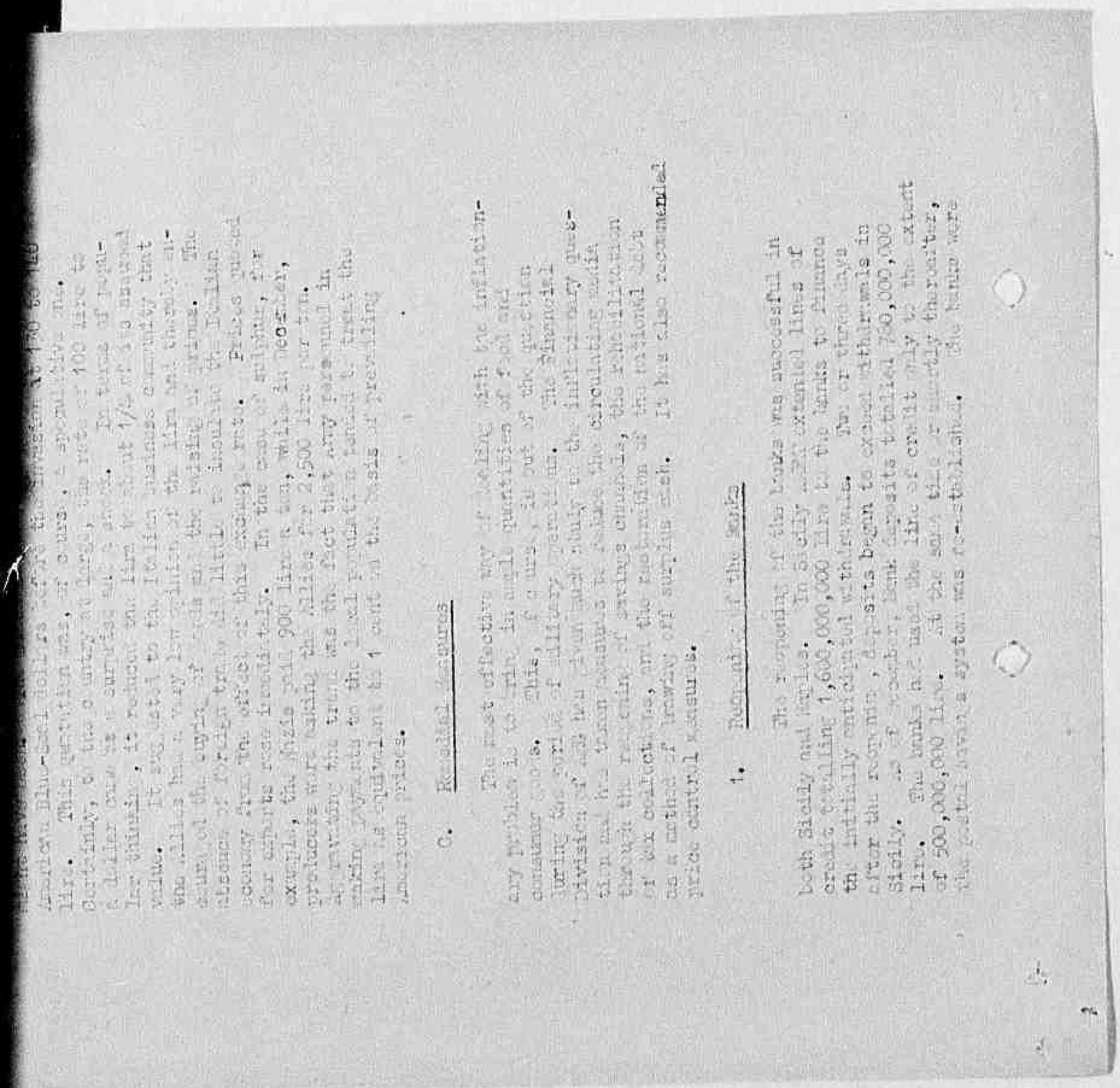
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reopened in Sicily on various dates from September 6 to September 15. A withdrawal limit was fixed at 5,000 lire per account, plus payrolls, taxes and social insurance contributions.

In Naples on October 29, AMGOT entered into arrangements with the Bank of Italy whereby the latter would account credit to the Italian banks to protect their reopening.
(page 28) No limitation on withdrawals was fixed for the Naples reopening. As of November 30, AMGOT had deposited 600,000,000 lire with the Bank of Italy in Naples for the purpose of protecting the reopening. In similar fashion, reserves were supplied to the Bank of Italy in Region II in order to permit the reopening of the banking system there. There were no runs on the banks when they were reopened.

There are several reasons for the excess of deposits over withdrawals. It is thought that in Sicily to a large extent the deposits represent a return of the heavy withdrawals which were made by the people in the panic preceding the invasion. The same is probably true in Naples. In addition, the lack of goods in the market leaves merchants with funds which they cannot employ after they have sold out their stocks. Officials of the Bank of Naples thought that these proceeds resulting from the exhaustion of stocks accounted for a good deal of their deposits.

AMG's principal objective in opening the banks has been to provide a means for reducing the circulation of money. Other commercial activities which might increase the inflationary trend have been prohibited. For example, real estate transactions in excess of 50,000 lire are prohibited both in Sicily and on the mainland. Likewise, the stock exchange in Naples has been kept closed, since it is generally agreed that its reopening would be attended by an avalanche of selling, and knock the bottom out of government bonds.

2. Government Bonds

Payment of interest on government bonds was forbidden by the original AMG directives. Government bonds constituted one of the principal assets of the banks. Discontinuance of interest payments has consequently put the banks in a very difficult position. Parenthetically, it may be mentioned that the banks carry the bonds at 70% of par.

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On November 3, 1943, the Combined Chiefs of Staff authorized the Financial Subcommission of AC/AMG to take steps to resume payment of interest and principal of government debt. An immediate question was the handling of maturity of 9-year, 4% Treasury bonds due on December 15, 1943. Arrangements were made with the Undersecretary of Finance of the Badoglio cabinet whereby AMG's would advance sufficient AM lire to the Italian government to pay off this bond issue. The total amount of this bond issue held in the occupied area was estimated at 300,000,000 lire. Wide publicity was given to the payment of this bond issue to the end that the Italian government might begin to rehabilitate its credit position and embark upon a borrowing program. At the present time, arrangements are being made to resume interest payments on the debt and to issue new bonds.

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3.

SECRET

As has been noted above, AID's efforts to ef-
fect the reduction of key policyforms have been
resisted, in very particular ways, and
[illegible] success. [illegible]
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[illegible] the Latter's tax system.
[illegible] obligations, such as these levies
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(more)

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(Grade 3A)

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13021/F

31 March 1944.

SUBJECT: Comments on Section IV of FEA Report on Economic Activities of ACC

TO: Colonel D.S. Adams,
Executive Officer,
Economic Section.

INTRODUCTION

1. Reference your memorandum of 26 March 1944 on above subject.

2. Section IV of the FEA Report contains a statement of the inflationary situation in Italy and of the actions taken by ACC to control the trend. We believe that the Report makes several errors of interpretation which lead to an incorrect appraisal of the situation and of the consequent actions of ACC.

3. Our position on these matters is given in Part I of this memorandum. Part II contains our comments on the Report's facts and figures, comments which, on the whole, do not materially affect the conclusions of the Report, but serve to improve its accuracy as a record of events. For convenience in reading, the sections in Part II have been made parallel to those in the FEA Report and the subjects discussed are in the same order.

PART I

COMMENTS ON THE MAJOR CONCLUSIONS AND INTERPRETATIONS OF THE REPORT.

A. The Inflation Situation

The Report states in many places that a considerable portion of the inflationary situation is the result of real food shortages in the cities and towns, a shortage created by poor 1943 harvests, woefully inadequate enforcement of the crossing laws, and an almost complete destruction of transportation

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COMMENTS ON THE MAJOR CONCLUSIONS AND INTERPRETATIONS OF THE REPORT.

A. The Inflation Situation

The Report states in many places that a considerable portion of the inflationary situation is the result of real food shortages in the cities and towns, a shortage created by poor 1947 harvests, woefully inadequate enforcement of the rationing laws, and an almost complete destruction of transportation facilities. We are in complete agreement with this point of view. Indeed, we believe that it would be difficult to over-emphasize the importance of these factors in an analysis of the present Italian inflation. However, in discussing the monetary aspects of the inflation, the Report sometimes forgets that "inflation" is the result of interaction of all forces at work in the economy, non-monetary as well as monetary, and discusses the causes and remedies of the situation in purely monetary terms. Moreover, we believe that the Report may give rise to the inference that some portion of the problem is the direct result of the issuance of AM lire and of the use of AM lire to finance the Italian Government. Finally, we disagree strongly with the conclusion reached by the FEA Mission that the dollar/sterling value of the lira is too low.

B. The Inflationary effect of AM lire

1. Under the heading "Inflationary Factors" the Report discusses the whole question of AM lire, implying that the use of AM lire created many of the inflationary problems. It is clear that the use of AM lire, in and of itself, is in no sense an inflationary force.

(a) AM lire was employed to supplement the metropolitan lire because it was believed that the Italian Government might attempt, as part of a "scorched earth" policy, to destroy large amounts of its currency;

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and because there would be no other source of currency for Army use, the Italian Government's printing presses being located in Central Italy.

(b) The FEA Report states that "advances to the various organs of the Italian Government for current expenditures will constitute a continuing drain on the AM lire", and that budgetary deficits will have to be made up by AMG. It is true that in the early stages of occupation direct advances had to be made to provincial and communal authorities to meet essential payrolls, provide relief, etc. However, as soon as provincial and regional governmental organizations were reconstituted, it has been AMG policy not to make further advances but rather to finance governmental deficits in the normal Italian way, i.e. by drawing on overdraft accounts at the central bank, the Banca d'Italia. At the present time, direct advances are being made only in forward areas by AMG officers attached to the 5th and 8th Armies. Regarding the central government deficit, the Report implies, in showing the estimated amount of the deficit for December, that the whole of future monthly deficits will be met by AMG through advances on a lire-for-lire basis. This was not and is not true. When the Italian Government had control over only 4 provinces of Puglia, but was responsible for the maintenance of the entire Italian Army, Navy, and Air Force, the Minister of Finance claimed that advances of AM lire were necessary to give the branches of the Banca d'Italia in Puglia an adequate currency reserve for the conduct of Government business. To the end of January 1944, these advances totalled only 650 million lire. No such advances have been made since 31 January, and it is not anticipated that any further advances will be necessary. The Government no longer needs advances because bankers' deposits and postal savings redeposits at the branches of the Banca d'Italia are more than adequate to meet the Government's currency needs. The Finance Sub-Commission is now taking steps to obtain repayment of the earlier advances from surplus currency in the Banca d'Italia.

(c) It is not to be thought that a procedure under which the Italian Government finances its current expenditure through drawing on an overdraft account at the central bank rather than spending AM lire advanced to it by AMG reduces in any way the inflationary pressure. Such pressure comes from the Italian Government deficit, and however that deficit were financed, other than through the extremely unlikely method of sales of government bonds to middle and lower income classes, the inflationary effect would have been the same. The FEA Report is entirely mistaken when it says "The problem is not so much one of financing this deficit as it is of providing the actual paper money which is needed to meet

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(c) It is not to be thought that a procedure under which the Italian Government finances its current expenditure through drawing on an overdraft account at the central bank rather than spending AM lire advanced to it by ACC reduces in any way the inflationary pressure. Such pressure comes from the Italian Government deficit, and however that deficit were financed, other than through the extremely unlikely method of sales of government bonds to middle and lower income classes, the inflationary effect would have been the same. The FEA Report is entirely mistaken when it says "The problem is not so much one of financing this deficit as it is of providing the actual paper money which is needed to meet the Italian governmental payroll". The problem is reduction of the deficit; the particular method chosen to finance any given deficit is a matter of very little consequence. The FEA report has badly confused the issue in focussing so much attention upon the use of AM lire as one of the means used to finance a part of the deficit.

(d) The major monetary force contributing to the Italian inflation is the Italian Government deficit. At the present time, this deficit amounts to approximately 3 billion lire per month. Since 1 July 1943, the deficit of that part of Italy now liberated is approximately 20 billion lire. There is little basis for effective control of the deficit either by the Italian Government or by ACC. To date the Italian Government has initiated little action and it has not wholeheartedly cooperated with us in our efforts to impose a system of effective expenditure control or to improve the collection of revenues.

(e) It is sometimes thought that ACC can control Italian Government expenditures through its ability to provide or refuse AM lire to the Government. The experience in February when no currency advances were made clearly demonstrates that this is not the case. Specific control cannot be achieved because there is no direct relation between any particular expenditure and the advance of currency to the government.

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C. The Rate of Exchange

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studies has been sent to OSS and a copy of this memorandum is forwarding.

D. Stabilization of the Lira

1. The FAC Mission in one of its major conclusions on the future course of inflation in Italy, states that there is no plan or prospect for the stabilization of the lira. The word "stabilization" and the context in which it is used indicate that stabilization of the foreign exchange value of the lira is meant. At the moment the foreign exchange value of the lira is effectively stabilized at the rate of 100 lire to the dollar, and since there are no foreign trade or free banking transactions, the maintenance of this rate constitutes no problem. Stabilization of the lira may become an important problem after the war, but there is little that can be done now other than to keep the nominal value of the lira at a level Italy may be able to maintain in the post-war world economy. The Minister of Finance has indicated he does not believe that Italy can maintain a rate higher than 100 lire to the dollar after the war. An increase in the rate at this time would make Italy's stabilization problem in the post-war world even more difficult.

2. The Report states that at the time of the Mission's visit, American blue seal dollars were selling on the Naples black market at a price of 215 lire per dollar, and were expected to rise to 250 lire. It is implied that this price is the "real" rate between the dollar and the lira and that, therefore, the foreign exchange value of the lira is not stabilized. This concept is erroneous. All transactions, involving conversion between the lira and the dollar, except a very small volume of illegal speculative sales, take place at the fixed (and stable) rate. Examples are remittances by persons in the U.S. and U.K. to Italian civilians, the conversion of dollar/sterling/francs of Allied troops into lire, and valuation of all Italian imports and exports. Indeed, if one were to accept the argument that the black market price at which blue-seal dollars can be sold for lire reflects the real relation between the economic potentials of the two currencies, one would be forced to conclude that the lira is at present over-valued and that the dollar value of the lira should not be increased but rather lowered to, perhaps, 250 lire to the dollar. But the fact that such rates do have a real meaning, and that their collection by means of scattered reports from neutral countries and domestic black market sources provides useful information is, we believe, thoroughly mistaken. Such black market rates result from a "thin" market dominated by individuals seeking political rather than economic decisions. That is, those who buy and sell foreign currencies in such markets are chiefly concerned with the protection of their wealth and are motivated principally by their estimates of the

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E. Internal Stabilization Program

The real stabilization that is required is the stabilization of the domestic purchasing power of the Lira. A program is required that recognizes the many sources of inflation in Italy and offers effective solutions to both the monetary and supply aspects of the problems.

The part of the anti-inflation program that falls to the Finance Sub-Commission is being formulated and applied as rapidly as possible. By necessity a large part of the work of this Sub-Commission has consisted in improvising day-to-day measures. Such improvisation has been necessary because both ACC and the Italian Government have been almost continuously in a process of reorganization.

When the Badoglio government fled from Rome and established itself at Brindisi, it was faced with the necessity of reestablishing central government machinery and lines of authority and control over provincial and local administration. This work had to be carried on by a Finance Ministry staffed, at the beginning, with only a handful of experienced personnel. It was not until 11 February, 1944, when Sicily, Sardinia, and the southern provinces of the mainland to the Sarl - Salerno line came under the jurisdiction of the Badoglio government, that the Italian Ministry of Finance was in a position to exercise control over any significant portion of the liberated territory. For example, it is now possible to speak of a central bank for the whole territory, rather than 22 provincial branches of the Banca d'Italia, which had been operating without central direction. The restoration of such an integrated structure is a first step in establishing effective expenditure control.

Likewise, it was not until February that the relationship of ACC to AMG was clarified. For several months previously, the then forward areas (including Naples) were under AMG 15th Army Group, ACC authority was limited to the territory then under the Badoglio government (4 Puglia provinces) and Region I (Sicily) and Region II (Southern mainland) were under rear AMG. The Finance Sub-Commission now has jurisdiction over both ACC Regions I and II and AMG areas, (at present Regions III, IV and V).

Now that the long period of preparatory work is ending, the Finance Sub-Commission is reviewing all financial measures taken up to this point and developing a broad, coordinated program of the monetary measures that will contribute to internal stabilization. It is intended to submit this program in the near future to CCAC for comment. It will deal with expenditure control, a realistic and effective tax program, price control, and [illegible] central finances.

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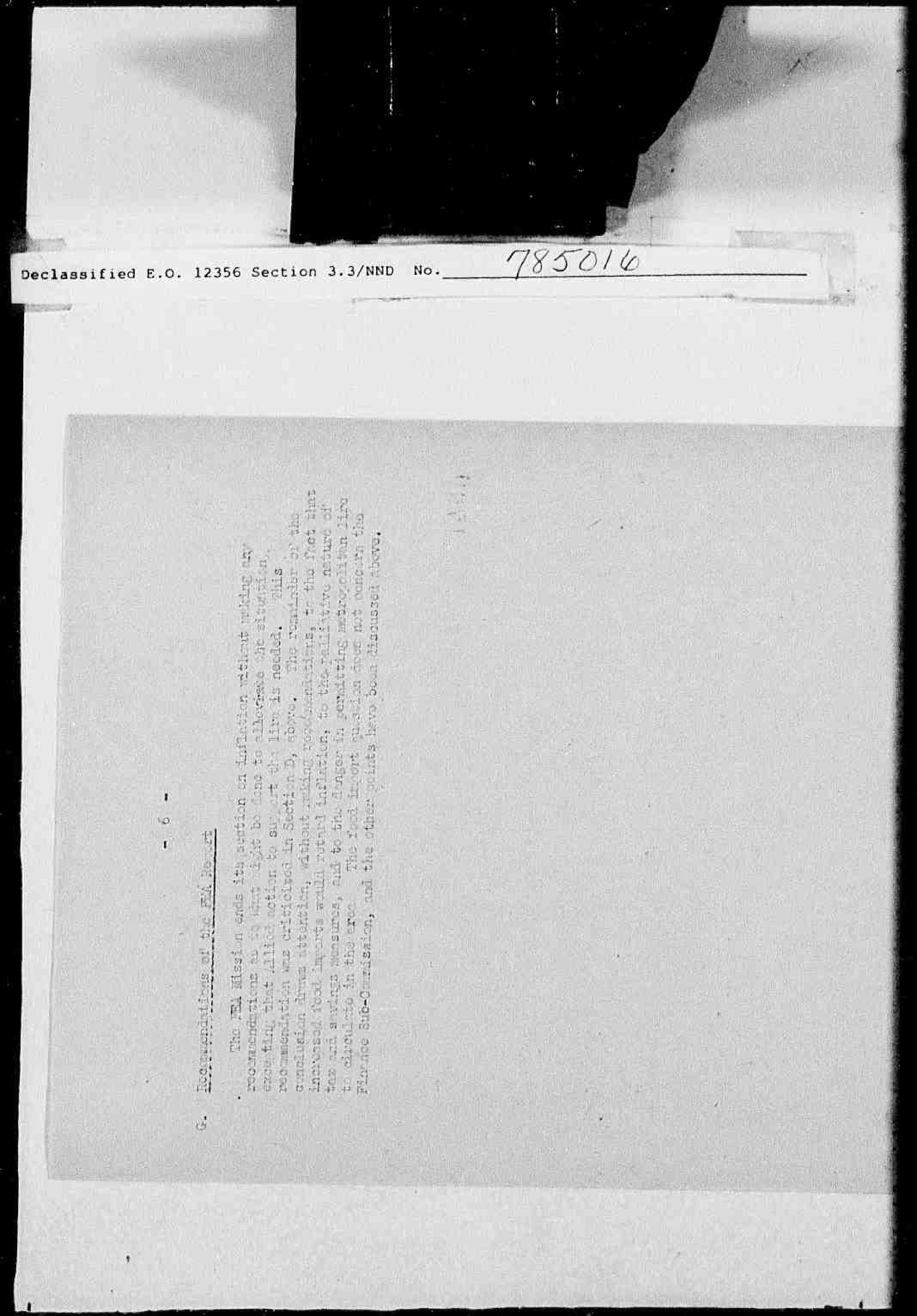
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F. Currency Conversion

In the final paragraphs of Section IV, the Report points out the danger of permitting old metropolitan lire to circulate in Allied occupied Italy, and of planning to continue its use in newly won territory, when large quantities of such currency as well as the presses and plates with which it was made are still under enemy control in German occupied Italy. The Finance Sub-Commission has had this problem continuously in mind. It is developing a plan for the possible conversion of all metropolitan lire now in liberated territory into AM lire in order to prevent German printed lire from coming into the area and in order to provide a means through conversion at a rate less than one to one, to reduce such inflation as we may find in newly won territory. This plan, together with a technical discussion of the administrative problems that its execution would create, is intended to be forwarded to CCS with a request for an expression of its views in the near future.

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Sub-Commission. In view of this, we have refrained from commenting on this section.

B. Inflationary Factors

1. Inflationary Factors before Allied occupation (page 22 ff)

The Report points out that inflation was in rapid progress in Italy before the Allied invasion, a fact that, while obvious, is frequently forgotten. Since 1936, Italian budgets had consistently shown heavy deficits. Italy's additional war expenditure was 60 billion lire in 1940-41 and 80 billion lire in 1941-42. These heavy expenditures were financed without adequate taxation. The mounting government deficit coupled with continuously increasing shortages of goods and a great diversion of man power into the armed services had made inflation one of Italy's greatest internal problems before the Allied invasion. The Florence Sub-Commission estimates that food prices in Naples rose about 5% per month in the first half of 1943. When the Allied attack on Italy began, destruction of transportation facilities in Southern Italy and their use by the enemy added greatly to the food inflation problem. The existence of rapid inflation in food prices in Naples prior to the Allied occupation is demonstrated in the figures given in the January Report of this Sub-Commission. It is estimated there that the cost of living increased 200 per cent from July to September.

2. Financial Operations of Military Government

(a) Nature of the Currency (page 25 ff)

The FRA Report states that as soon as sufficient quantities of A-Lire were available to replace the spanchual currencies, paymasters discontinued the issuance of yellow seal dollars and MA pounds. This is not quite correct. A sufficient quantity of A-lire was printed and distributed to U.S. Army finance officers to cover most of their August payrolls and to make unnecessary large payments of yellow seal dollars. British Army paymasters, on the other hand, have continued to pay out substantial quantities of MA pounds until very recently, although they had already drawn 1,747 million A-lire by 31 October 1943, and have not required an appreciably larger working balance since that time. The decision as to the currency paid out is made by the British and American paymasters, and is not under the control of AFC. A-lire, yellow seal dollars, and MA pounds are still legal tender under both AMG and Italian governmental regulations. However, Italian banks have been directed by AFC to redeem and hold yellow seal and MA currency for the account of AFA, which in turn delivers spanchual currencies to the respective paymasters for use in other theatres. There is a continuous, but small, influx of yellow seal and MA currency in the form of funds in the personal possession of troops arriving in Italy. The following amounts, in lire value, had been withdrawn from circulation by AFA to the end of February:

	Lire values
Yellow seal dollars	240,013,656
MA pounds	546,099,717
	786,113,373

1700

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Since the FEA Mission left Italy, arrangements have been made for the printing of a new Italian currency in the United States. Designs for the new currency have been approved by the Minister of Finance, but it is estimated that this currency will not be available for 6 to 8 months.

(b) Expenditures of AM lire (page 24 ff)

The FEA Report states that the total amount of AM lire expended through American, British, and French military channels as of 30 November 1943 was 8.5 billion. The Report has confused the amount issued to paymasters with the amount expended. As of 30 November the Armies held about 4.2 billion AM lire in cash and had expended only 4.3 billion, plus a relatively small amount of specialized currencies. As of 29 February 1944, the Allied forces had received 17,956 million lire, but had spent only 12 billion lire. The monthly rate of expenditure has therefore been less than that indicated in the Report of FEA.

Secondly, the FEA Report estimates soldiers' expenditures in Italy on the basis of experience in North Africa. The Italian data now available indicate that percentage expenditures are somewhat higher. Officers and men of the American armed forces in Italy spent 40 per cent of their cash pay in Italy in February, representing perhaps 20 per cent of total pay and allowances, having regard to voluntary and compulsory allotments and the practice of permitting pay to accrue without drawing full amounts earned. A large part of pay and allowances to British officers and other ranks is retained in sterling and not paid in cash in Italy. Soldiers, especially American troops, are urged to buy war bonds and are offered ready facilities for remitting money home in order to reduce their expenditure in Italy.

Thirdly, it is stated that "a considerable portion of the military expenditures is attributable to the hire of local labour" and that such high rates of pay constitute a serious problem. This is not the case. Payments to civilian employees of the U.S. and British Armies amount to only about 100 million lire per month, out of total gross expenditures of over 4.5 billion.

(c) Currency Receipts of AMG (page 25 ff)

After detailing the numerous channels through which AM lire have been put into circulation, the FEA Report lists only one of the channels through which it is absorbed, namely receipts from AMG sales to civilians. Other channels of absorption are commercial bank deposits with the Bank of Italy or with AFA, Italian Government and commercial bank repayment of AFA advances, and the accumulation of idle deposits in commercial banks by individuals and businesses.

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(d) Increase in the circulating medium (page 26)

The Report estimates that the issuance of AM lire up to 30 November had increased the currency circulation 50%. This estimate rests on the assumption that the circulation of the presently liberated provinces was 15 billion before our occupation. Estimates of this figure vary from 10 to 30 billion. Accordingly, the percentage increase attributable to AM lire would vary from 50% to 25%. At the end of February, AM lire in commercial banks and in the hands of the public amounted to 15.3 billion. It should not be forgotten, of course, that circulation would have increased quite substantially during this period if Italy had not been invaded. However, as is shown in Part I above, the amount of AM currency issued and absorbed is not the vital question. It is merely the particular form in which the Italian Government deficit and Allied expenditures appear.

C. Remedial Measures

1. Reopening of the Banks (page 27 ff)

The Report points out that deposits began to exceed withdrawals shortly after the banks were reopened. The excess of deposits over withdrawals has continued up to the present time. The Report attributes the increase in deposits

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to a redeposit of panic withdrawals and to the liquidation of business stocks. We would be more inclined to say that the increase in current accounts reflects the higher level of individual and business incomes and expenditures which the inflation itself has created, and which require larger bank balances for the conduct of private and business affairs. Bank policy of the Finance Sub-Commission has attempted to retard inflationary pressures by restoring as speedily as possible the normal Italian savings institutions (commercial banks and the post office financial services) and by discouraging banks from extending credit to businesses other than those engaged in war production. The ban on real estate sales mentioned in the Report was recently lifted on the grounds that it was unnecessary. The Italian Government argued that in Puglia, where no ban had been imposed, very few sales had been made. Incidentally, it is not quite accurate to say that this ban was designed to limit the inflationary trend, since there is no mechanism through which such a prohibition could have that effect.

2. Government Bonds (page 26 ff)

(a) The Report's first part, page 26 under this heading states that Government bonds constitute one of the principal assets of Italian banks, implies that interest payments on Government bonds were discontinued throughout liberated Italy, and states that this action put the banks in a very difficult position. In fact, data so far obtained shows that "other loans and investments" of Italian banks prior to the invasion were approximately 4 times greater than their holdings of Government bonds. Interest payments on Government bonds were never suspended in the four southern provinces of Puglia or in Sardinia, provinces aggregating approximately one-fourth of the entire territory. The suspension of interest payments affected the earning capacity of the banks in the rest of the area, but did not affect their liquidity. The casual reader would infer from the FEA's statement that the banks were put in a very difficult position in that their liquidity was endangered, while in fact their liquidity was amply protected by AFA guarantees and by the net inflow of deposits that followed their reopening.

(b) The same paragraph also states parenthetically that it is the practice of Italian banks to carry Government bonds at 70% of par. Italian Commercial banks do not have a fixed rule for the valuation of Government bonds. All that can be said is that they are carried usually at below the market valuation; in the present case, at below the last ruling market valuation. This valuation differs from security to security, being much higher, for example, for Buoni del Tesoro Ordinari, which in no case has a maturity longer than one year, than it would be for a perpetuity. This statement in the FEA Report appears to be due to confusion with the AMG order in Sicily which ordered the Banco d'Italia to make advances on government securities up to 70% of par. This was not true of any other Banco d'Italia branch. The system of advances and the valuation of govern-ment securities for advances is a very complicated procedure that can be

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Italian banks prior to the invasion were approximately 4 times [illegible] their holdings of Government bonds. Interest payments on Government bonds were never suspended in the four southern provinces of Puglie or in Sardinia, provinces aggregating approximately one-fourth of the entire territory. The suspension of interest payments affected the earning capacity of the banks in the rest of the area, but did not affect their liquidity. The casual reader would infer from the FTA's statement that the banks were put in a very difficult position in that their liquidity was endangered, while in fact their liquidity was amply protected by AFA guarantees and by the net inflow of deposits that followed their reopening.

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(c) The paragraph states that the sale of Government bonds constituted one of the chief sources of funds for the Italian Government, and implies that it was a mistake to have discontinued their sale upon occupation. It is necessary to distinguish between Buoni del Tesoro Ordinari, a short term note sold through the year, and Buoni del Tesoro Poliennali (interpreted to term bonds, usually 5- or 9-year). As early as November, the Finance Sub-Commission asked the Badoglio Government to consider a new issue of intermediate-term bonds. The Government declined to do so because it believed that the attempt would be a practical failure. The short term securities, B.T.O's, ordinarily constituted one of the chief sources of Italian Government funds, but this was not true in the months immediately prior to our occupation. At that time B.T.O's were coming due much more

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rapidly than new issues were being bought. This "running off" of the B.T.O's was a part of the financial crisis that contributed to the downfall of Mussolini. Because of this situation we believe that discontinuance of the sale of B.T.O's in AMG territory was a correct move, and one that prevented a drain of currency into circulation. In Puglia and Sardinia sale was not discontinued and maturities exceeded sales up to December. Sale of B.T.O's was resumed in AMG territory on 1 January 1944. During January there was a net investment in such securities of 126 million lire in the provinces for which information is available - approximately 3/4 of the area. Details of sales and redemption are tabulated on page 3 of the February issue of the ACC Monthly Financial Review of Italy, a copy of which is attached.

(d) With respect to the maturity on 15 December of the 9-year 4% Treasury bonds, the Report leads the reader to infer that 500 million lire was advanced by AFA and used in meeting the maturity. Arrangements were made to advance AM lire to the Italian Government if it proved necessary to do so. However, payment of the issue was made in the usual way through the Banco d'Italia's Treasury sections and no specific advance was made by AFA to cover repayment of the bond issue except in Sicily, where 52 million lire was provided for this purpose because the Banco d'Italia had not been reopened at the date of maturity. Only approximately one quarter of the Sicilian advance was used. In other areas, the redemption was handled by the Banco d'Italia in the same way as other overpayments on Government account. The available figures on repayment of the bond issue up to 31 January are given in Table V of the ACC Monthly Financial Review of March 1944, a copy of which is attached. The Report also fails to note that the postponement of interest payments on the whole of the Italian Government debt began on 1 January.

2. Taxation (page 29)

Such data as is available on tax revenues is given in the January and February reports of the Finance Sub-Commission, attached. The February report contains an appendix stating our views on methods of increasing revenue and revising the tax structure. Among other things in the program now under discussion are:

(a) requirements that taxpayers file annual returns of actual receipts for tax purposes;

(b) acceleration of assessment and collection of the excess profits and turnover taxes;

(c) requirement that persons engaged in businesses and professions keep books;

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was provided for this purpose because the Banco d'Italia had not been reopened at the date of maturity. Only approximately one quarter of the Sicilian advance was used. In other areas, the redemption was handled by the Banco d'Italia in the same way as other outgoings on Government account. The available figures on repayment of the bond issue up to 31 January are given in Table V of the ACC Monthly Financial Review of March 1944, a copy of which is attached. The Report also fails to note that the resumption of interest payments on the whole of the Italian Government debt began on 1 January.

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(a) requirement that taxpayers file annual returns of actual receipts for tax purposes;

(b) acceleration of assessment and collection of the excess profits and turnover taxes;

(c) requirement that persons engaged in businesses and professions keep books;

(d) a strengthening of the legal powers of tax officials to make supplementary assessments and to enforce penalties for incorrect returns.

4. Price Control (pages 29 ff)

Comments on this section of the Report are being submitted by the Secretary of the Economic Section's Price Committee.

E. H. Foley

E. H. FOLEY, Jr.,
Colonel,
Joint Director,
Finance Sub-Commission.

Appendix "B"

CONFIDENTIAL

MONTHLY FINANCIAL REVIEW OF ITALY

March 1944

Prepared by:

Finance Sub-Commission, Allied Control Commission.

Col. E. H. Foley, Jr., Joint Director
Col. A.P. Grafftey-Smith, Joint Director
Captain Andrew Kamarck, Editor.

A. SUMMARY OF DEVELOPMENTS.

1. Based on figures for the Treasury account at the Banca d'Italia, the total excess of governmental payments over receipts in the eight months period from 1 July 1943 to 29 February 1944 amounted to 20,000 million lire or a monthly average of 2,500 million lire. The figure for February appears to exceed this average and to be close to 3,000 million lire. According to AFA estimates, the net payments to civilians by Allied Forces average 1,500 million lire a month. Italian government expenditures continue to be the most important single monetary inflationary force in Italy.

2. Net investment in government bills or short-term notes (buoni del Tesoro Ordinari) amounted to 262 million lire in February for the area from which reports are available. There is evident a tendency on the part of investors to shift to purchase of shorter-term maturities than one-year although most of the B.T.O. purchased still are for the 12-month period. Prices of outstanding longer-term government securities have shown a tendancy to rise, if the scanty information available is a reliable indication.

3. Total currency holdings of the Banca d'Italia in Liberated Italy on 29 February amounted to 4,000 million lire. This figure excludes mutilated and annulled currency and currency held as 100 percent cover for Allied deposits. Total current liabilities totalled 7,000 million lire of which 6,000 million was owed to banks and 1,000 million to non-banking individuals and institutions.

4. On 2 February a Commissioner and Vice-Commissioner of the Banca d'Italia for Liberated Italy were appointed to give a unified direction to the 30 branches of the central bank in Liberated Italy. Instructions were issued by the new Commissioner and the Minister of Finance to the branches of the Banca d'Italia to use all means possible, including the powers of the Inspectorate over the commercial banks, to discourage credit expansion by commercial banks for non-productive, hoarding, or speculative purposes. The Banca d'Italia was authorized by the Minister of Finance to pay 4 per cent interest (annual rate) on bankers' deposits with the Banca d'Italia deposited under condition of non-withdrawal for three months and 4.50 per cent for four months.

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2. Net investment in government [illegible] Ordinari[illegible] amounted to 262 million lire in February for the area from which reports are available. There is evident a tendency on the part of investors to shift to purchase of shorter-term maturities than one-year although most of the B.T.O. purchased still are for the 12-month period. Prices of outstanding longer-term government securities have shown a tendancy to rise, if the scanty information available is a reliable indication.

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B. FINANCIAL STATISTICS.

1. Italian Government "Deficit". 1698

a. The first almost wholly complete summary of the Italian State account with the Banca d'Italia in Liberated Italy is given in Table I. These are the best figures so far available to us on the size of the Italian government "deficit" in this area from 1 July 1943 to 29 February 1944. While far from ideal, on balance it is felt that the figures do come somewhere near presenting a picture which resembles the true facts. The figures show roughly a total excess of payments on government account over receipts of 20,000 million lire from 1 July 1943 to 1 March 1944 or an average net addition to incomes in this area of 2,500 million lire a month since 1 July 1943. These figures may be compared to the estimate which has been made by the Allied Financial Agency that net payments by Allied troops in Italy to civilians amounted to around 1,500 million lire a month.

b. According to this data, the excess of 20,000 million lire payments out of the government account was met principally by over-draft on the Banca d'Italia to a total of 5,500 million lire, depletion of the balance held by the government at the

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TABLE I
Italian State Account at Banca d'Italia
1 July 1943 through 29 February 1944
(in millions of lire)

	Salerno	Luccania	Calabria	Puglia less Foggia	Sardinia	Sicily	Total King's Italy	Camp
1. "Deficit" in State Account.								
Total outpayments less payments on account of Buoni del Tesoro ordinari	440	420	1,824	7,903	4,253	n.d.		30
Total inpayments less receipts on account of Buoni del Tesoro ordinari	53	45	139	1,224	289	n.d.		3
	387	375	1,689	6,679	3,964	2,852	15,946	27
2. How State "Deficit" Was Met.								
Advances from AFA and AMG	0	75	170	650	675	2,852	4,422	3
Funds supplied from Rome	0	200	200	900	-	n.d.	1,300	
Credit advanced by Banca d'Italia to State	72	0	288	2,734	1,579	n.d.	4,673	
Decrease in balance held by State at Banca d'Italia on 1 July 1943	337	142	1,160	1,210	1,111	n.d.	3,960	20
Net receipts from Buoni del Tesoro ordinari or net repayment (-)	-16	-51	-1	142	74	n.d.	148	
Increase or decrease (-) in Contabilita' Speciale accounts and in deposits in cash as guarantees	-6	9	-128	1,043	525	n.d.	1,443	
Total	387	375	1,689	6,679	3,964	2,852	15,946	2

n.d. - no data.

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TABLE I

tate Account at Banca d'Italia
1943 through 29 February 1944
(in millions of lire)

cania	Calabria	Puglia less Foggia	Sardinia	Sicily	Total King's Italy	Campobasso	Foggia	Campania less Salerno	Grand Total of All Liberated Italy
420	1,824	7,903	4,253	n.d.		303	258	4,131	
45	139	1,224	289	n.d.		32	90	673	
375	1,689	6,679	3,964	2,852	15,946	271	168	3,458	19,843
75	170	650	675	2,852	4,422	32	0	0	4,454
200	200	900	-	n.d.	1,300	0	0	1,327	2,627
0	206	2,734	1,579	n.d.	4,673	0	0	870	5,543
142	1,160	1,210	1,111	n.d.	3,980	200	104	959	5,223
-51	-1	142	74	n.d.	~~284~~ 144	-7	-7	-42	192
9	-128	1,043	525	n.d.	1,443	46	71	314	1,902
375	1,689	6,679	3,964	2,852	15,946	271	168	3,458	19,843

various branches of the Banca d'Italia at the beginning of the fiscal year, 5,200 million lire, advances from Allied Financial Agency 4,500 million lire, and funds transferred from Rome 2,600 million lire.

c. While we now have a report on the status of the state account at all of the branches of the Banca d'Italia in Liberated Italy, with the exception of Sicily, as of 29 February 1944, we do not have complete reports on the movement in the account during February. From the reports that have come in, it would appear that the excess of payments over receipts was around 3,000 million lire for the month.

d. There are a number of cautions to be observed in considering the figures shown in Table I.

(1) Not all of the Italian government deficit is included.

(a) The table shows a total of AFA and AMG advances of 4,454 million lire whereas the total advanced was over 1,100 million lire more or 5,578 million lire. That is, advances made directly by AFA and AMG to meet local and provincial deficits do not, except in the Sicily figure, appear in the Table.

(b) That part of the Sicilian deficit which was met by another means than AFA advances is also not included.

(c) The financing of that part of the local and provincial deficits prior to our occupation of a province which did not go through a Ministry budget likewise would not be included in these figures. The expenditures which were made by the central government from Rome in this area without passing the funds through a local branch of the Banca d'Italia are not included in this computation. On the other hand, income to the central government originating in this area which did not go through the state account on the provincial level also does not appear. It is doubtful that the latter would out-balance the former.

(d) The payments out of the account, and therefore the deficit, are under-stated by the exclusion of payments of interest on Buoni del Tesoro Ordinari. These interest payments are lumped in with the figures on repayment of capital and the two together are offset by investment in the Buoni del Tesoro ordinari.

(2) The payments from the state account which were simply added to the balances of parastatal institutions and other organizations should not be considered as being an inflationary influence and represent in this sense a subtraction from the size of the deficit. The total increase shown in the Contabilita' Speciale accounts over this period should, therefore, for this purpose be subtracted from the deficit. This total was somewhat less than 1,401 million lire for the period, as the deposits of cash guarantees which are included with the Contabilita' Speciale accounts in the table are an entirely different problem, so far as this discussion is concerned.

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(3) The results can not be used to compare the situation in one province with another. For example, the expenditures for the Italian army in Campania are to be found in the Puglia state account, not in the Campania account. Similiarly, revenues actually originating in one province may not appear on the state account in that province but in another province. It is only when as large a number of provinces as possible are included that the transfers and differences due to accounting procedure begin to balance out and that the total becomes meaningful.

(4) The final word of caution is that it is to be realized that these are figures originating from Italian provincial sources, and largely processed by Italian provincial accountants. Uniformity in procedure among the various branches of the Banca d'Italia at times leaves much to be desired. And bluntly, the standards of statistical accuracy that have been encountered so far are not high: errors of hundreds of millions are almost common place.

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2. Investment in Government Securities.

a. During February, there was net investment in the only type of government security being sold (Buoni del Tesoro ordinari) in every province and region from which reports have been received. The total net investment amounted to 262 million lire of which two-thirds came from the four provinces of Puglia.

During February, the largest amounts of the B.T.O. sold were the 12-month maturities. But compared to last year an increasingly large portion of the sales were for shorter maturities. We do not yet have complete data showing the type of maturities purchased, but from what has been reported the change from last year is evident. For the first time, for example, the Salerno branch of the Banca d'Italia sold B.T.O.'s with a maturity of less than 12 months. And in Naples over one-third of the total investment was in B.T.O.'s of one month maturity.

b. In Table III is presented our first summary of the investment in B.T.O.'s since 1 July 1943 in the regions making up Liberated Italy. The total net investment in all the provinces of Liberated Italy amounts, for this whole period, to only 236 million lire. It is clear that not until the month of February when there was a net investment of 262 million lire was the net dis-investment of the summer made up.

TABLE II

Investment in Buoni del Tesoro Ordinari

February 1944.

	B.T.O. Issued (Nominal capital)	B.T.O. Paid	Net Investment During Month
Salerno	10	7	3
Lucania	11	8	3
Calabria	10	4	6
Puglia (less Foggia)	250	62	188
Sardinia	20	6	14
Sicily	n.d.	n.d.	n.d.
Campobasso	3	1	2
Foggia	n.d.	n.d.	n.d.
Naples	88	42	46
Avellino	n.d.	n.d.	n.d.
Benevento	n.d.	n.d.	n.d.
Caserta	n.d.	n.d.	n.d.
Total of above	392	130	262

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Sardinia	20	6	14
Sicily	n.d.	n.d.	n.d.
Campobasso	3	1	2
Foggia	n.d.	n.d.	n.d.
Naples	88	42	46
Avellino	n.d.	n.d.	n.d.
Benevento	n.d.	n.d.	n.d.
Caserta	n.d.	n.d.	n.d.
Total of above	392	130	262

TABLE III

Investment in Buoni del Tesoro Ordinari
1 July 1943 - 29 February 1944

	B.T.O. Issued (Nominal capital)	B.T.O. Paid	Net Investment During Month (Excess of repayments (-))
Salerno	24	42	- 18
Lucania	94	141	- 47
Calabria	61	60	1
Puglia (less Foggia)	588	422	166
Sardinia	123	44	79
Sicily	273 *	177 *	96 *
Campobasso	13	20	- 7
Foggia	33	38	- 5
Campania (less Salerno)	346	375	- 29
Total Liberated Italy	1.555	1.319	236

* Incomplete, through January for Palermo. 20 January for rest of Sicily.

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3. Prices of Government Securities.

The Banco di Napoli has supplied to the Allied Financial Agency a list of prices at which government securities are being traded in Naples. These are unofficial quotations and in many cases represent prices asked rather than bid prices. Still, an upward trend in the recent months in prices of government securities is evident from the data.

TABLE IV

Prices of Government Securities
(Unofficial market prices at Naples)

(Lire)

	31 Dec. 1943	31 Jan. 1944	15 Feb. 1944	17 Mar. 1944
9-year bonds, 5% 1944	85.00	94.00	n.d.	95.00 - 97.00
5-year bonds, 5% 1948	n.d.	n.d.	n.d.	86.75 - 87.25
9-year bonds, 5% 1949	70.00	81.50	79.25	84.75 - 85.25
9-year bonds, 5% 1950 1st issue	70.00	81.50	79.25	84.25 - 84.75
9-year bonds, 5% 1950 2nd issue	70.00	81.50	79.25	84.00 - 84.50
9-year bonds, 5% 1951	70.00	81.50	79.25	83.50 - 84.00
9-year bonds, 4% 1951	64.50	74.50	69.00	72.75 - 73.25
Rente Italiane, 5%	67.00	81.00	80.00	83.25 - 83.75
Rente 3.50% (1906)	80.25	90.90	91.50	95.75 - 96.25
Redeemable long-term bonds, 5%	n.d.	n.d.	n.d.	84.00 - 84.50
Redeemable long-term bonds, 3.50%	63.25	71.45	n.d.	67.00 - 68.00

4. Payment of Maturity of 15 December 1943 - 4% nine-year bonds.

Based on the samples of Campania, Calabria, Lucania, it would appear that about one-quarter of the total of the bonds outstanding in Liberated Italy have been paid to 29 February 1944. To the end of February, a total of 65 million lire has been reported paid in Liberated Italy of the probable total of almost 300 million held in the area. As the German puppet-government of northern Italy also announced that it would service the part of the issue held on its side of the lines, the bulk of the 2,000 million of the issue must have been paid by them.

TABLE V

Payment on 15 December 1943 Maturity of
4% Nine Year Bonds
15 Dec. 1943 through 29 February 1944
(In Lire)

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5-year bonds, 5% 1948	n.d.	n.d.	n.d.	86.75 - 87.25
9-year bonds, 5% 1949	70.00	81.50	79.25	84.75 - 85.25
9-year bonds, 5% 1950 1st issue	70.00	81.50	79.25	84.25 - 84.75
9-year bonds, 5% 1950 2nd issue	70.00	81.50	79.25	84.00 - 84.50
9-year bonds, 5% 1951	70.00	81.50	79.25	83.50 - 84.00
9-year bonds, 4% 1951	64.50	74.50	69.00	72.75 - 73.25
Rente Italiana, 5%	67.00	81.00	80.00	83.25 - 83.75
Rente 3.50% (1906)	80.25	90.90	91.50	95.75 - 96.25
Redeemable long-term bonds, 5%	n.d.	n.d.	n.d.	84.00 - 84.50
Redeemable long-term bonds, 3.50%	63.25	71.45	n.d.	67.00 - 68.00

4. Payment of Maturity of 15 December 1943, 4% nine-year bonds.

Based on the samples of Campania, Calabria, Luccania, it would appear that about one-quarter of the total of the bonds outstanding in Liberated Italy have been paid to 29 February 1944. To the end of February, a total of 65 million lire has been reported paid in Liberated Italy of the probable total of almost 300 million held in the area. As the German puppet-government of northern Italy also announced that it would service the part of the issue held on its side of the lines, the bulk of the 2,000 million of the issue must have been paid by them.

TABLE V.

Payment on 15 December 1943 Maturity of
4% Nine Year Bonds
15 Dec. 1943 through 29 February 1944
(In Lire)

AREA	TOTAL OUTSTANDING	TOTAL PAID	% PAID OF TOTAL OUTSTANDING.
Salerno	6,674,500	1,755,000	27
Luccania	n.d.	2,092,000	
Calabria	17,043,000	2,618,000	15
Puglie (less Foggia)	n.d.	6,417,000	
Sardinia	n.d.	2,354,000	
Sicily	est.54,000,000	13,304,000 *	25
Campobasso	n.d.	1444,000 *	
Foggia	n.d.	939,000	
Campania (less Salerno	126,533,500	34,274,000	28
Total of above	204,241,000	65,137,000	
Total Italy	2,000,000,000	n.d.	

* Through January.

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3. Postal Savings.

a. In several provinces, principally Sicily, no buoni postali frutiferi (postal savings bonds) have been on sale because of the shortage of certificates for issue. On 26 March 1944, full service was resumed in all liberated territory with provisional certificates available to ensure continuity of service until the new issue of blank bonds is ready.

b. The Ministry of Finance has requested data on the movement of postal savings but as yet no information has been received, other than from Puglia (less Foggia). Even the figures on Puglia are not complete. We also have a report from our own officers in Sardinia.

c. During February (with Bari figures on current accounts missing) in Puglia the figures show a net increase in money deposited in postal savings offices. There was a net increase of 16 million lire in postal savings books and a net decrease in postal savings bonds of 14 million lire. Current accounts (with Bari missing) showed an increase of 28 million lire. Total inflow of funds reported totaled 30 million lire.

d. The monthly increase in savings in Sardinia remained fairly steady around 11 million lire a month in both January and February 1944.

TABLE VIa

Postal Savings in Puglia (less Foggia)
February 1944
(In thousands of lire)

	Bari	Brindisi	Lecce	Taranto	Total
Postal Savings Bonds	-7,914	-1,479	-2,386	-2,084	-13,863
Postal Savings Books	7,204	5,374	4,157	2,749	15,584
Current Accounts	n.a.	16,186	13,196	958	28,424(incomp)
Total	710	16,081	14,967	-293	30,135
	(incomplete)				(incomplete)

TABLE VIb

Postal Savings in Sardinia
(In thousands of lire)

January 1944	Cagliari	Sassari	Nuoro	Total
Postal Savings Bonds	-3,152	1,734	-406	-1,833
Postal Savings Books	7,008	3,797	1,984	12,789
Total	3,856	5,532	1,578	10,956

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Postal Savings in Puglia (less Foggia)
February 1944
(In thousands of lire)

	Bari	Brindisi	Lecce	Taranto	Total
Postal Savings Bonds	-7,914	-1,479	-2,386	-2,084	-13,863
Postal Savings Books	7,204	1,374	4,157	2,749	15,584
[illegible]	n.d.	16,186	13,196	958	28,424 (incomp)
Total	720	16,081	14,967	-293	30,135
	(incomplete)				(incomplete)

TABLE VIb

Postal Savings in Sardinia
(In thousands of lire)

January 1944.	Cagliari	Sassari	Nuoro	Total
Postal Savings Bonds	-3,152	1,735	-406	-1,833
Postal Savings Books	7,008	3,797	1,984	12,789
Total	3,856	5,532	1,578	10,956
February 1944.				
Postal Savings Bonds	360	829	-195	1,084
Postal Savings Books	6,194	2,930	1,500	10,184
Total	6,554	2,915	1,305	11,268

6. Currency holdings of the Banca d'Italia.

The total "spendable" (excluding mutilated and dirty currency and currency held as cover for Allied deposits) currency holdings of the Banca d'Italia in Liberated Italy at the end of February 194- totalled 4,000 million lire (See Table VII). Of this, 1,800 million lire was Italian-printed lire and 2,200 million lire consisted of currencies introduced during the Allied occupation. The uneven composition of the currency reserves between the various areas is particularly to be noted. In Sicily these currency reserves of the Banca d'Italia had been in large part destroyed or shipped out prior to our occupation, the bulk of the holdings are AM Lire. In Naples, the opposite is true.

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7. Current Liabilities of the Banca d'Italia.

In Table VIII is presented for the first time a report on the current liabilities of the Banca d'Italia in Liberated Italy with the exception of Sicily for which no reports have been received. As of 29 February 1944, the total of funds which the Banca d'Italia could be called upon to pay, exclusive of the government account, amounted to 7,000 million lire, of which 6,000 million lire was owed to banking institutions and 1,000 million to non-banking institutions and individuals. The total of interest-bearing accounts amounted to around 4,800 million lire. The residual available on advances, secured by government securities comes to 1,500 million. The principal part of the residual available on advances was concentrated in Campania, and Puglia

The "current accounts at no interest" item refers to the accounts in which the Banca d'Italia carries the income from securities received on behalf of others until the income is withdrawn or transferred to another account. The very large sum of 2,000 million shown here for Calabria probably is due to this particular region carrying its AFA accounts in this classification.

C. OTHER FINANCIAL DEVELOPMENTS.

1. The Present Organization of the Banca d'Italia.

a. As mentioned in our monthly reports, Arturo Atti, senior member of the Superior Council of the Banca d'Italia, on 2 February 1944, was appointed Commissioner of the Banca d'Italia in Liberated Italy with all the powers of the Superior Council, the Governor, Director General, and the Vice-Director General of the Bank over the branches in Liberated Italy.

The following powers of the Superior Council are to be exercised by the Commissioner only with the express approval of the Minister of Finance.

(1) Deliberation on the form and characteristics of bank notes, vaglia cambiari and assegni bancari;
(2) Creation and issuance of bank notes and the destruction of the retired and annulled notes.
(3) Determination of the rules and the conditions for the operations of the bank.
(4) Authorization of contracts which have to do with the disposal of real property of a value greater than 100,000 lire, and transactions having to do with credits of a sum greater than 400,000 lire, and all other contracts and actions which the Governor of the Bank believes important enough to submit to the approval of the Superior Council.
(5) Deliberations on cancellations, reductions, and restrictions of mortgages written in favor of the bank, and surrogations in favor of third parties when the credit is not entirely extinguished (above 400,000 lire limit mentioned).

b. A Vice-Commissioner, Alberto Pettinari, Managing Director of the Banca

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a. As mentioned in our monthly reports, [illegible]
Superior Council of the Banca d'Italia, on 2 February 1944, was appointed Commissioner of the Banca d'Italia in Liberated Italy with all the powers of the Superior Council, the Governor, Director General, and the Vice-Director General of the Bank over the branches in Liberated Italy.

The following powers of the Superior Council are to be exercised by the Commissioner only with the express approval of the Minister of Finance.

(1) Deliberation on the form and characteristics of bank notes, vaglia cambiari and assegni bancari;
(2) Creation and issuance of bank notes and the destruction of the retired and annulled notes.
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(5) Deliberations on cancellations, reductions, and restrictions of mortgages written in favor of the bank, and surrogations in favor of third parties when the credit is not entirely extinguished (above 400.000 lire limit mentioned).

b. A Vice-Commissioner, Adreto Pettinari, Managing Director of the Banca d'Italia, was appointed at the same time to assist Atti, particularly in the coordination of the branches of the Banca d'Italia. Pettinari was likewise appointed Managing Director of the Naples branch of the Banca d'Italia.

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TABLE VII

29 February 1944 Currency Holdings of Banca d'Ita
Liberated Italy
(excludes AM lire held as 100% cover for AFA and other Allied deposits, excludes all currency which because of condition cannot be paid out)
(In millions of Lire)

	State Notes	Banca d'Italia	Titoli Stampigliati	AM Lire	BMA Notes	Dollars	Sub-T Ital Prin
Salerno	4	117	(1)	121	12	(1)	12
Luccania	4	19	(1)	153	14	(1)	2
Calabria	7	87	3	229	4	(1)	9
Puglia (less Foggia)	71	167	0	119	12	(1)	23
Sardinia	6	66	6	102	(1)	0	7
Sicily	*	335 *	n.d.	1,153	n.d.	n.d.	33
Campobasso	4	71	0	8	1	0	7
Foggia	2	18	0	32	25	(1)	2
Campania (less Salerno)	10	763	(1)	198	8	2	77
Total	108 *	1,643 *	9	2,115	76	2	1,76

(1) Total less than 500,000 lire.
* State notes included with Banca d'Italia notes in Sicily.

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TABLE VII

9 February 1944 Currency Holdings of Banca d'Italia,
Liberated Italy
(excludes AM lire held as 100% cover
for AFA and other Allied deposits,
excludes all currency which because
of condition cannot be paid out)
(In millions of Lire)

Titoli Impigliati	AM Lire	BMA Notes	Dollars	Sub-Total Italian Printed	Sub-Total War Currencies	Grand Total
(1)	121	12	(1)	121	133	254
(1)	153	14	(1)	23	167	190
3	229	4	(1)	97	233	330
0	119	12	(1)	238	131	369
6	102	(1)	0	78	102	180
n.d.	1,153	n.d.	n.d.	335	1,153	1,488
0	8	1	0	75	9	84
0	32	25	(1)	20	57	77
(1)	198	8	2	773	208	981
9	2,115	76	2	1,760	2,193	3,953

*Italia notes in Sicily.

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TABLE VIII

Current Liabilities of Banca d'Italia
(excluding vaglia)
29 February 1944
(In millions of lire)

(1944)	Due to Banks			Due to Non-Bank Credit	
	Non-interest bearing current accounts	Interest-bearing current accounts	Residual available on advances	Non-interest bearing current accounts	Interest-bearing current accounts
Salerno	(1)	65	40	74	18
Luccania	(1)	20	21	174	7
Calabria	228 *	166	134	67	21
Puglia (less Foggia)	(1)	1,398	412	127	58
Sardinia	(1)	824	129	1	11
Sicily	n.d.	n.d.	n.d.	n.d.	n.d.
Campobasso	0	30	16	0	5
Foggia	(1)	10	50	13	0
Campania (less Salerno)	(1)	2132	1,418	157	64
Total of above	228	4,645	2,219	613	184

(1) Less than 500,000 lire.
* Believed to include 201 million of AFA accounts.

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TABLE VIII

rent Liabilities of Banca d'Italia
(excluding vaglia)
29 February 1944
(In millions of Lire)

	Due to Non-Bank Creditors					
Residual available on advances	Non-interest bearing current accounts	Interest-bearing current accounts	Residual available on advances	Sub-Total due to banks	Sub-Total due to non-bank creditors	Grand Total
40	74	18	49	105	141	246
21	174	7	14	41	195	36
134	67	21	40	528	128	656
412	127	58	136	1,810	321	2,13[illegible]
129	1	11	33	953	45	998
n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
16	0	5	18	46	23	69
50	13	0	16	60	29	89
[illegible],41[illegible]	157	64	77	2,5[illegible]	298	2,8[illegible]
[illegible],219	613	184	383	6,092	1,180	7,[illegible]72

nts.

c. Atti has remained at his home in Bari. Pettinari divides his time between the Banca d'Italia in Naples, outside King's Italy, and the branch in Bari, inside of King's Italy. He is thus the Managing Director of two out of the three principal offices of the Banca d'Italia in Liberated Italy. The third "sede" of the Banca d'Italia in Liberated Italy is in Palermo, Sicily. The central banking situation in Sicily is complicated by the fact that the Banco di Sicilia dominates the financial life of Sicily and has never completely accepted subordination to the Banca d'Italia, which it rather regards as a foreign intruder.

d. Dottore Domenico Busotti of the Central Administration of the Banca d'Italia has been made head of a new Office of Coordination for the Banca d'Italia in Liberated Italy and is located at the seat of the Italian Government in Salerno. In a certain sense this is the present real head office of the Banca d'Italia of liberated Italy.

2. Credit Policy of the Banca d'Italia.

a. Policy directive issued by head office of Banca d'Italia.

As his first act, on 3 February 1944, Commissioner Atti issued a letter to the branches of the Banca d'Italia outlining the credit policy to be pursued. The following are the main points of the letter:-

(1) The Banca d'Italia by direct contact with banks must discourage the financing of speculative operations or hoarding. The banks should aid any productive activity which makes an effective contribution to the economic reconstruction of the nation, to the renewal of productive activity, and to the struggle against unemployment. The banks should refuse any form of credit which directly or indirectly can result in speculative or hoarding operations.

(2) Any action of psychological or other nature should be avoided which would provoke disorder in the banking field with repercussions on the already troubled life of the country.

(3) Little attention need be paid by the Banca d'Italia to its discount operations since the discounting now performed consists in the most part of re-discount operations and these are progressively diminishing.

(4) The advances made by the Bank on securities are important in view of the present and future development of advances and since the value of government securities is influenced by the advances. The advances are principally secured by five and nine-year bonds. For advances, the value of these bonds should be taken as the price at which they were issued less 20 per cent. (The rate charged by the bank on advances is the same as the discount rate, 4.50 per cent.)

(5) However, advances should be refused to private individuals who do not demonstrate an effective and urgent need of the advance for such le-

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following are the main points of the letter:-

(2) The Banca d'Italia by direct contact with banks must discourage the financing of speculative operations or hoarding. The banks should aid any productive activity which makes an effective contribution to the economic reconstruction of the nation, to the renewal of productive activity, and to the struggle against unemployment. The banks should refuse any form of credit which directly or indirectly can result in speculative or hoarding operations.

(2) Any action of psychological or other nature should be avoided which would provoke disorder in the banking field with repercussions on the already troubled life of the country.

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(5) However, advances should be refused to private individuals who do not demonstrate an effective and urgent need of the advance for such legitimate ends as listed in (1) and (4) above.

(6) Advances should be made to agricultural and industrial undertakings only when they meet the criteria enumerated in paragraph (1).

(7) Advances should be made to banking and credit institutions for their legitimate needs, always qualifying "legitimate" as defined in paragraph (1) above.

(8) The managing directors of the branches are requested to keep the head office informed of the important developments in their zones.

(9) The branches are especially requested to maintain frequent contact with the banks and other credit institutions in their areas in order to be able to impress upon them the importance of carrying out the goals outlined in paragraphs (1) and (2) and to enable the banks to find in the Banca d'Italia a support and a comfort in the difficulties of the present.

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b. Instructions of Minister of Finance to Banca d'Italia.

On 1 March 1944, the Minister of Finance issued a letter of instructions to the Commissioner of the Banca d'Italia in which he implemented the policy directive already issued by Atti. A summary of the letter follows:

(1) At the present time, in view of the extreme scarcity of commodities, every commercial operation which is not ordered or approved by the authority in charge of the distrubition of food or of essential products, will result in fact, in speculation or hoarding.

(2) Therefore, the principal task of the Inspectorate of Credit (of the Banca d'Italia) is to put care and maximum energy into the surveillance of the operations of banks to avoid inflationary consequences.

(3) Inspections should be made as frequently as convenient and any deviation from the rules laid down by the letter of Atti to the banks should be reported to the Ministry of Finance.

3. Increase in Interest Rates on Bankers' Deposits at Banca d'Italia.

By decree of the Minister of Finance dated 27 February 1944, and approved by the Chief of Financial Institutions, the Banca d'Italia was authorized to raise the rate of interest on bankers' deposits. The Bank was authorized to pay 4% on bankers' deposits with the Banca d'Italia when these are deposited under conditions of non-withdrawal for a period of 3 months and 4.50% under condition of non-withdrawal for 4 months.

The reason for this action, as stated by the Minister of Finance was that: in view of the fact that the Banca d'Italia was attempting to curtail investment opportunities of banks, the interest rate paid on bankers' deposits at the Banca d'Italia should be raised "to keep the banks happy".

After this decree, the schedule of interest rates on bankers deposits at the Banca d'Italia and on government bills and short-term notes, "Buoni del Tesoro ordinari" is as follows:

TABLE IX
Annual Interest Rates Payable
Investment of Banking Funds in Banca d'Italia and in B.T.C.

	Bankers' Deposits at Banca d'Italia	Investment in Buoni del Tesoro ordinari
Funds available at call	1.00 - 1.50%	——
" " at 8 days notice	2.50	——
" " at 15 days notice	3.00	——
" invested for 1-2 months	——	3.25%
		3.75

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the rate of interest on bankers' deposits. The Bank was authorized to pay 4% on bankers' deposits with the Banca d'Italia when these are deposited under conditions of non-withdrawal for a period of 3 months and 4.50% under condition of non-withdrawal for 4 months.

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	Bankers' Deposits at Banca d'Italia	Investment in Buoni Del Tesoro ordinari
Funds available at call	1.00 - 1.50%	——
" " at 8 days notice	2.50	——
" " at 15 days notice	3.00	——
" invested for 1-2 months	——	3.25%
" " " 3 months	4.00	3.75
" " " 4 months	4.50	3.75
" " " 5-6 months	——	3.75
" " " 7-8-9 months	——	4.75
" " " 10-11-12 months	——	5.00

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4. Extension of Interest Payments on Matured Government Securities.

On 2 March 1944, the King issued a decree extending the payment of interest on certain matured government securities which were not presented for payment on the date of maturity because of circumstances connected with the war. On the matured Buoni del Tesoro ordinari (which pay from 3.25 to 5 percent depending upon their period) interest will continue to accrue at the rate of 5% annually from the date of maturity to the date when the B.T.O. are redeemed. On the nine-year 4% bonds which came due 15 December 1943, interest will continue to accrue at the rate of 4% annually until they are presented for payment.

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5. Lifting of Restrictions on Transactions in Lands and Buildings.

Early in March, the Italian government lifted the prohibition and restrictions upon transactions in lands and buildings imposed by Proclamation No. 5 in former AMG territory. This relaxation of controls has also been extended to present AMG territory by General Order No. 23, 9 March 1944. The Finance Minister took this action on the basis that it was not necessary as very few transactions occurred in Puglia where no ban existed. If a large increase in transactions in real estate representing a flight from currency occurrs the ban is to be re-imposed. No statistics have been received from the Italian government as yet showing the volume of transactions actually taking place.

D. DESCRIPTION OF THE ITALIAN FINANCIAL SYSTEM.

The Public Debt in Italy.

In last month's Financial Review, an outline of the Italian Public Debt was given. In Section d. Forced Loans the Special Series of 5% nine-year Treasury Bonds(1944) which should have been likewise classed as a forced loan was not included. A brief description of this forced loan follows.

Special Series 5% nine-year Treasury Bonds, 1944.

a. According to the Royal Decree of 28 August 1935, all Italian citizens resident in the Kingdom or in the possessions were required to transfer to the Italian foreign exchange institution (Istituto Nazionale per i Cambi con l'estero) all foreign credits and foreign securities owned by them and to receive in exchange Treasury bonds. There were certain exceptions made from the decree for the foreign direct investments of Italian companies, bankers with foreign liabilities and insurance companies that had assumed foreign risks. The value of foreign credits was converted into lire at the prevailing foreign exchange quotation on the Milan exchange. The value of securities was taken at the prevailing price on the market of issue at the date of the decree and converted into lire at the prevailing foreign exchange quotation. The same conversion applied to Italian securities issued abroad except that the date taken was 6 December 1934 and no price above par was paid.

b. Nine-year bonds were issued in exchange except that where there was a remainder due which was less than the smallest denomination of bond available, cash was paid for this remainder. The bonds issued consisted of a Special Series of nine-year Treasury bonds maturing on 1 September 1935. They were made exempt from any impost existing or future and received all other rights of the other series of buoni novennali in circulation.

c. Based on the interest charges budgeted for, it is estimated that the total of this series outstanding amounts to around 2,000 million lire. In liberated Italy, we have data on the amount that were issued for two compartments. This information is given in Table I.

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b. Nine-year bonds were issued in exchange except that where there was a remainder due which was less than the smallest denomination of bond available, cash was paid for this remainder. The bonds issued consisted of a Special Series of nine-year Treasury bonds maturing on 1 September 1935. They were made exempt from any impost existing or future and received all other rights of the other series of buoni novennali in circulation.

c. Based on the interest charges budgeted for, it is estimated that the total of this series outstanding amounts to around 2.000 million lire. In Liberated Italy, we have data on the amount that were issued for two compartments. This information is given in Table X.

TABLE X

Special Series, Buoni del Tesoro
Novennali, 5%, 1 September 1944

(In Lire)

Region of Issue:	Registered	Bearer	Total
Calabria	121,600	3,026,900	3,148,500
Campania	2,312,100	84,893,500	87,205,600
Total	2,433,700	87,920,400	90,354,100

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HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

APPENDIX 'C'

13106/F

29 March 1944.

SUBJECT: Request by Badoglio Government that the dollar value of the lira be increased.

TO : Colonel D. S. Adams,
Executive Officer,
Economic Section.

Conclusion

The Italian Government has requested in a letter from Marshal Badoglio to General Macfarlane of 24 February 1944, (a copy of which is attached) a change in the dollar value of the lira. A study of the exchange rate of the lira has been carried out by the technical staff of this Sub-Commission. We are of the opinion that an alteration of the exchange rate of the lira at the present time is undesirable.

I. There is not adequate economic justification for a change in the foreign exchange value of the lira.

1. The Italian Government's argument as presented in Marshal Badoglio's letter and as presented orally by the Minister of Finance to representatives of the Finance Sub-Commission from time to time, is briefly as follows:

(a) The present rate of exchange increases substantially incomes of soldiers spent in Italy and constitutes, therefore, the major inflationary factor.

(b) People in Italy are "exchange rate conscious". The sharp downward revision in the exchange value of lire has caused psychological reactions which have aggravated the inflation problem in liberated Italy.

2. The extent to which soldier expenditures constitute an inflationary factor in liberated Italy is exaggerated in the Italian Government's argument. A reduction of these expenditures will not change the course of inflation in Italy, although it may slow down the inflationary process. Monthly payments to all Allied troops in Italy have been computed at an average of 2,725 millions of lire for the past six months. These returned to Finance Officers in the form of PX sales, war bond sales, cable remitt-

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The effect which the doubling of the exchange value of the lira would have on soldiers' expenditures is, of course, dependent upon the reaction of the soldiers to what is, in effect, a cut in terms of lire. If the soldiers continue to send home the same amount of dollars as previously, then the reduction in lire expenditure in the area will amount to 900 million lire. But if, as appears more reasonable, the soldiers return to the Finance Officers only the surplus lire out of their pay, and they tend to maintain the level of their lire expenditures, then the reduction of lire expenditures will be somewhat less than 900 million lire per month. It has been estimated, in a memorandum prepared on this subject, that under the most reasonable assumptions, the net soldiers' expenditures would be reduced, with a doubling of the exchange value of the lira, by only 700 million lire per month. This assumes that the average soldier will react to a cut in his lira wages by reducing his dollar remittances to the United States one third. It is reasonable to expect that the soldiers will react

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to cut in their wages by reducing the amount of money they send home, as well as to reduce the amount of lire spent in the theatre. Soldiers cannot be expected to change their expenditure habits so drastically.

This reduction in monthly expenditures compares with a cumulative deficit since September 1943 of the Italian Government of 8,000 million lire, and a deficit in January 1944 of 1,800 million lire. The deficit of the Italian Government is increasing sharply from month to month. Within the near future and especially if additional territory comes under its control, the Italian Government deficit will become by far the most important inflationary factor in Italy.

Thus, the reduction in soldier expenditures resulting from an appreciation in the value of the lire would not change the course of inflation in liberated Italy and would be only of minor significance.

3. It is difficult to assess the precise contribution, if any, which "psychological" factors may play in price movements, but the Italian Government places great importance on this factor. It is argued that inflation has been stimulated through the following reactions:

(a) Italians distrust the lire and attempt to convert lire into goods as quickly as possible.

(b) Italian merchants fix prices on the basis of prices in foreign currencies and convert at the present exchange rate.

Distrust of the currency is undoubtedly present in Italy; and it may have some effect in stimulating inflationary price movements. But will one exchange rate rather than another change distrust into confidence? Changes in the exchange rate, whatever the character of the change, are extremely important factors in creating distrust. To change the exchange rate now would increase the distrust of the people in the currency, particularly since the currency would be fixed at a value which is obviously too high to be maintained over a long-run period.

The second part of the "psychological" argument of the Italian Government involves facts which, if true at all, refer to a very small and unimportant part of the economic picture of liberated Italy. The exchange rate is not an important factor in fixing domestic prices at the present time, particularly because of the absence of foreign trade. The producers and merchants always attempt to obtain the highest prices possible for their products and the real determinants of prices are demand and supply factors (except where legal prices are fixed and enforced).

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II. A change in the exchange rate is not in the best interests of Italy. To the extent that, in the short run, the advantage may accrue to Italy, it would be at the expense of the Allied Governments.

The Italian Finance Minister believes that it would be in the interest of Italy to have a higher exchange now. He has admitted that the lira could not be held at a higher rate, but he believes that it would be in the interest of Italy to raise the rate now and lower it later.

1. The short-run advantages which may accrue to Italy from a higher rate now, are:

(a) The present Italian Government, particularly the Minister of Finance, hopes to obtain dollars or dollar credits for the live expenditures of the Allied armed forces. Thus, the Italian Government expects

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exchange rate deliberately to profit at our expense. It would be unwarranted to permit an alteration of the rate under these circumstances.

5. Insofar as a reduction in soldier expenditure constitutes the major objective of the Italian Government, it would be improper to change the rate for this purpose. The problem of soldier expenditures is not confined to liberated Italy, but exists in Great Britain, and will be met in all areas liberated by Allied Forces. It should be considered directly as such, and appropriate measures applied to all areas in which the problem arises. The larger problem should not be met on a piece-meal basis, and indirectly through a change in the rate of exchange. Conversely, the rate of exchange should be considered in terms of the considerations relevant to fixing the rate and not as a device to control payments to troops.

4. Moreover, even assuming some importance attaches to soldier expenditures, a sharp appreciation in the value of the lira would immediately cut the income of troops in lira. The morale of our troops would be seriously affected by such a drastic step. There are other methods of treating the problem with far less effect, if any, on soldier morale.

III. The Allied Control Commission is vitally interested in controlling inflation in Italy, and it is important that effective measures be taken. The change in the exchange rate is not an effective step.

1. During a period of global war, the normal relationships between exchange rates, prices and incomes are destroyed. There are few normal effects on Italian prices caused by the present rates of exchange fixed for the lira.

2. The basic elements of an anti-inflation policy include expenditure control; adequate tax policies; borrowing of savings from the people; direct price fixing; and adequate and effective rationing of essential commodities. There is a great deal which the Italian Government can do in these fields which would go far towards achieving price stabilization. Such measures should be strongly pressed and will far outweigh any effects which a change in the rate of exchange might have on inflation.

3. The Finance Sub-Commission is preparing currently a comprehensive programme of monetary and price stabilization for liberated Italy. With the cooperation of the Italian Government, notable improvements in the control of inflation should be possible.

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IV Finally, an alteration in the exchange rate would impose serious administrative burdens and problems upon the armed forces.

1. This has been already demonstrated by the experience in North Africa. Some rough solutions can be found to these problems but they would involve a large amount of extra book-keeping on the part of the armed forces, injustices as between various groups, undesirable speculation, and make certain existing problems difficult to deal with.

E. H. Foley Jr.

E. H. FOLEY, Jr.,
Colonel,
Joint Chief Finance Officer.

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COPY.

File No. 543 Salerno, 24/2/1944.

OFFICE OF THE CHIEF OF GOVERNMENT

TO : GENERAL NOEL MASON MACFARLANE
Chief of the Allied Control Commission
Naples

My dear General Macfarlane:-

At Brindisi, at the meeting at which for the first time the final text of the Armistice agreement, which I afterwards signed at Malta on September 29, 1943, was submitted to me, General W. B. Smith, Chief of Staff of General Eisenhower, among other things told me that when with the declaration of war of Italy on Germany a state of co-belligerency would exist between Italy and the Allies, the rate of exchange fixed by the Allies between the Lira, the Pound Sterling and the Dollar would be reviewed.

I have not failed to call at every opportunity the attention of both the Allied Military Mission, as also the Allied Control Commission, upon the serious damage which is inflicted on the Italian economy and monetary situation by the fact that the exchange has been established on the basis of one Pound Sterling equal to Lire 400 and one Dollar equal to Lire 100.

The same has been done by the Under-Secretaries, and, subsequently, by the Ministers of Finance and Industry, Commerce and Labour, in their contacts with the various members of the above mentioned Mission and Commission.

Accordingly, at the meeting of the Consultative Commission for Italy, held at Naples on January 11th, to which I was invited, I presented a Memorandum in which the question of exchange, together with that of food, was indicated as among the most serious and pressing.

Also the Minister of Finance has during the past two months repeatedly supplied data on the exchange problem to various members of the Allied Control commission and has not failed to emphasize the gravity and urgency of the situation.

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The inflationary tendency in Italy has been and is still being determined, even beyond the scarcity of prime necessity goods, and among these especially foodstuffs, in an absolutely preponderating fashion by the spending of the Allied troops in Italy and especially the spending of individual members of these same Allied Forces. The effects of this spending, which is at any rate out of

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The inflationary tendency in Italy has been and is still being determined, over beyond the scarcity of prime necessity goods, and among these especially foodstuffs, in an absolutely predominating fashion by the spending of the Allied troops in Italy and especially the spending of individual members of these same Allied Forces. The effects of this spending, which is at any rate out of proportion with the purchaseable goods available in Italy, have notably multiplied in a sense unfavourable to the economic and monetary position of the Country, due to the exchange rate which injects into Italian circulation an excessive amount of lire, greatly superior to what, were the exchange rate more in keeping with the real situation of the internal exchange of the Country, would be required to obtain the same goods and services.

This state of affairs, the dangerous influence of which has been felt by every one in Italy from the very day of the Armistice, has gradually been worse following the increasing importance of the Italian Front. The Germans have considerably increased the number of Divisions on this Front, which necessitated a rapid increase in Allied effectives in Italy. The war of movement having been transformed into a war of position, has brought with it the concentration of a constantly increasing number of Allied troops within a territory which, with

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respect to its available purchasing power has gradually declined more and more, and has therefore brought with it that the effects of the spending of the troops and the rate of payment, out of proportion with the real situation to be faced, became more concentrated and multiplied. The monetary and economic disorder, which always accompanies inflationary tendencies, has on the other hand been increased by the lack of co-ordination between the measures relative to salary increase to employees, private salaries and compensations, to the highest price level, determined by the unrelated actions of individual officials, who were in charge in the various Provinces of financial, economic and labour problems and who by a natural and understandable tendency to consider above all their responsibility in relation to the territory under their charge, have often considered each Province as a State by itself.

All this has brought with it among the Italian people a state of mind, which it is absolutely vital to counteract. It is indeed harmful for the present and future life of the Country, if the opinion spreads and takes a root that the Allies have the precise intention to ruin Italy economically and monetarily, and that consequently to individual Italians, in the midst of general ruin, it remains but to try and take unscrupulous advantage for their own exclusive benefit of any opportunity, which even for a moment fate may offer them.

I feel it my duty to point out to you, my dear General, the seriousness and urgency of the problem.

In my opinion, therefore, a decisive step in the matter of exchange is necessary to bring about a very clear psychological movement, which will reverse the direction of the mentality of the Italian people in economic and monetary matters.

This decisive step, to my mind, can but be a substantial revision of the rate of exchange.

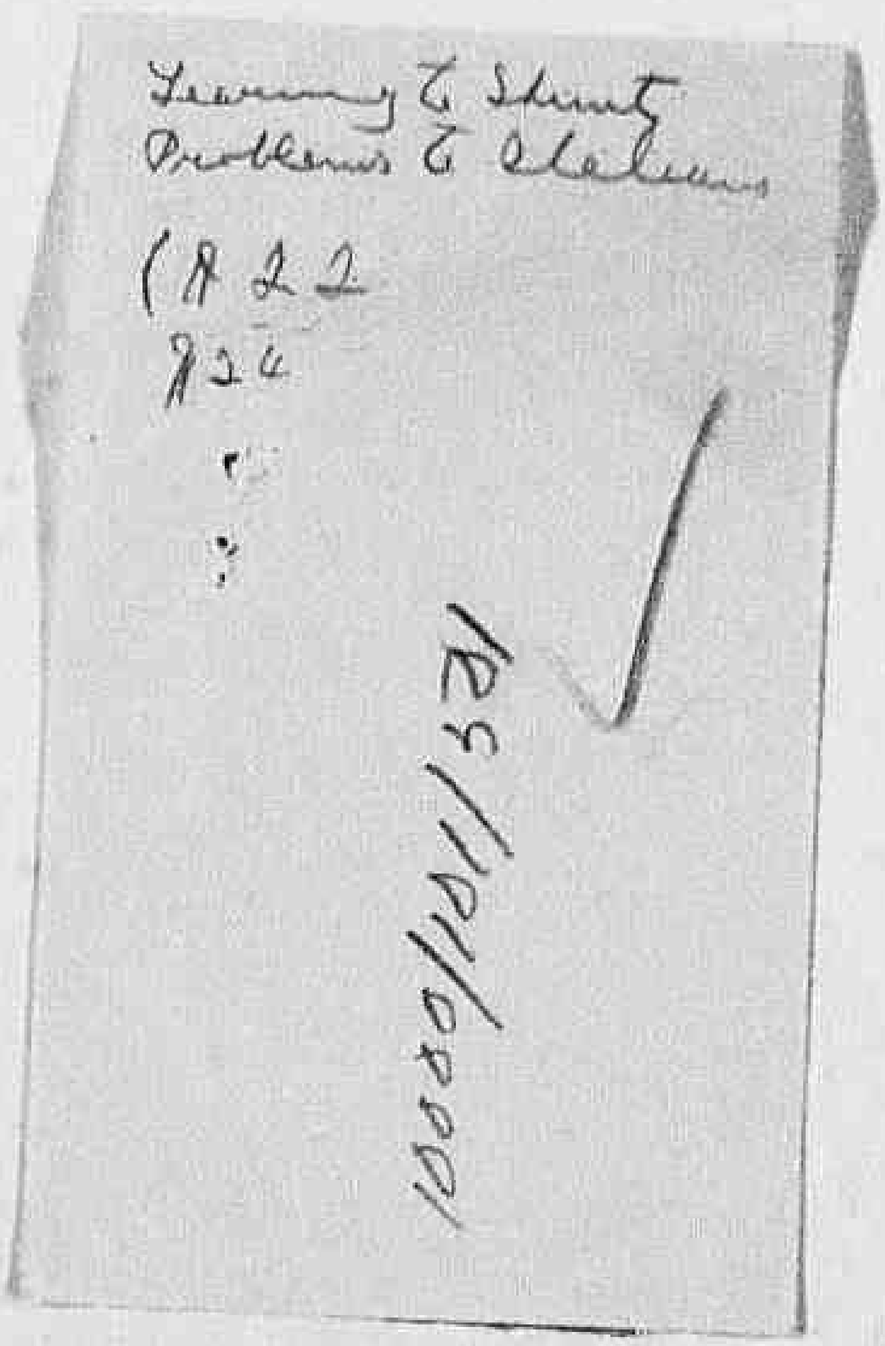
For the common responsibility, which both you and I have for the living conditions of the Italian people; for the fact that Italy (or rather only one third of its Territory) is the field of the first Allied control experiment of defeated or liberated countries; for the necessity that behind the lines of any Army so large as that which the Allies landed in Italy, there be a state of calm and orderly life and possibly of useful activity for the purposes of the war; for the spirit of deep, sincere and loyal collaboration which both myself and my Government have always shown; for the firm will of all the Italian People to take part with every effort in the fight against the common enemy and in the work of reconstruction of the world; I must ask you, my dear General, to give your kind and enlightened consideration to this question of exchange.

Yours cordially,

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MARCH 1944

R E P O R T

of the

LEGAL DIVISION REGION I A. M. G.

for the period July 1943 to February 1944

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Letter of Transmittal dated February 1344

for the period July 1943 to February 1344

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REPORT
LEGAL DIVISION REGION I A.M.G.
for the period July 1943 to February 1944

1. Between the date of the occupation in July 1943 and the transfer of territory to the Italian Government in February 1944 Allied Military Courts have been held regularly in all parts of Sicily and have disposed in all of upwards of 12,000 cases. As statistical reports have been rendered month by month, it is not proposed to include any further details in this Report, but to deal rather with certain points of general application, to which attention has been drawn in the reports submitted by the Provincial Legal Officers on the termination of their duties in this Region. Many of their suggestions will already have received consideration by higher authority, but they are repeated here as being the result of six months practical experience in Superior and Summary Court work and as having a potential value in connection with any future operation.

2. ORGANIZATION OF PROVINCIAL LEGAL OFFICES:

a. Where Legal Officers permanently stationed in a province are required to preside in Allied Military Courts and to act in a supervisory capacity to Italian Courts of Appeal and important judicial officials, the question of military rank becomes important. Embarrassment may easily arise where the prosecuting officer holds a higher rank than the judge, and it does not enhance a local Legal Officer's prestige if when sitting in Superior Court with a second and non-legal officer, he is by reason of rank precluded from acting as President of what is normally his own Court. For these reasons and in view of the nature of his relations with the local Courts and magistrates, it is considered that the Senior Legal Officer of a Province should not be below the rank of Major. In two Provinces of this Region this position has been filled by a Lieutenant Colonel, in three by a Major, in three by a Captain and in one by a Lieutenant.

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b. Every Provincial Legal office should have the full time services of at least one competent and reliable N.C.O. who need not necessarily have legal qualifications, but should be able [illegible] has not always been appreciated how much clerical [illegible] indexing

a supervisory capacity to Italian Courts of Appeal and important judicial officials, the question of military rank becomes important. Embarressment may easily arise where the prosecuting officer holds a higher rank than the judge, and it does not enhance a local Legal Officer's prestige if when sitting in Superior Court with a second and non-legal officer, he is by reason of rank precluded from acting as President of what is normally his own Court. For these reasons and in view of the nature of his relations with the local Courts and magistrates, it is considered that the Senior Legal Officer of a Province should not be below the rank of Major. In two Provinces of this Region this position has been filled by a Lieutenant Colonel, in three by a Major, in three by a Captain and in one by a Lieutenant.

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b. Every Provincial Legal office should have the full time services of at least one competent and reliable N.C.O. who need not necessarily have legal qualifications, but should be able to type. It has not always been appreciated how much clerical work is involved in the arranging of the daily lists, indexing of cases, collection and recording of fines, preparation of Mandati di Catture and Forms 8, and the processing of appeals quite apart from routine office work and correspondence. Some of this work can be entrusted to civilian employees but only under the supervision of an N.C.O. as was done in Palermo Province where at the peak period the office staff consisted of two N.C.O.s, three interpreters for Court and office work and three female clerks. Elsewhere Legal offices were hampered by inability to find suitable staff and were compelled to devote too much time to purely clerical duties.

c. Adequate provision should also be made for the task of prosecuting, which involves the translation and study of lengthy "Verbali" and statements by the accused in almost every case. In the busy Provinces the Police have not had the staff or the time to undertake this work and considerable difficulties would have been encountered had it not been for the ability and legal knowledge of T/5 De Lu, T/5 Arrigo and Tenente Petrone CC. RR. who have acted as Prosecutors in Catania, Messina and Palermo respectively.

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d. The selection and control of interpreters requires the utmost care as their duties inevitably provide many opportunities for dishonesty, of which those employed in Sicily have too often taken advantage to the great discredit of A.M.G. as a whole. The Legal Division has, however, been particularly fortunate in this respect and a considerable debt is due to such persons as Dr Pace (Trapani), Signor Lo Sicco (Palermo), Sigra. D'Amico (Catania) and Sigra. Guttadauria (Caltanissetta), who have not only interpreted with skill and endurance, but have been careful at all times to maintain the dignity of the Court.

e. Lack of transport has at times caused delay but this has usually been overcome by individual initiative. In connection, however, with the system of circuits, which was adopted in one province and may be considered desirable elsewhere, it should be borne in mind that in country of this type, where the roads are bad and the distances considerable, only military transport can be relied on and this in the early stages of occupation is unlikely to be available.

3. RELATIONS WITH THE MILITARY:

a. The establishment of contact with the Military Units in the area should be one of the first duties of the Legal Officer, who should inform the Military Police of the existence of A.M.G. Courts (of which they are often completely ignorant) and the place and times at which they sit, and should work out a simple form of procedure for the completion of arrest reports, delivering the arrested person to the C.A.P.C. to be brought before the Court at the next sitting and for securing the attendance of all prosecution witnesses.

b. In urban areas, a Summary Court should sit on fixed days each week, so that minor charges may be disposed of with as little delay as possible. Difficulty was experienced in the early days in procuring the attendance of military witnesses, due partly to the exigencies of the service but too often to lack of co-operation by the Military Police Units. Further acquaintence with the work of the A.M.G. Courts has caused this dif-

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c. While cases presented to the Courts by C.I.C., C.I.D., and S.I.B. have normally been prepared with care and thoroughness, too many cases have been brought before the Courts by other units without sufficient evidence to support a conviction or on such trivial facts as to be a waste of time for all concerned. The Military Police frequently fail to distinguish suspicions and hearsay from proof, and where persons, whom they know to be guilty, have been dismissed or too leniently dealt with by the Courts, the reason is usually to be found in their own failure to produce the necessary evidence, even when it is available. The Legal Officer does not normally have the time to investigate such cases before they are brought to Court and should be able to rely on a greater degree of discretion and care in the presentation of cases by the police authorities.

d. The multiplication of law-enforcement agencies has complicated the work of the Courts. People have been arrested and lodged in prison without any charge being made against them; others

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have been released by one authority without reference to another at whose disposition they are detained. A closer co-ordination of effort in this field is most desirable.

e. A stricter discipline should be enforced on military personnel in their dealings with civilians. It does not enhance the prestige of the Allied Forces when the Courts are called upon to punish civilians for criminal acts, when those same acts are induced or committed by military personnel apparently without concern or penalty.

4. PROCLAMATION OFFENSES:

a. Serious offenses under Proc. No. 2 against the safety of the Allied Forces have been conspicuous by their absence. No cases have been recorded of espionage and, though a number of persons have been charged with interferring with communications by cutting wire, in only one case was deliberate sabotage alleged, for which the death penalty was imposed. The bulk of the cases tried fell under one of the following heads:

(1) Possession of arms.
(2) Theft or possession of Allied Military property.
(3) Black-Market.
(4) Curfew.

b. Arms cases charged under Proc. 2 Art. I (5) fall into two classes - citizens of good character found in possession of a weapon which they say they had forgotten, and citizens of less good character in possession of rifles, pistols and grenades, which they are found actually using or suspected of intending to use for the purpose of armed robbery. It has to be admitted that the attempt to enforce the order to surrender arms has been more or less ineffective in Sicily. The better-behaved elements of the population obeyed it and were left at the mercy of the less law-abiding, who having found the countryside littered with arms after the invasion, have had no difficulty in collecting and hiding sufficient for their requirements. Hence the outbreak of armed robberies and hold-ups on the highways, with the consequent inducement to land-

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c. More than half the total number of cases tried have been for wrongful possession of Allied property contrary to Proc. 2 Art. II (40), mainly in respect of petrol, rations and cigarettes. (1) The loss of petrol was due largely to the fact that thousands of gallons were left in dumps around the countryside with inadequate, or even without, guards. It is report-

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ed that in parts of Catania province there was at one time an open market in stolen Aviation petrol and that as a result of a vigorous campaign by the D.A.P.M. of the R.A.F. over 12,000 gallons were recovered from one small country town alone, the inhabitants becoming so alarmed by the house-to-house searches and the heavy sentences meted out to those found in possession that every night drums were found jettisoned into the streets. For this type of offense exemplary sentences are essential. (2) The position with regardto rations and cigarettes is less easy to handle. In Palermo and Catania there has been a flourishing black market in Allied cigarettes and the leakage of rations has also been immense. On the other hand it is not illegal for an officer or soldier to sell, exchange or give away his issue of cigarettes and the barter of rations for fresh foodstuffs and laundry and other services is universally practised. (3) If therefore it is desired or thought possible to prevent this type of trading it is recommended that an order should be issued and given early and wide publicity making it an express offense - (a) for any person (other than an employee duly enrolled by an officer entitled to do so) to accept by way of purchase, exchange or gift any article of military equipment or rations or cigarettes or tobacco and (b) for any person properly in possession of any such article to dispose thereof by way of sale, exchange or gift. (4) Similar publicity should be given to the fact that property formerly belonging to the enemy becomes the property of the Allied Forces and must be declared. An army in retreat abandons or gives away enormous quantities of stores to which the local population may honestly believe they have acquired a good title if they have taken possession prior to the arrival of the Allied Forces.

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d. With regard to the problem of the Black Market, experience has shown that this must be solved by the Supply rather than the Legal Division and that where the whole population is driven by circumstances to buy and sell in it, legal sanctions cease to have effect. It is to be hoped that the same farce will not be played elsewhere as was played in A.M.G. Courts [illegible] in the early months of the occupation, when every-

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duly enrolled by an officer entitled to [illegible] way of purchase, exchange or gift any article of military equipment or rations or cigarettes or tobacco and (b) for any person properly in possession of any such article to dispose thereof by way of sale, exchange or gift. (4) Similar publicity should be given to the fact that property formerly belonging to the enemy becomes the property of the Allied Forces and must be declared. An army in retreat abandons or gives away enormous quantities of stores to which the local population may honestly believe they have acquired a good title if they have taken possession prior to the arrival of the Allied Forces.

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e. Curfew offenses swamped the Courts in Palermo in the early days with a flood of 50 to 80 cases a day. Even with the most expeditious methods, the task of bringing the accused to Court, listening to their excuses, imposing and collecting fines, and keeping appropriate records is too great for the normal Legal Officer and special provision should be made for this type of work in large centers of population. Similar provision is required if, as happened in Palermo, the Military call on A.M. Courts to handle traffic offenses.

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f. In garrison towns pimping and prostitution have been rampant and the military authorities, alarmed by the spread of Venereal Disease, have invoked the assistance of the Courts. Legal Officers have had to proceed either under Proc. 2 Art. II (44), (where an order had been or was assumed to have been issued) Proc. 2 Art. II (45), or with questionable legality under the joint effect of Proc. 2 Art. IV and the Italian Law of Public Security. While it is generally agreed that concerted action between the police and the medical authorities to detain the prostitute in a hospital is likely to be more effective than to send her to prison, it is considered that A.M. Courts ought to be placed in a stronger position for dealing with this problem by making at least, the soliciting of a member of the Allied Forces and the user of premises for purposes of prostitution specific offenses. It has also been suggested that the inclusion of the word "welfare" in Proc. 2 Art. II (45) would be a useful addition.

g. Under Proc. 2 Art. II (33) it is an offense to offer a bribe but there is no provision making it an offense for a civilian employee (e.g. an interpreter) to accept a bribe. As this is an all too frequent occurrence, an amendment to the section is recommended.

h. Cases have occurred of civilians harboring Allied deserters. An amendment to Proc. Art. II (35) to meet this contingency is suggested.

i. Numerous occasions have arisen where justice could more properly have been done if the charges had been framed in accordance with Italian Law. It is suggested that the provisions of Proc. 2 Art. IV might reasonably be extended by delegating at least to the Chief Legal Officer of the Region the power to transfer cases now reserved to the C.C.A.C. and by adding to the Italian Penal Code and the ordinances of any Commune such useful enactments as the Law of Public Security.

j. Lastly under this head, it is recommended that the number of capital offenses might be reduced. Many of these offenses obviously are not capital without aggravating circumstances.

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j. Lastly under this head, it is recommended that the number of capital offenses might be reduced. Many of these offenses obviously are not capital without aggravating circumstances. Exclusion from the list of offenses for which the death penalty may be imposed of all offenses which would carry it only in most exceptional circumstances would tend to emphasize the gravity of those retained and would avoid the unimpressive spectacle of trying a case potentially capital under the Proclamations which is in reality of minor importance.

5. EVIDENCE:

While Anglo-American rules of procedure and evidence have met with wide approval among advocates they have in some respects worked against the interests of good order and to the discouragement of the police authorities. The clever criminal in Sicily remains in the background, planning the crime which others execute. Lack of corroborative evidence, a refusal to identify anyone in open Court from reasons of "omertà" or from fear of reprisals and the inevitable denial of statements previously made to the police coupled with allegations of brutal treatment received at their hands have too often secured the discharge of prisoners, whom the police

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The Court and the public knew well to be guilty to the charges brought against them. The accused's statement to the police at the time of his arrest contains in many cases what the Court believes to be the true facts, but too often it cannot be used because the Court is not satisfied as to the manner in which it was obtained. Greater care in the taking of statements, cautioning of the accused person and reading over of the statement to him are needed, if proper justice is to be done.

6. COURTS AND SENTENCES:

a. Approximately 40 cases have been tried by General Court. Eight death sentences have been imposed, four on charges of murder, two for highway robbery under arms, one for robbing the dead and one for sabotage. In four cases the sentence was confirmed by the Military Governor and duly executed; in two it was commuted on appeal into a long term of imprisonment, in one a new trial was ordered and the last is still under review. In the remaining General Court cases, which dealt with the cutting of telephone wires, riots and disturbances, armed robberies and other offenses of a serious nature, terms of imprisonment up to 20 years were imposed.

b. Superior Courts have sat regularly in the cities and have visited the country districts as required. With a reduction in the number of officers available, it is often difficult to provide more than one officer to hold Superior Court, particularly where travel in the country is involved and it is recommended that experienced Legal Officers be authorized to sit alone in these Courts.

c. Summary Courts were held almost daily in the larger cities, where they had to cope with an enormous volume of small cases to which reference has already been made. In country districts where these Courts were conducted by C.A.C.s, the system suffered from two inherent defects - first the tendency to slight Court work due to the preccupation of the C.A.C. with other more pressing needs and secondly the divergence in sentences imposed in different districts due to lack of legal experience and judicial judgment.

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d. In Messina province a regular circuit system was established on which the Senior Legal Officer travelled with two officers from tactical units appointed for the purpose. This system had the undoubted advantages of lightening the work of C.A.C.s, securing a more consistent judicial policy and achieving a desirable liaison between the several districts in the province and a more sympathetic understanding by officers of the tactical units of the problems of Military Government. On the other hand it is open to question whether it is in the best interests of a Provincial Administration that the Senior Legal Officer should become so far detached from his colleagues at the center and from the day-to-day problems with which they have to deal. Moreover war conditions in Messina provided a smaller volume of work than had to be handled in Catania or Palermo, where the full-time services of two Legal Officers were essential to keep abreast of the work in the city and any system of regular circuits would have been out of the question.

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e. Uniformity of sentences has been difficult to achieve by reason of the different outlook of the various officers who have presided in Courts, to some of whom a sentence appears severe and even brutal which others might consider erred in the direction of leniency. Nevertheless when all the decisions are reviewed as a whole, surprisingly few are found to lie far outside the normal for any particular type of offense. More opportunities for meetings between Legal Officers and a greater appreciation of the need for severity as a deterrent in the early stages would improve the situation in this respect.

f. It is worth recording that the fines paid in up to the date of transfer amounted to a total sum of 14,393,805 Lire, which shows that the Legal Division has at least paid its way. The absence of any power under Proclamation 4 to suspend a fine has caused some difficulties and it is suggested that Legal Officers should have authority to take this course where they are satisfied that the circumstances warrant it.

7. APPLICATIONS FOR REVIEW:

a. Experience of the Italian legal system has taught advocates and their clients to accept no decision as final until they have exhausted every possible method of appeal, demand for grace and personal approach. As a result the Legal Division has been inundated with applications for review, which are seldom based on any more solid grounds than the protested innocence of the applicant, his high regard for the Allied Forces and all they represent, or the condition of his wife and numerous progeny, allegedly left in a state of "la piu squallida miseria".

b. Having regard to the amount of work involved in processing and reviewing these cases and the delays in sending them to and fro, it is recommended that the power of review delegated to the R.C.A.C. by Proc. 14 Art. I should be extended to include also cases where a petition of appeal has been filed. Thus a speedier decision could be obtained and advocates and relatives more quickly satisfied.

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7. APPLICATIONS FOR REVIEW:

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c. It is also recommended that with a view to reducing the number of frivolous appeals submitted by advocates, who are well aware that they have no merit beyond their fee-earning capacity, the Reviewing Authority should have power to increase the sentence or order a penalty by way of costs in particularly flagrant cases. Unscrupulous advocates are charging poor citizens exorbitant fees for the preparation of a simple appeal irrespective of the merits of the case and with unfounded assurances of a successful issue, which has an unfavorable reaction on the reputation of the A.M.G. judicial system.

d. While the need for control and supervision of decisions by H.Q. is fully realized, it is equally important that wherever possible paper work should be cut down to a minimum, and Legal Officers and C.A.C.s who are frequently deficient in staff, typewriters and electric light, should not be required to devote too much time to purely clerical duties. In this connection a reduction in the number of cases in which Form 8 is required and a revision of the Summary Court Record Book to allow of the use of carbon sheets are recommended.

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8. DETENTION UNDER PROC. 2 ART. VII SEC. 2:

Only a few orders have been made under the provisions of this Section and these have been of temporary effect. In some cases the persons detained were subsequently released, in others they were transferred to the disposition of the Questura for further investigation and recommendations either for release or for continued detention under the Italian Public Security measures as amended by Regional Order No. 2 of 1944.

9. TRANSACTIONS IN LAND AND BUILDINGS:

a. Proc. 5 Art. III has been a bone of contention between the Legal and Finance Divisions and it is hoped that their respective responsibilities may be more clearly defined in future operations. As the objects of the provisions are mainly of importance to the latter and legal questions do not normally arise, it is suggested that applications be handled through Finance Officers, rather than through Legal Officers.

b. Authority was delegated to S.C.A.O.s to sanction transactions where the value did not exceed 50,000 Lire, and under this authority applications running into many hundreds were dealt with. Every effort was made to investigate the circumstances of each transaction, but as this task had to be entrusted largely to Italian officials, there were many loopholes open to those who desired to make use of them.

c. Without being in a position to assess the general effectiveness of these provisions, most Legal Officers felt that they produced much extra work for themselves and endless delay and inconvenience for genuine vendors and purchasers of small properties without creating any real check on inflationary prices or on the disposal of Fascist assets in cases where such objections may have existed.

10. ITALIAN COURTS:

a. The reopening of the Italian Courts was one of the first tasks of the Legal Division in this Region and in this it had the

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10. ITALIAN COURTS:

a. The reopening of the Italian Courts was one of the first tasks of the Legal Division in this Region and in this it had the whole-hearted co-operation of the Italian magistracy. Unfortunately their united efforts were hindered partly by circumstances beyond their control, but too often by the failure of other units concerned to see the importance of re-establishing the Courts as instruments of law and order. Court buildings had in many places been destroyed or badly damaged, records scattered and personnel evacuated. These are the inevitable consequences of war, and will recur elsewhere. What might be avoided in future is the further damage and destruction caused by the billeting of troops in court premises and by such high-handed actions on the part of Military personnel, as occurred in Palermo where the President of the Tribunale was peremptorily ordered to suspend his sittings, the building taken over, and the furniture and records removed regardless of their value or importance.

b. Problems of transport and communications affect both the personnel of the Courts and the trial of cases. Many of the Court functionaries were evacuated outside the cities and

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could neither return to their homes, which were uninhabitable, nor travel to and fro from their temporary residences as there were no trains or passes were refused them on those few that ran. Similarly in the absence of postal or telegraphic communication it was impossible to notify litigants and witnesses when their presence was required, and almost equally impossible for them to reach the Courts if they lived any distance away.

c. Lack of qualified personnel increased the difficulties in which the Courts found themselves. Some magistrates had left their posts, others though willing were unable to return. Many had served in the Army and been taken prisoner, but though traced to camps in Sicily, it proved impossible to effect their release. Of those that remained, some were diverted by A.M.G. from their legal duties to administrative offices, a practice which does not commend itself to the Italian legal authorities since it is contrary to their rules and also to the urgent demands of other branches of A.M.G. that they should speed up the trial of cases. If delays are to be avoided and congestion in prisons relieved, the appointment of additional magistrates and certain amendments to criminal procedure are essential, and action on these lines becomes of prime interest to the Allied Forces, where, as in Sicily, all cases affecting Allied personnel and property are referred for trial to Italian Courts.

d. A Committee consisting of the acting First President of the Court of Appeal, the Procuratore Generale, Procuratore del Re and President of the Tribunale was established in Palermo to advise the Legal Division on questions affecting the Italian Courts. Later when communications throughout the island improved, this Committee was replaced by another consisting of the First Presidents and the Procuratore Generale of each of the three Courts of Appeal of Catania, Messina and Palermo. On the recommendation of these Committees various orders were issued by the D.C.C.A.C. and the R.C.A.C. for the appointment of magistrates to vacant posts, transfers within the Region and other matters of routine which would in normal times require the authority of the Minister of Justice. In this field

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e. Legal Officers in all districts have received only sincere and courteous co-operation from the senior magistrates and great credit is due to such men as S.E. Messina, S.E. Marchi, S.E. Gentile, S.E. La Cecla, S.E. Barone and S.E. Cappellani and to the Procuratori del Re in the principal cities for the efforts which they have made towards the rehabilitation of the Italian Courts in the face of innumerable difficulties. Copies of two reports by the First President of the Court of Appeal at Catania and the Procuratore del Re at Syracuse are attached to this Report as constituting an interesting record and containing valuable recommendations. The amendments to Italian procedure made by A.M.G. on the advice of the Legal Committee and referred to by S.E. Messina have proved useful in expediting the work of the Courts.

f. Relations with Italian Advocates have been excellent. Though the standard of professional conduct varies here as in other

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countries, those who have practised regularly before Allied Military Courts have taken considerable trouble to acquaint themselves with Anglo-American procedure and to master the unfamiliar technique of cross-examination. The members of the General Court which sat at Trapani in December 1943 witnessed in the long and difficult defense conducted by Avvocato Rubino such a display of skill, tact and eloquence as would have done credit to any Court in England or the United States. It is to be hoped that the Bar Associations and the Notarial Councils, which have been reorganized under orders of A.M.G. may be successful in raising the standard all round, but unfortunately these organizations have to date been too much torn by internal dissensions to achieve useful results.

11. PRISONS:

a. The problems of the Italian prison system fall outside the scope of this Report except in so far as they concern prisoners awaiting trial by the Italian Courts or serving sentences of inordinate length imposed by special Tribunals, such as the Tribunale Militare or Tribunale per la Difesa dello Stato.

b. In the invasion of Sicily, Allied troops were too ready to throw open the jails and to give liberty and democracy to malefactors, who under any regime would be a menace to society. Many of these were subsequently recaptured, others are still at large. Combat Units should be discouraged from taking this action into their own hands and be persuaded to leave to A.M.G. the task of discriminating between deserving Anti-Fascists and undeserving murderers.

c. Immediate action was necessary in regard to persons awaiting trial, many of whom were found to have been in detention for months and even years. In these cases arrangements had to be made with the Italian legal authorities for the grant of provisional liberty where further delays were likely to occur in bringing the accused to trial. A further stream of applications for conditional liberty or for clemency flowed in from persons already convicted and serving sentences, but with

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d. Legal Officers should keep a constant check on prisons in their districts to ensure that no persons are detained too long awaiting trial by A.M.G. Courts or overlooked altogether. With so many law-enforcement agencies at work, instances have occurred where the first intimation to the Legal Officer of an arrest was a plaintive request for trial or release by the prisoner or his lawyer several weeks after the arrest. Conversely some precautions are necessary to ensure that prisoners held to the disposition of A.M.G. do not escape before the trial through lack of co-ordination between departments or a desire to help on the part of officers who are without an adequate knowledge of the facts.

e. Considerable difficulties have arisen in arranging for the

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transport of prisoners between the prisons and the Courts. The vans belonging to the firm, which held the contract for this work, were old and in bad repair and tires and supplies of petrol had to be found. The proceedings of the Courts were frequently held-up by the non-arrival of the prisoners, and if the same difficulties arise elsewhere, it is recommended that the transport be undertaken from the outset by A.M.G. or under their immediate control.

12. CONCLUSION:

For purposes of record a list is attached of those officers who were assigned to Legal work in the various provinces, but this does not include those who worked on the staff at Headquarters, where changes in personnel were more frequent. The Allied Military Courts have been the closest contact which the Allied Military Government has had with the large mass of the population, and though mistakes have undoubtedly been made, they can fairly claim to have administered prompt and equal justice to every class of society that has appeared before them and to have earned the respect not only of the legal profession but of the general population. The regrets at their termination expressed so eloquently by the Italian advocates and in plainer terms by the Allied Naval and Military authorities are testimonial to their success as an organ of Allied Military Government in Sicily.

H. M. Dickie S/Ldr.

H. M. DICKIE,
Squadron Leader R.A.F.,
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Palermo
March 1944

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Appendix "A"

List of Provincial Legal Officers Region I
July 1943 - March 1944

1.	AGRIGENTO	Lt. Col. Richard H. Hill (A)	Aug. '43 - March '44
		Capt. Frank L. Peyton (A)	Aug. '43 - Nov. '43
2.	CALTANISSETTA	Capt. A. G. German (B)	Aug. '43 - Sept. '44
		Major A. C. Wright (B)	Sept. '43 - Nov. '43
		Capt. Frank L. Peyton (A)	Nov. '43 - March '44
3.	CATANIA	Major Mark de W. Howe (A)	Aug. '43 - Sept. '43
		Capt. L. Van Dusen (A)	Aug. '43 - Oct. '43
		Major Edwin J. Mercer (A)	Sept. '43 - Oct. '43
		Capt. G. M. Davis (B)	Oct. '43 - Jan. '44
		Major I. G. H. Campbell (B)	Nov. '43 - March '44
4.	ENNA	Major A. W. Franklin (B)	Aug. '43
		Major Edwin J. Mercer (A)	Aug. '43 - Sept. '43
		Major A. C. Wright (B)	Sept. '43 - Nov. '43
		Lt. H. G. T. Christians (B)	Nov. '43 - March '44
5.	MESSINA	Capt. Theodore S. Cox (A)	Aug. '43 - Jan. '44
		Capt. Ben. H. Brown (A)	Aug. '43 - Sept. '43
		Capt. E. K. Matthews (B)	Sept. '43 - March '44
6.	PALERMO	Lt. Col. William R. Jordan (A)	July '43 - Aug. '43
		S/Ldr H. M. Dickie (B)	Aug. '43 - Nov. '43
		Capt. Frank L. Vecchiolla (A)	Aug. '43 - March '44
		Capt. George B. Mehlman (A)	Aug. '43 - Jan. '44
		Capt. C. A. G. Moore (B)	Sept. '43 - Jan. '44
		Lt. Irving Parker U.S.N.R. (A)	Jan. '44 - Feb. '44
7.	RAGUSA	Major C. L. Gilshenan (B)	Aug. '43 - March '44
		Capt. A. Dreyfus (B)	Aug. '43 - Sept '43
8.	SYRACUSE	Major Mark de W. Howe (A)	July '43 - Aug. '43
		2nd Lt. Noel Hemmendinger (A)	Aug. '43 - Sept. '43
		Capt. Ben. H. Brown (A)	Sept. '43 - Nov. '43
		Capt. William D. Staples (A)	Nov. '43 - Jan. '44
		Capt. G. M. Davis (B)	Jan. '44 - March '44

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		Capt. G. M. Davis (B)	Jan. '44 - March '44
9.	TRAPANI	Capt. Henry Glenn (A)	Aug. '44 - Oct. '44
		Lt. Col. Joseph A. Langfitt (A)	Oct. '43 - Feb. '44
		Lt. William W. Fearnside (A)	Nov. '43 - Jan. '44

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Appendix "C"

OGGETTO: Trasferimento alle Corti Italiane - Relazione attività svolta dagli Uffici Giudiziari della Provincia di Siracusa.

L'occupazione di quasi tutta la provincia di Siracusa, da parte delle Forze Alleate, avvenne nei giorni 10-13 luglio 1943.

Apparso il proclama N. I del Generale Alexander, in obbedienza al punto 6, col quale si disponeva a tutti gli "Ufficiali Giudiziari" (Autorità giudiziarie), della provincia "la continuazione dei loro doveri" sotto la direzione del predetto Generale e degli Ufficiali delegati delle Forze Alleate, questo Ufficio della Procura del Re, avente giurisdizione e direttive su tutti gli Uffici Giudiziari della Provincia, fu sollecito di mettersi a personale contatto con l'Ufficiale delle Forze Alleate Capo dei servizi Civili di questo Capoluogo, per prendere ordini circa la ripresa dell'attività giudiziaria, sospesa dal precedente giorno 9 luglio.

Tali ordini fu possibile averli solo dopo il 20 luglio 1943, essendosi dovuto attendere l'arrivo degli Ufficiali delle Forze Alleate addetti alla Giustizia. Insediatisi, infatti, in Siracusa, il Sig. Maggiore Mark de Wolf Howe ed il Tenente Noel D. Hemmendinger, entrambi Ufficiali addetti alla Giustizia, dopo alcune conferenze, nelle quali, da parte di questa R. Procura, furono avanzati ed approvati in pieno, taluni suggerimenti di carattere contingente, circa le modalità di pratica attuazione, per la ripresa dei servizi giudiziari, furono emanate, prima della fine di luglio, dall'Ufficiale Superiore addetto alla Giustizia Maggiore Howe anzidetto, le prime istruzioni verbali atte a ripristinare l'attività giudiziaria. Tali istruzioni, dopo pochi giorni, e precisamente in data 3 agosto 1943, furono meglio concretate nella lettera Ufficiale S C/4 dell'Ufficio Legale che, tradotta in lingua italiana fu, il 6 agosto 1943 comunicata al Presidente di questo Tribunale e a tutte le Preture del Circondario, a cura di questa R. Procura.

Le funzioni normali di questo Ufficio del P.M., furono effettivamente riprese, fin dagli ultimi giorni di luglio 1943 per la materia penale, eccetto che per l'invio al Tribunale, pel giudizio, di processi da trattarsi all'udienza perchè così disposto, fino a nuovo ordine superiore, dall'Ufficio Provinciale Legale Alleato.

Mark de Wolf Howe ed [illegible]
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da trattarsi all'udienza perchè così disposto, finc a nuovo ordine sup-
eriore, dall'Ufficio Provinciale Legale Alleato.

Successivamente furono concordate da questa Procura del Re con l'uf-
ficio Provinciale Legale suddetto, le necessarie istruzioni, per superare
talune difficoltà dovute agli eventi del momento, sui servizi giudiziari
e precisamente: a) sulla trasmissione di atti e richieste di documenti
da una ad altra sede della provincia; b) sulla esecuzione delle condanne
penali, già irrevocabili prima dell'occupazione; c) sul versamento delle
somme riscosse dalle Cancellerie giudiziarie a titolo di pene pecuniarie
e spese di giustizia; d) sui proventi e spese di Ufficio delle Cancellerie
Giudiziarie e sulle anticipazioni da parte della Finanza delle spese di
giustizia, prima anticipate dall'Erario dello Stato; e) sul modo di pro-
vvedersi per la carta e per gli stampati occorrenti pei servizi; f) sul
corso delle pratiche per "grazia Sovrana" e per "liberazione condizionale"
a favore di detenuti; g) sui servizi dello Stato civile; h) sulle copie
e servizi interni delle Cancellerie giudiziarie.

Tutte tali istruzioni furono compilate da questa Procura del Re, ap-
provate dall'Ufficio Provinciale Legale Alleato e concretate nella Circol-
are N.64 del 20.8.1943 di questo Ufficio del P.M., comunicata a tutti gli
Uffici giudiziari della Provincia, all'Ufficio Legale Provinciale sudetto
e agli Uffici di Finanza Alleati ed italiani della Provincia istessa.

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In seguito ancora, e cioè in data 23 agosto 1943, fu ordinata dal l'Ufficio Provinciale Legale Alleato, la ripresa dell'attività giudiziaria piena ed intera per tutte le materie (civile - penale e di volontaria giurisdizione) e tale ordine venne tosto comunicato pel tramite di questo Ufficio, al Tribunale e a tutte le Pretura e le Conciliazioni del territorio della Provincia.

Fu poi studiata da questo Ufficio e dall'Ufficio Legale Alleato, il modo di dare esito alle domande di liberazione di detenuti nelle Carceri della provincia, e venne istituita, per decreto del Capo dei Servizi civili di questa provincia, in data 20.9.1943, una "Commissione speciale per la liberazione dei detenuti ristretti nelle Carceri di questo Circondario" con poteri di decisione sulle relative domande tendenti ad ottenere la grazia Sovrana, la liberazione condizionale o la libertà provvisoria. Tale Commisione, presieduta dall'Ufficiale Superiore Alleato addetto alla P.S. e della quale faceva parte anche il Capo di questo Ufficio del P.M. o il sostituito, funzione egregiamente provvedendo in diverse sedute (5) N. 148 istanze di liberazi sollecitamente istruite e preparate a cura di questo Ufficio.

Appena emanate le prime istruzioni verbali per la ripresa dell'attività giudiziaria, questo Ufficio del P.M., favorito con ammirevole zelo dall'Ufficio Legale Provinciale Alleato, iniziò e completò, servendosi di mezzi di comunicazione favoriti con premurosa cura dalle Forze Alleate la visita delle Preture del Circondario, provvedendo sul posto alla liberazione dei detenuti che ne avevano diritto e impartendo ai Pretori tutte le possibili istruzioni ed i suggerimenti necessari per la ripresa dell'attività giudiziaria, all'uopo ottenendo soddisfacentissimi risultati, conformi alla esigenza della Giustizia.

Ciò premesso si riferisce particolarmente sui seguenti punti:

1°) L'intralcio arrecato all'attività giudiziaria, in conseguenza dell'invasione, è stato di poco rilievo e inconvenienti sensibili non se ne sono verificati - L'attività penale, sia pure esclusa la discussione dei giudizi in udienza, venne ripresa, tanto da questo Ufficio, quanto delle Preture della Provincia, non al di là di venti giorni dall'occupazione; dopo circa 45 giorni la ripresa fu piena ed intera per tutte le

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a cura di questo Ufficio.

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Qualche centinaio di detenuti, inquisiti o già condannati, furono liberati dai militari Alleati al momento dell'occupazione dei varii Comuni della Provincia. La situazione giuridica di tali detenuti, venne poi esaminata, caso per caso, a cura personale del sottoscritto, d'accordo con gli Uffici Legali e di P.S. delle Forze Alleate, e vennero riarrestati quelli, tra essi detenuti, pei quali le esigenze di giustizia, 1676 posero il riarresto.

2°) Dall'occupazione delle Forze Alleate alla fine di 29 febbraio 1944, questo Ufficio del P.M. ha svolto la sua attività quale risulta dai seguenti dati:

a) Processi che erano pendenti al momento dell'invasione N. 1711
(Va notato che nel periodo precedente all'occupazione, l'attività giudiziaria fu quasi paralizzata - per qualche mese, dai continui e violenti bombardamenti aerei).

b) Processi pervenuti dall'occupazione al 29 febbraio 1944	N. 2922
Totale carico	N. 4633
c) Processi esitati dall'occupazione al 29.2.1944	N.3762
Processi rimasti pendenti a - 1/3/44	N. 871

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In detto periodo gli altri affari civili e penali, di esecuzione penale e in materia amministrativa e disciplinare sono stati espletati, senza interruzione.

Il maggior numero di cause penali che spesso si presentano al l'autorità Giudiziaria, concerne reati contro la proprietà (furti semplici e aggravati e qualche rapina): qualche omicidio e, nel periodo della occupazione, molti saccheggi, la maggior parte ad opera di autori ignoti, tali rimasti date le contingenze nelle quali i saccheggi istessi furono commessi che impedirono la pubblica e privata difese e su case rimaste incustodite nei giorni immediatamente anteriori e posteriori all'occupazione.

3°) Tutto il personale di questo Ufficio del P.M., del quale è stato già inviato l'elenco, ha fatto del suo meglio per fronteggiare e superare gli ostacoli, e spinto i servizi con encomiabilissima operosità, attenendo i risultati sopra indicati.

Va segnalata particolarmente l'attività intelligente e fattiva del Segretario Capo di questa Procura del Re, Cav. Uff. Giuliano Corrado Ignazio e del Sostituto Procuratore del Re Dott. Cav. Ugo Buscemi, che, per primi, trovandosi sul posto (giacchè il totolare Cav. Uff. Dr. Pietro Crimi Procuratore del Re - fu sorpreso dell'invasione e rimase bloccato a Catania, ove erasi recato il 9 luglio 1943 per ragioni di servizio e potè restituirsi in sede appena lo consentirono le operazioni militari) cooperarono con infaticabile operosità per la ripresa dei servizi giudiziari.

4°) I giorni di udienza civili e penali del Tribunale sono stati specificati dal Sig. Presidente del Tribunale che ne è più competente diretto nella sua relazione.

5°) In atto presso questa Procura del Re vi sono circa 500 processi penali pendenti e ne è in corso la eliminazione.

Va rilevato che un imponente numero di cause, dopo gli emindamenti apportati al Codice di procedura penale, sono stati protati e vengono tuttavia portati all'udienza del Tribunale, a cura di questo Ufficio del P.M. specie nei riguardi di imputati detenuti, per giudizio direttissimo, [illegible] richiede una sollecita soluzione.

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6°) Lattività generale degli Uffici giudiziari, sia per quanto riflette l'esercizio del potere giurisdizionale, in tutte le materie, sia per quanto riflette i servizi di cancelleria è normale e non dà luogo a rilievi: i servigi di questa Segretaria sono andati e vanno egregiamente.

IL PROCURATORE DEL RE

Declassified E.O. 12356 Section 3.3/NND No. 910578

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Appendix "B"

RELAZIONE SULL'ATTIVITA' DEGLI UFFICI GIUDIZIARI DELLA PROVINCIA DI CATANIA DOPO LA LIBERAZIONE DELLA SICILIA.

Liberata la Sicilia ed assicurato l'ordine pubblico, il Governo Militare Alleato provvide nella provincia di Catania al ripristino dell'ordinario servizio giudiziario, in rapporto alle cause penali con suo ordine del 14 Agosto e in rapporto a quelle civili con successiva disposizione del 10 Settembre. Perchè la ripresa del lavoro avvenisse sollecitamente fu ridotto il termine di comparizione a 5 giorni; e per superare la gravi difficoltà derivanti dalla deficienza dei mezzi di comunicazione e dai sopravvenuti spostamenti di sede della popolazione a cagione degli atti bellici, furono autorizzate in ogni caso la lettura nelle cause penali delle deposizioni dei testimoni e delle parti lese e, nella ipotesi di pluralità di imputati dei quali alcuno irreperibili, la separazione del relative giudizio.

Per colmare, poi, le vacanze determinate nel personale giudiziario dagli sbandamenti a causa dello stato di emergenza, dalla prigionia di guerra e da altre circostanze di diverso genere, furono destinati ai vari Uffici magistrati e funzionari ausiliari dell'Italia Continentale, trovantisi per caso in Sicilia e così non lasciati inoperosi.

Grazie a tali provvedimenti, il servizio giudiziario, pur in mezzo alle gravi difficoltà derivanti dallo stato di guerra ed ancora non del tutto cessate, riprese quasi il suo ritmo normale, come è dimostrato dai seguenti dati statistici riguardanti il lavoro dei tre organi più importanti della provincia, cioè della Corte di Appello, della Corte di Assise e del Tribunale di Catania dall'Agosto 1943 ad oggi.

CORTE DI APPELLO: decise 459 cause penali e 107 cause civili.
CORTE DI ASSISE: decise 16 cause penali molto gravi; ne rimangono pendenti soltanto quattro, per le quali sono state già fissate le udienze di trattazione.
TRIBUNALE: istruiti 2054 processi penali; decise 1002 cause penali e 66 cause civili.

Al conseguimento di tali risultati molto ha contribuito il valido aiuto dell'Ufficio Legale dell'Amgot.

Codesto aiuto noi invochiamo ancora affinchè non si tardi ulteriormente nell'esaudimento di un bisogno essenziale alla giustizia: il dissep-

trovantisi per caso in Sicilia e così non lasciati in pace.

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Al conseguimento di tali risultati molto ha contribuito il valido aiuto dell'Ufficio Legale dell'Amgot.

Codesto aiuto noi invochiamo ancora affinchè non si tardi ulteriormente nell'esaudimento di un bisogno essenziale alla giustizia: il dissepellimento dalle macerie e la sistemazione in adatti locali del casellario giudiziale, il cui funzionamento è indispensabile, non soltanto al regolare corso della giurisdizione penale, ma anche ad ogni ramo della pubblica amministrazione.

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Naturalmente, come ogni altra opera umana, anche la ripresa dell'attività giudiziaria dopo la liberazione non può dirsi del tutto perfetta; e l'esperienza, tutta appunto da essa, suggerirebbe in future uguali situazioni, oltre ai provvedimenti già adottati, i seguenti:
1) ordine immediato agli organi giudiziari, prima ancora della riapertura delle udienze penali, di non sospendere in alcun modo la loro attività diretta all'accertamento dei reati comuni e dei relativi autori: sicchè in nessun momento manchi l'impero della legge penale;
2) autorizzazione, insieme che alla trattazione delle cause penali, anche all'emanazione di quei provvedimenti urgenti di indole civile, che hanno importanza quasi uguale alle prime per il mantenimento dell'ordine pubblico; così, in materia possessoria, di danno temuto, di sfratto per locazioni finiti;
3) divieto di eccessiva larghezza nella concessione agli imputati detenuti della libertà provvisoria, per evitare che, specialmente in un momento così delicato, qual' è quello immediatamente successivo ad un grave fatto di guerra, si accresca il numero delle persone dedite al malfare.

Il Primo Presidente

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REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
INTERIOR SUB COMMISSION
APO 394

ACC/18/Int 4 April 1944

SUBJECT: Report of Activities for Month of March 1944

TO : Vice President, Administrative Section

1. Local Government -
   (a) Development in Regions - Region III has issued its Regional Order, and will, it is hoped, be comparable with Region I in a short space of time. Regions II, V, and VI have not progressed so rapidly.
   (b) Re-constitution of Local Government - The Royal Decree in regard to this matter is still under discussion with the Minister of Interior. The Legal Sub-Commission has been consulted and has advised certain amendments. The matter is in hand, and the publication of this Royal Decree should give the whole question of Local Government considerable impetus.
   (c) Region III - Local Government on lines approved by the Chief Commissioner has been resuscitated in this Region. The first meeting of the Giunta Provinciale Amministrativa in Salerno Province was attended by officers of the Sub-Commission and officers of the first course on Local Government (after referred to) as guests.
   (d) Region VI (Sardinia) - Arrangements have been made for Capt. R. H. Temple, Executive Officer, proceeding on temporary duty to this Region for the purpose of making a survey on Local Government Organization and Administration. Such a survey has been long overdue, but could not be undertaken before, owing to shortage of staff.

2. Conferences - In addition to the periodical Conferences convened by the Vice-President, the Director has attended the following conferences:
   (a) Regional Commissioner's Conference at Naples on 3 and 4 March 1944.
   (b) Conference on Local Government Course - Naples 13 March 1944 - Brig. M. Lush.

3. Interviews - Among other interviews, the following took place:
   (a) Dr. Gallengo at Salerno on 6 March 1944.
   (b) With the Minister of Interior, Italian Government:
      (i) On 8th March 1944 - subjects: Administration of Provinces; Padula Camp; Passes to Naples; Prefect of Chieti Province.
      (ii) On 10 March 1944-subject: Refugee Problem. This was a long interview and the seriousness and importance of the job being carried out in a proper and expeditious manner was emphasized.
      (iii) On 15 March 1944 - subjects: Civilian Internees Camps at Padula) Prefects of Catenzaro and Cosenza; and Cruelty to Animals.
      (iv) On 23 March 1944 with Col Fiske at Naples, when a report was made of the Tour (after referred to) and the results obtained.

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(v) Capt. R. R. Temple, Executive Officer, had several interviews with Lt Col Robertson, PC, Salerno, in connection with 1(b) and with the Prefect of Salerno.

4. Returns - The following returns have been rendered to Administrative Section
(a) Quarterly Return of Officers recommended for advancement.
(b) Quarterly Return of EM/ORs recommended for advancement.
(c) Monthly Return of Personnel
(d) Weekly Returns of Officers' Field Trips.

5. Local Government Course -
(a) The Course referred to in para 11 of the Monthly Report for February 1944 (Ref: AOC/18/Int d. 9 March 1944) was held between 16 and 22 March 1944.
(b) Much of the time of the Director and his staff was taken up in the early part of the month arranging lecturers, and also preparing lectures which were delivered by the Director and staff, and making the other necessary arrangements.
(c) Officers, although disappointing in numbers, attended from Headquarters AOC, and Regions I, II, III, and IV, and 5th Army Group.
(d) The interest shown by the officers attending was gratifying and the Interior Staff benefited much by the contacts made.
(e) The Director desires to place on record his thanks to the lecturers who so willingly and ably co-operated in making the school a success.
(f) Pursuant to the instructions of the Chief Commissioner, a 2nd Course has been arranged for the period 6 - 15 April 1944.

6. Officers on Temporary Duty - Lt. T. C. Shanks of this Sub-Commission, and Capt. W. J. Sampson and F/Lt Gilbert-Green (who had been attending the Local Government Course) were detailed to proceed to Resina on 22 March 1944 in connection with Refugee Work arising out of the activity of Mount Vesuvius. Their periods of duty terminated on 27 March 1944.

7. Tour of Regions - The Director and Staff Officer, Lt. Lewis, made a tour (24 - 29 March 1944) covering Benevento, Avellino, Campobasso, Caserta, San Vittore, and AMG (N.Z.) Corps Main Headquarters. In each place the Senior Officers were interviewed and where possible, the Prefects.

8. Personnel - the following is the personnel as at 31 March 1944:
(a) Military - officers;

(i) Lt Col R. G. B. Spicer	Director	(R)
(ii) Capt R. R. Temple	Executive Officer	(A)
(iii) Lt T. C. Shanks	Adjutant	(R)
(iv) Lt W. V. M. Lewis	Staff Officer	(R)

(b) Military - OR/EM:

(i) S/Sgt P. G. Wright	Chief Clerk	(OR)
(ii) Tech/Sgt J. G. Trigony	Stenographer	(EM)

Note: 29493? Capt C. G. R. Williams has been assigned to this Sub-Commission.

(c) Civilians:

(i) Marchesielle, Salvatore	Typist	(Italian)
(ii) Bendheim, Dr. Martin	"	(Swisse)

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(d) General - Reference is made to para 12(d) of the Report for February 1944. The importance of having additional officers assigned to this Sub-Commission is again stressed.

9. Although I have made reference to the Minister of Interior before, I propose to do so again in this report.

Signor Reale has as his first desire, the wish to maintain his career officials in the senior appointments, and when this is not possible, to be quite certain that, insofar as he can arrange, such appointments are held by which I most usefully term "King's men".

He has little wish to introduce vigorous drive into an inert administration. His latest manoeuver, first to nominate the Vice-Prefect of Campobasso by office, to fill the Prefecturship and when that had been refused, to nominate that Vice-Prefect by name, as though he were an entirely different person, was even too obvious for the Interior Sub-Commission.

It is my considered opinion that his secretary, Dr. Gallengo, has an unfortunate influence on him, and I cannot believe this secretary's advice to him is either healthy or sound.

As soon as the Royal Decree is published (which I hope will be an accomplished fact before my next report is submitted), local government should make considerable strides.

I would conclude this report by stating that I have a much better picture in my mind of the whole situation since I have been in the forward areas of the 5th Army. It was indeed refreshing to encounter the atmosphere that prevailed, and in particular regard to a PC, Major Simpson, whose Giunta Comunale are actually functioning in a large part of the area, despite the destruction that prevails. It is more than ever my firm opinion that local government in a democratic form will possibly do more to revive the interest of these defeated and inert people in the rehabilitation of their country, than anything else.

R. G. B. SPICER
Lt Colonel
Director
Interior Sub-Commission

Declassified E.O. 12356 Section 3.3/NND No. 785016

P. LEGY CONTROL SUB-COMMISSION

REPORT FOR MARCH 1944

1. Personnel.

Lt.Col.M.R.Glenn (A) left this HQ for another theatre. Lt.Col.J.Bennett made tour of inspection to Region V, leaving 8 March and returning 12 March, also tour of inspection to Region III (Capri), leaving on the 20 March and returning 26 March. Lt.Col.J.Bennett left this HQ for another theatre 29 March. Major E.C.King went into hospital on 7 March, and returned to duty 11 March. Major E.B.Evans returned to duty with this HQ from Region III on 16 March. Capt.C.H.Bowett was on temporary duty with Region III Vesuvius Emergency from 22 to 28 March. I have myself on several occasions visited Region III to discuss outstanding questions.

2. General.

The chief task of the HQ of this Sub-Commission during the period under review has been the concerting with the Italian Government of the legislative and administrative measures required to regularise the position of the DPC in restored territory.

3. In the "Head Quarters" agreement it was stipulated that the functions of the DPC should remain administrative with respect to United Nations and French property, and not merely advisory, and the problem was how to find a formula which should give legislative effect to this decision. Two draft decrees were submitted by the Italian Ministry of Justice, neither of which were considered satisfactory; the first of these purported to give the DPC the status of an Italian public official, subjecting him to obligations under Italian law entirely inconsistent with his status as a British officer; the second envisaged the setting up by the Italian Government of a Commission to take charge of the properties, which would have virtually reduced the custody on the part of DPC to a transient and embarrassing interlude between two sequestrations, and would have failed to fulfil the stipulation that DPC's functions should remain administrative.

4. By agreement with the Finance Minister, H.E.Col.Jung, both these alternatives were rejected and the following measures were agreed in principle:

The Italian Government will,

(i) pass a decree in general terms suspending the application to United Nations and French property of the relevant provisions of the War Law of 1936.

(ii) Instruct prefects in restored territories to issue individual decrees, (a) revoking the sequestration of Allied and French properties (the sequestrations have originally been effected by individual decrees), such revocation to have effect from the date upon which DPC's representative took formal custody, and (b) ordering the reconsignment of the said properties to the owner or his representative.

Prefects will arrange for the formal act of reconsignment to be made (verbale di riconsegna), DPC's representative acting as owner's representative being furnished with the mandato speciale from DPC, as required by Italian Law. 1671

5. It was agreed further that the actual management of properties, except where the owner is present, should be left in the hands of the agent banks who had been acting for EIAI, and that a new agreement between the Minister of Finance, the DPC and the Banks should be drawn up setting out the financial terms of the delegated management.

6. The following financial arrangements have been agreed upon in principle with the Minister of Finance,

P.T.O

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(i) Maintenance expenditure.

In cases where the income from properties is insufficient to meet expenditure on ordinary maintenance (including taxes), agent banks will advance the sums required on behalf of the Minister of Finance at 1% above Bank of Italy discount rate. Banks will submit accounts of outstanding advances against each property twice yearly to DPC, who will certify same to Ministry of Finance. The Ministry of Finance will thereupon repay advances to the banks and debit each property maintenance account, charging above mentioned rate of interest. Ministry of Finance will advise DPC of the amounts so repaid and dates of repayment. Surplus incomes from properties during successive six-monthly periods will be applied to reducing advances.

(ii) Management fees of Agent Banks.

Bank to submit at each year end a list of fees due in respect of each property for approval to DPC, who will certify and pass to Ministry of Finance. Ministry of Finance will pay banks and debit property fee account. Surplus incomes from properties will not be devoted to reducing this debit, as the condition of ultimate repayment will have to be settled in the Peace Treaty.

(iii) War Damaged Properties.

In the case of expenditure on emergency measures necessary to prevent further deterioration, estimates endorsed by the Genio Civile will be submitted to DPC, who will certify and pass to Ministry of Finance. When payments to contractors, etc, fall due, DPC will request Ministry of Finance to open a treasury credit in favour of his local representative (RPCO), who will make payments, receipts to be made out in triplicate, one copy being retained by RPCO, one by DPC, and one forwarded to Ministry of Finance, who will debit special war damage account for each property. Ultimate liability for this debit to be determined by the peace Treaty.

7. Visit of General de Sevin.

I had a conversation with General de Sevin, who visited this HQ on 2/ March accompanied by Commandant de Pamafien. There are important French mining interests in Sardinia which were expropriated by the Italian Government, as well as important French holdings in Italian-registered companies. The history of these since the war is likely to prove difficult to trace, and it was agreed, speaking generally, that the measures which AOC could take to preserve such interests would be merely provisional, and that definite settlements were a matter which could only be decided in the peace treaties. Meanwhile, it was agreed to exchange information concerning French property in Italian territory.

Region I

8. Personnel.

Major H.F.Dundy (B), RPCO Region I, received orders on 20 Mar 44 to proceed to Naples en route for the U.K. and Capt.W.G.Board (B), APCO, temporarily took over his duties. On 19 March Lt.L.A.Beacon (B) incurred serious injuries in a motor accident, and complete recovery will take considerable time. 2/Lt. H.B. Shaine (A), Agrigento, has been transferred temporarily to Messina, leaving Pvt. Barbera (A) in charge at Agrigento.

9. Handover to Italian Government.

The transferring of Italian property back to the Italian authorities in acc-

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ordance with Executive Memorandum No.15 was proceeding steadily, Cn.Avv.Francesco Musotto having been appointed by the Italian Government to be High Commissioner for Sicily.

10. Real Estate - British and American.

During the month Declarations of Custody were completed and forwarded to Hq as follows:

Agrigento, 1. Messina, 22.

11. Bronte Estate.

This estate continues to be administered by Cav.Luigi Modica. The work of compiling the verbale di consegna, as instructed in the order of revocation of the expropriation, is now proceeding. Avv.Melia, representing the estate, has submitted a request that the sum of L.4,250,000, which was the original compensation proposed for the expropriation, be held in court pending any claims which might be made by Lord Bridport against the Ente di Colonizzazione. This request has been referred to the Legal Sub-Commission for consideration.

12. Property of United Nations other than Britain and U.S.A.

Particulars of such properties are being sought preparatory to completion of formal declarations of custody.

13. French Property.

Properties belonging to the Principe di Carini have been taken into custody, and it is expected that other properties will shortly be taken into formal custody.

14. Italian State and Private Property.

The Casina Cinese and Museo Pitre were turned over to the Prefettura di Palermo, and the Palazzo Mazzarino and contents to Avv.Vaccaro, legal representative of the owner, Conte Lanza.

15. Industrial and Commercial Concerns.

(a) Belonging to Allied Nations.

(i) Ragusa Asphalt Mines.

Work has proceeded in accordance with the agreed draft agreement as from 1 Feb 44. Accounts for the month of February show a small working profit for both concerns, but the trading period was too short to give a good picture of future trading prospects.

(ii) Ditta Borab.

It has now been agreed in writing by Dott.Rag.Filonto, representing the ex-sequestrator Senator Drago, that the deficiency of stock amounted to some Lit.33,000, prices being taken as those in effect at 31 Dec 42. It is proposed to open the shop for limited sales only, such individual sales to be authorized in writing by the Property Control Officer.

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(iii) A.G.I.P.

Control was turned over to C.I.P. on 1 Feb 44, but accounts to 31 Jan 44 are not yet completed.

(iv) L'Ismalere.

The APC has been instructed to endeavour to renew the tenancy agreement with S.P.E.R.C for a further year from 1 Aug 44.

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(b) Semi-statal Concerns.

(i) Unione Militare.

Although two letters have been forwarded to Col.Basile, the special commissioner appointed by the Italian Government, no reply has yet been received, therefore the handover has not taken place.

(ii) A.N.I.C.

The Prefect of Palermo, having appointed Avv.D'Alessandro Giacomo as Special Commissioner of this concern throughout Sicily, transfer of the management was effected as from 4 Mar 44. The sum of Lit.5,000,000 was made immediately available to the special Commissioner, the balance of cash to be transferred to him when the accounts are completed. Verbali di consegna are in course of preparation.

16. Dissolved Fascist Organizations.

Satisfactory progress is being made of the liquidation of these organizations in co-operation with Judge Criscuoli, the chief Italian Liquidator.

17. Ente di Colonizzazione del Latifondo Siciliano.

Dott.Vincenzo Paravino, who had been appointed special commissioner by AMG, has been confirmed in his appointment by the Italian Government, and it has been agreed that formal transfer of management from ACC shall take place on 1 Apr 44.

18. Deposito Cavalli Stalloni.

This organization was formally handed over to the Italian Board on 6 Mar 44 by AFC Caltanissetta, but final accounts have not yet been completed.

Region II

19. Personnel.

Capt.G.I.Cavenaugh (A) is the only Property Control Officer in this Region.

20. General.

The task of contacting the various authorities connected with the Italian sequestration of Allied properties is almost completed, and returns have started coming in. When sufficient information has been received the various properties will be inspected and formal custody taken.

21. Real Estate - British and American.

The Bank of Naples, which was the official Italian sequestrator for such properties, is now assembling the necessary inventories and statements preparatory to inspection and completion of formal custody by the ACC.

22. Commercial Concerns.

The Tramways Electric Light Company at Taranto was visited. It was found that the liquidator, Dr.Eng.Domenico Fazi, had not liquidated but had operated the company until last January, when an AMG officer had ordered it to be turned over to Avv.Alessandro Bari, apparently an able lawyer, who claims to have represented the English owners for a number of years. The property has suffered limited damage

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and the system is in operat , apart from that part located the old part of the city. Inventories and statements are being prepared as at 31 Mar 44 by AVV. Bari.

Societa di fatto M/p Palmisof, at Bari, has been investigated but information obtained to date is meagre. The liquidator, Cons.Naz.Giovanni Battista Madia of Rome, did not submit reports to any of the public officials at Bari. The firm was engaged in the export of fruits, nuts and vegetables, and was of Greek and Swiss ownership.

American Drumwood Importing Co. - During the month a release was given to permit shipment to America of the pipe bowl blanks in Negpic owned by this company.

Region III

23. Personnel.

On 16 Mar 44 Major E.B.Evans (B), Property Control, returned to HQ ACC at Caserta, where he is assuming the duties of AOC Salerno province on a part time basis.

24. Real properties.

The Bank of Naples was the Italian appointed Sequestrator of 158 properties, owned as follows:

British	36
U.S.A	70
French	31
Greek	15
Russian	1
Brazilian	5
	158

There are 27 cases where the sequestration was not carried out, and further investigation will be made to determine whether or not custody should be taken. Formal custody has been taken of 60 properties, including 17 at Capri. Great difficulty has been experienced in checking the inventories where villas in the Island of Capri have been requisitioned by the U.S. Air Force Rest Camp, as no marching-in state was in any case compiled, and the furniture has been transferred from one villa to another. As an example, in one villa there was furniture belonging to six different owners, and part of the original furniture was in two other villas. It has therefore been necessary to take a fresh inventory in each case, and although the unit concerned was invited to be present they refrained from so doing, and are not prepared to agree to the inventories taken.

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25. Miscellaneous properties under individual sequestration.

178 cases of properties such as securities, furniture, etc. for which individual sequestrators were appointed, have been recorded. Of these, 21 have been taken into custody and 31 are in process. In 90 cases the securities or proceeds of sale of same have been transferred to Rome or Northern Italy.

26. Business Concerns.

The number of concerns being investigated has now risen from 35 to 48, due to information provided by the DPC. Practically all of these concerns were

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investigated to 4g March, and 24 have been taken into custody. Of the remainder, 6 are in process of being taken into custody, 3 had been liquidated and custody has been taken of the cash balance in the hands of the liquidators, 5 are German owned, and 4 could not be located as their premises had been completely destroyed.

27. Ferrovie e Funicolare Vesuviana.

The railway and funiculare have ceased operations due to the recent eruption of Mount Vesuvius. Damage to the railway consisted of approximately 150 metres of track near the Vesuvius terminus being covered with lava, and Central Station, a small station about midway on the railway, was destroyed, as well as a small portion of the track. Estimated cost of repairs to the railway is Lit.1,000,000 at present-day prices. The upper terminus of the funiculare appears to have been completely destroyed by the explosive force of the eruption. Estimated cost of repairs at present-day prices - Lit.3,000,000. Instead of repairing the funiculare, a walk could be built up the mountain at a cost of approximately Lit.50,000.

28. Allied film producing Companies.

There are an undetermined number of Allied film producing companies whose films, being over five years old, are being distributed to cinemas without apparent authority. It is understood that the custom in this industry is to grant five-year contracts for the showing of films, after which the films are returned to the producers. Pending an examination of the contracts, all of which appear to be in order, 60% of the rentals charged by the distributing concerns has been collected by the P.W.B film section, Unit No.8, and paid to AMG/A. This army branch has been instructed by this office to continue collecting this percentage, but to turn over all such funds collected and to be collected to the Controller of Property Region III.

29. Societa Immobiliare Alberghi.
S.A. Imprese Pubbliche e Private Ischia e Capri.

These two concerns, which are interlocking, operate hotels and the public utilities on the Island of Capri. The companies were not sequestrated by the Italian Government, but American shareholders hold a minority interest and other rights. The Italian shareholders are now in Northern Italy. It was been decided not to take custody of the actual assets of the companies, but only that of the American interests therein, and to maintain close contact with the managers of the companies, whose actions are controlled to a considerable extent by the Controller of Property.

30. St.Erasmo Export preserving Co. - Pegani.

It is not proposed to take this concern, whose head office is in London, into custody for the moment, as it was not sequestrated by the Italian Government, there being reason to believe that the majority of the shares were Italian owned, and a person holding power of attorney for the owners is present and in charge of its operations.

Region VI.

31. Reports from NC Region VI indicate that there is an estate of considerable importance owned by the late Major Benjamin Piercy, a British subject, who died in 1942 in the United Kingdom. Major Piercy, before leaving Italy in

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1940, donated a large portion of the estate to his daughter Mrs.Manueli, the wife of H.E. George Manueli, Italian Minister in London and subsequently in Belgrade and Sofia, subject it is believed to a deed of trust for Major Piercy's other heirs. The non-donated portion of the estate was sequestrated by the Italian Government, and first EMILI and then Sig. Manueli appointed sequestrator. In December 1943, owing to the absence of Sig.Manueli, the Military Government, in agreement with HC, appointed a Mr.Oscar Salmon sequestrator in place of Sig.Manueli, and endeavours were being made to have Sig.Salmon appointed curatore to Signora Manueli, who is also absent from Italy, so as to have the whole estate administered by a single person. Major E. C. King (A) has been sent over to Sardinia to investigate and report, and in the meantime the War Office have been requested to get into touch with Major Piercy's widow, with a view to obtaining the terms of the will and trust deed if any.

32. No reports have been received from Regions IV and V.

9 April 1944.

C. R. J. HARRIS,
Lieut-Colonel,
Director of Property Control.

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Safety Sub-Commission
APO 394

7 April 1944

SUBJECT: Monthly Report of the activities of the Public Safety-Sub-Commission during March 1944.

TO : Vice President, Administration Section.

This report is confined to the work of the Headquarters of the Headquarters Staff of the Public Safety Sub-Commission, the activities of Public Safety Officers in the field being described in reports submitted through Regional Commissioners.

A. PERSONNEL.

1. During March the following changes took place:

Colonel A.E.Young (B) rejoined the Sub-Commission as Deputy Chief, while temporarily remaining in charge of the Security Branch in Naples.

Lieut.Col. R.M.J.Martin (B) relinquished his position as Deputy Chief on re-assignment to E.T.O.

Major A.F.Wilcox (B), formerly attached to HQ Public Safety, Region 3, joined the Sub-Commission as Executive Officer on 20th March 1944.

Major J.A.Taylor (A), who had been temporarily lent to the Displaced Persons Sub-Commission, resumed duty at HQs on 12th March 1944.

Lieut. O.G.A. Mastroianni (A) was appointed liaison officer with General Pieche, G.O.C., CCRR, on 15th March 1944.

2. NOMINAL ROLL

The nominal roll of officers and EM/OR borne on the strength of this Sub-Commission is as follows:

Officers

Col. Paul G. Kirk	(A)	CPS
Col. Arthur E. Young	(B)	DCPS
Col. Martin M. Magner	(A)	Head, Police Div.

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Col. Arthur E. Young	(B)	DCPS
Col. Martin H. Meaney	(A)	Head, Police Div.
Lt.Col. Stanley Pickering	(B)	Police Division
Major A.F.Wilcox	(B)	Executive Officer
Major K.C.Shepherd	(B)	Head, Fire & Civil Defence Div.
Major G.H.L.Mason	(B)	Fire & Civil Defence
Major J.A.Taylor	(A)	Head, Lic. & Reg. Division
Capt. Henry Young Jr.	(A)	Head, Prison Division
Capt. William C; Ballance	(B)	Lic. & Reg. Division
Capt. Baden R. Powell	(B)	Admin Officer
Capt. William Ronnie	(B)	Police Division
1st Lt; O.G.A.Mastroianni	(A)	Police Division (Liaison CCRR)
1st Lt. Fred C. Philby	(A)	Police Division

EM/ORs

SQMS Davies	(B)	PFC Marinelli	(A)
Sgt. McLennan	(B)	PFC Todaro	(A)
Cpl. Robinson	(B)	PFC Diaz	(A)
Pte. Lisberg	(B)		

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3. Clerical St[illegible]

The acute situation last month owing to the lack of clerical staff has improved by the assignment of S.Q.M.S. Davies as Chief Clerk to fill the vacancy caused by the transfer of S.Q.M.S. Brooks who had been transferred to A.F.H.Q., and by the arrival of Cpl. Robinson to replace Pte. Jones (re-assigned).

Following a recommendation by the C.P.S., Pte. Diaz (A) has been advanced to Pfc. Other recommendations for both American and British men have been made.

The work of this Sub-Commission involves a considerable amount of typing, but unfortunately first-class civilian typists and stenographers are not procurable. However, a civilian translator-interpreter and a female clerk have been engaged and are proving useful.

B. PERSONNEL - MOVEMENTS

March 1944

5th — LT.Col. Pickering and Lt. Mastrdanni inspected the scene of the railway tunnel catastrophe at Balvano, Potenza Province, where some 500 persons lost their lives.

9th to 12th — Col. Young at Naples in connection with Security.

13th — Capt. Young visited Naples respecting Prisons.

14th — Capt. Ronnie visited Naples respecting Licensing and Registration.

14th to 17th — Lt. Col. Martin and Lt.Col.Pickering, accompanied by Col. Della Chiesa, Chief of Staff, CC.RR., visited CC.RR units in Region 3 and 5th and 8th Army areas.

15th — Capt. Ballance visited Naples in connection with Licensing and Registration.

21st to 23rd — Lt.Col.Martin visited Region 1 HQ and conferred with the Regional Public Safety Officer and General Branch, Commanding the Sicilian Brigade of CC.RR.

22nd to 28th — Col. Meaney, Lt.Col.Pickering and Major Shepherd

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21st to 23rd Lt.Col.Martin visited Region 1 HQ and conferred with the Regional Public Safety Officer and General Branca, Commanding the Sicilian Brigade of CC.RR.

22nd to 28th Col. Meaney, Lt.Col.Pickering and Major Shepherd assisted Region 3 in the relief and evacuation of refugees who had been rendered homeless by the eruption of Vesuvius.

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23rd to 30th Col. Kirk, in the company of the V.P.Administrative Section, paid a visit of inspection to the forward areas of the 5th Army and the Anzio Beachhead.

24th to 28th Col.Young at Naples in connection with Secutiry.

25th to 2nd April Lt.Col.Marting on tour of inspection in Regions and 5th and 8th Army areas, accompanied by the Chief of Staff of the CC.RR.

25th Capt. Ronnie visited Montaguto, near Foggia, to investigate the death of a British Corporal.

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28th Col. Young and Capt. Powell represented Public Safety at N°3 District HQ Conference on venereal disease.

30th Col. Young and Capt. Ronnie visited the civilian internment camp at Padula, Salerno Province.

31st Col. Kirk and Col. Meaney attended a conference at AAI HQ Naples on rations and equipment for police agencies.

C. PUBLIC SAFETY CONFERENCE

On 8th March 1944 a conference of Public Safety Officers representing Regions 1,2,3,4,5,and 6, and 5th and 8th Armies, in conjunction with the Public Safety Headquarters Staff, was held in Salerno. Before the conference commenced, officers were introduced to the D.C. Later in the day, Lord Stansgate, V.P. Administrative Section, attended and addressed the meeting.

A very long agenda was dealt with during the day and it was felt that the conference had served a useful purpose in co-ordinating the work of Public Safety in the various Regions, in ventilating problems and in providing closer contact and understanding between officers in the field and members of the HQ staff.

D. POLICE

1. Carabinieri Reali

The fullest support has been given to General Pieche, G.O.C., CC.RR, in his task of re-establishing the Carabinieri as an efficient and well disciplined body. A number of meetings have been held, and Lieut. Mastroianni as liaison officer maintains daily contact with General Pieche and his staff.

The transfer of CC.RR officers within unoccupied Italy has been left entirely in the hands of General Pieche, but this HQs has retained the right to approve the transfer or appointment of CC.RR officers in occupied territory.

Lack of transport has handicapped senior CC.RR officers in supervising their districts, but instructions have been issued that as far as possible facilities should be granted for the use of ACC vehicles.

The group of CC.RR being held in reserve for Rome are being temporarily employed on various duties. 150 CC.RR [illegible]

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The group of CC.RR being held in reserve for Rome are being temporarily employed on various duties. 150 CC.RR were sent to the Anzio beach-head to assist in refugee work. This number has been reduced to 83, as the evacuation program progressed.

200 CC.RR have been lent to the Palermo Legion in Sicily, while the remainder are assisting the Naples Legion.

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2. Royal Finance Guards.

Close contact has been maintained with General Moricca, G.O.C., GG.FF. It is rather too early yet to say whether or not General Moricca will prove the most suitable man to command the GG.FF, but his work is being carefully watched.

The Finance Guards held on reserve for Rome are being temporarily employed in policing Naples by arrangement with the Questore.

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3. Railway Police.

The Italian Government has definitely determined that the Port and Railway Militia will not be incorporated in the Carabinieri. A decree has been proposed for the creation of a special Railway Police body which will be administered as a part of the Agents of Public Security.

4. Agents of Public Security.

At present the channel of communication with the Questori responsible for Public Safety in the Provinces is through the Minister of the Interior. The possibility of the Minister appointing an official to deal exclusively with Public Safety matters is being explored. The chief difficulty, as in almost every other field, is to find an official with adequate qualifications capable of filling the position.

A decree has been proposed by the Italian Government for the recruitment of additional Agents of Public Security.

5. Rations for Police.

CC.RR and CC.FF draw rations from Italian Military sources on the same scale as members of the Italian Army.

In the case of CC.RR operating in 5th and 8th Army areas and working in conjunction with Allied Military units local arrangements have been made to supply CC.RR with rations from Allied Military sources. The same arrangements has been made for the Rome contigent of CC.RR.

At a meeting at AAI, RI in Naples on 31st March 1944 it was agreed to submit to AFHQ a recommendation that Agents of Public Security and members of Fire Brigades should draw rations from Italian Military sources on the same scale as the Italian Army. Estimates to cover requirements upon reaching the PISA-RIMINI line were recorded by Brig. Foster of AAI as follows:-

60,000 CCRR etc. (this to include Guardia di Finanza, and other police for which there may be special requirements)

20,000 Agents of Public Security

10,000 Fire Brigades.

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6. Uniforms and Equipment.

Efforts to obtain uniforms, supplies and equipment for the personnel of law enforcement agencies have thus far resulted in the allocation of 3000 sets of rodyed type clothing to the CCRR.

Discussion of the question is being pursued with the Army Sub-Commission and it is expected that larger quantities will soon be made available. This situation with respect to shoes is quite critical. The Army Sub-Commission stated that they are now in production and a special requisition has been submitted to cover the immediate urgent needs of the Carabinieri.

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However, Public Health and Welfare, Region 3, has recommended a prison diet for that Region which has been submitted to the Food Sub-Commission for authorisation. Capt. Young has conferred with the Prison Superintendent, Region 3, and Capt. Parker of the Food Sub-Commission, and reports that the Food Sub-Commission has recommended a diet ration, which approximates to that suggested by Region 3, for national adoption. Two factors have still to be taken into consideration - (i) If work in prisons is re-established it may be necessary to increase the ration of 2100 calories suggested by Region 3 (ii) the allowance made by Italian regulations to cover the daily cost of feeding a prisoner is in the neighbourhood of 8 lire. The ration suggested by the Food Sub-Commission will cost 12 lire daily. It is hoped to work out a satisfactory solution with the authorities concerned.

3. Prison Administration

Prisons are reported to be reasonably clean, but the supply of soap and disinfectants, though given priority, remains a source of complaint in Regions 2 and 3.

4. Prison Staff

The Prison Superintendent, Region 2, has complained of a shortage of prison guards. Through the co-operation of the Superintendent of Region 3, a list of 30 names has been submitted to the Minister of Justice for possible transfer, if in his opinion, the complaint in Region 2 is well founded.

6. FIRE AND CIVIL DEFENCE

Relations have been established with the Under-Secretary to the Minister of the Interior, who is responsible for the Fire and Civil Defence Services.

Discussions have taken place with Ministry officials regarding the supply of spare parts and tyres for Fire vehicles, the pooling and distribution of equipment and supplies, a scheme for the interchange of officers, and the supply of uniforms. Liaison has been maintained between Allied Military Fire Services and the Italian Fire Brigades.

As regards rations, Fire Brigade personnel have been included with police personnel in a recommendation to AFHQ for rations to be supplied from Italian Military sources on the scale issued to

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4. Prison Staff

The Prison Superintendent, Region 2, has complained of a shortage of prison guards. Through the co-operation of the Superintendent of Region 3, a list of 30 names has been submitted to the Minister of Justice for possible transfer, if in his opinion, the complaint in Region 2 is well founded.

G. FIRE AND CIVIL DEFENCE

Relations have been established with the Under-Secretary to the Minister of the Interior, who is responsible for the Fire and Civil Defence Services.

Discussions have taken place with Ministry officials regarding the supply of spare parts and tyres for Fire vehicles, the pooling and distribution of equipment and supplies, a scheme for the interchange of officers, and the supply of uniforms. Liaison has been maintained between Allied Military Fire Services and the Italian Fire Brigades.

As regards rations, Fire Brigade personnel have been included with police personnel in a recommendation to AFHQ for rations to be supplied from Italian Military sources on the scale issued to the Italian Army.

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H. LICENSING AND REGISTRATION

1. Motor Vehicle Circulation.

The publication of General Order N° 20 which deals with the issue of motor vehicle circulation permits and authorisation for petroleum supply, was withheld consequent upon the handing over of territory to the Italian Government. An amended order, excluding reference to territory administered by the Italian Government, was prepared and was signed by the Executive Commissioner on 27th March 44.

As regards Italian territory, the Italian Government wished to adopt the scheme in its entirety. Frequent discussions with Italian officials resulted in the preparation of Italian Royal Decrees which have since been approved by the Legal Sub-Commission.

Identical motor vehicle permits, application forms, etc. will be issued in occupied and unoccupied territory, except that the

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E. POLITICAL MATTERS

On 12th March 1944 political meeting was held in the Galleria Umberto, Naples, to protest against Mr. Churchill's support of the Badoglio Government. This open-air meeting was organized by joint political parties, including the Communists and Socialists and the National Party of Liberation, in lieu of a proposed ten-minute industrial strike which was originally to have taken place on 4th March 1944.

The meeting was attended by 6000 to 7000 people. In general, the speakers were against the King and the Badoglio Government, but favoured co-operation with the Allies. Adequate arrangements were made to police the meeting. No disorder or violence occurred and the crowd dispersed without incident.

Numerious other political meetings of minor importance have been held.

There have been a number of demonstrations, mostly in unoccupied Italy, demanding more food or complaining against local officials.

F. PRISONS

Capt. Young has established relations with officials of the Minister of Justice on a friendly and co-operative basis.

1. Overcrowding

Prisons in Region 2 and Region 6 have become grossly overcrowded, while those in Region 3 are now full to capacity. These conditions are attributable to (a) destruction or damage caused to prisons by bombardment,(b) the use of prisons by Allied Forces,(c) the increased number of arrests,(d)delay in bringing prisoners to trial and (e) confinement of Italian Military Prisons in civil prisons.

It was hoped to reduce overcrowding by transferring by transferring prisoners to Region 1, but a recent survey has shown that there is insufficient accommodation to warrant a programme of transfer. A letter has been addressed to the Naval Authorities at Augusta, Sicily, asking them to vacate the prison. A letter has also been sent through the V.P. Adm.Section asking the Minister of Justice to approach the Ministry of War with a view to the removal of military prisoners from civilian prisons in Region 2.

The Minister of Justice has issued orders for a general survey of prisons in unoccupied Italy, particularly on the questions of accommodation, rebuilding, sanitation and hygiene. The Minister is also interesting himself in providing work for prisoners.

It is proposed that a conference be held at which will be repre-

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It is proposed that a conference be held at which will be represented Allied Military Commanders, the War, Justice and Interior Ministries of the Italian government and the Public Safety,Legal and Army Sub-Commissions with a view to conducting an overall survey and to initiate remedial measures.

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2. Rations

Food for prisoners has been the subject of frequent comment and much anxiety in Region 3, and more recently, has become a matter of concern to the Italian Government owing to a reduction of the bread ration in Region 2 to 200 grammes a day.

A request to the Public Health and Welfare Sub-Commissions to establish a minimum ration for prisoners throughout Italy is still under consideration.

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former will be headed "Allied Military Government" and the latter "Italian Government".

2. Reale Automobile Club D'Italia

Arrangements have been made for the Director RACI of Naples to supervise RACI offices throughout occupied territory. The RACI offices in unoccupied Italy will be supervised by the Director RACI of Salerno. Action affecting all RACI offices will be co-ordinated by the two Directors.

3. Civilian Circulation Permits

At present restrictions on the free movement of civilians are imposed in Army areas and in the Province of Foggia. A simplified form of circulation permit has been prepared and is now in the hands of the printers. The permit is designed to meet all contingencies. It is thought that a universally recognised form will be of great assistance to Military and Italian police who have the duty of checking unauthorised movement.

4. Registration of Cattle.

A draft directive has been prepared calling on all Prefects in occupied Italy to re-establish the registration of cattle. A similar directive is being circulated in unoccupied Italy by the Italian Government.

5. Italian Royal and Ministerial Vehicles.

Distinctive signs have been submitted to the Deputy Secretary General and are now being printed.

I ASSISTANCE TO ALLIED FORCES

1. Theft of W.D. Property

The Officer Commanding N°3 District stated that a considerable amount of W.D. property was being stolen by civilians from vehicles which held up in traffic at road junctions, level crossings, etc. Instructions have been given that local police are to pay special attention at busy road junctions to prevent and detect such thefts.

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2. Railway Level Crossings

Military authorities have complained that railway level crossings are not being properly controlled at night and are a source of danger to military traffic. The complaint has been forwarded through the Internal Transportation Sub-Commission to the Allied and Italian authorities responsible with the result that improvements have been promised.

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3. Investigation of railway crossing fatality.

In consequence of a request from N°3 District that an investigation be made into the circumstances of a British corporal being killed by a train while a convoy was passing through a level crossing near Montaguto, Foggia, Capt. Rennie carried out a full enquiry. The evidence showing that the accident was caused by the negligence of an Italian Railway official has been passed to the Legal Sub-Commission.

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4. Venereal Disease.

On 28th March 1944 a conference was held at HQ N°3 District on the subject of V.D. among troops. Public Safety was represented by Col. Young and Capt. Powell.

It was generally agreed that the remedy lay not so much in arresting prostitutes and closing illicit brothels, as in taking suitable action against the troops themselves.

To assist in this campaign every effort is being made by Public Safety to ensure the vigorous enforcement of the existing law. The Minister of the Interior has addressed a letter to all law enforcement agencies in unoccupied Italy ordering all possible measures to be taken to deal with prostitution, including special police patrols to drive touts (especially children) off the streets, and recommending joint patrols of Allied Military Police and Italian Police.

5. Arrests of Civilians by Military

As a result of representations, AAI has issued a directive instructing DAPMs 8th Army and Districts 1, 2, and 3 to give orders that civilians must not be handed into the custody of CC.RR unless proper charges are preferred at the time. On his part, General Pieche has issued instructions that civilians arrested by the Military Police must not be released before trial without a certificate signed by an officer or N.C.O. of the Military Police.

J. General

Ordinary routine work has been carried out, including liaison with other Sub-Commissions and assistance in re-drafting Proclamations as far as Public Safety is affected. Col. Young gave a lecture on "Civilian Internees and Prisoners of War" to the class of instruction arranged by Interior Sub-Commission.

The policy of paying visits to officers in the field has been advantageous both to the Regions and to this Headquarters.

Annexed hereto is Appendix 'A', which contains general observations and recommendations with respect to the police of Italy.

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Paul G. Kirk 1660

PAUL G. KIRK
Colonel, Inf.
Chief, Public Safety
Sub-Commission

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Appendix A

General Observations and Recommendations

The major law enforcement agencies of Italy, the Carabinieri Reali, the Agenti di Pubblica Sicurezza, and the Guardie di Finanza, are national in scope. Their authority has always been derivative of the central government. Two of them, the Carabinieri Reali and the Guardie di Finanza, are in addition essentially military in character and organization.

In the hope and expectation that before many months have elapsed military operations will bring about the evacuation of Italy by the enemy, it is perhaps not inappropriate to make an estimate of the situation with respect to the police forces of Italy with a view to making recommendations for the immediate improvement of their administration for our own purposes and for their ultimate restoration to the Italian Government free of all control.

The fine traditions and esprit de corps of the Carabinieri Reali in the pre-fascist era are well known and need no amplification here. Dominant among their traditions was their devotion to the welfare of the people of Italy and their loyalty to the Crown. With the advent and rise of Fascism, the several Fascist militias were organized, and many of the duties hitherto performed by the CCRR were usurped entirely by or duplicated by the partisan, political police this created. Relaxation of the rules which had hitherto governed the CCRR contributed to a reduction of its efficiency. Preferential treatment of the Fascist militias on such matters as uniforms and equipment also served to place the CCRR at a disadvantage. Other disruptive influences could be cited, but need not be mentioned here. Nevertheless it may be truly said that the quality of its leadership remained high and its deeply-rooted traditions continued to be a source of strength.

When the plans for the invasion of Italy were prepared, the Combined Chiefs of Staff designated the Carabinieri Reali as the police agency which would be relied upon to preserve order among the civil population. The decision without doubt eliminated the necessity of providing numerous occupational police battalions by the Allied Armies.

When the invasion was launched, the Carabinieri Reali, in the main, remained steadfastly at their posts. This was an especially trying period. In cases altogether too numerous, they were assaulted, disarmed, ridiculed, by the members of the Allied

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When the invasion was launched, the Carabinieri Reali, in the main, remained steadfastly at their posts. This was an especially trying period. In cases altogether too numerous, they were assaulted, disarmed, ridiculed, by the members of the Allied Armies. In the initial stages, when the food shortage was acute, they were allowed only the same ration as the general population, and yet were expected to enforce food rationing and black market proclamations. Civilians whom they had arrested for proper cause were frequently summarily released by military persons. Carabinieri barracks have been searched without reference to its commander and on the slightest suspicion. Soldiers interfered with them in the performance of their duty among the civilian population and they were powerless to do anything except to report the fact to their superiors. Disciplinary action against the individual offenders almost invariably was impossible because of the difficulty of making identifications amongst a large, mixed, and mobile army. The effect upon the morale and prestige of the Corps is too obvious to require comment.

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The introduction of military government reduced but by no means eliminated the adverse conditions under which the CCRR sought to perform its duties. Many of the abuses, despite the efforts of officers of AMG and of the armed forces, still continue. The immediate result of military government conditions was that authority was necessarily decentralized to the communal, provincial, and regional level. At each of these levels command responsibility rested in the AMG officer. The chain of command of a national police organization was broken, and the CCRR personnel naturally and properly looked to the AMG officers for orders and instructions. That they in the light of all the circumstances might be alleged to be lacking in enterprise and initiative is not to be unexpected.

With the capitulation of the King, and the forced withdrawal of the enemy, the CCRR were conspicuous victims of German brutality and reprisal. And then the impact of the advancing Allied Armies had to be faced, with many of the concomitants heretofore recited.

With the transfer of Regions I, II, and VI to the Italian Government for administration, command responsibility for the CCRR therein has been vested in Gen. Giuseppe Pieche. My contacts with him have been daily. I have found him to be high-minded, completely competent, industrious, loyal and entirely cooperative.

The present situation possesses certain anomalous features which in my judgment are not conducive to the most efficient employment of the Carabinieri Reali, nor to the restoration of its morale, prestige, and corporate sense as a national military police body.

First of these is the fact that there are three systems of government in Italy, south of the line of contact between the hostile armies:-

(a) military government under the tactical commanders,
(b) military government under the regional commissioners,
(c) government by the Italian administration subject to ACC conditions.

That (a) should continue to the rear boundaries of the armies is incontrovertible. Whether (b) should be converted to (c) is a high policy question as to which I am not expected to express an opinion except insofar as it concerns the Carabinieri Reali. My opinion on that score is that if the military government regions were released to the Italian government for administration, a great advance would be made in restoring command responsibility, self-reliance, discipline, and flexibility of

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The second anomalous feature is the relationship between the Carabinieri and the military personnel of the Allies. The status of co-belligerency means that in legal contemplation the Italians are neither enemies nor allies nor neutrals. The responsibility for maintaining law and order in both occupied and unoccupied Italy rests upon the Italian police. Many of the serious crimes committed in the civilian community are perpetrated by Allied troops. The power of arrest of Allied soldiers by the Italian police forces has never been conferred by the Allied authorities, although in extreme cases it has in fact been sometimes exercised. The situation is a delicate one. But in view

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of the facts as they really exist and the demonstrated good faith of the CCRR in their collaboration with the Allied Forces, I recommend without hesitation that the Supreme Commander of the Allied Armies in Italy be requested to confer the power of arrest of military personnel upon the Carabinieri in the same form and manner as it would be exercised by the civil police in an Allied Nation, with the provision that the soldier arrested be turned over to the military authorities with the least practicable delay.

Most of the foregoing applies with equal force to the Guardia di Finanza; and, possibly to a lesser degree, to the Agents of Public Security. However, in view of the fact that Italy has not been accepted as an Ally, and pending a decision as to the legal status of all of the police agencies with respect to the Armed forces of the Allies, it is believed that the recommendation as to the power of arrest should be applied only to the CCRR for the time being.

Paul G. Kirk

PAUL G. KIRK,
Colonel, Infantry,
Chief, Public Safety
Sub-Commission.

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Sub-Commission.

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ANNEXE 1A°

ARTICLES	[illegible]	Kano	Sokoto	Total	Calabar	Enugu	[illegible]
Calcium bisulfate	300	100	300	700 Kg.	—	110	700
" hypochlorite	300	150	100	450 "	200	—	
" bicloridate			195	195 "	100	—	
" tannate	150	100	150	400 "			
Diolamine stolz	350	0	21	471 "	5	—	
Gomafax + Mesochinn	5000	2,00	2136	9336 "	0,500	—	0,5
Compresses antimalarials							
(Congo)	100,000		350,000	550,000 comp.	—	—	25
Chinine in Solus.	200	100	120	420 Kg.	60	37	
Vanil di Parigi **	32	60	10	102 g.	5	—	
Spongen meter	2	—	1	3 No.	—	—	
" hand	400	200	400	1,000 "	—	—	
" back	50	100	50	200 "	—	—	
Sirups	20	5	10	35 "	—	—	
Liquors	20	5	10	35 "	—	—	
Chenolo	600	350	400	1,350 "	—	—	
Spodes	600	360	400	1,360 "	—	—	
Scythes	720	270	320	1,310 "	—	—	
Gumboots	350	200	150	600 "	—	—	
Bicycles	10	10	10	30 "	—	—	
Cars	1	1	1	3 "	—	—	
Small trucks	1	1	1	3 "	—	—	
Quinine	3000	1200	2500	7700 tins	—	—	
Soap	300	100	200	600 Kg.	—	—	
Military Labour	1336	200	500	2036 "	—	—	
Special	(Orlistano 300 Cameri 150						
	(Cerfontin 150 Gibin 150						
	(Carnidin 150						

* Including prophylactic for Cerfontin
** Items not included in do for special areas.

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the R.D.P.H.

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the R.D.P.H. - Region 6.

APPENDIX "F"
Sheet 10

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

APPENDIX "F"

ACC/3008/VS

1 April 1944

SUBJECT: - Report of Veterinary Activities During Period 1 March to 31 March 1944, Incl.

TO : - Director, Public Health Sub-Commission.

1. A survey of veterinary activities in Sicily was made. In general, the veterinary service in Sicily is being re-established to its pre-war status very rapidly. The Provincial Veterinarian in each of the nine provinces was interviewed regarding veterinary problems in general. There are no infectious diseases of great consequence at the present time with the exception of Agrigento Province.

2. Fifteen persons in Agrigento Province were found by the Medico Provinciale to be seriously ill with undulant fever on 4 March. All persons affected had been drinking raw goat's milk. It was recommended that an Avisso be published and circulated by the Prefetto warning the public of the dangers involved in drinking raw milk and instructing them to bring all milk to a boil before drinking. It was further recommended that all goats in the commune in which the disease occured be tested with Brucellin. Brucellin is a diagnostic agent which, when used in a similar manner as Tuberculin and Mallien, gives quite an accurate indication as to whether or not a goat is infected with Brucella Melitensis. In positive reactions the eye under which the brucellin is injected subcutaneously becomes severly inflamed and swollen. Positive reactions have a very good psychological effect upon the milk drinking public. As there is no pasteurizing plant in all of Agrigento Province and there is a shortage of food, it was not deemed advisable to recommend the slaughter of infected animals.

3. There were two instructives issued relative to veterinary activities to the Prefetti in AMG territory through the Regional Commissioners. On 14 March one was issued as regards the slaughtering of livestock and on 24 March one regarding the immunization of livestock against infectious diseases with special reference to those diseases transmissable to man.

4. A conference was held with Capt. J.F. Kein, Agriculture Sub-Commission, as Capt. Kein is detailed to cope with problems pertaining to livestock. Useful information was obtained by both parties.

5. Requisitions for veterinary biologics and for the other veterinary supplies to arrive within about 35 days have been received regularly. These requisitions are and will continue to be met to the extent the products are available.

6. Considerable amounts of feed for livestock has been and is being supplied to those communes affected by the eruption of Vesuvius. Supplies are being sent from Salerno and Naples.

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7. An investigation of a privately owned and operated veterinary laboratory producing patent medecines was made. This laboratory owned and operated by Prof. Nello Mori, Bellavista, Naples, is producing four patented products. Authority for the production and sale of the products has been granted by the minister of Internal Affairs. No reason was seen for suppressing or encouraging the work of the laboratory.

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8. A meeting of all Veterinary Officers (A) in Italy was held in Naples on 23 March. Many veterinary problems of interest to all were discussed. It was decided that Rabies presents one of the most urgent problems to solve. The following conclusions were reached regarding the control measures to be taken as soon as possible:

1. Veterinary officers will encourage more rigid enforcement of the AFHQ Directive regarding dogs on military occupied premises. This directive states that under no circumstances will dogs be permitted on premises occupied by military personnel.

2. Executive Memorandum No. 3 published this Headquarters, 7 February, 1944 to be amended as follows:

a. Para. 4 shall read: - "Regional Commissioners will ensure that all prefetti and other authorities named act promptly and with diligence in this matter. Veterinarians in AMG Territory will be instructed and empowered to employ dog catchers to assist them in the same manner as they did under the Italian Government."

b. Para. 5 shall read: - "All communes in AMG Territory will be treated as infected areas as follows: (1) Dogs other than those on a leash or with muzzle cannot circulate: (2) Those dogs found circulating without muzzle or not on a leash will be impounded and destroyed immediately."

c. Para. 6 shall read: - "Special attention will be given in all AMG Territory."

d. Para. 7 - shall be made to read as Para. 6 Executive Memorandum No. 3.

ROWLAND W. RUSHMORE
Major, Vet. Corps,
Veterinary Officer, A.C.C.

PH/RWR/ja

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[illegible] HEADQUARTERS
ALLIED CONTROL COMMISSION
APO [illegible]
Public Health Sub-commission

APPENDIX "G"

AC2/[illegible]/PH

16 March 1944

Veterinary Questionnaire
Answers

1. The following biologics for the treatment of animals are now being produced in Region 1 (Sicily):

a. Vaccines: - (1) Anthrax; (2) Blackleg; (3) Infectious abortion; (4) Mastitis; (5) Gangrenous mastitis; (6) Strangles (adenitis) (aero-vaccine; (7) Fowl Diphtheria; (8) Polyvalent poultry vaccine; (9) Hoof and Mouth disease (Afta).

b. Anti serums: - (1) Anthrax; (2) Blackleg; (3) Tetanus.

2. The biological preparations produced in Region 1 during 1943 are the same as those listed in para. 1 with the exception of anti tetanic serum, none of which was produced in 1943.

3. The present production figures are compared with those of 1942 as follows:

	1943	1942
Anthrax Vaccine	1,000,000 doses	600,000 doses
Blackleg Vaccine	400 litres	200 litres
Infectious abortion vaccine	4.5 litres	4.5 litres
Mastitis vaccine	30 litres	30 litres
Gangrenous mastitis Vaccine	3 litres	3 litres
Fowl Diphtheria vaccine	2000 doses	2000 doses
Polyvalent poultry vaccine	16½ litres	16½ litres
Strangles (Adenitis, aero-vaccine)	20 litres	20 litres
Afta* (Hoof & Mouth disease (AFTA)	None	None
Anthrax antiserum	60 litres	60 litres
Blackleg "	50 litres	50 litres
Tetanus "	25 litres	None
Tuberculin	170,000 doses	170,000 doses

*No afta vaccine is being produced at the present time. As the disease does not exist now and there is no virus on hand, no vaccine will be produced unless the disease occurs.

4. The 1943 production of veterinary biologics was sufficient to meet the needs of the region.

5. Region 1 did not supply veterinary biologics to other regions in 1942.

	1942	1943
Anthrax Vaccine	1,000,000 doses	60,000 doses
Blackleg Vaccine	430 litres	430 litres
Infectious abortion vaccine	4.5 litres	4.5 litres
Rentilis vaccine	30 litres	30 litres
Conglomerate Rentilis Vaccine	8 litres	8 litres
Fowl diphtheria vaccine	2000 doses	2000 doses
Polyvalent poultry vaccine	16½ litres	16½ litres
Strangles (Adsorbin, semi-vaccine)	30 litres	30 litres
Hoof & Mouth disease (A.P.H.)	None	None
Anthrax Antiserum	62 litres	62 litres
Blackleg "	50 litres	50 litres
Tetanus "	8½ litres	None
Brucellin	170,000 doses	170,000 doses

The afta vaccine is being produced at the present time. As the disease does not exist now and there is no virus on hand, no vaccine will be produced unless the disease occurs.

4a. The 1942 production of veterinary biologics was sufficient to meet the needs of the Region.

4b. Region 1 did not supply veterinary biologics to other Regions in 1942.

5. The prevalent diseases among livestock in Sicily are as follows: (1) Anthrax; (2) Blackleg; (3) Hemorrhagic Septicaemia; (4) Strangles; (5) Tetanus; (6) Infectious abortion; (7) Laryngo-tracheitis; (8) Fowl typhoid; (9) Fowl diphtheria; (10) Rabies; (11) Hoof and Mouth disease; (12) Ringworm; (13) Tuberculosis; (14) Rentilis.

(Note- Very few of the above-mentioned diseases actually exists in livestock at this time but all of them have appeared on the Island within the past five years.)

6a. No routine tests are made to detect Tuberculosis, Brucellosis, or Glanders.

6b. In the event of a serious outbreak of infectious disease, a report is made to the Director of the Prophylactic Institute, who in turn notifies the Regional Medical Officer and this Headquarters. There is at present no routine monthly reporting.

7a. The anti-rabies laws are being fairly well enforced. Improvements are now being made in this respect.

10. There is an "acting" Regional Veterinarian, one Provincial Veterinarian for each province and sufficient communal veterinarians.

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11. There is no official Regional Veterinarian. The acting Region Veterinarian is satisfied that the provincial and communal veterinarians are doing their job as well as is possible under wartime conditions.

12. There is no adequate system of inspection of individual veterinary work at present due to an acute shortage of transportation.

13. The Germans did, undoubtedly, slaughter and export a few animals. The figures below indicate that very few animals were lost to the Germans.

14. The present herd figures compared to those of 1939 are as follows:

	1939	1943
Horses	75,000	72,169
Asses	138,000	129,176
Cattle	197,000	196,000
Sheep	764,000	603,000
Pigs	67,000	50,000
Goats	338,000	260,000
Mules	195,000	134,252

15. Goat's milk is most commonly consumed by the Sicilians. Some cow's milk is consumed in the cities.

16. The local milk production is not sufficient to meet the needs of the Region.

17. There is little done to assure a sanitary milk supply in Sicily. There is one pasteurizing plant in Palermo. It is well equipped but very poorly operated. Avisos are published frequently for the purpose of warning people of the importance of boiling milk before consuming it. However, a very small percentage of the milk is boiled, or heated, in the home before it is consumed.

18. Supplies of dried milk are no longer necessary for Sicily. Several tons are now on hand in Palermo which the Sicilians will not use.

19. No further assistance is required by the acting regional veterinarian unless a serious outbreak of infectious disease occurs.

20. The regulations concerning the slaughtering and inspection of livestock and meat are not now in effect to any great extent because of the black market conditions that livestock which is slaughtered in the abbatoirs, is done under the supervision of communal veterinarians.

ROLAND E. HUSBORE
Major, Vet. Corps.
Allied Control Commission.

PH/RwR/ja

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ROLAND W. HUBBARD
Major, Vet. Corps.
Allied Control Commission.

PE/RWH/ja

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APPENDIX "H"

HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Health Sub-Commission.
APO 394.

RMB/cgh
3 April 1944.

Refer : PH/09/MS

SUBJECT: Monthly Report - Supply Service - March.

TO : Director, Public Health Sub-Commission.

1. Special report submitted covering conferences with Dr. Vazzoso, Director Italian Public Health Department, outlining way it may be expected that, with reduced ACC personnel in Regions of Liberated Italy, distribution of medical supplies will not be ideal, but will be the prime responsibility of Italian Government, is not reported.

2. Captain Wilhelmi of this Section made an extended trip through Region II, and Region V to explain system of medical supply as enumerated in Executive Memorandum # 24. Arrangements made for cooperation between Region V and ACC 8 Army on medical supply matters. Final arrangements made for an ACC medical sub-depot at Bari to handle imports for that and other eastern ports.

3. Decision obtained that medical supplies issued to Refugee Camps would be billed out on Issue Voucher with no collection of money from Camps, but a notation on Issue Voucher so Finance Sub-Commission can collect. Authority received to issue medical supplies to Displaced Persons Sub-Commission from AMG. This latter may create a problem since plans had not been made for the variety of instruments and medical items which this Sub-Commission apparently requires for its hospitals.

4. American MCO, Italian speaking, trained in Medical Supply work, sent to Bari to establish Medical ACC Sub-Depot until an officer can be made available from Sicily. Another MCO (A), Italian speaking, sent to duty with BRIG ADC 5 Army to assist in Medical Supply work.

5. Clothing Committee abolished and activities of clothing (ACC) warehouse taken over by this service. With this assumption of added duties, it was possible to release one officer (A) for duty elsewhere.

6. Because of complaints referable Medical Supply distribution in Sardinia, Captain Wilhelmi was sent to Sardinia with authority of Regional Commissioner, Region VI, to assist the RCAO in establishing a Medical Depot and a proper distribution system making complete use of existing Italian agencies since it is impossible to supply Sardinia a permanent duty medical supply officer due to shortages of this type personnel and inability to obtain additional personnel.

7. Undersigned made a trip to Sicily, 20 March to 2 April, to determine status of medical supply system for Region I. Separate report written on problem reference status Dott. Savoia and Medici Provinciali. Warehouse at Caltanisetta has ample supplies on hand. Medico Provinciale draw supplies as required after payment is made to AMFA account. Any shortages in Provinces are now the direct responsibility of Medico Provinciale. Lt.Col. Macdonald, RCAO, expressed the opinion that with the reduction of ACC personnel and the assumption of distribution activities by Italian agencies that there can be expected a 'black market' in our medical supplies. One officer ACC must remain in Sicily to handle accountancy of imported ACC medical supplies until paid for by Italian Government. At present

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Appendix 'H' to Monthly Report for March of Public Health Sub-Commission. (Cont)

Lt. Arno at Caltanisetta is doing this work but it is believed Lt.Hill, assistant PHO, could do this in addition to his other duties. Narcotics must be handled by an officer until released to the Medico Provinciale. Routine inspections of distribution set-up of the Medico Provinciale must be made until ACC is withdrawn entirely. Lt.Arno can be released as soon as his present civilian assistant has had about three to four weeks additional training. Manufacture of biologicals, under control of Italian Medical personnel is progressing slowly but satisfactorily.

3. Higher authority must understand that this Service is attempting to follow the policy of using Italian Governmental agencies to the utmost but that the slowness or reluctance of the Italian Government to reestablish its normal functions is a considerable handicap. The Regional High Commissioner of Sicily was only recently (31 March 1944) installed officially by Prime Minister of Italian Government. The limited ACC Public Health Personnel in Regions cannot do a satisfactory police and control job on medical supplies in addition to their other duties. The success or failure of the medical supply distribution in the provinces in Liberated Italy will depend entirely upon the honesty and efficiency of the Italian Public Health personnel. This latter point cannot be stressed too often.

4. After conference with Colonel Russell, Malariologist ACC, revised estimates on Atabrine, Quinine, and Plasmochin were submitted to AFHQ. Requirements for all Regions of Occupied Italy including Regions IV and V were submitted to Industry and Commerce for the period July-December, 1944.

M.E. GRIFFIN, Colonel.
Medical Supply Officer,
Supply Service.

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COPY.

APPENDIX 'I' to

Public Health Monthly Report for March 1944.

RSAR HEADQUARTERS
ALLIED CONTROL COMMISSION.
APO 394.
Public Health Sub-Commission.

ACC/3072/PH

5 April 1944.

SUBJECT:- Distribution of Medical Supplies.

TO :- Dr. Vezosso, Principal Medical Officer,
Italian Government.

As you are aware, medical supplies imported by ACC into Italy, Sicily and Sardinia are first stored in warehouses controlled by ACC Medical Supply Officers or non-commissioned officers. They are then sold to the Medici Provinciali or similar Italian agency.

During the time that medical supplies are in Medical Supply Warehouses, ACC accepts full responsibility for them, but once they have been sold to the Medici Provinciali or similar agencies, they pass out of the control of ACC Officers.

It must, therefore be fully understood that once medical supplies have been sold to the Italian agency, ACC can no longer accept the slightest responsibility for them. If, after this transaction has taken place they appear in the black market, the fault lies entirely with the Italian Distribution System.

PH/GMF/ja

G.S. PARKINSON, Brigadier,
Directorm Public Health Sub-Commission.

Copy to:- Col. M.S. Griffin, Medical Supply Officer,
Public Health Sub-Commission, ACC Main HQ.

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NEAR HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
Public Health Sub-Commission

APPENDIX "J"

ACC/3078/PH

1 April 1944

SUBJECT: - Monthly Report - March

TO : - D.P.H.

1. Major M'cSweeney, Major Goldsmith and Lieutenant Wintersheim were assigned to Region III, Public Health and Welfare. Capt. Kirk of Region III, Public Health and Welfare was transferred to another theater.

2. During the month, conferences have been held with representatives of the Ministry of the Interior of the Italian Government, Commendatore Moscato Giovanni, Chief of the Division of Civil Administration, and Dott. Ferranto, who is responsible for relief activities, under Commendatore Moscato. The subject of discussion was the welfare program which Commendatore Moscato is planning.

3. During the conferences, the following has been pointed out:

a) The lack of positive supervision of comunal relief activities on the part of provincial authorities.
b) The fact that there is no welfare agency in Italian Government which operates on the basis that it has responsibility for needy and destitute persons not in categories covered by other agencies.
c) Slowness in the approval of money allotments to institutions for the care of children.
d) The difficulty in the coordination of the number of assistance programs which the Italian Government has.
e) The need for consideration of the financial resources of the Italian State in the formulation of a welfare program.

4. In order that the welfare experience of A.M.G. in Sicily be available in the welfare planning of the Italian Government, it was arranged that Capt. Willcox of this Sub-Commission and Dott. Ferranto go to Sicily to review the provincial welfare departments there. Capt. Willcox and Dott. Ferrante have not yet returned.

5. It was stated by representatives of the Italian Ministry of the Interior that Soccorso Militare allowances were to be increased 70%. The proposal has not yet been placed into effect.

6. The memorandum defining the scope of the Welfare Section of the Public Health Sub-Commission in relation to the activities of other Sub-Commissions awaits a reply from the Italian Refugee Branch of the R.O. and M.G. Section.

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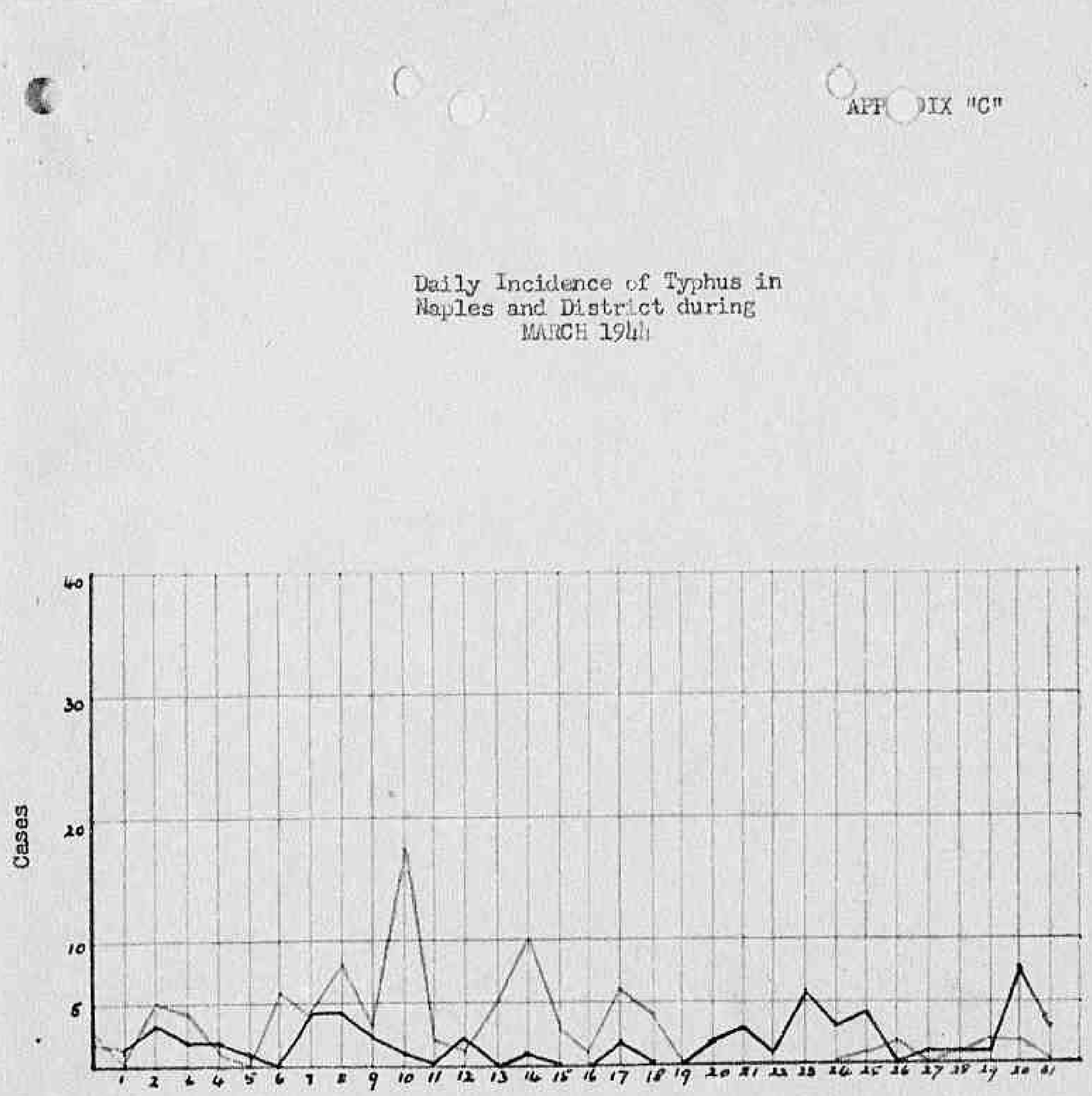
7. In respect to the eruption of Vesuvius, Capt. Earnest worked with the Italian National Government in Salerno, and made inspections of the work being done. Capt. Silveira was assigned on temporary duty to an emergency reception center in Castellammare. This activity is now finished.

Edward E. Silveira
EDWARD E. SILVEIRA
Captain, Spec. Res.

Declassified E.O. 12356 Section 3.3/NND No. 785016

APPENDIX "C"

Daily Incidence of Typhus in
Naples and District during
MARCH 1944



——— Incidence of Typhus in Naples City

——— Incidence of Typhus outside Naples City

Declassified E.O. 12356 Section 3.3/NND No. 785016

SECRET

HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Health Subcommission

APPENDIX C

31 March 1944

Subject: Report of Venereal Disease Control Activities for the Month of March 1944.

To : Director of Public Health Subcommission (Att:Maj.Frizelle)

1. During the month of March,field trips have been made to Palermo Catania and Cagliari to study progress in these areas;conferences were held with Dr.Vezzozo,Italian Director of Public Health; and conferences were attended at District III and AAI hqs.

2. At the time of the visit to Palermo improvement in the general situation was noted. The IBS order placing houses of prostitution "out of bounds" to troops was being enforced and the Italian police authorities were cooperating with the military police in the repression of clandestine prostitution.The Surgeon of IBS asked for more energetic action on the part of civil authorities.Region I had requisitioned,through the prefect,a suitable building to augment their hospital facilities but were experiencing difficulties in procuring the necessary beds,mattresses,blankets,and other equipment.The hospital in use had been expanded from 100 to 175 beds by adding more beds and transferring the tuberculous patients to another institution It was learned that the patients at this hospital were not receiving proper treatment because of the failure of the Italian authorities to purchase from ACC the necessary drugs.The problem was solved by requiring the Italian Director of Health to authorize Prefects to expend funds for this purpose.

VD Rates IBS

Month	White	Colored
Dec.	136.1	728.8
Jan.	136.2	631.6
Feb.	156.6	586.3

These rates are still excessive and can still be brought lower by more effective repression of prostitution and emphasis on leadership and recreation for the troops.

3. The DDMS of District I reported an improvement in the situation in Catania although rates for this area were not available.The Catania hospital has 110 beds and is very crowded; in some instances two patients were in one bed.A suitable building for additional facilities was provided by the DDMS which can accomodate an additional 200 beds.This building has not been occupied as a search was being made for the necessary beds,mattresses,blankets and cooking utensils.It is expected that this hospital will be occupied in April making available a total of 310 beds for Catania.Shortage of drugs was also noted in the Catania hospital.

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4.

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4. Progress is also being made elsewhere in Sicily. Siracuse has a hospital with 60 beds and efforts are being made to equip another building which will accomodate and additional 100 beds. These two hospitals will then serve both Siracuse and Augusta as there seems to be no possibility of establishing a hospital in Augusta. Messina has a smoothly operating hospital with 114 beds which may be adequate there. Trapani has 16 beds; no further expension is contemplated in Trapani.

5. Cagliari was visted early in March and conferences held with the regional public health officer, the Surgeon of the garrison and Italian medical authorities. A beginning had been made on a repression and hospitalization program. The hospital had a ward with 35 patients. Additional facilities are needed in Cagliari and at either Sassari or Alghero. The regional public health officer is trying to increase these facilities. The following rates for Sardinia were available:

Month	White	Colored
Dec	67.4	201.4
Jan	71.9	839.0

The white rates are respectable in Sardinia but the colored rates are too high. The Surgeon explained that the small number of colored troops caused large variations from month to month in the colored rate. The white rate is lower because of the operational nature of the duties of the troopsas compared to the white rates of base troops elsewhere in Italy which are higher.

6. The V.D. situation in Salerno showed improvement during the month.

Week	Rate
Nov 6	160
13	130
20	170
27	280
Dec 4	260
11	190
18	155
25	230
Jan 1	100
8	60
15	85
22	80
29	104
Feb 5	80
12	80
19	50
26	70

The hospital for Salerno is located at Nocera Inferiore and has capacity for approximately 110 patients. There is still considerable clandestine prostitution within Salerno although this condition has improved.

7. V.D. rates for Naples showed no improvement in February; March figures are not yet available. The Surgeon of Metropolitan Area attributes the failure of the rate to decline to several military police units that had abnormally high rates, one was 1200. This would indicate that disciplinary measures are needed in these units.

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Rates for Naples and PBS are:

Metropolitan Area (Naples)

Month	White	Colored	Total
Jan	190.4	368.3	133
Feb	183.	355	129.

Facilities have been provided in Region III for all clandestine prostitutes apprehended. In addition to hospitalization prostitutes on whom a charge can be proved are taken after hospitalization to the prison to await trial. The problem of clandestine prostitution within Naples is vast and will yield only to vigorous methods combined with publicity of the sentences that persons convicted may be expected to receive. Because of the shortage of military police to do this job, together with Italian police, it was suggested to PBS that non-coms of all units be given the responsibility of turning over to the nearest military police any pimp or woman that they see solicit enlisted men. A visit to the staging area at Bagnoli showed great crowds of soldiers hanging around the streets without entertainment other than that provided by prostitutes. No activities against clandestine prostitution were observed in Bagnoli said to be one of the worst areas in the vicinity of Naples.

8. Indirect reports are that facilities are needed in San Severino for hospitalization of clandestine prostitutes. This area will be visted within the next few days.

9. Conferences were held with Dr. Vezzozo, Italian Director of Public Health, to achieve parallel action by the Italian government with the efforts of ACC and other military units in Venereal Disease Control. Recommendation was made that the Italian government create a Division of Venereal Diseases within the Department of Public Health under a competent venereal disease control officer.

John A. Lewis Jr.

John A. Lewis, Jr. Maj. PHS
Venereal Disease Control Officer, ACC

SAL/sal

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APPENDIX "E"

AMG/305/11

30 March 1944

SUBJECT: - Malaria & Malaria Control in Sardinia.

TO : - Director, Public Health Sub-Commission.

General

I. Species of anopheles present in Sardinia:
   A. Anopheles maculipennis labranchiae.
   B. " " Italis.
   C. " algeriensis.
   D. " elutior.

II. Incidence of malaria:
   A. 80,000 to 120,000 reported cases of malaria per year.
   B. In 1943, 6000 military cases were hospitalized.
   C. One Italian division stationed on the Island experienced a 50% morbidity rate in 1943.
   D. It is reported that about 50% of the cases are of the malignant type (parasite P. falciparum).
   E. In 1943 there were about 150 civilian deaths and 230 military deaths caused by malaria.
   F. The months of July, August, September and October be e the highest malaria incidence rate.

III. The following Island areas have been designated as malaria control priority districts by the Public Health Office of Region VI:
   Carbonia, Cristano, Olbia, Sassari and Cagliari. Recommendations have been made by the Public Health Office that these areas receive extra attention as regards supervision of malaria control, supply and labor.

IV. Division of Malaria Control Work:
   A. Malaria control work is to be done by the following agencies:
      1. U. S. A. Malaria Control Unit (s).
      2. Italian Military.
      3. Italian civilian (through the provincial anti-malaria committees).
   B. U.S.A. Malaria Control Unit (s).
      1. At the present time the 20th Malaria Control Unit, under Capt. Dick and Lt. L. Sellers, is conducting control work at Cagliari, Decimomanu, Elmas, Villacrido and Monserrato. About 200 Italian soldiers are being employed. These areas contain concentrations of Allied military personnel. An area of two miles in extent from the periphery of each troop concentration will be controlled of larval breeding.
      2. The Region of Alghero, including the towns of Portalle and Alghero, is also to be placed in the control sphere of the U.S. Army.
      3. Both oil and Paris green dust will be utilized by the control units.
   C. Italian Military:
      There is a large Italian garrison force scattered throughout the Island. The Italian military are to do control work in their barrack areas. However, due to their lack of equipment and materials, the present plan is to station most of the soldiers in mountainous regions during the malarious months. In these areas where the soldiers must remain, malaria control will be attempted by the Italian Army.

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D. Italian Civil (through the provincial anti-malaria committees).
The committees will undertake control work in areas not falling under the jurisdiction of either the Italian military or Allied authorities. However, there is a possibility that these committees may have to conduct control work in the Italian military areas as well.

Provincial Anti-Malaria Committees' programs.

1. Province of Cagliari - proposed program for 1944.
   A. Three main controls of malaria through:
      1. Treatment of malarious houses - human bonification.
      2. Anopheles control.
      3. Protection of host health individuals who live in malarious zones.

   B. Human bonification.
      1. Anti-Malaria Ambulatories:
         a. There are 165 permanent ambulatories, distributed as follows:
            (1) One for each of the 117 communes.
            (2) Plus 1 additional for Cagliari Commune.
            (3) Plus 2 additional for Sinnai Commune.
            (4) Plus 3 additional ones, conducted by the Italian Red Cross for the Minister of the Interior, and located at Iglesias, Gibe, and Sirri.
         b. The commune ambulatories are managed by the medical condotti, who usually employ assistants.
         c. Each medical condotti received L.3000 at the end of the year. This is a L.330,000 item on the committee's budget.)
         The assistants get from L.300 to L.750 per year, depending on the ability of said assistants. (This is a L.80,000 item on the budget.

      2. "Condotte Antimalariche D'Intervenzione".
         The below named communes, which form part of the consorzio sanitario, do not have a resident commune doctor. Therefore, during the malaria season integrating condotte antimalariche function, working among the communes. At times they are assisted by the head medical officer of the consorzio. These are the communes: Allai, Asuni, Ballao, Barrali, Donigalamaria, Genica, Guasi, Isconali, Ussana and Villamora Frnca.
         This service is also extended to those private communes that are too large in area and require assistance, or who have a grave epidemic. These condotti are paid L.2000 to L.1800 a month. This is a L.100,000 item on the budget.

      3. "Conduitori Antimalarici" - Student Assistants.
         Upper grade medical students are assigned to communal areas during epidemic periods. These students are chosen by the Medico Provinciale, and work under the direction of the commune doctors. They seek out and treat all malaria cases in their particular area, and assure the carrying out of anti-larval measures. They must cover their assigned area at least once a week, and must keep records of malaria cases, their treatment, and the distribution of drugs. Each student receives L. 1500 per month. This is a L. 315,000 item on the budget. The following communes receive this student service: Communes of Ales, Berrssa, Burcei, Dusachd, Cabras, Collinas, Decimoputzu, Fluminimaggiore (for the sector of Arbus), Ghilarza, Gibe, Guamastrono, Narrao, Ninas, Oristano, Pompas Sargiu, Ridia, Samatzai, San Basilio, Senturi, Santadi, San Vero Milis, Selegas, Senia, Senorbi, Siamaela, Sinnai, Terralba, Tuili, Urus, Usellus, Villacrido, Villamassargia, Villaputzu, Villasorbane and Teulada.

   h. Anti-Malaria Stations:
      Cagliari Province does not have any. In 1943 a request was made to establish one each in Senorbi, Elmas, Oristano, Santadi and Villaputzu. None were provided. This year, three have been asked for, one each for Senorbi, Elmas and Oristano. This is a L.500,000 item on the budget.

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ACC/3005/FN - Malaria & Malaria Control in Sardinia. - Cont'd - 30 Dec. 44.

5. The following anti-malaria preparations have been requested:

Compresse chinino bisolfato	300 Kg.
" " idroclorato	150 "
" Anti malariche assortite	200 "
Tannato (cioccolatini)	150 "
Soluzione ipodermiche in fiale da gr. 1	120 "
" " in fiale da gr. 0,50	80 "
Atebrina or Ekalchina	350 "
Camefar or Plasmochina, or Derbuna	50 "

6. Anopheles Control:
   1. Types of control.
      a. Elimination of small water holes.
      b. Correction of water holding areas so that they won't breed anopheles larvae.
      c. Larval control (with Paris green or oil).
      d. Destruction of adult mosquitoes in homes and stalls.
      e. Mechanical protection for babies from adult mosquitoes. -
         Screened cradles have been provided free to mothers with young children.
         L.50,000 has been asked for this item.
   2. Duration of Control Work:
      April 15 to October 31.
   3. Personnel:
      a. A total of 150 workers are to be used - one or more for each commune.
      b. 25 Squad leaders.
      c. Salaries.
         (1) Workers - L.1200 per month for 6½ months. This is a budget item of L. 1,170,000.
         (2) Squad leaders - L.4000 per month. This is a budget item of L.226,500.
      d. In military areas, military squads will work with the civilian squads.
      e. Workers attend courses at the malaria center of Carbonia. Each worker attending gets L.50 per day, plus travel expenses. This is a budget item of L.100,000.
   4. Anti-Larval Mixtures:
      a. Each commune possesses a small amount of Paris green mixture - enough to start a control campaign.
      b. There is one dust mixing center at Selargius. A request is being made to establish others at Abbasanta, Alos, Cristano, Villamar, Senorbi, Villapitzu, Iglesias, Carbonia and Oiba.
      c. 35 quintals needed for the 1944 program. The cost of dusting and mixing is established to be L.1,000,000.

D. Protection of humans in malarious areas:
   This is to be effected through an intense campaign of acridina distribution to those people living in malarious areas.

E. Malaria Control in the Commune of Carbonia:
   1. Antimalaria centre - its functions are as follows:
      a. Microscopic examination of blood smears.
      b. Obtain and record statistics relative to malaria.
      c. Conduct malaria control, both human bonification and anti-larval.
      d. Conduct small bonifics.
      e. Conduct teaching courses.
   2. The activities of the centre are directed by the Provincial Anti-Malaria Committee.
   3. Control - The commune is divided into 10 zones, each zone has a squad leader. Paris green, oil, and Gambusia are used to combat malaria.
   4. A hospital is maintained for the treatment of malarious humans.

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5. 1943 Budget:

Carbosardia (Sardegna)	L.600,000
Minister of War	200,000
Minister of Interior	200,000
	L.1,000,000

6. 1944 Budget:

Carbosardo	L.600,000
Minister of Interior	973,000
	L.1,573,000

F. Provincial Budget:

Budget:

Provincial Administration	L. 126,800.25
Commune	126,800.25
Minister of Interior	5,596,399.50
Carbosardia	600,000.00
Miscellaneous Income	50,000.00
	6,500,000.00

Expenses:

Malaria Control in Carbonia	L. 1,573,000.00
Malaria Control in Province	4,504,500.00
Other expenses	312,500.00
	L.6,500,000.00

The Medico Provinciale requests that a malariologist be hired at L. 30,000 per year. Transportation is to be furnished for him.

G. Malaria Incidence in the Province of Cagliari:

Year	Primary	Recurrent	Reinfestations	Pernicious(With Death)	Total
1936	1512	18,944	---	---	20,456
1937	1112	11,686	---	---	12,798
1938	708	9,564	---	---	10,272
1939	1146	8,425	---	7	9,573
1940	1061	7,098	---	4	8,159
1941	2,980	17,383	---	24	20,369
1942	7010	19,581	1,139	80	27,730
1943*	6311	10,732	1,811	75	18,857

* Incomplete figures.

II. Provinces of Nuoro - Proposed Program for 1944:

A. Human Benifics.

1. The commune ambulatories will operate as Anti-malaria ambulatories under the direction of the medici condotti.

2. Those ambulatories having microscopes will examine blood smears of their own particular communes, and also those of the communes not having microscopes. The provincial laboratory will also examine all blood smears sent in from the communes.

3. Season (epidemical) ambulatories will be established in those malarious areas too distant from permanent ambulatories. Medical students will conduct these laboratories.

B. Anopheles Control:

1. Last year there were 26 anti-larval stations, located as follows: Nuoro, Ollena, Ispoli di Galtelli, Posoi, Siniscola (with the sectors of S. Lucia and La Caletta), Posada, Torpe', Budoni, S. Teodoro, Lode, Iala, Ottana,

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Borgaro, Dualchi, Borore, Macomer, and (with the sectors of Tissura, Flussio, Ongenu), Ittiri (with the communes of Ingurosu, Scala), Usini (with the sectors of S. Caterina), Sedali, Nurri, Veroli, Tortoli, (with the sectors of Girasole, Lotzorai, Arbatax), Barisardo, Cardedda (Cairo), Tertenia, Villa Verde, Sgrisalli.

2. These additional areas are to be included in this years control program: Borgali, Silanus, Bolotana, Villanova Tulo, Santa Sarda, Orotelli, Illorai, Locori.

3. It is planned to station dusters at the below named communes. Paris green mixture will be drawn from the nearest anti-larval stations:
Tertenia - 1 Duster — Santa Sarda - 1 Duster
Sadali - 1 " — Cagliari - 1 "
Lula - 2 Dusters.

4. Anti-larval stations:
a. Each anti-larval station operates for a distance of 5 kms. out from the inhabited areas.
b. The stations are divided into two types; those of the plains, and those of the mountains.
Plains stations operate for at least 8 months, and mountain stations operate for at least 6 months.
c. Each anti-larval station is sub-divided into 7 to 10 sectors.
d. Each anti-larval station has a squad leader and two workers, whose duties are as follows:
(1) Mix and spread Paris green mixture.
(2) Distribute Gambusia.
(3) Collect anopheles adults.
(4) Clear and clean water canals and ccurses.
e. There are about 100 workers employed at these stations.

5. The small bonifica projects undertaken in the communes of Bosa, Borore, and Posada (S. Teodoro) will be completed for the total sum of L.115,000.

6. Surveys and estimates for small bonifica projects in the following communes will be undertaken: Borore, Bosa, Macomer, Orgosolo, Orani, Posada, Torpe', S. Teodoro, Tortoli and Nuri Serio.

7. Anti Malaria Colony.
At Cagliari there is located the Colonia Anti-Malarica, where malarious children of the province are sent to receive curative treatments.

8. Requirements of the Committee:
1. Truck for the transportation of material.
2. Auto for the committee's use.
3. 100 pairs of shoes for 100 workers.
4. 200 bellows - or suitable dusters.
5. 100 cloth sacks - to carry Paris green mixture.
6. 5 Sieves.
7. 5 Mixers.
8. 10 bicycles.
9. 60 quintals of Paris green.

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b. Anti Malaria Drugs:

Drug.	On Hand.	Needed.
Tannato bicolitinal	gr. 3.000	Kg.100.0
Lactate compresse	Kg. 110.150	Kg.160.00
Quinine - fiale of 1 gr.	Kg. 20.000	Kg. 50.00
" " " ½ gr.	Kg. 3.055	Kg. 50.00
		Kg.150.00
Idroclorato	Kg.000.200	Kg. 40.00
Italchina		Kg. 30.00
Atebrina		
Plasmochina	189 tubetti	Kg. 90.—
Cerfane	21 [illegible]	Kg. 1.20
Atebrin bucelli	55 [illegible]	
Antimalarico synthetico	52 boxes	
Compresse bucelli		

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III. Province of Sassari - Program for 1944.

A. Human Sanitation - to be accomplished through:
1. Curative treatment.
2. Suppressive ".
3. Mechanical protection for adults anopheles.
4. Destruction of adult anopheles with insecticide.

B. Sanitation program (permanent control work).
1. Large scale sanitation needed in the following areas: Coghinas - Alto di Sassari and Portotorres, L. Duela Bonerva, Salinedde and Colco' in Olbia - Valle Inferiore del Liscia, Padulo di Tempio, Chilivani - Ittiri, Campu Giavesu, Campo Lasseri, Nurra ed Alghero-Fertilia.
2. Small scale sanitation in the following areas: Comuni di Aggius (Sanitation Rio Coltoso) - Ittiri di, Bulzi-Bonnanaro, Ardara, Borso, Pedini Codrongianus, Torralba, Cossoni (Rio Tarcuiles), Giave, Padru, Sassari, (Rio Rosello-Costan Digorsaiu - Rio Canigo), Monti and Nuoro.

C. Larval Control - (From the 15 April to 31 October).

No.	To be done at:	No. Workers	Radius of work in kms.
3	Porto	3 plus military	5
2	Golfo	" "	3
4	Santa Teresa		5
2	Castelsardo		3
3	Valledoria		5
3	Isola Rossa	3 plus military	5
2	Trinita	" "	3
2	Olbia	" "	3
2	Aglientu	" "	3
3	Viddalba	" "	3
2	Perfugas	" "	3
3	Chiaramonti	" "	3
3	Erula		3
3	Nulvi		3
2	Ploaghe		3
2	Osilo		3
2	Sennori		3
2	Tissi		3
2	Usini		3
2	Ossi		3
2	Florinas		3
2	Ittiredu		3
2	Ittiri	2 plus military	3
4	Uri	" "	3
3	Bonnanaro	" "	3
1	Cargeghe		3
2	Muros	2 plus military	3
2	Cheremule	" "	3
3	Cossoine		3
3	Semestene		3
2	Bonorva		3
3	Mores		3
2	Pozzomaggiore		3
3	Cossoine		3
2	Padria		3
3	Bonorva		3
2	Bonnanaro		3
3	Siligo		3
2	Borutta		3
3	Cargeghe		3
2	Florinas		3
3	Codrongianus		3
2	Cargeghe		3
2	Ossi		3
3	Tissi		3
2	Usini	2 plus military	3

If military labor is not available, civilian workers will be used.

2. Sufficient Paris green is in stock to conduct a years program. Usually a 1% mixture is used, but often 5% mixture is employed in waters having a great deal of plant growth.

3. Distribution of Gesonia will be employed again this year.

4. The Anti-Malaria Committee employes two inspectors. The sanitary assistants also act as inspectors in their communs areas.

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D. Ambulatories:

1. Comune ambulatories will act as headquarters for the anti-malaria activities. The medico condotto of the comune and his assistant will direct the ambulatory anti-malaria function.
2. Permanent anti-malaria ambulatories are located at the following points:

Tempio - (Castelsardo - Nulvi - Osilo).
Coderuina (Sedini)
Padru (Buddusò)
S. Antonio (Calangianus)
S. Pantaleo (Olbia)
Nuchis (Tempio)
Telti (Tempio -Calangianus)
Trinità d'Agultu (Aggius)
Stintino (Sassari)
Palau (Tempio)
S. Francesco D'Aglientu (Tempio)
Luogo Sento (Tempio)
Caddeu - S. Leonardo (Vachiri)
Leportlatu (Burgos)
Nuros (Cargeghe)
Pattrigari (Villanova)
S. Giuseppe (Capolungo)
S. Giovanni (")
Monte Rosello (")

3. These anti-malaria ambulatories have the usual functions. All blood smears taken by them are sent to either the Provincial Laboratory or to the Porto Torres Experiment Station.
4. There are three categories of ambulatories, based on comune populations and on malaria incidence rates:
   Category 1. - Ambulatory has director, assistant, and anti-larval squad.
   Category 2. - Ambulatory has a director, and anti-larval squad.
   Category 3. - Ambulatory has a director only.

E. Epidemic Measures:

1. During the epidemic months assistant medical personnel are sent into those communes whose large areas make it impossible for the medici condotti to conduct their work properly. These doctors, known as "Condotti Sanitari di Intergressione Stagionali", have the same duties as the medici condotti. They must also visit twice a week (on non-consecutive days) all malaria cases in their districts. They must keep the comune health officer informed of all primary and reinfected cases of malaria. These doctors are used in the following areas: Loiri, Padulo, Quartiere, Vecchia, S. Diuste, Vecchiaddi and Buddurru.
2. In those areas where help is needed, but not as acutely as in the above areas, medical students are employed. Their duties are directed by the comune medico condotto.

F. Anti-Malaria Establishments.

1. Stazione Sperimentale Anti-Malaria di Fortotorres:
   a. A former Rockefeller Laboratory - bombing has partially destroyed the building, causing the transfer of all laboratory work to Sassari.
   b. This laboratory conducted research in malaria, and in entomology. Courses were given in all phases of malaria and mosquito control. Dusters, medici condotti and their assistants, and squad leaders were sent to these courses.
2. Centro di Malariotherapia - L'Ospedale Psichiatrico, Provinciale di Sassari. At the present time the Centre is not operating due to military circumstances. When possible, it will recommence its functions.

G. Anti-Malaria Material:

1. Material on hand for anti-larval control.
   a. Paris green -
      In stock - 30 barrels (Kg. 1440)
      Needed for '44. - 33 barrels (Kg. 1320)
      Excess 3 barrels (Kg. 120)
   b. Other equipment:
      Scythes - 26
      Shoulder dusters - 7.

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2. Drugs:

Type	In Stock	Needed.
Bisolfato di Chini	Kg. 95 + (180) ?	Kg. 300 (120) ?
Idroclorato	----------	Kg. 120
Bicloridrato	Kg. 75	" 120
Soluzioni di Chini	" 30	" 90
Itaiodina	" 1	" 50
Plasmochina - Compresse	No. 40,000	
Certana Flacons	No. 202	Flacons 370
Antimalariche compresse	No. 25,000	No. 200,000
Yamato	Kg. 50	Kg. 100

II. 19th Program Budget:

1. Salaries to directors of laboratories
   a. Three of category No. 1 - L.2500 to 3000 per year.
   b. " " " No. 2 - L.1500 to 2500 " "
   c. " " " No. 3 - L.1000 to 1500 " "

2. Budget:

Payment to Directors:	L.200,000
" to Conductii d'Integrazione	70,000
" to Vigilatrici Antimalariche	200,000
" to Commissari Antimalarici (8)	70,000
" to Informatori Permanenti (3)	26,000
" to Inspectors (2) (includes transportation & stipends)	50,000
" to workers (65 @ 30/day)	500,000
Financial assistance to:	
Salarians, expectant mothers - cost of hospitalization	5,000
Curative treatment for malarious children (treatment of 50 for 4 months)	60,000
Propaganda	25,000

IV. Malaria Supplies - Provisional for 1944 (See Appendix "A")

Conclusion & Recommendations.

I. Conclusions:

A. Seneghe Province alone has sufficient Paris green to conduct a larval control program.
B. 5,000 gallons of diesel oil #2 have arrived at Cagliari for distribution to the three provinces. This sum represents one month's quota.
C. Sardinia has been allotted 70 knapsack sprayers for oiling purposes. None have been received as yet.
D. All three provinces lack larval control equipment.
E. All three provinces lack anti-malarial drugs, and are dependent entirely on obtaining such drugs.
F. The Italian military force does not appear to have the means to conduct a malaria control program for the protection of its troops.
G. Larval control in the Sardinian provinces is actually performed by the individual communes, whose medici condotti are charged with the supervision of the work.
H. The 28th Malaria Control Unit has initiated a vigorous program in the areas assigned to it for larval control.

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AGO/3005/rh -- Malaria Control in Sardinia - Continued.
30 March 1944

II. Recommendations.

A. Seneral Province should conduct its control program solely with the Paris green at its disposal, and any excess dust should be used elsewhere on the Island.

B. The allotted oil and knapsack sprayers should be divided between the Provinces of Nuoro and Cagliari.

C. Anti-malaria drugs should be made available to Sardinia as quickly as possible.

D. Efforts should be made to expedite the shipment of knapsacksprayers to Sardinia. Without sprayers, the diesel oil will not be too efficient as a larvacide.

E. With the introduction of oil and knapsack sprayers for larval control, two of the Provinces' proposed control programs have become unsuitable. When Paris green is used as a larvacide, individual communal control programs are feasible. But with a limited number of knapsack sprayers, and a limited amount of oil, such programs become impractical.
The Provinces of Nuoro and Cagliari should revise their control programs to suit the present supply situation.

F. Civilian malaria control supplies should not be used for malaria control in Italian military areas.

W. A. MANSELL
1st. Lt., Sn. C.
Malaria Control Officer.

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REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394.
Public Health Sub-Commission.

ACC/3016/PH 5 April 1944.

SUBJECT:- Public Health & Welfare Sub-Commission Report - Month of March 1944.

TO :- Chief of Staff (Through AMG/RHQ).

1. During March this Sub-Commission was considerably strengthened by the inclusion in its Headquarters of Colonel Paul F. Russell (A) of the Rockefeller Foundation. Col. Russell is a Malariologist of world wide experience and reputa and with his arrival, it is proposed to create a Malaria Control Section of this Sub-Commission under his direction. This Malaria Control Section will coordinate all ACC anti-malaria work and Col. Russell has already made many contacts with the military, air force and Italian medical authorities in the area.

Major Edgar B. Johnwick (A) has been transferred to another theater of operations.

Due to the shortage of welfare officers in Region III, Major John McSweeny (A) has been permanently assigned to Region III for welfare duties.

Eight medical, sanitary corps and welfare officers are at present under orders to proceed to another theater.

2. As soon as reports of the Balvano railway tunnel disaster reached this HQ, a welfare officer was sent to the scene of the accident with instructions to render Region II officials all the assistance in his power. On his arrival, however, he found that everything possible had already been done for the survivors, but this gesture was appreciated by the local authorities and the Sindaco expressed his gratitude for the prompt offer of assistance made by this Sub-Commission.

3. The Vesuvius eruption necessitated the dispatch of a number of officers from Rear Headquarters to the site of the disaster. Four officers, Lt.Col Shields, Major Rushmore, Captains Silveira and Savage, and one EM, T/5 Caputo, were sent from this Sub-Commission and one officer, Capt. Savage, is still on duty in the village of Poggiomarino. An interesting sidelight on the work done in this area is the fact that valuable information concerning the situation of the crops was passed direct to the Agriculture Sub-Commission.

4. The hospital situation at Potenza, described more fully in the report of the Hospitals and Medical Care Section, assumed at one time the proportions of a major issue between ACC and the Italian Government. The fullest possible investigation of the situation revealed the fact that any blame which had to be apportioned rested with the Italian hospital director and not with the military authorities as alleged and a letter to that effect was addressed by the Vice President to the Minister of the Interior.

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5. At a meeting held between the Director, Brigadier Parkinson, and the Under Secretary for the Interior, Mr. Capasso, the cordiality of the relationship between this Sub-Commission and the Italian Public Health authorities was evident.

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A number of points of general interest were discussed and in particular Dr. Capasso was asked to publish orders throughout the area controlled by the Italian Government calling upon Prefects and Sindacos to exercise the strictest possible supervision over the disposal of refuse and garbage in their respective provinces and communes. This is a problem which has frequently been raised with the Sub-Commission by the military authorities and unless it is dealt with efficiently, the incidence of fly borne disease will increase alarmingly during the coming months.

6. The VD problem in its relation to the Italian civilian population as well as to our own troops, was considered to be one of such paramount importance that the Vice President was requested to send to the Minister of the Interior a suggestion that a special venereal disease section of the Italian Public Health organization headed by an experienced venereologist should be created. The function of this section would be, broadly speaking, to work in close collaboration with the ACC VD Control Officer, to formulate an overall VD control programme for Italian civilians and to direct all civil treatment centers.

7. The Director, Brigadier Parkinson, visited Bari, Potenza, Foggia and Campobasso. The report of his trip is to be found at APPENDIX "A". One of the chief objects of this tour was to discuss the question of supplying medical officers to the Displaced Persons Sub-Commission.

While this discussion was in progress, six Italian doctors arrived in Italy from North Africa and were immediately assigned to the Displaced Persons Sub-Commission. The arrival of these doctors relieved the situation immeasurably, as the Public Health Sub-Commission would find it virtually impossible to supply the Displaced Persons Sub-Commission with medical men from its already scanty resources.

A. HOSPITALS & MEDICAL CARE SECTION:

1. Lt. Col. Shields, the Chief of this Section, was among the party dispatched on the Vesuvius refugee relief project and his observations are contained in his monthly report. APPENDIX "B".

2. As Lt. Col. Shields has stated in his report, Miss Tiley of the American Red Cross was appointed to act as liaison officer with the Italian Red Cross and she was asked by this Sub-Commission to investigate reports concerning the acquisition of Red Cross stores and materials by Allied troops.

It has just been learned, however, that Miss Tiley has been killed in an aeroplane accident within the last few days. This, in addition to being a serious loss to the American Red Cross of which she was Associate Director of War Relief, is also a matter for deep personal regret to members of this Sub-Commission. Miss Tiley first came to Sicily in the autumn of 1943 and her charm of manner and pleasant personality quickly impressed themselves on all who came into contact with her.

B. PUBLIC HEALTH SECTION:

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1. Reports from the Typhus Control Service under Lt. Col. Williams are very satisfactory. The graph - APPENDIX "C" - shows the incidence inside and outside Naples City and compared with the graph for January and February, it indicates that at the present moment Typhus can no longer be considered a menace and its present negligible incidence is due entirely to the activities of the Typhus Control Service.

In consequence of this diminution in case incidence, the staff is being reduced and it is now Lt. Col. Williams' object to let the bulk of the work, such as it is, be handled by the Rockefeller Foundation and the Italian civilian medical and lay group.

It is considered that some very valuable and interesting epidemiological facts will emerge from the study of all the data now available to the Typhus Control Service.

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It is expected that a full report covering the entire epidemic together with the conclusions to be drawn from the available records will be prepared in about a month's time.

2. The report of the Venereal Disease Control Officer, Major Lewis - APPENDIX "D" indicates that there is an improvement in the VD incidence among troops in Region I. Considerable progress has been made in the provision of hospital accomodation for infected prostitutes. It is hoped that during the month of April, centers in Region I will have available a total of 775 beds, Region II 240 beds for such cases, Naples has now 700 beds for such cases. At the moment, every effort is being made to increase the available beds in Region II to a much higher level.

The Italian Government is issuing a decree calling upon the police to exercise more stringent control over prostitutes plying their trade outside licensed houses. The policy now is that when a prostitute is arrested she is taken straight to hospital instead of being first put in prison, where the practice was to have her medically examined. By removing her initially to hospital for examination, it is felt that more accurate diagnosis is possible, there is less risk of bribery and there is no possibility of infected and non-infected prostitutes being herded together in prison. This latter is a point made by the Italian authorities, though not considered by this Sub-Commission to be of great importance.

Several conferences have been held with Italian Public Health authorities and reference has already been made to the proposal for creating a Venereal Disease Division within the Italian Public Health organization.

3. With the arrival of Col. Paul F. Russell it is proposed to set up a fresh section of this Sub-Commission. This section is to be known as the Malaria Control Section and is to consist, under the direction of Col. Russell, of a medical officer, an entymologist and a sanitary engineer.

The function of the Malaria Control Section is to direct and advise all areas of Italy, Sicily and Sardinia under ACC/AMG control, and to work in conjunction with the military and civil authorities.

Since Col. Russell's arrival, he has made tours of Salerno Plains, the Volturno River area and Caserta, has been given a seat on the Hygiene Advisory Board and is planning to hold early in April, a Malaria conference to be attended by representatives of all Naval, Military and Air force formations in the West coast of Italy. A similar meeting for East coast formations is projected for a later date in April.

Lt. Manzelli made a tour of Region VI during March and his report - APPENDIX "E" is an extremely valuable and detailed analysis of the present situation regarding Malaria Control on the Island.

4. Major Bahmore, the Veterinary Officer, returned during the month from a lengthy and comprehensive visit to Region I where he investigated the entire scope of Italian veterinary activities. One result of his visit was the discovery that apparently, the large stocks of dried milk at present held in Sicily are not being utilised. The Sicilians, apparently have no interest in this commodity. This information was passed on to the Food Sub-Commission which took prompt action by ordering the complete Sicilian stock of dried milk to be sent to Naples where there is a demand for it exists.

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The Italian Veterinary Service in Region I is operating satisfactorily and the production of biological preparations in this area is up to pre-war quality and quantity. In fact, the Veterinary Service in this area is working so well that close supervision by ACC is no longer considered necessary

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Major Rushmore attended a meeting of American Veterinary Officers in Naples at which the Rabies problem was discussed. The conclusions reached at this meeting are to be found in Major Rushmore's monthly report - APPENDIX "F", while his report of Region I, in the form of answers to a set questionaire (Appendix I of February Report) is to be found at APPENDIX "G".

C. MEDICAL SUPPLY SECTION:

1. Col. Griffin's report - APPENDIX "H" - refers to the fact that the Central Clothing Committee has been abolished and that the responsibility for warehousing imported stocks of American Red Cross Clothing now rests with the Medical Supply Section. This Section deserves great credit for accepting this commitment in addition to carrying on the very onerous work for which it was originally designed.

2. Supplies continue to arrive satisfactorily and Executive Memorandum No. 34 - an instruction on the method of warehousing and distributing medical supplies - has been circulated to all ACC medical officers, to all Medici Provinciali and to the Italian Public Health Department.

3. Attention is drawn to the possibility of medical supplies appearing on the black market. Once ACC Public Health officers hand over drugs to the Italian agencies in return for payment, all control over such drugs is lost. This Sub-Commission cannot, therefore, accept any responsibility for what happens to medical supplies after they have left Medical Supply warehouses. Executive Memorandum No. 34 has been especially devised to eliminate as much as possible all opportunities for black market activities, but in the final count, proper handling and ultimate distribution rests entirely with the Italian officials. It is being made abundantly clear to the head of the Italian Public Health Department that his organization is responsible for the distribution of supplies and that if any find their way to the black market, ACC can in no way be held responsible. A copy of the letter addressed to the chief of the Italian Public Health Department is attached - APPENDIX "I".

D. WELFARE SECTION:

1. Due to the imminent departure of Capt. Joel G. Earnest for another theater, Capt. Edward E. Silveira has been chosen to succeed him as Chief of the Welfare Section.

2. The formulation of a unified Italian Welfare programme for all territory under the control of the Italian Government has been the subject of discussion between the Welfare Section and Commendatore Moscato, Chief of the Division of Civil Administration. As a result of these conferences, Capt. Willcox and Dott. Ferrante, Commendatore Moscato's deputy, are at present in Sicily for the purpose of examining and reporting upon the Island-wide organization now in operation. On their return it is proposed, in the light of their report and in conjunction with the Italian Government to prepare an overall welfare programme which may be put into effect as soon as it is possible.

3. Despite the abolition of the Soccorso Militari in Region I by AMG soon after its arrival in the Island, the Finance Minister is authorizing this agency to continue payments of relief to the dependants of soldiers. These payments are being made with the cognisance of the Finance Sub-Commission, which neither raised any objection to them nor informed this Sub-Comission what was taking place.

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The re-establishment of Soccorso Militari is completely opposed to the welfare policy of this Sub-Commission, but before further action is taken, the report by Capt. Wilcox and Dott. Ferrante on their visit to Region I is awaited.

4. The monthly report of the Welfare Section is to be found at APPENDIX "J".

SUMMARY -

1. A general report for the Sub-Commission of Public Health & Welfare in addition to more detailed sectional reports is submitted for the month of March 1944.

2. Four officers from the Public Health Sub-Commission were placed on temporary duty, HQ Region III to assist with relief work during the eruption of Vesuvius.

3. The occupation by the military of a civil hospital at Potenza ommued, shortly thereafter, the proportions of an "issue" but prompt and unbiased investigation showed the civilian director of the hospital to be deficient in hospital administrative ability and his removal has been requested.

4. The formation of a Division of Venereal Disease Control within the Public Health Dept. of the Italian Government has been recommended.

5. The Sub-Commission of Public Health & Welfare received with deep regret, news of the untimely death of Miss Riley, Associate Director of War Relief of the American Red Cross, an able and outstanding worker in her field.

6. Typhus can no longer be considered a menace to civilian or military personnel. The control program, however, is still carried on under the direction of Lt. Col. W.C. Williams, Deputy Director, Public Health Sub-Commission.

7. The incidence of Venereal Disease among troops in Region I has decreased.

8. A Malaria Control Section has been newly created within the Public Health Sub-Commission. It is under the direction of Col. Paul F. Russell.

9. Veterinary service and practice in Region I has attained pre-war standards.

10. Medical Supplies are sold to the Italian Government and their proper use distribution is the responsibility of the Italian Public Health Dept.

11. Plans are being formulated by the Welfare Section to establish a unified Italian welfare program.

G. S. Parkinson
Brig

G. S. PARKINSON, Brigadier
Director, Public Health Sub-Commission

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FH/GMF/ja

APPENDICES:

'A' Report by Brigadier Parkinson, Visit to Bari, Potenza, etc.
'B' Monthly Report by Lt.Col. Shields, Hospitals & Medical Care Section.
'C' Graph - Daily Incidence of Typhus, Naples and District.
'D' Monthly Report of Major Lewis - VD Activities.
'E' Report by Lt. Manzelli - Malaria & Malaria Control - Sardinia.
'F' Monthly Report by Major Rushmore - Veterinary Activities.
'G' Report of Major Rushmore, Answers to Questionaire.
'H' Monthly Report of Col. Griffin - Medical Supply Activities.
'I' Letter to Dr. Vessoso, Distribution of Medical Supplies.
'J' Monthly Report of Capt. Silveira, Welfare Activities.

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NEAR HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
Public Health Sub-Commission.

ANNEX "A"

AGO/3010/3/PH 25 March 1944.

SUBJECT: - Report on Field Trip - 13-15 March 1944.
by Brigadier C.S. Parkinson, Director, Public Health Sub-Commission.

FOGGIA

Met Major Follit (the Provincial P.M.O.) and visited the civilian hospital in the Institute Piedmonti. This has been made the subject of a separate report as it is considered that the unsatisfactory conditions found there are largely due to complete lack of co-operation with the Military Authorities on the part of the Medical Superintendant Prof. Ciavoli Federico. There are sufficient medical supplies in the Province, and these will be augmented when a consignment which left Naples on March 6th arrives. The directive dealing with distribution of Medical Supplies had not yet been received.

The food situation is now better and the civilian hospital is receiving the new scale of ration.

Supplies of Red Cross clothing have been received and distribution is being made by the local committee.

Before leaving I saw the Provincial Commissioner, Major Nichols.

BARI

The main object of my visit to Bari was to see the work of the Displaced Persons Sub-Commission and discuss the question of personnel.* I met Col. Kirkwood the Director and Lt. Col. King, his Chief P.H.O. and visited two of the camps and a hospital. In all there are nine camps which could take up to 22,000 if filled to capacity, but the average load is about 15,000. In addition there are two hospitals with 300 beds and there will shortly be an orphanage as numbers of children have lost their parents. The great difficulty in staffing these camps is due to the uncertainty of tenure of the staff as the Yugoslav Committee moves Yugoslav personnel without warning. There are at present 12 Yugoslav doctors but unfortunately there are no trained nurses, and while the women employed in the wards are willing, they are little better than ward maids.

I learnt that there was some difficulty about clearing Farmonti Camp, as satisfactory accommodation has not so far been found. Every effort should be made to see that this is done before the malaria season begins.

The reception camp has a holding capacity of 3,500 and is

* This is the subject of a separate report to MG and IO Section dated 23 March 1944 - Ref. AGO/3006/PH

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ACC/3010/3/PII - Report on Field Trip, by Brig. Parkinson.

On the date of my visit there were 1,130 in the camp and the daily intake is from 400-600 refugees who arrive with little warning. Two lorry loads of refugees arrived while I was there, while others were being disinfested and given a bath. This work which also includes vaccination etc., is under the care of Capt. Biswas IMS and the greatest credit is due to him for the efficient way this work is being performed.

The reception camp is hutted, each hut will hold an average of 210 persons. Only a few families live separately and there are usually from 400-600 Jews in separate huts.

Two committees have been formed to confer on camp management with the Commandant, Lt.Col. Parr. There is a camp hospital which is quite comfortable and has a separate cook-house where I saw food being prepared. The displaced persons are receiving excellent rations which are well cooked and served, and everything was being done for their welfare.

Clothing has been received from ACC, but more is needed especially for women and children and there is need for recreational equipment. I spent more than an hour going round this camp and had ample opportunity of seeing most of its activities, and the thing that struck me most was the happy faces of both young and old.

Capt. Savage who accompanied me on my visit saw a train off at night taking 800 displaced persons to the staging camp. Rations were distributed for the journey and hot milk provided. Everything was done in a most orderly manner, under the supervision of a Yugoslav Nurse, military police and drivers etc., all giving a helping hand.

SANTA MARIA: While included among the nine camps, this one consists of three villages of which Santa Maria is one, all on the sea where the displaced persons can live as families in houses when necessary. In the village there is a small hospital where the sick are well looked after by a Yugoslav doctor and by Yugoslav personnel. There are 50 beds, 33 of which were occupied. There are sufficient medical supplies except in the case of children's medicine, but this matter is receiving attention. There was a good supply of clothing for which there is constant demand. The clothing store is in charge of one of the British Red Cross and is staffed by Yugoslav personnel who carry out necessary repairs. There is need of recreational equipment for the children. While I was there I visited the school room and found a British driver playing folk songs for a number of children, all were clean and singing heartily.

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There were signs of malnutrition, but I was told that within a few days of arriving these children improved to an unbelievable extent. The food store was well stocked and the place was clean. The care of the camp is in the hands of a committee. Recreation for the adults is provided and there are dances and musical evenings, the latter arranged by a well known conductor from Prague. There is a piped water supply but no water carriage system of sewage, the disposal of which is causing some difficulty. The Commandant Capt. Geddes has on his staff a hygiene officer, a sanitary inspector in civil life. If more officers of this kind were available they would be invaluable in camps for Displaced Persons and Refugees.

EAGLE. Here a school building has been taken over as a hospital. The Medical Officer in charge is Major Murray-Wood and to assist him there is a Yugoslav and a Polish doctor, apart from 3 British Nursing Sisters, the nursing is done by Yugoslav personnel, some of which have had little or no training. The hospital could take 200 beds, but so far only 124 have been received. There is no heating but at the time of my visit the wards were not really cold. Improvised heating had been provided for two newly born infants. The building is lit by electric light which is shut off at night. All surgical cases are sent to Bari. There was an unusual amount of nephritis among the children in the medical wards. This is a well run unit and the patients are comfortable and as well cared for as the facilities will allow. One or two trained nurses are necessary in all these hospitals. Some of these nurses should have their mid-wife's certificate.

While at Bari I had an opportunity of seeing Brigadier Cameron, DDMS No 2 district, and Colonel Benson, 15 Air Force (U.S.A.). With Brigadier Cameron I discussed the hospital situation at Potenza and after having read several reports I was convinced that the Military Authorities were in no way responsible for the incidents complained of by H.E. the Italian Minister of the Interior. Two hundred beds will be available shortly at Bari for the hospitalization of prostitutes. The military will provide the equipment but the drugs will be found by AMGOT. These beds will not only take in prostitutes from the Bari area, but if necessary those sent down from the forward areas.

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I also discussed malaria control and other relevant matters. Colonel Benson (U.S.A.) asked if beds could be made available at San Severo and Lecce. Twenty beds have now been provided at Lecce and it is hoped that similar arrangements will be made at San Severo. He spoke about the connection between bad drink and V.D. and suggested that the number of cafes serving drink should be reduced, and the remainder put under control so that bad drink was not provided and that these should not be situated in the neighbourhood of brothels. The V.D. rate in the Air Force was very high, higher than the Military. Full co-Operation in an attempt

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to [illegible]uce the V.D. rate was offered [illegible] I sure my contact with Col. [illegible]mson was a useful one.

FOGGIA

If Foggia is to be cleaned up before the hot weather and fly bre ding begins, help not only as regards personnel but also of such mechanical devices as bulldozers will be required. I believe that this help will be given but it is unfortunate that the work has been delayed so long. This ruined town in the centre of air fields may well become a menace to the health of the troops as far as intestinal disease is concerned if the work of cleaning up is not soon completed. There are ten beds for the treatment of prostitutes but their evacuation under escort to peri will continue when necessary. Foggia has its malaria problem, but the Air Force, co-operating with AGO/AMG is providing two air planes for dusting mosquito breeding places, with Paris green.

A refugee camp is being opened in P.O.W. building. It is not yet being used. The disposal of sewage has been a problem for some time as numbers of drains and sewers have been broken. Most of these have now been repaired, but there is still a block in the main sewer at the railway embankment but this whole question is being well handled by the Engineers. In the older parts of the town there is a complete absence of any sewage system and this may become a serious menace during the coming hot weather. The sanitation of Foggia will need constant supervision.

It is interesting to note that there is now a soap factory which has begun to turn out supplies for the province, but there is a shortage of Caustic Soda.

LUCERA

Here I met Lt.Col.Temperly the provincial R.C. Lucera has been chosen as the headquarters of Foggia Province. I discussed the hospital situation at Foggia with Col. Dalziel who told me there were only 60 beds in a school which was not enough.

There are sufficient medical supplies and more are on the way up, and there is sufficient powder and equipment for disinfestation. Scabies is prevalent among the civilian population. The civilian bread ration is 150 grammes, in some places it is more, but as elsewhere everything depends on being close to the source of supply. The Italian Provincial Medical Officer is satisfactory and is taking an active part in the Medical organization of the province. There is plenty of work for welfare officers in this area but unfortunately the demand is greater than the supply. Much good work has been done in liaison with the Red Cross.

CAMPOBASSO.

Here I met the Regional Commissioner Col. Sheath, the Regional P.W.I.C. Col. Marshall, the Provincial P.W.I.O. Capt. Reynolds the Regional Sanitary Engineer Capt. Adams and the P.W.I.O. 5th Army Lt. Col. Farinacci.

There is the usual shortage of personnel and the policy must be to deplete the back areas to supply the more forward ones.

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but this while proving difficult now, will become almost impossible in the near future. There is some feeling that personnel primarily assigned to Region V is now being used by the displaced persons Sub-Commission, and this is in part true.

The Regional Commissioner asked if Col. Spencer the sanitary Engineer who had been assigned to Region IV could remain in the Foggia area for the time being, where he was doing some very good work. This was agreed to on the condition that he should return to Region IV when required. He also asked that Capt. Royston now temporarily attached could be permanently assigned to Region V and this was agreed to if a replacement could be arranged for the 8th Army.

A good warehouse has been obtained for Medical supplies of which there is now no actual shortage.

There is however some confusion both on the part of the P.M.O. 8th Army and of Region 5 regarding the price of some items in the price list of Medical stores as well as their distribution. This is largly due to difficulties of communication, as a new price list has not yet been received; which should clarify everything when received. As a result of this tour it is felt that copies of all directives etc., should be sent both to Regions and Provinces as there is often delay on the part of the former in passing them on to the latter.

At the moment V.D. is not a great problem, but at the same time it was suggested that machinery set up in other areas for dealing with the problem should be put in motion.

The new scale of rations for hospitals was now being issued and while there was an ample supply of bread there was a shortage of sugar, olive oil and meat, with the result that the patients were receiving the same amount of these products as the rest of the community.
The food situation throughout the Region on the whole was satisfactory. The shortage of transport prevents building up any supplies beyond day to day needs; but there is ample supply of fresh fruit and vegetables of local production.

BENEVENTO

When passing through this town I called in and saw the Provincial Commissioner Major Armstrong. This town has suffered a great deal of damage and housing is a problem at the moment. Out of a population of over 40,000, there are 10,000 homeless people. The position has not been improved by the wholesale requisitioning of buildings by the Military Authorities, no doubt a necessity, but the Provincial Commissioner considers that on one or two occasions a little more consideration might have been shown towards the needs of the Civil population without interferring with Military requirements. The Provincial Commissioner

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told me th he had been asked what arrangements could be made to receive refugees from the front area in his province. As far as Benevento is concerned I consider that taking the housing situation and the general condition of the town into account on health grounds this would be most undesirable.

There is no shortage of Medical supplies.

The Medico Provinciale is young and active and all reports suggest that he is satisfactory.

While the food is available its distribution is difficult as in the province some 260 bridges have been destroyed and only some 5% replaced and when the rivers are in flood it is impossible to reach out-lying districts.

While all the essential services are now functioning, like Foggia and many other towns Benevento will present a sanitary problem when the warm weather comes, unless transport and other mechanical aids can be obtained to clear up the debris.

RAFLES At Naples I met Col. Russell who has just arrived from Algiers to co-ordinate Malaria Control.

The inclusion of Col. Russell in the Public Health Sub-Commission will be most valuable, as his experience of this disease is world wide. He has already drawn up a programme which will be put into effect in the near future and which may go a long way towards keeping the incidence of this disease under control.

G. F. Parkinson
Brig

G. F. PARKINSON, Brigadier
Director, Public Health Sub-Commission.

PH/GSP/rr.

Declassified E.O. 12356 Section 3.3/NND No. 785016

HEAD HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
Public Health Sub-Commission

ACC/3012/PH

1 April 1944

SUBJECT: - Monthly Report - Section Hospitals & Medical Care, March, 1944.

TO : - The Director, Public Health Sub-Commission, ACC.

During the month of March 1944 the following personnel were assigned to the Section of Hospitals & Medical Care:

Lt. Col. Charles D. Shields, M.C. (A)

The greater portion of time during the month was devoted to routine office work, reviewing correspondence and handling correspondence concerning hospital and medical care problems.

During the month it was brought to the attention of this Sub-Commission that civilians and prisoners were requisitioned from the Italian and Greek by Allied military authorities to such an extent that their ability to render service was disrupted. An effort was made to determine the facts.

The American Red Cross has recently appointed the Duke of [illegible] as liaison officer to the Italian Red Cross. She is at present entrusted in [illegible] with organization and service and will visit their headquarters at which time she will obtain a list of supplies and equipment that have been requisitioned. This information, when compiled, will be made available to this office.

The latter portion of the month was spent working with the Emergency Squad assigned to the vicinity of Mt. Vesuvio which had become unusually active, showering nearby communities with ashes and endangering other communities with extinction by means of molten lava.

Under the direction of the Regional Commissioner, Region III, an excellent plan for evacuation of communities was established. As a part of this plan, the undersigned was directed to supervise evacuation from the medical standpoint, isolation of communicable diseases, selection of aged and ill who would be injured by transportation, provision of medical care, etc. Fortunately large scale evacuation did not become necessary. The problem, however, was greater than mere evacuation. Roads in certain communities became impassible, especially for civilian traffic and the pasture lands were completely covered with cinders and ash. A major problem of food supply both for man and animals was produced. A recommendation after a survey was made by the undersigned that food be transported to these stricken communities by means of Allied transportation and that workers engaged in clearing roads be given extra food. This recommendation was carried out.

During the month an excellent report on the survey and reorganization of hospitals in Catania Province, Region I was received. As a result of the survey conditions were found which needed correction and assistance. Under the guidance of the Provincial Commissioner, an unpaid Hospital Commission was formed from leading citizens in various fields and professions. It is planned to replace these groups, however, in the near future with paid technical experts working under the direction of the Medico Provinciale.

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ACC/3012/PH - March Report - Hospitals & Medical Care Section - Continued.

1 April, 1944.

During the month of March the British military authorities found it necessary to occupy the Trachoma Hospital at Rotonza which was at the time being used as a civil hospital. Military necessity promoted the requisition and occupation of their building. A complaint was received from the Italian Government that the community was unable to provide hospital service should such take place. Investigation by the Director of Public Health, ACC and senior military medical officers concerned, showed this to be untrue. The director of the institution seemed to be directly obstructing the military by misstatements of facts, and perhaps, by needlessly exposing civil patients to dangers which the military authorities foresaw, warned against and offered facilities to prevent. Furthermore, the administrative practice of this director was obviously inadequate and unskilful. His removal has been requested by the Vice President, Administrative section, A.C.C.

Charles D. Shields

CHARLES D. SHIELDS
Lt. Colonel, A. C.
Chief, Hospitals & Medical Care Section.

NEAR HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
A.P.O. 394

/rlp.

ACC/4043/L 10th April 1944.

SUBJECT: Legal Sub-Commission - Monthly Report for March 1944

TO : Chief Commissioner, ACC.

1. Promotions The failure of long expected promotions to come through is undoubtedly having a bad effect on personnel.

GENERAL

The work of the Chief Legal Officer and his staff during the month of March included, in addition to general matters of a legal nature the following :-

2. The Chief Legal Officer visited Region 5 and 8th Army area between 8th and 15th March on an inspection trip.
He also, with the D.C.L.O. inspected A.M.G. Courts in Naples on several occasions.
Major Palmieri was attached to Region VI (Sardinia) to assist in reconstructing the Courts.

3. Advantage was taken of the presence of Mr. R. Makins and Mr. Dean of British F.O. in Naples to convene a meeting of interested parties to consider the best method of handling seamen from British merchant ships who commit offences on shore and a procedure was worked out.

4. Discussions also took place as to dealing with prostitutes and a careful examination of the existing law was made.

5. Advice has been given on many proposed regional orders.

6. Frequent consultations with S. Manibordi on the preparation of a new decree providing for the punishment of fascists.

7. Advised over the threatened rise in wages in Sicily.

8. Conferred with the Italian Government over the question of the threatened prosecution of a member of the "Sicilia Indipendente" under Article 271 of the Penal Code. The accused was amnistied.

9. Frequent consultations with Italian Government over Amnisty Decree.

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2. The Other Legal Officer visited Region V and the Army Area between 6th and 13th March on an inspection trip.

He also, with the D.C.L.O. inspected A.M.G. Courts in Naples on several occasions.

Major Palsieri was attached to Region VI (Sardinia) to assist in reconstructing the Courts.

3. Advantage was taken of the presence of Mr. R. Makins and Mr. Dean of British F.O. in Naples to convene a meeting of interested parties to consider the best method of handling seamen from British merchant ships who commit offences on shore and a procedure was worked out.

4. Discussions also took place as to dealing with prostitutes and a careful examination of the existing law was made.

5. Advice has been given on many proposed regional orders.

6. Frequent consultations with S. Lanibori on the preparation of a new decree providing for the punishment of fascists.

7. Advised over the threatened rise in wages in Sicily.

8. Conferred with the Italian Government over the question of the threatened prosecution of a member of the "Sicilia Indipendente" under Article 271 of the Penal Code. The accused was amnistied.

9. Frequent consultations with Italian Government over Amnisty Decree.

10. One feature is the exceptional number of spy cases which have been tried. The Court has been in practically constant session at Caserta. 15 were sentenced to death during the month of March, of which we have had notification.

11. Strenuous steps were taken in conjunction with Army Sub-Commission to speed up the hearing of cases in Apulia both through medium of Civil and Military Courts. The Minister of Justice and General Trainer of Italian JAG dept issued instructions as to the handling of these cases and the position is improving, but the shortage of prison accommodations due in part to requisitioning and in part to the large number of Italian Military personnel housed there, is acute.

12. Consideration and working out plans for prompt trial of Army theft and prostitution cases in Italian courts.

13. Working on Administrative Instructions in Allied Military Courts, Rules of Procedure and revision and consolidation of Proclamations.

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14. Considering questions dealing with respect to use and requisition of Vatican property of various classifications, Prisoners of War, Italian deserters, Red Cross parcel thefts and spy trials.

15. Preparing and working on various plans for dealing with United Nations and French property in unoccupied Italy in order to give Director of Property Control the necessary control for the preservation thereof.

16. Consultations with Political Section in various matters.

17. Numerous conferences in Salerno, Naples, Caserta with legal officers Regional and Army Area.

18. Tour of inspection in Sicily by DCLO, including conference with ACC legal officers, First Presidents of the Court of Appeal, Procuratori Generali, and High Commissioner on various problems and liaison matters at Catania, Messina and Palermo. Conferences with Minister of Justice.

19. Review of proceedings of Court of Inquiry in re death of soldier and preparation of report to Internal Transportation Subcommission.

20. Conferences and correspondence in re matter of personal liability of Property Controller. Examination of draft of proposed Italian decree with respect to Property Control in occupied territory.

21. Preparation of General Order 23, removing restriction on land transactions.

22. Proof-reading of Proclamation 15 and General Order No. 6.

23. Conferences with Public Safety. Redraft of General Order No. 20 (Motor Vehicle circulation).

24. Correspondence with District I re "Sicilia Indipendente" and preparation of opinion. Investigation of case of Professor di Natale.

25. Examination of Administrative Instruction No. 18 (Region III) (Prostitution) and preparation of opinion.

26. Preparation of opinion in re Memorandum 11 (Papal property).

ITALIAN SECTION.

27. During the month of March the activities of the Italian Section were generally on the increase. Over and above the daily work of advising other subcommissions and discussing the desirability and the form of a number of decrees to be enacted by the Italian Government, a considerable amount of translating had to be undertaken as it was considered that the translation of legal documents in Italian should be the responsibility of Legal Subcommission.

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Many items dealt with by this Section in connection with other sections of the Legal Subcommission are dealt with in detail in the general report.

Some of the numerous questions discussed are set out hereunder, and satisfactory solutions have been found to the various problems arising from the promulgation of legislation and the appointment of judicial personnel, etc. Weekly meetings with S.E. Casati have been continued and constant liaison was maintained with responsible Italian officials. During this month Major E.I. Palmieri was busily engaged in helping in the reorganization of Civil Courts in Sardinia.

28. A machinery has been devised to speed up the trials in Italian Courts, both civil and military, of Italians who committed offences against Allied interest.

29. Many conferences with the Minister of Justice, of Finance, and the Directorof Property Control Subcommission were devoted to the legal status of the Controller of Allied Property in the restored territory.

30. The policy of appointments of judicial officials in both occupied and

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unoccupied territory was discussed extensively. It was agreed that the Minister will consult the Legal Sub-Commission before he proceeds to appoint or dismiss any judicial official of certain higher categories. On the other hand, whenever possible, the Legal Sub-Commission will recommend for appointment by Regional Commissioners in occupied territory the officials designated by the Minister of Justice.

31. First and second draft of the Decree for "National Purgation" have been translated, studied, discussed and recommendations made.

32. The question of extending the jurisdiction of the newly established temporary Court of Appeal Section to civil matters has been considered.

33. It was agreed that the Italian decree referring to Allied Military Courts having jurisdiction to try all offences against Allied interests committed by Italians in territory under Italian administration, shall be amended so as to permit the Italian Courts to try such cases saving the right of the Allied authorities to withdraw any such case from Italian jurisdiction.

34. Establishment of a temporary Section of the Supreme Court of Cassation at Salerno was approved by the Sub-Commission.

35. Problems arising out of the constitution of the Court of Appeal Section at Reggio Calabria were considered.

36. The draft decree granting amnesties to certain groups of convicts has been carefully studied with the view of preventing any interference with execution of sentences rendered during the Allied occupation.

37. In cooperation with the Interior, Public Safety and Public Health Sub-Commissions the method of prevention of spreading of venereal diseases among Allied troops in Italy was discussed and studied. The Minister of Justice was requested to instruct the competent Italian officials along the lines agreed upon by the sub-commissions concerned and several drafts of instructions submitted by the Minister were translated and studied.

38. A plan was designed to ease up the difficulties arising in the overcrowded penal establishments in Sardinia. Labor battalions of prisoners will be formed which will work for the Allied authorities.

39. On the initiative of Region 3 the question of extension of hotel leases was taken up with the Minister and it was agreed that due to the importance of the matter a decree will be drafted which will be made valid in both occupied and unoccupied territory.

40. Many details concerning judicial personnal of Italian courts in occupied territory were settled and all necessary arrangements made for normal func-

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40. Many details concerning judicial personnel of Italian courts in occupied territory were settled and all neces ary arrangements made for normal functioning of Courts of Assises at Lanciano, Cosenza, etc.

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41. In cooperation with the Minister a draft decree has been prepared facilitating marriages of Allied personnel in Italy.

42. In a meeting attended by the First President of Court of Appeal at Naples, Procuratore of the same court, Chief Legal Officer, 3rd Region, officers of the Italian Section Legal Sub-Commission and representatives of the Ministry of Justice the situation of the Courts at Naples was examined in regard to personnel and office space and a procedure devised for a gradual transfer of cases from Allied Military Courts to Italian Courts coupled with gradual evacuation of premises occupied by Allied Courts.

43. The coordination of the reorganization of legal professions and examination of procuratori legali in occupied and unoccupied territory was under consideration.

44. A more effective machinery for inducing the farmers to deliver their grain in pursuance to regulation has been designed in cooperation with the Minister.

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45. Upon request of the Ministry arrangements were made to communicate to competent Italian officials certain more serious penalties inflicted by Allied Military Courts upon Italian citizens for entry in the register of criminal records of the individual convicts.

46. Provisions were made for a more effective suppression of illegal wage increases.

47. The jurisdiction for granting of conditional liberty and pardon was worked out in details in regard of sentences rendered by Italian Courts.

48. A number of meetings were held to discuss the case of Prof. Di Natale, a well-known Sicilian Separatist who posted a notice in Syracuse, Sicily, insulting Marshal Badoglio. Both the Marshal and the Minister of Justice took a very broad view of the matter which was finally settled by the timely granting of general amnesty, thanks to the understanding of H.E. Casati.

Reports for Regions and Armies are attached hereto as follows:

Region I	- Appendix	"A" *(Not received at date hereof).
" II	- "	"B"
" III	- "	"C"
" IV	- "	"D"
" V	- "	"E"
" VI	- "	"F"
5th Army	- "	"G"
8th Army	- "	"H"

Richard H. Wilson
Lt Col CWS
for DCLO

GERALD R. UPJOHN,
Colonel,
Chief Legal Officer.

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APPENDIX "B" TO ACC/4043/L
DATED 10 APRIL 1944.

REPORT OF REGION I 1 MARCH TO 31 MARCH 1944 INCLUSIVE

1. Personnel. The bulk of legal work in Region 2 having shifted to Apulia, a reorganization of Legal Officers has been made, in order to provide the maximum number available for that province. Therefore:
   a. Major A.W.L. Franklin is Liaison Officer, Apulia and has been assisted by Major Cohen of Region 5 at Bari, at Brindisi by Lieut. Moon who is returning to Region 5 on 3/4/44 and is being relieved by Capt Dreyfus.
   b. Capt. A.C.J. German is LO to the Court of Appeal at Potenza and supervises the province of Matera as well.
   c. Capt. D.S. Little is LO to the Court of Appeal, Catanzaro and supervises the provinces of Catanzaro, Cosenza and Reggio.

2. AMG Courts. All trials by AMG Court for cases pending prior to 11/2/44 have now ended. During the month of March, 17 such cases involving 41 persons were tried in Reggio province, and 59 in Salerno, which however reverted to Region III on 11/3/44.

3. All files, documents and records relating to Salerno province have been sent to Region 5.

4. Italian Courts. The functioning of the Italian Courts represents varying stages of development.
   a. In the Distretto di Potenza, there are no grounds at present for complaint, but cases involving Allied interests have always been fewest in the province of Potenza.
   It remains yet to be seen how far the Italian Courts will continue the excellent work done by AMG Courts in Matera province, in assisting the assessing of grain.
   It has been impressed upon them, that the matter is deemed of vital interest to ACC.
   b. In the Distretto di Catanzaro, the LO, Capt. Little has shown great persuasive ability in dealing with the Italian Judicial officials.
   As a result, more cases have been tried by them during the month of March, than in the preceding four months together. He appears to have secured a surprising degree of cooperation from the Italian authorities and is now extending his sphere of control to include Reggio province.
   c. In Apulia, Major Franklin, assisted by Lieut. Moon and Major Cohen, have laid excellent foundations for the machinery whereby to cope with the vast number of cases past and anticipated in the future. Much time has had to be spent on personal contacts and basic organization, which have been hampered by the usual difficulties of transport, clerical staff, office and personal accommodation. But the machinery is starting to work, the first returns required from the Procuratori have begun to be received, and though it is yet too early to give statistical results, it is roughly assessed that some 400 old cases have yet to be tried in Apulia.
   The main trouble is to be found in the vast amount of petty pilfering which in bulk represents a serious loss to the Allies. It has been estimated as high as 50,000 lire a day, but attempts are being made to check this [illegible]
   Cooperation from British and Italian officials has been [illegible]

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3. All files, documents and records relating to [illegible] Region 3.

4. Italian Courts. The functioning of the Italian Courts represents varying stages of development.

a. In the Distretto di Potenza, there are no grounds at present for complaint, but cases involving Allied interests have always been fewest in the province of Potenza.
It remains yet to be seen how far the Italian Courts will continue the excellent work done by [illegible] Courts in Matera province, in assisting the amassing of grain.
It has been impressed upon them, that the matter is deemed of vital interest to ACC.

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c. In Apulia, Major Franklin, assisted by Lieut. Foon and Major Cohen, have laid excellent foundations for the machinery whereby to cope with the vast number of cases past and anticipated in the future. Much time has had to be spent on personal contacts and basic organisation, which have been hampered by the usual difficulties of transport, clerical staff, office and personal accommodation. But the machinery is starting to work, the first returns required from the Procuratori have begun to be received, and though it is yet too early to give statistical results, it is roughly assessed that some 400 old cases have yet to be tried in Apulia.
The main trouble is to be found in the vast amount of petty pilfering which in bulk represents a serious loss to the Allies. It has been estimated as high as 50,000 lire a day, but attempts are being made to check this [illegible]
Cooperation from British and Italian officials has been varying, but in the main satisfactory.
The prison problem remains the most acute, and it is regretted that with the exception of the D.P.M., District 2 has not so far shown any appreciable desire to assist in its solution.

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[illegible] OF "G" (O) ACC/4043/L
DATED 10 APRIL 1944.

REPORT OF REGIONAL LEGAL OFFICER REGION III FOR MONTH OF MARCH 1944.

1. STAFF. There is attached a list of officers serving in Region III under the Regional Legal Officer as at 31 March 1944. This list does not include the officers who man the Military Courts.

2. The problem of enlisted men referred to in paragraph 3 of Appendix C to February monthly report(ACC/4043/L dated 10 March 1944) remained unsolved until almost the end of the month. On 28 March two enlisted men were assigned to this division, of these one has started work at this headquarters, and the other has been posted to Avellino to assist the Provincial Legal Officer there.

3. MILITARY COURTS. There are attached tables showing the number of cases tried by Allied Military Courts during March and the various types of offences tried.

4. Thanks to the assistance of ACC in assigning to Region III spare legal officers from other Regions, the problem, referred to in paragraph 5 of my report of 3 March, of finding sufficient personnel to man the Military Courts in the City of Naples is at an end. There are now sitting daily in the City of Naples 3 Superior Courts and 5 Summary Courts each with its own prosecutor working under a centralised prosecutor's office located at the Tribunale and under the direction of an experienced officer. In addition a Superior Court and a Summary Court have been established on a permanent basis for the Northern Division of Naples Province and an officer sits as a permanent circuit Summary Court for the Southern Division of Naples Province. This officer has now been authorised to sit as a sole judge of a Superior Court.

5. The arrangements outlined in paragraph 4 have proved sufficient flexible to send a "flying squad" consisting of a Summary Court Judge and a prosecutor to any place in Naples Province where difficulties in connexion with Summary Courts have arisen.

6. The proposal, to utilise British Town Majors as Summary Court judges in place where AMG officers are not readily available, has not yet materialised because the Commander 57 Area has been advised that such an arrangement would only be legal if AMG were to sign a written statement that it was unable to cope with the situation. It is not known on what authority this advice is based.

7. A General Military Court has sat for the trial of 4 cases during

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7. A General Military Court has sat for the trial of 4 cases during March. 1618

8. A proposal that a General Military Court should include "laymen" as well as lawyers has not worked out well owing to the difficulty in finding "laymen" who can be spared from other duties.

9. Much evidence came to the notice of this Division that the provisions of Proclamation 4, Article IV, Section 2(b), which allows an accused to be represented before an AMG Court by a "friend", was being abused by unqualified persons who were virtually practising as lawyers. A directive has been issued by the Regional Commissioner to put a stop to this.

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10. A report was made to the Regional Commissioner calling attention to the lack of cooperation between arresting agencies and AMG Courts. Persons are held in jail for long periods before arrest reports are sent to the Prosecutor's office; arrest reports are so lacking in essential facts that charges cannot be prepared; and property seized in connexion with offences and which is evidence, is not protected against loss and is not produced in court. In some cases unwarranted brutality is shown by arresting agents and in others the police seem to think that the Court should convict merely because they had thrown the accused in jail. A series of conferences with the arresting authorities was recommended. A particular instance of some of these matters was referred to in a report which was received from the President of the General Court, on a case then before him.

11. ITALIAN COURTS. There is attached a table showing the number of cases tried in the Italian Courts during March and the various types of offenders tried. This shows a marked improvement over the corresponding figures for previous months.

12. In the early part of January a Regional Order was issued providing for the removal from office of certain classes of Fascists. This Order came into force on 28 February. Its effect on the Italian Courts would have been so serious that the officer i/c Italian Courts attached to this Division, on his own responsibility gave orders that so far as the Italian Courts were concerned, certain key personnel were to be temporarily reinstated. His action was subsequently upheld by the Regional Commissioner but only pending the making of a new Order on the subject.

13. Early in March a very valuable report on the state of the Italian Courts in Region 3 was presented to the Regional Commissioner by Major Palmieri who had been attached to Region 3 for the purpose of investigating and making such a report. Steps have been taken to remedy the state of affairs disclosed by this report.

14. In order to expedite the hearing of trials of persons detained in jail for an alleged offence against Italian law and to reduce the number of persons in jail awaiting trial, two Regional Orders (Nos. 30 and 31) have been made. Regional Order No.30 requires all Italian Courts to sit at least six hours a day and, in Courts having both criminal and civil jurisdiction, to devote approximately three-fourths of their time to criminal trials. Calendars are to be so arranged

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15. Provisional Committees have been appointed to carry out the reorganization of the Bar Association in accordance with the Regional Order dated 25 January. The Provisional Committee for Naples showed signs of wanting to increase its membership instead of getting on with its job and had to be told firmly that it had been appointed by the Regional Commissioner and no increase in numbers was permissible.

16. A report on certain irregularities occuring in the Isle of Capri owing to the intervention of the then CAO in the case of a person who had been convicted by the Pretura was forwarded to ACC, on 9 March 1944, with recommendations.

17. Investigation has shown that, in some cases, the Italian Courts, apparently without authority were issuing orders of eviction without having heard the parties. In order to prevent a continuance of such a state of affairs an instruction has been given to the Italian Courts that no order of eviction is to take effect until it is approved by the Provincial Legal Officer.

18. REGIONAL ORDERS. During March Regional Orders have been issued on the following matters:

Regional Order No. 17.- Motor Licences and Petrol Ration Cards.

Regional Order No. 18. Restriction of Prostitution.

Regional Order No. 19. Authorising free travel except in the zones of the Armies.

Regional Order No. 20. Permitting the use of "ammonizione" and "confino" except for political offenses or activity.

Regional Order No. 21. Permitting the reopening of theaters.

Regional Order No. 22. Revising communal and provincial local government.

Regional Order No. 24. Sanitation.

Regional Order No. 25. Establishment of Mail Services in Province of Avellino and parts of Province of Naples.

Regional Order No. 26. Fixing of Prices and action against the Black Market.

Regional Order No. 27. Removing the directors of Manifatture Cotoniere Meridionali and appointing a new management.

Regional Order No. 28. Arrest of certain directors of MCM.

Regional Order No. 30. Expedition of trials in Italian Courts.

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19. Of the Orders mentioned above No. 18 caused the greatest discussion. It was practically forced on the Regional Commissioner by the Military Commanders in and around Naples. After conferences with ACC the Order was allowed to continue subject to an instruction that offences against the Order should only be tried in AMG Courts. 1615.

20. Regional Orders No. 20 and 22 follow orders made in Sicily on the same subjects.

21. Regional Orders Nos. 27 and 28 resulted from an investigation carried out by an officer of this Division in conjunction with the Labor Division into the affairs of MCM. The investigation is proceeding.

22. PROVINCIAL ORDERS. By arrangement with the Legal Officer, Naples Province, this Division has drafted two Orders for publication in that Province, one of them enabling Fishing Regulations issued by the Navy to be enforced in AMG Courts, and the other setting up a scheme for the distribution of milk supplied by AMG.

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23. A draft decree relating to the notification of fever to be issued by the Prefect of Naples Province was drafted by this Division.

24. GENERAL SECTION. In accordance with the verbal instruction of the Chief Legal Officer work has been suspended on consents to transfer of land pending the receipt of a General Order abolishing the necessity for such consent. This instruction afforded a considerable relief to the work of this Division.

25. A draft Regional Order to extend the Italian law of 24 July 1936 No. 1692, as extended and amended by RDL 16 June 1938 No. 1280, applying to hotels, pensions and inns was submitted to ACC for approval. In reply ACC stated the Italian Government proposed to make a decree dealing with several points on the law of landlord and tenant and suggested that, if the decree covered the same ground as the proposed Regional Order, it should be extended to Region 5 by endorsement. ACC was informed the decree did not cover the same matters as the proposed Regional Order.

26. This Division has advised that there is no objection from a legal point of view to the formation of an Association of Building Proprietors whose principle object would be a concerted effort to obtain a repeal or substantial modification of the Italian law freezing rents.

27. At the request to this Division the Regional Commissioner wrote, on 10 March, to the Commanding Generals 5th Army & PBS and to Commander 57 Area suggesting that the attention of troops should be called to the fact that it is a serious offense for Italians to accept Allied property and suggesting the making of an order to prohibit soldiers from selling or giving away goods issued to them from Army stores or purchases by them from NAAFI or PX stores. An order on these lines has been made by PBS.

28. This Division advised that the imposition of a tax on the sale of fish to defray the cost of a Central Fish Agency to control the price of fish was not an infringement of Articles 48 and 49 of the Annex to the Hague Convention as those Articles only relate to "taxes, etc. payable to the State." In the present instance the tax was payable to the Commune.

29. The Regional Controller of Property has been advised that the powers of the Esattore to attach and sell moveables in properties on which tax is overdue, and to initiate proceedings to sell immoveables, are not affected by the fact that the property concerned is in the custody of the Controller.

30. An Administrative Instruction has been issued defining a prostitute, as a woman who offers her person for illicit purposes for hire.

31. The Regional Controller of Property asked whether he could safely hand over the property of an English Company to the representative in Italy of the Company who was appointed in 1933. He was advised that although the appointment of the representative might be defective in English law, he could safely do so as the representative had acted since 1933 without being challenged.

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1615

32. The Regional Commissioner was advised, on the facts of a particular case, that the ringleaders of a strike at an AMG Labor Office to bring about better living conditions might be prosecuted under Proclamation 2, Article II paragraph (32) but that Regional Order No. 15 might afford a defense to any prosecution. It was a matter of policy whether spokesmen for laborers who present grievances should be prosecuted at all.

33. At the request of the military a notice has been issued warning civilians that persons who harbor deserters or soldiers absent without leave will be prosecuted under Proclamation No. 2, Article II, paragraph (45).

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OFFICERS ON STRENGTH OF LEGAL DIVISION,

REGION 3, AS AT 31 MARCH 1944.

Regional Legal Officer	Lieut. Col. J.W. Chapman (A)
General Counsel	Maj G. A. Hamlet (B)
Assistant General Counsel and Prosecutor to General Military Court	2d Lieut. L. A. Sabatino (A)
Judicial Officer	Captain E.T. Kerr (A)
Assistant Judicial Officer	1st Lieut. B.D. Cahn (A)
Officer i/c Italian Court	Major M.C. Holt (B)
Assistant Officer i/c Italian Courts	1st Lt. R. Graziano (A)
Provincial Legal Officer, Naples	Col J.M. Weber (A)
" " " Avellino	Capt. A.N. Gold (A)
" " " Benevento	Maj G.C.T. Ainslie (B)
" " " Salerno	1st Lt. J. J. Vogel (B)

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REGION III

REPORT ON ALLIED MILITARY COURTS FOR THE MONTH OF MARCH 1944

A. Cases Tried and Findings.

Province of	Summary Court NG	Summary Court G	Superior Court NG	Superior Court G	General Court NG	General Court G	Totals NG	Totals G	Total Cases
Naples	166	4484					166	4484	
Avellino	3	143	9	21			12	164	
Benevento	7	72					7	72	
TOTALS	176	4699	9	21			185	4720	

B. Convictions.

Province of	Curfew & Violations	Theft & Poss of Allied Prop	Black Mkt	Looting	Poss of Arms & A	Viol It P. Code	Others	TOTAL
Naples	718	3013	176	17	346		214	4484
Avellino	28	57	13		14		52	164
Benevento	6	41			8	13	4	72
Totals	752	3111	189	17	368	13	270	4720

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RETURN OF PENAL CASES - Naples from 1 March to 31 March 1944

Total Number of persons arrested by Italian Police 272

TRIALS	CONVICTIONS	ACQUITTALS	TOTAL
By Pretura Courts	697	338	1035
" Tribunals "	1099	181	1280
" Juvenile "	50	7	57
" Court of App.	342	103	445
" " " Assise	----	----	----
TOTALS	2188	629	2817

An increase in cases tried over last month of 1225 cases.

Summary of offences dealt with by above Courts.

PRETURA

116 Accosting, Sentences ranged from 9 days in prison to 8 months in prison and 1600 lire fine.

34 Unlicensed brothel, sentnces from 500 lire fine to 8 months in prison and 3000 lire fine.

83 Black market, sentences from 50 lire fine to 7 months in prison and 3000 lire fine.

55 Begging, from 5 days in prison to 3 months in prison

190 Procuring, sentences from 15 days to 4 months in prison and 2000 lire fine

9 Theft, sentences from 2 months to 7 years and 6 months in prison.

18 Selling without license, sentences from 100 to 500 lire fine.

29 Omission to return pawn, sentences from 3 0 lire fine to 3 months in prison.

38 Assault or using abusive language, sentences from 5 days to 6 months and 25 days in prison.

TRIBUNALE

666 Black Market, sentences from 100 lire fine to 1 year in prison [illegible]

GORIZIA

116 Accosting, Sentences ranged from 9 days in prison to 8 months in prison and 1000 lire fine.

34 Unlicensed brothel, sentnces from 500 lire fine to 8 months in prison and 3000 lire fine.

83 Black market, sentences from 50 lire fine to 7 months in prison and 3000 lire fine.

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29 Omission to return pawn, sentences from 3 0 lire fine to 3 months in prison.

38 Assault or using abusive language, sentences from 3 days to 6 months and 25 days in prison.

TRIESTE

666 Black Market, sentences from 100 lire fine to 1 year in prison and 9000 lire fine.

71 Theft, sentences from 4 months to 5 years in prison.

139 Aggravated theft, sentences from 1 month to 3 years in prison and 3500 lire fine.

21 Gambling, sentences from 500 lire fine to 4 months in prison

33 Accosting, sentences from 20 days in prison to 6 months in prison and 3 0 lire fine.

35 Buying stolen goods, sentences from 2 0 lire fine to 5 months in prison

18 Using abusive language, sentences from 500 lire fine to 6 months in prison.

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JUVENILE

24 Black Market, Judicial pardon
9 Theft, Judicial pardon
9 Aggravated theft, Judicial pardon
1 Homicide, sentence 4 years in prison
2 Begging, Judicial pardon.

COURT OF APPEAL

265 Black Market, sentences from 100 lire fine to 5 months in prison and 5000 lire fine
51 Theft, sentences from 200 lire fine to 5 years and 1 month in prison and 3200 lire fine
27 Aggravated theft, sentences from 2 months in prison to 5 years 2 months and 20 days in prison and 2000 lire fine.
22 Gambling, sentences from 300 lire fine to 4 months in prison and 500 lire fine.
10 Buying stolen goods, sentences from 2 months in prison and 500 lire fine to 1 year in prison and 1000 lire fine.

THE COURT OF ASSIZE has been trying only a homicide case which is expected to last for another week.

Appx "D" to ACC/4043/L
dated 10 April 1944.

REPORT OF REGION 4 FOR MONTH OF MARCH

1. There being no territory administered by this region there are no Courts to report on.

2. All the officers of this Division have been actively employed as shown as follows

Region 4 Legal Division Personnel

Col. H.S. Willmer	(B)	President of General Courts for Region 3 and 5th Army AMG.
Lt. Col. Richard Hill	(A)	Superior Court Region 3
Major Robert C. Hendrikson	(A)	General Courts for Region 3 and 5th Army AMG
Major Walter D. Stump	(A)	Sick for some time but is rejoining Region 3
Major MacFadyean	(B)	Superior Court Region 3
Major W.G. Elder	(B)	Working for 5th Army AMG
Major R.M. Woodward	(A)	" " " " "
Major S.B. Waugh	(A)	" " " " "
Major Homer A. Stebbins	(A)	Has worked for Region 3. Now awaiting new work.
Lt. Comdr. M. Mussanno	(A)	Working for Region 3.
Capt. W.G.R. Cates	(B)	Region 4 Office (Has worked for Region 3)
Capt. Howell Jones	(B)	Working for 5th Army AMG
Capt. E. Falk	(B)	Summary Court Region 3
Lt. R. Graziano	(A)	Asst. Italian Courts Officer Region 3.

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APPENDIX "F" to ACC/4043/L
Dated 1[illegible] April 1944.

REPORT OF REGION V FOR THE MONTH OF MARCH 1944

1. This Region assumed control of a portion of Campobasso Province on 14 March 44.

PERSONNEL

2. Capt. Ford C. Bador has been released from Region 2 and is temporarily attached to Region 5, Hq. He is alerted for assumption of the appointment of PLO Aquila Province.

3. Orders were issued early in March 1944 for Lieut. W. H. Boone to proceed to Foggia Province and assit PLO, but this officer has not yet been released from Region 2.

4. Capt. A. D. MacNulty has been appointed to Campobasso Province to assist PLO.

ALLIED MILITARY COURTS

5. General Courts.

Two General Court cases were heard in Foggia Province during the month. A member of the CCRE was acquitted on a charge of killing an Allied soldier; a carter was convicted of wire-cutting and sentenced to 10 years' imprisonment. In addition two peasants (ex-soldiers) were formally acquitted by a General Court, to which they had been remanded, as the prosecution could produce no evidence in support of a charge of sniping at Allied troops.

6. Superior Courts.

In Foggia Province there was one Superior Court case in which a woman was convicted of possession of arms. A charge of shooting at a soldier was dismissed as the soldier had left the theater.

In Campobasso Province there was one Superior Court case, the first in the province. It involved 49 accused who were charged with unlawful assembly. The crime took place in December 1943, but the trial could not be held earlier owing to the state of the roads.

7. Summary Courts.

There is no change in the organisation in Foggia Province, except that the Summary Court of Torremaggiore is no longer in operation.

The special "black market" Summary Court sat from 21 Feb to 9 March and is now temporarily closed. It disposed of 435 cases by the seizure of all contraband and by the imposition of small penalties for case violation. In addition 350 of these offenders were referred to the Italian Courts for trial on black

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Declassified E.O. 12356 Section 3.3/NND No. 785216

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In the regional area of Campobasso Province there are 3 Summary Court districts, Larino, Termoli and Trivento, in each of which the Courts are held by the PC.

8. A detailed analysis of all cases heard by Allied Military Courts during the month is attached.

9. In Foggia Province there is still a general tendency to excessive leniency in sentences, particularly for theft and possession of military property, and for possession of arms. Further instructions have been, however, issued and recent sentences show an increase. In Campobasso Province the sentences imposed in Allied Courts are alleged by Italian Judicial Officials to be far lighter than in Italian Courts and accused persons are making application for trial by Allied rather than Italian Courts. Here also steps are being taken to obtain appropriate sentences.

Declassified E.O. 12356 Section 3.3/NND No. 918578

10. A probation system is being organised in Foggia Province in cooperation with the Provincial Welfare Officer to deal with juvenile offenders before A.M.G. Courts. It has been found that existing methods are an inadequate deterrent.

ITALIAN COURTS

11. The Court of Appeal opens in Lucera 1 April 1944.

12. The Court of Assize completed its first session in Lucera on 21 March 1944 having disposed of 9 cases. The next session is fixed for 1 May 1944 and it is estimated that this session will suffice to clear off existing arrears.

Arrangements are being made for a Court of Assize from the Naples circuit to open in Campobasso.

13. In Foggia Province the inferior courts continued in session throughout the month.

In Campobasso Province the civil sides of the preture of Trivento and Civita Campomarano have been reopened. The Tribunale of Larino is in session.

A detailed report on the state of the Italian Courts and judicial personnel in Campobasso Province is in course of preparation.

14. There is no undue delay in the hearing of cases before Italian Courts, and prisoners are not detained an undue length of time pending trial.

GENERAL

15. The investigation into the complaint against the advocates of Cerignola, referred to in this HQ report for February 1944, has not yet been concluded. At the original hearing the complainant requested an adjournment in order to have time to summon his witnesses.

16. Trouble is being caused in Foggia Province by the activities of the brothers Benito, Antonio and Umberto. They are apparently endeavouring to undermine the authority of the Provincial Commissioner and to oppose the Allied Military Government. It may be necessary for them to be detained under Proclamation 2 Article VII Section 2.

17. Instructions are being issued for vigorous action to be taken in the suppression of prostitution.

A difficulty arises in this connection from the fact that under Italian law an accused person who appeals from a court of first instance remains at liberty pending the appeal. This period is at least one month, and it may be necessary for this procedure to be modified if charges against prostitutes are to be heard under Italian law and by Italian Courts.

Declassified E.O. 12356 Section 3.3/NND No. 781016

ANALYSIS OF CASES A.M.G. COURTS

PROVINCE	COURT AREA	SUMMARY CT N.G.	SUMMARY CT G.	SUPERIOR CT N.G.	SUPERIOR CT G.	GENERAL CT N.G.	GENERAL CT G.	TOTAL CASES
	Bovino	31	404	-	-	-	-	435
	Cerignola	16	181	-	-	-	-	197
	Foggia	7	103	-	1	-	-	111
	Lucera	15	88	-	-	1	1	105
	Manfredonia	11	44	-	-	-	-	55
	San Severo	49	106	-	-	-	-	155
FOGGIA PROVINCE		129	926	-	1	1	1	1058
	Larino	-	17	-	-	-	-	17
	Termoli	-	28	10	39	-	-	67
	Trivento	-	4	-	-	-	-	4
CAMPOBASSO PROVINCE		-	49	10	39	-	-	98
REGION FIVE		129	975	10	40	1	1	1156

CONVICTIONS

COURT	Curfew and Pass Violations	Theft & Posses. of WD Prop.	Black Market	Looting	Poss. of Arms & Ammun.	Viol. Natl. Pen. Code.	Other Cases	Totals
GENERAL	-	-	-	-	-	-	1	1
SUPERIOR	-	-	-	-	1	-	-	1
SUMMARY:								
Foggia	45	54	-	1	3	-	2	105
Bovino	404	-	-	-	-	-	-	404
Cerignola	139	27	-	-	4	-	11	181
Lucera	58	25	-	-	-	-	5	88
Manfredonia	36	7	1	-	-	-	-	44
San Severo	77	24	-	-	4	-	1	106
FOGGIA PROVINCE	759	137	1	1	12	-	20	930
SUPERIOR	-	-	-	-	-	-	39	39
SUMMARY:								
Larino	3	1						

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CAMPOBASSO PROVINCE	-	49	10	39	-	-	98	
REGION FIVE	129	975	10	40	1	1	1156	

CONVICTIONS

COURT	Curfew and Pass Violations	Theft & Posses. of WD Prop.	Black Market	Looting	Poss. of Arms & Ammun.	Viol. Ital. Pen. Code.	Other Cases	Totals
GENERAL	-	-	-	-	-	-	1	1
SUPERIOR	-	-	-	-	1	-	-	1
SUMMARY:								
Foggia	45	54	-	1	3	-	2	105
Bovino	404	-	-	-	-	-	-	404
Cerignola	139	27	-	-	4	-	11	181
Lucera	58	25	-	-	-	-	5	88
Manfredonia	36	7	1	-	-	-	-	44
San Severo	77	24	-	-	4	-	1	106
FOGGIA PROVINCE	759	137	1	1	12	-	20	930
SUPERIOR	-	-	-	-	-	-	39	39
SUMMARY:								
Larino	3	1	5	-	4	-	4	17
Termoli	18	7	-	-	-	-	3	28
Trivento	-	-	-	-	-	-	4	4
CAMPOBASSO PROV.	21	8	5	-	4	-	50	88
REGION V	780	145	6	1	16	-	70	1018

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Appendix [illegible] to ACC/4043/L
Dated 10 [illegible] 1944.

REPORT REGARDING VI FOR MONTH OF MARCH

1. Introductory

The Legal Department of this Region was established at the beginning of February 1944. Previous to this there had been no Legal or Property Control Department in the Region. From the time of his arrival in Sardinia in September 1943, until the end of December Lt.Col. Berl, who was assigned to the Region as Chief Legal Officer, was employed as Liaison Officer with the Italian Army. During this time one or two minor matters were referred to him for his opinion and he was requested during the Month of November to report on the Piercy Estate. Apart from this he was not employed on Legal duties, and was never stationed at Regional Headquarters. At the end of December he was sent by AFHQ, on a special assignment to Corsica and remained there until the end of January when he returned to Sardinia to complete his duties in connection with this assignment. He finally left for England at the beginning of February 1944 .

Until taking up his legal duties at the beginning of February, Major Alexander who was originally assigned to the Region as assistant Legal Officer, was employed exclusively as an S.C.A.O.

When the Legal Department was finally formed Brigadier Dunlop ruled that it should deal also with matters affecting the Interior, whilst the Finance Department should be responsible for Property Control. This arrangement continues.

The Legal Department has had the services of an Interpreter since the middle of this month.

2. Matters dealt with

(i) Calvi incident. This was the matter (not strictly connected with this Legal Department) which required Lt.Col.Berl's presence in Corsica. In October 1943 a shooting affray took place at Calvi in Corsica between members of the Italian Air Force and French civilians. Two French Civilians were killed.7 members of the Italian Air Force were subsequently tried before an Italian Military Court in Sardinia on various charges. Two of these men were found guilty. One was sentenced to 27 years imprisonment and the other to 12 months imprisonment. The others were acquitted. Both the sentenced men have appealed .

(ii) Requisitioning of Real Property and motor vehicles. Requisitioning of the above on behalf of the Commission had not been regularised. Considerable work has been entailed in putting matters straight, but the situation is now praticelly cleared up .

(iii) Piercy Estate. This has been the subject of correspondence with the Legal and Property Control Sub-Commissions. A visit from a representative of the

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(ii) Requisitioning of Real Property and motor vehicles. Requisitioning of the above on behalf of the Commission had not been regularised. Considerable work has been entailed in putting matters straight, but the situation is now practically cleared up .

(iii) Piercy Estate. This has been the subject of correspondence with the Legal and Property Control Sub-Commissions. A visit from a representative of the Property Control Sub Commission is awaited. Everything, so far as the efficient interim management of this joint estate is concerned, turns on the question of what powers the Property Controller has in territories such as Sardinia which have always been administered by the Italian Government.

(iv) Martini case. This case concerning a Fascist Militia General who was arrested by the Italian Authorities in December 1943, whilst attempting to escape from Sardinia in a motor boat. Documents of an incriminating nature were found in the General's possession. The instructal phase of the case is practically complete, but the original documents are feared to have been lost in a recent plane crash . Photographic copies of same have been retained by the Italian Authorities here and they are thought to be sufficient to enable the prosecution to proceed. As at present advised we understand the trial is to be before an Italian Military Tribunal.

(v) Acts hostile to the Allied Forces : Two cases have occurred very recently on the Island involving attempts to escape from Sardinia to German occupied Italy.It is understood that in at least one of these cases there is some prima facie evidence of intentions hostile to the Allied Forces. Investigations are proceeding and full reports will be rendered as soon as possible. Meantime the American Army Authorities have been asked to keep this Headquarters advised of all cases involving acts

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hostile to the Allied Forces coming to their knowledge.

(vi) Prevention of Venereal Disease : A short digest of the Italian Laws and Regulations relative to prostitution etc., has been made for information of the American Provost Staff, and of this Commission.

(vii) Political Prisons : Numerous cases of persons serving prison sentences for alleged political acts or crimes have been brought to notice. Some of these cases have been referred to the High Commissioner. The most important of these is the case GIULIBONI FAUSTO, an Italian Lieutenant of Engineers who was sentenced in October 1943 by an Italian Military Tribunal for taking up arms against the Germans during the period between the fall of Fascism and the Armistice. This case has been referred to the Army- Sub-Commission and is being considered in the highest quarters.

(viii) Legal Advice Bureau : It is proposed to set up a Legal Advice Bureau for British OR's on the Island. Authority has been applied for to PAO's Branch .

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Appx "G" to AOC/4043/L
dated 10 April 1944.

REPORT OF AMG 5th ARMY FOR MONTH OF MARCH

1. (G.A.S.)

Planning for the occupation of Rome has been continued and as much information about the Italian Courts and the legal and judicial officials there as possible has been obtained. In view of the long time which has now elapsed since the first hope of entering Rome was inspired, the changing of personnel and plans and the uncertainty as to when this eternal city will be reached, a certain inertia has crept into planning for its occupation. However on 16th March this office moved from Naples to Caserta and we are now in close daily contact in work and off duty with the staff of the City Administrative Section of 5th Army who will be responsible for the garrisoning and maintenance of Military discipline in Rome and with the Provost Marshal and JAG of that section and the AMG Director of Public Safety, discussions have been held regarding the arrest, detention and trial of civilians. So soon as the possibility of occupying Rome again becomes imminent the plans of this division will, in the light of circumstances at that date, be recompleted.

2. The personnel who are attached to this HQ for Rome and for the Field are as at 31st March 1944 with their present employment attached.

3. (Field).

The continued static conditions of the Army have provided opportunities for CAO's to devote plenty of time to their judicial work as Presidents of Summary Courts. Normally the amount of work which a CAO has to do leaves him very little time properly to hear and consider cases and often he fails to dispose of cases of persons arrested for offences. The relatively large number of CAO's with each Corps of 5th Army now has enabled cases to be heard carefully by the Summary Courts and these CAO's have now been encouraged by observations on their efforts as judges to take a concentrated and enthusiastic interest in the cases they try. The results have been that more typical sentences to fit the crimes have been imposed and that the proper framing of charges and completion of records are now the rule rather than the exception. A Legal officer has from time to time during this month made short visits to each Corps, sat with CAO's trying cases and provided advice to officers who sit as Summary Courts.

4. With the regrouping of forces only the VI, II and C.E.F. Corps are now left in 5th Army Area, X and N.Z. Corps having been absorbed by 8th Army. When these Corps were passed to that Army they left no Military Court cases outstanding. In connection with this reorganisation the S.L.C. 8th Army has been informed of the principle legal features of the areas and formations now falling within his sphere.

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Declassified E.O. 12356 Section 3.3/NND No. 781216

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5. Attached is a table of the cases tried within this area during the month. During the greater part of the month II Corps were in rest and did not have any area to administer. Apart from a General court case which was heard at the beachhead there were no persons arrested in VI Corps area who required to be brought to trial.

6. The main interest of this division during this month has been spies. From the reasonably expeditious method of trying any person arrested as an alleged spy in 5th Army area by an ad hoc Allied Military General Court, a system has been evolved whereby any alleged spy in either army area can be tried without any delay. Seven spies captured in 5th Army area have been tried this month, one was acquitted, five were found guilty, and two of these were sentenced to twenty years imprisonment each and three were sentenced to death. In addition two saboteurs were found guilty and sentenced to death. Confirmation is also awaited on these sentences.

7. Squadron Leader Dickie who has been assigned as SLO AMG 5th Army (Field) arrived at this HQ on 31st March 1943 and has commenced to take over his duties.

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AMG, 5th ARMY
Legal Division

Rank	Name	Number	B or A	Duty	Location	Parent Organization
Col	G. Pollock	136210	B	Chief Judicial Officer, ACC	Hospital	Legal Sub-Commission, ACC
Lt Col	J V M Shields	137055	B	Senior Legal Officer AMG 5th Army	Hq AMG 5th Army (CAS)	
Lt Col	J L Willis	37204	B	Prosecutor, Gen Mil Ct AMG 5th Army	Hq, AMG 5th Army (CAS)	Legal Sub-Commission, ACC
Major	W G Elder	Canadian	B	Judicial Officer, Gen Mil Ct, AMG, 5th Army	Hq, AMG 5th Army (Field)	Region IV
Capt	E V Falk	120214	B	Judge, Summary Crt, Reg III	Tribunals, Naples	Region IV
Capt	Howell Jones	116326	B	Legal Officer 5th Army(Field)	Hq, AMG (Field)	Region IV
Lt Cdr	M. A. Musmanno	86622	A	Judicial Officer AMG, Region III	Legal Div Region III	Region IV
Maj	W D Stump	O-333292	A	"	"	Region IV
Maj	H Stebbins	O-189416	A	Judicial Officer AMG Region III	Tribunals Naples	Region IV
Maj	W Waugh	O-122378	A	Legal Officer Hq 5th Army Liaison Office	As "Duty"	Region IV
Maj	R M Woodward	O-26677	A	Defending Officer AMG 5th Army	Naples	Region IV
Capt	H L Glenn	O-162411	A	Deputy SLO	Hq, AMG 5th Army (CAS)	
Capt	M Correa	O-280074	A	Special Prosecutor	Hq, Region III	Legal SubCommission, ACC

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Declassified E.O. 12356 Section 3.3/NND No. 785016

AMG, 7TH ARMY

REPORT ON ALLIED MILITARY COURTS FOR THE MONTH OF MARCH 1944

A. Cases Tried and Findings

CORPS	Summary Court NG	Summary Court G	Superior Court NG	Superior Court G	GENERAL Court NG	GENERAL Court G	Totals NG	Totals G	Total Cases
II Corps		4			1	3	1	7	8
VI Corps						2		2	2
X Corps	9	42				2	9	44	53
NZ Corps	4	60					4	60	64
C E F		23		1				24	24
Totals	13	129		1	1	7	14	137	151

B. Convictions

CORPS	Curfew & Pass Violations	Theft & Poss of All Prop	Black Mkt	Looting	Poss of Arms & Ammunit.	Violations of Italian Penal Code	Others	Total
II Corps	2	2					3	7
VI Corps							2	2
X Corps	5	26	3		3		7	44
NZ Corps	21	16	3		4	5	11	60
C E F	7	10			2		5	24
Totals	35	54	6		9	5	28	137

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Appx. 'H' to ACG/40[illegible]/L
dated 10 April 194[illegible].

REPORT OF AMG 8th ARMY FOR MONTH OF MARCH

H.Q. AMG. Eight Army Main .

1. Summary Courts trials within Eighth Army area have resulted in 448 convictions and 26 acquitals.

2. Superior Courts cases have resulted in 46 convictions and 11 acquitals.

3. The most serious and bothersome problem is unlawful possession of Allied property and the reason why this is a problem is the lack of discipline of troops in their bartering, selling and giving away military property.

4. Curfew and pass violations are numerous but not of importance so far as the records disclose .

5. Italian Courts are functioning satisfactorily with the exception of the lack of a Corte d'Assise and Corte d'Appello for Chieti Province. This matter is now referred to the C.L.O. with full information and recommendations, and will be corected during the current month .

6. Especial mention should be made of the manner in which some 49 Montefalco victers were tried, resulting in 39 convictions. This trial was held under difficult circumstances and credit should go to the P.L.O. Campobasso Province, resident of the Court, and to the S.C.A.B.O. Eighth Army who prosecuted .

Declassified E.O. 12356 Section 3.3/NND No. 912578

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Declassified E.O. 12356 Section 3.3/NND No. 785016

Appendix "B" to ACC/4043/L
dated 10th March 1944.

REGION II LEGAL REPORT FOR THE MONTH OF FEBRUARY 1944

1. Personnel - Consequent upon the transfer of Region II to King's Italy, and to the withdrawal of three American LOs for ETO, a readjustment of personnel has been necessary. In place of LOs for each province, Liaison Officers to the various Corti d'Appello have been appointed as under:-

(a) BARI — Major A.W.I.Franklin
(b) POTENZA — Capt. A.C.Gerson
(c) CATANZARO — Capt.D.S.Little
(d) REGGIO — Capt. B.Dreyfus.

2. Allied Military Courts - Starting on Feb. 7th, the CJC presided over a circuit in the provinces of Matera, Cosenza, Catanzaro and Reggio - Potenza and Salerno had no cases to try. During the circuit, the most important cases tried were :

(a) At Matera - Pascale C. was sentenced to death for interference with Allied mail. This sentence was quashed for lack of jurisdiction.

(b) At Catahzaro - Taverna P. formerly sentenced to 18 years imprisonment for killing an Allied soldier, was retried and sentenced to 6 months instead.

(c) At Reggio - Over 50 persons were tried for taking part in disturbances and those convicted received sentences ranging from 10 years to 3 months.

3. The taking over of Apulia on 11-2-44 will entail the closest legal supervision over this province for a considerable time. Separate reports on the situation have been submitted by the R.L.O. and Lt.Col. Willis.
To assist Major Franklin, the C.L.O. has agreed to the loan of two LOs from Region 5, Major Loepp and Lieut.Boon.

4. The Committees of Investigation, and the Committee of Security at Potenza have ceased to exist, by virtue of the transfer of King's Italy. 1600

5. Italian Courts.

(a) The situation regarding the Court of Appeal Reggio remains as unsatisfactory as hitherto. No progress appears to have been made in the past month.

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5. Italian Courts.

(a) The situation regarding the Court of Appeal Reggio remains as unsatisfactory as hitherto. No progress appears to have been made in the past month.

(b) Elsewhere, apart from in Apulia which is receiving special attention, the Italian Courts appear to be functioning satisfactorily.
Jurisdiction has been restored to the various Corte d'Appello in open court with appropriate formality and speeches.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
Subcommission for Monuments Fine Arts and Archives.

KEDW/vr

20340/1FAA

10 April 1944

Subject: Submission of Monthly Report for March 1944.

To : Vice President, Administrative Section.

In compliance with letter 2/3F/AS of 15 Mar 44, subject: Monthly Reports, the report of the activities of the Monuments, Fine Arts and Archives Subcommission during March is submitted herewith (in quintuplicate).

Ernest Dewald
ERNEST T. DE WALD
Major, Spec. Res.
Director.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 534
Subcommission for Monuments Fine Arts and Archives

20340/MFAA/mvp

20340/MFAA 2 April 1944.

Subject: Fifth Monthly Report, for March 1944.

To : Chief Commissioner.

STATEMENT OF FUNCTIONS

1. On 23 Mar 44 a statement of the mission and major functions of the Subcommission for Monuments, Fine Arts, and Archives was submitted to the Secretary General, ACC. A copy is attached hereto (Appendix 'A').

PERSONNEL

2. Officers.

a. Major H.T. Newton was relieved on 10 Mar from assignment at Hq., Reg. II. Detained there by illness, he reported this Hq. 21 Mar. He was assigned to AHG, Hq. 5 Army on 27 Mar and proceeded thither 1 Apr.

b. Lieut. (sg) P.B. Cott, USNR, was relieved on 1 Mar from assignment at Hq., Reg. I and reported this Hq. 9 Mar. On 5 Apr he was attached as Regional MFAA Officer to Hq., Reg. IV, having served in this capacity, unofficially, since his arrival from Reg. I.

c. Capt. F.H.J. Maxse was relieved on 22 Mar from assignment to Hq., Reg. I and arrived this Hq. 27 Mar, where he has since served.

d. Capt. A.S. Purveyer was relieved on 24 Mar from assignment at Hq. ACC Base. Ordered to hospital about 14 Mar in consequence of an accident, he has since been under medical care, recently in the ACC convalescent home.

e. Capt. D. Keller has continued to serve with the Subcommission at Hq., the order placing him on temporary duty in Reg. V having been rescinded 4 Mar.

f. Capt. N. Hammond proceeded to another theatre on 4 Mar. 1598

3. Enlisted Men.

a. T/5 Nick J. Defino, who had served since August, 1943 as clerk with the MFAA Advisors, Reg. I and with the Subcommission, having been ordered on 29 Feb to the 2nd Replacement Depot, proceeded thither early in the month.

b. Pfc. Robert J. Jennings (A), assigned as clerk for this Subcommission, first with Hq. ACC Base and then (on temporary duty) with Hq. ACC Main, was seriously injured in an accident on 13 Mar and has since been confined to hospital.

c. Sgt Angelo P. Lunia (A) was assigned as a clerk to this office on 21 Mar and has served ever since.

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REPORTS

4. Regional.

a. Region I. Work terminated by Capt. Haase, who then left on assignment to HQ. ACC. A report describes the final stages of the work, lists projects recommended to the Ufficio di Ragioneria for future execution, and details the sums approved by ACC for Extraordinary Expenses on MFAA in Sicily.

b. Region II. Work terminated and inclusive report on the region submitted by Major Newton.

c. Region III. Report deals with the following topics:

(1) Inspection of projects of repair and salvage of monuments outside Naples, i.e. at Caserta, Pozzuoli, Sant'Agata dei Goti, Capua, Avellino, Pompeii, Santa Maria Capua Vetere, Calvi Risorta, Teano, Sessa Aurunca, and Nocera.

(2) In Naples inspection of projects previously initiated and of new projects at the church of Monte Oliveto (S. Anna dei Lombardi) and S. Brigida, which were damaged 15 Mar by German bombs.

(3) Statement of funds authorized for use on projects of repair and of budgets approved for January for the Royal Superintendents of Monuments and Galleries.

(4) Reports of conferences with Italian officials and Superintendents, with the Cardinal Archbishop of Naples, with Public Relations Officer of Region III, and with the correspondent of the Chicago Tribune.

(5) Acquisition of photographic material from Superintendents of Monuments for file on damaged monuments and their repair.

(6) Inclusive map of the actual spots in Pompeii on which bombs fell.

5. Other Reports.

a. On conditions at Royal Palace at Caserta by Capt. Croft-Murray.
b. On the Royal Palace at Naples by Capt. Croft-Murray.
c. On the depository of works of art in Castel del Monte by Capt. Keller.

FIELD WORK

6. a. Inspection of monuments at Salerno, Cava, and other points in Salerno Province by Major Ward Perkins and Major Baillie Reynolds.

b. Inspection of monuments in Regions II and V by Capt. Kehler. 1597

c. Inspection of archives in Regions II, III, and V by Mr Harry Jenkinson.

d. Inspection and reconnaissance of monuments in 8 Army area by Major Ward Perkins.

e. Inspection and initiation of project to remove recently recovered works of art at Migliano by Major Ward Perkins and Capt. Haase.

f. Inspection of monuments at Sessa Aurunca and Calvi Risorta by Capt. Keller.

g. Supervision of requisitioning of Royal Palace of Caserta and its furnishings by Capt. Croft-Murray.

h. Inspection of depository of paintings and tapestries at the Abbey of Loreto, Marcogliano, by Major De Wald and Lieut. Cott.

i. Inspection of cathedral at Benevento and supervision of the

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detailed photographing of the facades of the bronze doors for documentary record of the damage by Major De Wild.

4. Inspection of damage to Early Christian church at Rocca Superiore resulting from heavy fall of volcanic ash of Vesuvius by Major De Wild.

5. Inspection of areas around Venafro for possible damage to monuments by Major Lord Perkins.

PROTECTION OF MONUMENTS

7. Action on Recommendations of the Report (Miller) of the Commission of Inquiry Appointed by AFHQ to Examine Protection of Treasures etc. in the Italian Area.

a. Para. 6. Draft for directive to cover the protection of monuments edited and submitted to H.Q. AAI (Adv Sec). Frequent conferences with Lieut. Col. Howe on the matter. Directive issued on 3 Apr as Administrative Instruction No. 10, H.Q. AAI (Adv Sec). Lists of Protected Monuments of Italy in preparation for printing as soon as directive should be issued.

b. Para. 7a. Pamphlet for troops on importance of protection of monuments prepared for Army Bureau of Current Affairs.

c. Para. 7b.

(1) Museo Nazionale, Naples. Evacuation of troops in progress.

(2) Palazzo Reale, Naples. Recommendation turned down by PWB, but further action pending as result of letter of Chief Commissioner to G.O.C.-in-C., H.Q., AAI. A modus operandi under present conditions is being established by Regional MFAA Officer, Region XXX.

(3) Museo Nazionale di San Martino. Recommendation turned down on advice of PWB as troops there are being carefully supervised.

(4) Capodimonte Hermitage at Capodimonte. Recommendation carried out.

(5) Pompeii. Extra guard established.

(6) Herculaneum. Reexamination turned down by AFHQ.

8. Air Force Monuments. On 19 Mar copies of air-photographs showing the location of monuments of historical, cultural, and religious importance in Italy were passed to all operational formations of MAAF down to USAAF Groups and RAF Wings by courtesy of Brigadier General Kuntsel, USA, accompanied by a profuse covering instruction to be observed with regard to the bombing of towns and cities in which important monuments exist.

PUBLICATION AND OTHER MATTERS

9. Public Relations Branch.

a. Informal discussions were held with members of the Public Relations Branch to discuss publications and publicity as regards Monuments and Fine Arts.

b. The use of the PRB photographer was offered to MFAA Subcommission on several occasions to take photographic record of war-damage to important monuments such as the cathedral at Benevento and the church of Santa Chiara, Naples.

c. Through the offices of the Director of PRB, the Director of MFAA was interviewed by Miss Virginia Cowles of the London Daily Telegraph and the North American Newspaper Alliance, who also wished to visit some of the buildings in Naples which had suffered war-damage.

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4. Mr Sherwood Harcroe of the ACRC Picture Corporation called to arrange for the photographing of buildings damaged by the war and of the work of repair initiated by the AMFA Subcommission and its Regional Officers.

RE-EDUCATION AND ITALIAN OFFICIALS

10. Conferences were held during the month with Dr. Castelfranco, acting Director of the Belle Arti in the Ministry of National Education, on questions of Italian personnel connected with the Fine Arts.

E. T. Peaslee
ROBERT T. MC WILD
Major, Inf. Res.
Officers.

Incl-
Appendix 'A': 'Functions of Monuments, Fine Arts, & Archives Subcommission'.

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App. "A" to 5th Monthly Report, MFAA a/c.

0300/MFAA

23 March 1944

FUNCTIONS OF MONUMENTS FINE ARTS & ARCHIVES SUBCOMMISSION

1. Mission

To prevent as far as possible destruction of and damage to historical monuments, buildings, works of art and historical records of Italy; to safeguard and preserve them, and to give first-aid in repairs when needed; and to assist in the recovery and restitution to their rightful owners of any works of art which have been looted, removed or otherwise misappropriated.

2. Major Functions.

(a) Advises on orders to be issued by Commanders to their troops for the protection and safeguarding of monuments, buildings, works of art etc.

(b) Maintains liaison with ground and air-forces in order to furnish them with information concerning historical monuments within their respective theatres of operation.

(c) Formulates and distributes plans and directives.

(d) Collaborates with other Subcommissions, including Public Safety, Public Works, Property Control, and Education.

(e) In collaboration with Public Relations prepares and/or approves publicity relating to monuments and fine arts within its jurisdiction.

(f) Acts in advisory capacity to Italian Ministry of Education.

(g) Submits periodic reports on matters relating to preservation and protection of monuments and art objects.

3. Operational Functions.

(a) Prepares regional and provincial lists of monuments etc. to be safeguarded, and distributes same to Regional Commissioners and to units in the field.

(b) Provides measures to safeguard monuments etc. in regions occupied by Allied forces.

(c) Advises unit commanders on matters pertaining to requisition of national monuments.

(d) Collects information regarding the damages of war to monuments etc.

(e) Investigates reports of alleged looting or other unlawful appropriation of art or historical objects, and recommends appropriate action for restitution of same.

(f) Aids Italian government agencies concerned with respect to preservation, including urgent repairs necessitated by war damage to national monuments, protection of works of art and historical records, including salvage, collection, housing, and restitution to rightful owners of same.

(g) Prepares guide-books for military personnel and cooperates with the Red Cross and Special Services in arranging tours for same.

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Division + Functions
of Educom. Mata

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6 APR RECD
EDUCATION SUB-COMMISSION A.C.C. 2781

Ministry of Education.

A conference with the Minister agreement was reached on a number of matters concerning school appointments, examination of text-books, school examinations, school closing dates. The Minister has been most cooperative and has welcomed advice and suggestion. Meetings are held with him twice weekly.

Universities and Academies.

A visit was paid by the Regional Education Officer, Region 2, to Bari University. The University is operating in all Faculties including a number of temporary new ones for students from elsewhere whose studies have been interrupted. There are about 3000 students.

Very little damage was done to the University buildings at Bari. Requisitioned buildings have been the subject of a separate report and AFHQ has taken preliminary action.

The political pasts of professors at Bari are under consideration by the Minister. The Rector (Francesco Angelo) was never inscribed in the P.N.F.

Contacts have been made in both England and the U.S. as a preliminary to the provision and exchange of books in the libraries of Universities and Academies. In the U.S. the American Library Association and the Director of the Public Library of Boston have expressed their willingness to help. Lt.Col. Smyre reports (in a private letter from England) that he has seen the British Council who are exploring the possibility of setting up a Commission in London to help culturally the Universities and Academies of Italy.

Defascistization.

19 School Officials of Region 2 have been dismissed by the Minister on the recommendation of the Sub-commission whose advice was sought by the local authorities. The Minister has a large additional number of school officials in this Region under consideration.

Schools.

By 21 February 14.263 elementary school children out of 80,000 in Foggia province, were provided for and it was hoped to accommodate the balance in March (no late report available).

Owing to lack of accommodation many unusual expedients were resorted to including the use as classrooms of picture theatres,

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teachers'homes. Church sacristies and even unused tramway cars.

BARI

Opening of schools was begun in January. Outside Bari town all Scuole Medie Inferiori e Superiori are now open, though functioning in shifts. All are housed in temporary quarters, the school buildings having been requisitioned for troops, hospitals.

Outside Bari town the majority of Elementary Schools are open.

Few schools are open in Bari town owing to lack of quarters.

The Minister is considering personnel from the political point of view (about 100 persons are suspected).

The Minister has ordered the abandonment of Fascist books.

Programmes of Study

Programmes of Study have now been completed and published for following types of school: 1) Scuola Elementare, Parte I and II; 2) Scuola Media Inferiore and 3) Scuola Media Superiore.

These have been printed in Palermo for Region I and printed in Naples for Regions II, III and V. and sufficient copies prepared for Region IV. They have been distributed to teachers.

Italian Committees under the direction of the Education Subcommission are now preparing revised programs of study for the Scuole Magistrali and the Technical Schools. These will complete revised programs for all Italian Schools.

Text-books

Composition is now completed in Naples for all the ten text books which are being prepared for the Elementary Schools. Two of these are now ready for distribution and the others will be available within the next two or three weeks. Plans have been completed for the distribution of the text books to each provincial center in Regions II, III, V and IV and for the sale of the text-books by local booksellers.

To each text-book has been added a preface which gives suggestions to Teachers and pupils for the modernization of the school program.

Proofs of the text books have been forwarded to the Middle East upon request for possible use in that area. Sets are being prepared from type set here for rapid reprinting of text books for Region IV.

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In Palermo four of the books are already published and distributed in Region I and Calabria. Others are in the press. Three samples of each have been sent to Middle East.

Quaderni

To help alleviate the acute shortage of paper in the schools, waste paper from the text books has been salvaged for the preparation of 200,000 quaderni (copy-books) which will be sold to pupils through the provveditore in Regione II, III, V and VI at a nominal cost of 1,6 and 4,0 lire (depending on size). Such a program should provide much needed supplies and at the same time help to break the black market in this type of materials. In this market children are now compelled to pay from 20 to 40 lires for similar copy-books.

Other paper trimmings unsuitable for quaderni, have been salvaged out to usable size and will be distributed gratis in the Schools.

Survey of Sardinia

A survey the Sardinia Schools was made by Major Bergin, in part occasioned by the departure of Major Collins and in part to have a more direct contact and knowledge of the local situation. Major Bergin visited the three provinces and interviews with all the provveditori and the rettore of Sassari. He found the most pressing problems to be: 1) the large number of school buildings, especially elementary, requisitioned by the Italian Army; 2) the shortage of supplies of all kinds, such as paper, ink, etc. and 3) difficulties of communications. Particularly in Cagliari Province teachers as well as students found it difficult to attend classes, since many were evacuees and many schools had been set up in temporary quarters at some distance from regional locations. In spite of all the difficulties a large percentage of the schools were opened. There were found to be few dismissals for political reasons. Problems of derequisitioning, transportation and re-organisation are of course now largely matters for the Italian Government. A report of conditions was given to his excellency Cuomo, many details of which were new to him. Arrangements were made with Brig. Dunlop to have Lt.Col. Le. Fee represent the Education Subcommission at least temporarily.

Survey of Avellino Province

To assist the Director of Education in Region III and to obtain information for a survey of Italian Education, Capt. Pratt

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has recently undertaken a survey of the schools in Avellino Province. Although this survey will not be concluded for two or three weeks initial findings reveal that: 1) schools outside the city of Avellino are almost all in operation on a normal time schedule; 2) schools in the city of Avellino have been requisitioned for Canadian troops and refugees and children attend only five to six hours a week; the provveditore has followed directives issued concerning programs, text books and schedules; 4) to date thirteen employees have been dismissed as active Fascists; 5) there is a serious shortage of instructional supplies; 6) efforts are being made in the city of Avellino to provide temporary rooms and teachers' homes for school purposes.

Survey of Italian Education

A tentative outline has been proposed for the survey of Italian Education which will be completed for the Minister of Education before our departure. The survey will include three parts as follows. 1) Italian Education before the occupation; 2) The Impact of the War on Italian Schools; 3) Implications for the Future. Materials for the survey will be obtained from: 1) available published data - 2) reports from Regional Directors - 3) Provveditori - 4) Minister of Education and 5) Individual surveys.

Youth Commission

Youth Subcommittees established in Naples have considered the following problems to date:

1) The University Subcommittee has arranged a political forum for university students.
   It is considering plans for the re-establishment of the university printing house.
   It is attempting to set up a student mess.

2) The Scuola Media Superiore Subcommittee has proposed a plan for the establishment of clubs in the secondary schools and the publication of a school newspaper.
   The first club has been started with great enthusiasm.

3) The Scuola Media Inferiore Subcommittee has developed a plan for inaugurating groups akin to Boy Scouts. The Subcommission has

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requested the Boy Scouts of America for help in the rebuilding of this organization.

4) The Scuola Elementare committee has presented a detailed plan for furnishing lunches to school children. This plan will be placed in operation at an early date by the Education and Welfare Divisions of Region III.

5) The Asili Infantili Committee have proposed plans for the reopening of kindergartens especially for children of working mothers.

STAFF

Capt. C. Geyer departed from Region 3 for U.K. the regional educational Officer is now Capt. Sam V. Noe.

Capt. F.F. Gregory proceeded to Region 2 as assistant to the educational Officer there.

Capt. Dexter Tilroe has been transferred to the Subcommission from 6735th P.O.W. A.D.K. Co. (Prov.)

Capt. Willis E.Pratt has been assigned as Assistant Educational Officer Region IV but has been temporarily employed on text-books problems for the Subcommission.

Capt. Paul L. Heilman has been assigned to Education in Region 3.

Miscellaneous

A conference of Education Officer from the Region was held at Naples.

Major W.H. Sherwood and Mr. G. Houser visited Region I for conferences with the Education Officer and ~~other~~ school and University Officials.

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REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
A.P.O. 394

6th April 1944

ACC/4043/L

Subject: Monthly Report for Month of February 1944.

To : Adm Sec

1. Report of Region II for month of February has just been received.

2. Will you please have the enclosed four copies attached as Appendix "B" to this sub-commission's monthly report for February - ACC/4043/L dated 10th March 1944.

G. H. UPJOHN,
Colonel,
Chief Legal Officer.

6 APR 1944

Appendix "B" to AOC/4043/1.
dated 1st March 1944.

REGION II LEGAL REPORT FOR THE MONTH OF FEBRUARY 1944

1. Personnel - Consequent upon the transfer of Region II to King's Italy, and to the withdrawal of three American LOs for ETO, a readjustment of personnel has been necessary. In place of LOs for each province, Liaison Officers to the various Corti d'Appello have been appointed as under:-

(a) BARI Major A.W.L.Franklin
(b) POTENZA Capt. A.C.German
(c) CATANZARO Capt.D.S.Little
(d) REGGIO Capt. B.Dreyfus.

2. Allied Military Courts - Starting on Feb. 7th, the CJO presided over a circuit in the provinces of Matera, Cosenza, Catanzaro and Reggio - Potenza and Salerno had no cases to try. During the circuit, the most important cases tried were :

(a) At Matera - Pascale G. was sentenced to death for interference with Allied mail. This sentence was quashed for lack of jurisdiction.

(b) At Catanzaro - Taverna P. formerly sentenced to 18 years imprisonment for killing an Allied soldier, was retried and sentenced to 6 months instead.

(c) At Reggio - Over 50 persons were tried for taking part in disturbances and those convicted received sentences ranging from 10 years to 3 months.

3. The taking over of Apulia on 11-2-44 will entail the closest legal supervision over this province for a considerable time. Separate reports on the situation have been submitted by the R.L.O. and Lt.Col. Willis.
To assist Major Franklin, the C.L.O. has agreed to the loan of two LOs from Region 5, Major Loepp and Lieut.Boon.

4. The Committees of Investigation, and the Committee of Security at Potenza have ceased to exist, by virtue of the transfer of King's Italy.

5. Italian Courts.

(a) The situation regarding the Court of Appeal Reggio remains as unsatisfactory as hitherto. No progress appears to have been made in the past month.

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important cases tried here :

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5. Italian Courts.

(a) The situation regarding the Court of Appeal Reggio remains as unsatisfactory as hitherto. No progress appears to have been made in the past month. 1 8

(b) Elsewhere, apart from in Apulia which is receiving special attention, the Italian Courts appear to be functioning satisfactorily.
Jurisdiction has been restored to the various Corte d'Appello in open court with appropriate formality and speeches.

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