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10000/105/239
(VOL. I)

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10000/105/239
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MONTHLY REPORTS, AC, 1944
APRIL - DEC. 1944

2/11-1(A)

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: 824/20

17 February 1945

19 FEB 1945

MONTHLY REPORT

DECEMBER 1944

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POLITICAL SECTION

1. The Italian political crisis which had reached a climax with the resignation of Signor Bonomi on Sunday, 26 November, was clarified on 7 December when four of the six parties of the Committee of National Liberation entered the new government presided over by Signor Bonomi. It is now evident that the crisis was precipitated by two important points of disagreement between the parties of the right and left. The center and right wing parties maintained that the government's authority would be weakened by the extensive epuration carried out under Count Sforza and also by the granting of power to the Committees of National Liberation in liberated territory. The left wing parties were in short disagreement on both points.

2. When the new government was formed Signor Bonomi gave formal assurance that he accepted all previous Italian obligations towards the Allies and that the Italian Government would not re-open the institutional question without prior consent of the Allied Governments until Italy had been liberated and the Italian people given the opportunity of determining their own form of government.

3. The new Cabinet contains practically the same personalities as in the previous government. The primary changes are the exclusion of representatives of the Socialist and Action Parties and the reduction of the number of Ministers Without Portfolio from seven to three, two of whom are also Vice-Presidents. The Ministry of Communications was split into the two Ministries of Post and Telegraph Communications and of Railroad Transportation. One entirely new Ministry was created - the Ministry of Occupied Italy, headed by a Communist.

4. Two new situations emerged after the formation of the present Government. First, the position of the CLN was undoubtedly weakened and the Government given a conservative tinge: second, the absence of the Socialists in the Government resulted in a strong opposition bloc of the Socialist and Action Parties. Nenni, who will undoubtedly be the opposition's spokesman stated that the basic issues were avoided but not solved. He said that his party would not fight the Government systematically but would criticise dispassionately all measures not directed towards winning the war and achieving an Italian democracy.

5. The Communists achieved a technical triumph and secured an excellent bargaining position due to their alliance with the Socialists as they are virtually inside and outside the Government.

6. Signor Bonomi undoubtedly achieved a personal success by his patience and tenacity in adhering to his principles in spite of the pressure which was brought to bear during the days of the crisis.

7. It is still too early to judge the capabilities of the new four-party coalition government, but its compactness should result in a greater degree of stability and unity than heretofor.

8. The Right-Left Division in the political parties seems to be based to a large and increasing degree on an ideology expressed by the distinction in the Pope's Christmas message between the "people" and the "masses". There were indications of a consolidation of the Christian Democrat, the Liberal, and the Right-Wing elements of the Labour Democratic Parties with a view to forming a "Peoples' Group" which would threaten politically the "Masses Group" of the Left.

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9. While the apparent cause of the demonstrations against military conscription in CATANIA on 14 December was a protest by students against being drafted, there appear to have been other less obvious causes. Outside forces were believed, and not without evidence, to have incited the students to assume their attitude of indifference toward the war and to rebel against participation in it. Both Separatist and Fascist elements were considered responsible at least in part for the disturbance.

10. Count Sforza declined the appointment of Ambassador to the United States. At the end of December no other nomination for the post had been made by the Italian Government.

11. On 27 Dec/....

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11. On 27 December the Public Relations Office of the Presidency of the Council of Ministers announced that diplomatic relations were to be resumed with BELGIUM and were to be "reactivated" with RUMANIA. At the same time it was stated by Italian Government representatives that most problems impeding a resumption of relations with FRANCE were solved and that the Government was hopeful of a speedy settlement of those which remained.

12. The press of 29 December announced a resumption of ITALO-NORWEGIAN relations.

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PART I

AMG Fifth Army.

1. This was the most uneventful month since last winter. The area remained unchanged throughout the period except for the temporary recapture by the enemy of the commune of SARNA (LUCCA Province), which is now back in Allied hands. This was the first time since the landing at SALERNO that a commune had been lost after the setting up of Military Government. A fascist radio station was heard broadcasting a message of formal thanks to AMG for the civilian food the enemy found in the village, which had only been delivered two days before its recapture. The amount involved was not large.

2. As a result of new policies and support from Headquarters Allied Commission a new Patriot Branch was created at FIFTH Army HQ. at the opening of the month, with a Patriot Officer in charge of the two large Reception Camps at FLORENCE and PESCIA, for the handling of homeless patriots now coming through the line. The problem remains extremely difficult owing to the absence of any clear cut system of obtaining the necessary supplies for rehabilitating individuals and to the delicate political questions involved.

3. Public morale was in general slightly higher except for a rumour scare created by military operations at the close of the month. In LUCCA this scare caused a noticeable outflow of cash from the banks. Elsewhere the improvement in morale can be attributed to the distribution of the first olive oil rations for many months and to the general feeling of goodwill due to the holiday season. The arrangements made for Midnight Masses and the Allied Christmas parties for children created an extremely favourable impression.

4. In spite of the improvement in morale noted above there was a general undercurrent of discontent among the population as a result of the widespread scarcity and high price of food. The continued failure to establish a 200 gram bread ration also caused some bitterness.

5. There were several cases of armed robbery and one of jail-breaking. These were thought to be the work of lawless gangs who in some cases claimed to have been Patriots. This discredited the whole patriot movement in the eyes of many Allied officers and Italians. Masked armed bands continued to operate in FLORENCE Province, their crowning achievement was the hold-up of a Civil Affairs Officer.

6. There was an increase in forged currency: 90 forged 1000 lire notes were discovered in FLORENCE and some 30 others elsewhere. Apart from the paper the forgeries were excellent imitations.

7. The typhoid epidemic at PRATO continued to be serious. After a lull in the middle of the month many new cases were reported as a result of a systematic house-to-house search and is not thought to indicate a true rise of incidence. The main water supply was still out of commission owing to the destruction of a large railway viaduct and the source of infection from the many subsidiary supplies has not been discovered.

8. The shortage of electric power remained extremely acute and prohibited any large scale rehabilitation of local industry. Reconstruction of buildings of all kinds was held up by a shortage of cement.

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4. In spite of the improvement in morale noted above there was a general under current of discontent among the population as a result of the widespread scarcity and high price of food. The continued failure to establish a 700 gram bread ration also caused some bitterness.

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8. The shortage of electric power remained extremely acute and prohibited any large scale rehabilitation of local industry. Reconstruction of buildings of all kinds was held up by a shortage of cement.

9. Five enemy agents were tried by a General ..IC Court: all were convicted and sentenced to death except one girl who was sentenced to twenty years imprisonment.

..IC Eighth Army.

10. ..dditional territory was liberated in the Province of RAVENNA, and the capital of the Province was captured on 5 December.

11. Patriots in FORLI Province either returned to their normal occupations or accepted work with the Army in labour squads. In RAVENNA Province about 600 Patriots were employed in an operational role and the majority were reported to be first class men doing fine work.

12. The/....

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12. The attitude of the civilians towards the Allies is satisfactory. Anti-looting patrols established by the Army in RAVENNA, FORLI and FAENZA have proved effective and a noticeable improvement in the attitude of the people has resulted.

13. There was a stronger undercurrent of political feeling in the area than has been encountered hitherto. It came to the surface soon after a speech in ROME by Signor BONOMI, which was interpreted by the Committees of National Liberation to mean that they were the representatives of the Italian Government in liberated as well as occupied ITALY. It had to be explained to them, very firmly, that this was not the case and that the only government permissible in an army area must necessarily be Allied Military Government. Action taken against the Committees of National Liberation is a matter of some delicacy, as it is liable to be construed as action against the Communist Party, because, although the Committees are composed of all six parties, it is the Communist Party which is best organised, most active and most vocal.

14. The area is almost entirely agricultural and as usual the countryman is in a far better position than the townsman for basic necessities. There is no shortage of grain, and on the whole, despite an acute shortage of oils and fats, the food situation is satisfactory. A serious shortage of fuel, however, particularly in the towns is causing some concern. Sufficient wood is obtainable from local sources in the plain to keep the bakeries going, but supplies for hospitals and domestic purposes are meagre.

15. The health of the people was good, apart from an epidemic of typhoid, which showed a decline.

16. There was no critical evacuation problem in the forward areas, but with the coming of winter the Army's need of quarters was expected to increase and plans to deal with this were in hand. So far these needs have been met without too drastic a disturbance of the inhabitants. Evacuation of inhabitants was, however, necessary.

17. Of the larger towns, RIMINI is the most heavily damaged and the housing problem there is acute.

18. In the Province of RAVENNA, where large areas were flooded by enemy action, work was begun on repairs to breaches in river and canal banks and on the restoration of pumping stations. The flooded areas have already been considerably reduced. In the Province of FORLI the reconstruction of bridges along the major roads was begun and plans made for dealing with minor roads.

19. Throughout the area civilian motor transport is almost non-existent, but every endeavour is being made to recondition such vehicles as have not been removed by the Germans. While the most essential needs were met with W.D. transport, the lack of vehicles is inevitably impeding progress everywhere.

20. Factories have been badly damaged. Those which it was hoped might restart cannot do so until electric power is available. Reactivation was therefore largely confined to brick, cement and limeworks.

SICILIA REGION.

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SICILIA REGION.

21. General conditions in SICILY during December were very unsettled. Although the heads of the political parties attempted to arouse interest in the war effort, the majority of the population were non-political; the people are interested in the outcome of the war but primarily from a personal point of view. However, lack of confidence in the Government, the economic situation, disparity of prices and wages, threatened food shortage, the suffering from an early and severe winter were causes which continued and intensified existing discontent. Between 10 - 20 Dec the military call-up provided the means of an immediate protest which was expressed in an extensive series of demonstrations which, in some places, led to riots. The Italian civil authorities were unable to maintain order without resort to the military. In CATANIA, the centre of the disturbances, damage was serious and public buildings were fired.

22. With the/....

22. With the exception of [illegible] large meeting held at LECCE, the Separatist Party was apparently inactive and the leaders of the movement attempted to clear themselves of any connection with the riots. It has, however, been reported that propaganda was continued clandestinely, particularly against the call-up.

23. In addition to a slightly critical attitude toward the Allies, there were increased signs of fascist sentiments. This was particularly noticeable at the time of, and after, the enemy offensives on the Western and Italian fronts.

24. Public officials continued to show uncertainty of their position, lack of confidence and general administrative inefficiency. The High Commissioner showed additional authority as a result of the proposed grant of increased power to the local administration and after the incident at C.TANZ. the Central Government quickly replaced the Prefect and transferred the Questore.

25. The crisis in the food situation was averted by the arrival of grain shipments totalling 12,000 tons wheat and 6,000 tons barley. In local trade there was a continuous upward trend of prices and the poor classes in the towns suffered considerably on this account. The total amount of olive oil harvested to-date was 4,386 quintals, which was insufficient to meet the December ration and accordingly this amount was reserved for hospitals.

26. The amount of grain unused increased slightly as a result of the High Commissioner making provisions to collect one half of the legal per capita retention. Exports from the Island consisted of a cargo of 4,000 tons of wine, citrus fruits and salted fish sent to the continent and 165,800 cases of lemons and 130 tons of argols sent to England.

27. The work of reconstruction made very little progress due primarily to the lack of materials. The rainfall relieved the shortage of electrical power by refilling hydro electric reservoirs. Railroads operated satisfactorily but were restricted by the inadequate coal allotment and the need for additional cars while road transportation deteriorated because of the scarcity of spare parts and tyres. Severely any progress was made on new telephone installations for lack of materials, and services are only about 50% completed. Telegraphic services were almost normal and the mail service continued to operate satisfactorily.

28. The health of the people was good generally but the early and severe winter combined with the lack of clothing and shelter caused considerable suffering. The rate of infectious diseases decreased.

29. Schools in the two remaining provinces were reopened, after a delay caused by a threatened smallpox epidemic. A few school buildings were released, but many were still occupied by Allied and especially Italian military and governmental agencies.

30. The number of refugees in SICILY was 3,721. Their standard of health was low and there was considerable suffering among them for lack of clothing.

SOUTHERN REGION.

31. The end of the cabinet crisis, though it had never roused violent feelings in Southern ITALY, was welcomed and removed the deadlock which had prevented the appointment of a Sindaco for the City of NAPLES.

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32. The distribution of the bread ration was maintained throughout the month, although stocks at NAPLES sometimes reached a dangerously low level. The pasta ration was generally maintained, but fell behind hand at TARANTO and elsewhere due to power shortage at the mills. An olive oil ration was distributed.

33. The olive crop was fair to good. With the withdrawal early in the month of the olive oil officers borrowed from convalescent depots, collection of olive oil fell to a low level. The orange crop promises well.

34. Heavy rain early in the month caused several road and rail breaks in CALABRIA and BASILICATA. Floods also caused breaks in the power line between SILA hydro-electric stations and BARI and repairs were hampered by snow.

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35. Trans/.....

35. Transportation continued to be the touchstone of all SOUTHERN Region problems. Small deliveries of tyres were obtained from ROME, but they met only the smallest proportion of the needs.

36. The labour situation was uneasy throughout the month. There were sporadic strikes caused by the question of adjustment of salaries and wages and by difficult living conditions, and at the end of the month there was a threat of a widespread strike of stated and parastatal employees at BARI. Generally speaking, hardship and discontent were more prevalent among professional men and clerical staffs than among the labourers or shopkeepers. Competent Italian authorities estimate that many of the professional classes are keeping themselves alive only by selling their household goods.

37. The opening of AMG Courts in BARI and BITONTO, chiefly to deal with thefts from the large British ammunition depot, was a great success: the thefts declined rapidly and local Italian Courts received a powerful stimulus. Work in the NAPLES AMG Courts continued to be heavy.

38. Public health remained good. There was a worrying flare-up of smallpox at BENEVENTO, chiefly serious because of the proximity of troops. It was however of a mild type, there were few deaths and preventive measures were taken.

39. Armed bands of deserters are still terrorising the country side - usually Italians in stolen Allied uniforms - though to a decreasing extent owing to the energetic measures taken against deserter groups by the Allied Military authorities.

LAZIO-UMBRIA REGION.

40. The activity of political parties was less obvious during the month, and took the form of consolidating initial advantages and smoothing mistakes.

41. In ROME the only imported food stuff in general distribution was canned meat. Other imported items such as dried vegetables, dehydrated soup, sugar and evaporated milk were distributed mainly to school children, hospitals, etc. 523,245 people received these special distributions.

42. The electric rationing scheme proved satisfactory, and improved distribution with a slight increase in power supply should further ease the situation.

43. Though crime is still a serious problem there was a slight improvement. There were a number of armed hold-ups in isolated areas but nothing to indicate the work of well organised gangs.

44. Italian courts still functioned extremely slowly and the prison load remained heavy. The higher courts, however, particularly the High Court for Sanctions against Fascism, worked hard and efficiently.

45. Parties and distribution of Christmas parcels were organised for 24,000 children affected by the war.

46. No action was taken either regarding damaged schools or releasing schools [illegible] The uncooperative attitude of the Italian

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46. No action was taken either regarding damaged schools or releasing schools now being used for other purposes. The uncooperative attitude of the Italian authorities in this matter has been the subject of strong representation to the Italian Government. Schools will probably have to close in PERUGIA and TERNI in the cold weather because of lack of glass and all heating facilities.

47. Italian refugee camps in ROME were overcrowded due to a large number of refugees from the North, and from the devastated areas, who cannot return to their homes. New centres have, however, been opened in the Provinces of LITTORIA and FROSINONE and refugees from these Provinces now in ROME centres will start moving on 1 January 1945.

48. Black market was still rife and there was no shortage for anyone who could pay the price. Discussions with representatives of the Merchant Associations were held to control black market activity.

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ABRUZZI-MARCHE REGION.

49. Although on the surface all seemed quiet on the political front there was an ever-present activity underneath. While the more cultured and intellectual heads of other parties talked ways and means among themselves, the active Communist leaders showed greater aggressiveness by doing the work necessary to getting additional members and votes for their party, should the popular elections announced for the coming spring be eventually held.

50. The bulk of the population was more concerned with the food situation as it affected them. They cannot understand why the promised 300 gram bread ration is not forthcoming, particularly in those surplus producing provinces which ship grain to areas receiving 300 grams, while they, the producers of apparent plenty, are allowed only 200 grams.

51. The provision of an organised truck company has greatly eased the supply situation. This company is being used in the distribution of grain from the surplus provinces to deficient areas and to the railhead at JESI for shipment to southern ITALY.

52. ABRUZZI-MARCHE Region has now reached 107% of the target set for the collection of grain of the 1944 crop. A substantial amount more is expected to be collected.

53. The collection of potatoes was very poor due to the big difference in prices obtained by the grower and the retailer in ROME and the much higher prices given to growers in the NAPLES area.

54. Olive Oil crushing was very unsatisfactory and, with the exception of the Province of TERAMO, practically none came in. The larger producers had more confidence in the value of the oil than in Italian money and were therefore hoarding it.

55. All provinces now have organised labour offices. Due to the large number of troops billeted in the Region, there was no unemployment problem but the Camera del Lavoro, organised on political lines, caused trouble with labour, particularly in ANCONA Province.

56. Progress was made in repair work on military and other roads, though it was hampered by lack of transport.

57. Good progress was made in work on all electrical projects.

58. The black market increased considerably with the cold weather and shortage of essential foodstuffs.

59. 90,200 mines of various types were removed during December by the Mine Clearance Coy in CHIETI Province but the work was hindered through lack of transport.

SARDEGNA REGION

60. The month was reasonably quiet on the surface, but there were signs of

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SARDEGNA REGION

60. The month was reasonably quiet on the surface, but there were signs of turbulence in the increased number of lesser crimes.

61. The Autonomy Decree, which was delayed by the Italian Government crisis, was the focal point of the month in Sardinia. Full details are awaited but according to information available the High Commissioner will have increased powers and will not only coordinate but also direct all authorities except the Armed Forces and State Tax Legislation which will be controlled by the Central Government. A Bank of Sardinia is to be formed with an opening fund of 150 million lire and special provision is being made for the development of mining. 4937

62. As special conditions exist in SARDINIA, powers to fix local prices, etc., should be beneficial and, provided control is kept over shipping, such powers should not have disturbing effects on other Regions.

63. The Central...

63. The Granai del Popolo figure for grain now totals over 303.000 quintals so the modified goal of 300.000 quintals set four months ago was reached and passed. Some grain is still coming in but the harvest is virtually collected.

64. The olive oil crop was exceptionally good, though it is still uncertain whether the olive oil will be successfully collected. The Press and Radio campaign was pushed forward vigorously and all possible pressure brought to bear to attain this object.

65. Meat prices were down to a reasonably low figure, the seasonal stock of lambs were available at below 60 lire a kilo (without the Italian Government tax) and there was no black market for the moment in this commodity. Shipping difficulties, unfortunately, made the purchase for the export of lambs to ROME impracticable.

66. During December there were 11 murders as against the monthly average of 5 and 36 cases of armed robbery as against the normal 25. Concern is felt because the robber bands were evidently better armed than usual. They aquired or stole weapons and ammunition from all the different armed forces that were in the Island and their activities were most disquieting.

67. Over 300 prisoners at ASINARA Penal Settlement and 25 at ISILI Penal Settlement finished their sentences. Arrangements were being made for 50 or 60 to return to home communes in liberated Italy, work can be found for 15 more in SASSARI and another 10 in the mines.

68. The Italian Army in SARDINIA has now been greatly reduced and troops remaining in the Island, including Services, numbered less than 10.000.

69. Steady exports of paint pigment, coloured earth, cork, salt and fireclay continued. Salt stocks totalled over 1.000.000 tons.

70. SARDINIAN coal production remained at about 40.000 tons for December. It is estimated that production can be raised to 55.000 tons a month with means now in sight, but additional miners will be required to attain the 70.000 figure needed to fulfill military needs.

71. A regular ~~weekly~~ monthly steamer service began between SARDINIA and the mainland, taking up to 300 passengers and 1.000 tons of cargo on each trip.

72. The drought which had a serious effect on the CAGLIARI water supply ended on Christmas Day. On Christmas Eve the reservoirs held little more than 100.000 tons of water; by 31 December the total had risen to over 2.000.000 tons. The water situation is, therefore, secure until February when heavy rainfall is again normally to be expected.

73. Mine sweeping operations in CAGLIARI Bay were carried out and were enlivened by the presence of a U.S. Navy blimp.

TOSCANA REGION.

74. Conditions in TOSCANA Region for December were on the whole an improvement on those for November, particularly in regard to local government, food and wages.

75. The new Prefects in AREZZO and GROSSETO made a very favourable start and the

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TOSCANA REGION.

74. Conditions in TOSCANA Region for December were on the whole an improvement on those for November, particularly in regard to local government, food and wages.

75. The new Prefects in AREZZO and GROSSETO made a very favourable start and the local government situation in those Provinces improved.

76. A general distribution of olive oil and sugar to the population increased food for midnight meals for PBS civilian employees and the granting of a definite allowance for a noon meal for AMG civilian employees were all favourable factors.

77. The increase in wages for employees of PBS became effective 16 December, and of FIFTH Army 1 January 1945. The delay in the increased wages for provincial and communal employees becoming effective was unfortunate as the Italians believed that the Allies were preventing them from obtaining this much needed increase.

78. Successful action..

78. Successful action was taken against counterfeiters and masked bandits operating in SIENA Province. At least five members of a counterfeiting gang that had made and distributed about 7,000,000 lire of counterfeit money were arrested in SIENA and several counterfeiting plates discovered.

79. The situation in LIVORNO improved due to increased wages, more food and a more active police force.

80. The Island of ELBA passed to Regional control on 20 December and is now administered by LIVORNO Province.

81. In most provincial capitals troops and other Allied personnel provided Christmas parties for Italian children - a gesture which was greatly appreciated by the people.

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Captured troops and other Allied personal provided by the people.

Children - Capture which was mostly organized

PART II

CIVIL AFFAIRS SECTION

Denazification.

1. 425 "central" hearing tribunals were formed and another 44 should be formed shortly. Of the "Provincial" Commissions only one, RIMINI, is actually working, though 8 are being set up. 40 more, however, without taking NORTH ITALY into account, will have to be found. One of the chief problems is lack of judges. So many have already been taken for this purpose that the administration of ordinary justice has been affected and the Ministry of Justice objects to releasing more. The possibility of using experienced advocates for this work is being considered

2. The preliminary investigations of the first four grades of civil servants was completed in ten out of the thirteen Ministries by 30 December. In the remaining Ministries the Prime Minister used his power to retire all those officials whose cases had not been investigated by that date, and will subsequently withdraw the order for retirement in those cases where the completion of the investigation shows there was no guilt. These investigations should be completed by 15 January

3. The time limit for the completion of the preliminary investigation in all other cases was 28 January In those investigations could not be completed by that date a decree was issued extending this time by one month for cases to be dealt with centrally and by three months for those to be dealt with provincially.

4. The preliminary investigations to date resulted in 16,500 persons being committed for hearing. This is estimated to contain 60% of the first four grades, 20% of the middle grades and only 1% of the lowest grades.

5. Nearly 1,900 of those committed for trial were suspended previously by the High Commission as their function was so notorious that their retention was detrimental. 2,900 officials were suspended at the request of other than the High Commission, including a large proportion by AC officers. By present standards many of these would not have been suspended and will probably be reinstated after trial.

6, 3,600 cases of the 16,500 have already been heard and 600 dismissed, 1,500 given a lesser punishment and 1,500 acquitted. Most of those acquitted were suspended by AC officers in the early days.

7. The High Commissioner lodged over 200 appeals against these decisions.

Mine Clearance.

8. Good progress was made in mine clearance but was handicapped by short age of equipment and transport.

9. The undertakings engaged in mine clearance in liberated ITALY:

(a) [illegible]

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...ities for this work is being considered

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5. Nearly 1,900 of those committed for trial were suspended previously by the High Commission as their fascism was so notorious that their retention was detrimental. 2,900 officials were suspended at the request of other than the High Commission, including a large proportion by AG officers. By present standards many of these would not have been suspended and will probably be reinstated after trial.

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Mine Clearance.

8. Good progress was made in mine clearance but was hampered by short go of equipment and transport.

9. The undermentioned are engaged in mine clearance in Liberated ITALY:

(a) Trained:

561 Italian Mine Clearance Company	Str	209
562 Italian Mine Clearance Company	Str	209
Civilian crowds, trained and working	Str	107
		725

(b) Under Training:

Civilians	Str	160
Total Personnel		885

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10. The 561 Company was working at CARRARA where the terrain is difficult. Most of the buildings were demolished and the ruins mined. Work was necessarily slow and the number of mines removed smaller than in minefields.

11. The 562 Company was working in and around PESCARA and CHIETI. The area is a vast mine belt containing many thousands of mines.

12. Civilian squads were working at PISA Province LUCCA, LIVORNO, PISTOIA, PERUGIA, TERNI, RIETI, ORTONA, VITERBO and FLORENCE.

13. Centres of Instruction were opened at PISTOIA and VITERBO. The centres of instruction at CHIETI, SPOLETO and TERRACINA continued to train workers and the centres of instruction at PISA and LUCCA will shortly be holding further courses.

14. A total of 114,311 mines were removed in all areas during the month.

Devastated Areas.

15. A U.N.R.R.A. Deputy was temporarily allotted to augment existing transport in the devastated areas, and with this assistance, many tons of clothing brought to the country under the auspices of National Agency for the Distribution of Relief in Italy, and 4,000 blankets from Allied Military sources, were distributed.

16. The housing decree, published in the Gazzetta Ufficiale of 12 December, provided assistance for individuals to rebuild damaged buildings, and coal was allotted to enable cement works in the neighbourhood of PESCARA to resume work.

LOCAL GOVERNMENT SUB-COMMISSION.

17. The problem of the Sindaco of NAPLES was satisfactorily solved by the appointment of Avv. Gennaro PARIETIELLO, who took up office on 8 January. He was assured of the unanimous support of the Comitato di Liberazione, and will begin functioning with a Vice-Sindaco and a Giunta of fourteen members.

18. In PALERMO Province Prefect D'ANTONI was replaced by Dr. BATTISTI, a career official. When the change was made the Ministry stated that it had been necessarily due to recent disturbances.

19. A substitute for Prefect CIMMINO of CATANIA had to be found as he proved incapable of meeting the situation during the recent incidents. The Ministry of Interior sent Prof. de VITTORI to take over office temporarily, but has since asked formally for him to be appointed Prefect.

20. In view of the possible change of senior officials for the administration of Northern Provinces the Ministry of Interior agreed to promote a number of younger officials. It was proposed to the Ministry that a "pool" of junior officials be formed to meet first demands in newly liberated Provinces.

PUBLIC SAFETY SUB-COMMISSION.

21. The most important feature of December was the disturbance in SICILY [illegible] Protest demonstrations, the first of

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14. A total of 114,311 mines were removed in all areas during the month.

Devastated Areas.

15. A G.F. Deputy was temporarily allotted to augment existing transport in the devastated areas, and with this assistance, many tons of clothing brought to the country under the auspices of National Agency for the Distribution of Relief in Italy, and 4,000 blankets from Allied Military sources, were distributed.

16. The housing decree, published in the Gazzetta Ufficiale of 12 December, provided assistance for individuals to rebuild damaged buildings, and small sums allotted to enable current works in the neighbourhood of PESCARA to resume work.

LOCAL GOVERNMENT SUB-COMMISSION.

17. The problem of the Sindaco of MESSINA was satisfactorily solved by the appointment of Avv. Ernesto PIRRONELLO, who took up office on 8 January. He was assured of the unanimous support of the Comitato di Liberazione, and will begin functioning with a Vice-Sindaco and a Giunta of fourteen members.

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PUBLIC SAFETY SUB-COMMISSION.

21. The most important feature of December was the disturbance in SICILY largely due to the military call-up. Protest demonstrations, the first of which occurred in PALERMO on 11 December, rapidly spread to other cities and towns and became so serious that Italian Military Units had to be called in by the Italian authorities. Fire-arms, hand-grenades and other weapons were used by both the military and rioting civilians, resulting in death, injury and property damage. Additional troops were dispatched from the mainland to SICILY by the Italian Command and at the close of the month the situation was reported quiet.

22. The Ministry of War agreed to place at the disposal of Carabinieri in SICILY, two cars, 24 trucks and 24 armoured vehicles for two mobile battalions, each of 500 Carabinieri. The vehicles were expected to be in service on the Island early in January 1945.

23. On 22 December a raid by the Carabinieri in the South section of [illegible] resulted in the seizure of a considerable amount of firearms, grenades, ammunition and radio transmitting set. 175 persons were detained for investigation, 24 of whom were arrested. Prosecution of 27 others is expected.

24. Armed robberies and brawling occurred in some areas but suitable action was taken.

25. The morale of police agencies improved further, but they still lack equipment, particularly motor transport, and are frequently faced with [illegible] who are well equipped with both transport and arms.

26. The black market continued a major problem, with prices still at the upward trend. No cooperation was received from the populace who buy whatever possible at any price.

27. The trials of Major General [illegible] and Lieut. General [illegible] held in the High Court of Justice, ROME, took place without incident. The defendants were sentenced to 30 years imprisonment each. This trial was a preliminary to the larger issues involved in the forthcoming prosecution of General [illegible] and 13 others on 22 January.

28. An enemy agent named [illegible] was dropped by parachute in the Province of [illegible], SICILY on 30 December and arrested.

29. Efforts were made to re-establish the control machinery of criminal records which were destroyed by the Fascists and Germans.

PUBLIC HEALTH SUB-COMMISSION.

30. Two cases of typhus were reported from the watchtower of MONTES during the month. Disinfection in typhus control measures was laid in ROME for the Province of LAZIO-UMBRIA Region, and the typhus Disinfestation Unit began a tour of [illegible] Region and Fifth Army area. Disinfestation of the Rome Quarantine in ROME began and incoming refugees and refugee camps were disinfected.

31. The Italian Government released material and equipment for anti-malaria work for 1945 and Rockefeller Foundation and UNRRA provided assistance for the coming year's anti-malarial program.

32. The influenza fatality figure for November was 100.2 and not 134.9 as previously stated.

33. The NAVY Institute of Public Health produced vaccine for the protection of cattle against brucella [illegible] in addition to anthrax vaccine. The NAVY Veterinary Laboratory produced vaccine against foot and mouth disease. There was little rabies in the country except in PUGLIA Province where active measures were taken to eradicate it.

34. UNRRA, the Italian Agency for distributing medical supplies, was not successful during the first month of operation, and distribution of supplies was badly held up. Corrective measures were taken.

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26. The black market continued a major problem, with prices still in the upward trend. No cooperation was received from the populace who buy whatever available at any price.

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29. Efforts were made to re-establish the central registry of criminal records which was destroyed by the Fascists and Germans.

PUBLIC HEALTH AND SANITATION.

30. Two cases of typhus were reported from the outskirts of NAPLES during the month. Decontamination of typhus control measures were held in NAPLES for the Province of NAPLES-CITY, Region, and the Typhus Decontamination Unit began a tour of [illegible] Region and Fifth Army area. Disinfestation of the Region would proceed in [illegible] began and incoming refugees and refugee camps were disinfected.

31. The Italian Government ordered material and equipment for anti-malaria work for 1945 and Allied Commission and UNRRA provided assistance for the coming year's anti-malarial programme.

32. The infant mortality figure for November was 100.2 and not 134.9 as previously stated.

33. The [illegible] Institute of Public Health produced vaccine for the protection of cattle against brucellosis in addition to smallpox vaccine. The [illegible] Veterinary Laboratory produced vaccine against foot and mouth disease. There was little rabies in the country except in PUGLIA Province where active measures were taken to eradicate it.

34. [illegible], the Italian Agency for distributing medical supplies, was not successful during the first month of operation, and distribution of supplies was badly held up. Corrective measures were taken.

35. The Medical Supply Branch with the cooperation of the Industry Sub-Commission put 10 pharmaceutical firms and 3 biological firms into partial production during the past year. Penicillin was given to two biological firms and in due course small quantities of this drug should be available for use.

36. The Welfare Branch distributed food and clothing to the poorest and helped Freedom Relief for Italy Inc. in the handling of 1,500 [illegible] of clothing. It was arranged that discarded clothing and shoes from naval and military areas will in future be distributed to the needy.

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LEGAL SUB-COMMISSION.

37. Additional Italian judges are required for the increased number of Italian criminal cases and cases involving Allied interests, and for the epuration committees. Judges who themselves have been epurated will have to be replaced.

38. A new directive was prepared with the Office for Publication of Laws of the Ministry of Justice on the implementation of Italian legislation in Military Government Territory.

39. The extent of the jurisdiction of the Epuration Commission over Italian Judges serving in colonies administered by British Military authorities was examined.

40. Allied Military Courts in ROME reported effectively and a directive on Italian law applicable to theft or damage to ammunition and other war stores was distributed.

41. Three death sentences for espionage were imposed and submitted for confirmation.

EDUCATION SUB-COMMISSION.

42. Paper, inks, etc. for printing and binding arrived from the UNITED STATES and 950,000 donated elementary text books have been printed to date and distributed.

43. By using Nissen-shirt buildings and double sessions most of the children in liberated ITALY can now get to school.

44. The need for building material especially glass, was acute. School superintendents were authorised to close schools during severe weather and carry on into next summer to make up lost time. No progress was reported in ROME in repairing and disinfecting schools, 98 of which remained closed as a result. Elsewhere much more energy and ingenuity were used and buildings were either sufficiently repaired to function (usually without glass) or alternative locations were found.

45. SAN MARINO Republic asked for help in opening schools. A survey was made and preliminary steps taken to this end.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

46. In ROME the Exhibition of Masterpieces of European Painting was again extended and will remain open throughout the month of January. There were 23,000 visitors during the month of December. The National Gallery of Modern Art was opened to the public.

47. On 22 December during a violent windstorm areas of the 14th century frescoes by the Sienese artist LORENZETTI collapsed in the Collegiata at SAN

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[illegible] territory.

39. The extent of the jurisdiction of the Equatorian Tribunal over Italian Judges serving in a border administered by British Military authorities was examined.

40. Allied Military Courts in ERITREA reported effectively and a directive on Italian law applicable to theft of damage to ammunition and other war stores was distributed.

41. Three death sentences for espionage were imposed and submitted for confirmation.

EDUCATION SUB-COMMISSION.

42. Paper, inks, etc. for printing and binding arrived from the UNRRA stores and 950,000 defaced old country text books have been printed to date and distributed.

43. By using make-shift buildings and double sessions most of the children in liberated ITALY can now get school.

44. The need for building material especially glass, was acute. School superintendents were authorised to close schools during severe weather and carry on into next summer to make up lost time. No progress was reported in WAR in repairing and disinfecting schools, 92 of which required closed as a result. Boundless ingenuity and ingenuity were used and buildings were either sufficiently repaired to function (usually without glass) or alternative locations were found.

45. SAN MARINO Republic asked for help in opening schools. A survey was made and preliminary steps taken to this end.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

46. In ROME the Exhibition of Masterpieces of European Painting was again extended and will remain open throughout the month of January. There were 25,000 visitors during the month of December. The National Gallery of Modern Art was opened to the public.

47. On 22 December during a violent windstorm a wall of the 14th century fresco by the Sienese artist AMBR. collapsed in the Collegiata at SAN GIMIGNANO. The plaster on which they were painted covered the bricked-in windows of the Romanesque church. These fill-ins were apparently weakened during the German bombardments of the town and the windstorm exploited the damage. Measures to safeguard the remaining frescoes and to strengthen the walls of the church were taken.

48. Excellent co-operation with the Eighth Army was achieved in protecting the world-famous early monuments in RAVENNA and a local committee was formed to help in the repair and protection necessary. All the great mosaics were virtually intact, and only two monuments of highest importance received severe damage: S. GIOVANNI EVANGELISTA and S. APOLLINARE IN PORTO FUORI.

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49. Three important reports on the location of movable works of art were transmitted to WASHINGTON and LONDON during the month. The first concerned the treasures placed in deposits in TUSCANY; the second, those in the deposit of LAZIO, and the third the present location of the objects shown in the MUSEE D'ORSAY at PARIS in 1940.

50. A documented report was received from Prof. PASOLI of the Uffici in FLORENCE concerning the objects removed from the Tuscan deposits by the Germans.

51. CITUSI was visited in order to inspect the damaged museum and important fragments of Etruscan pottery were brought to ROME for repair.

DISTRIBUTION & REPATRIATION SUB-COMMISSION.

52. By 4 December 4 790 Yugoslavs had been repatriated to YUGOSLAVIA. Subsequent sailings were cancelled by the Yugoslav Government due to lack of accommodation and food in YUGOSLAVIA. 1,400 now await repatriation.

53. Camp Commanders and their staffs organised Christmas and New Year festivities for all refugees in Allied national camps, which were greatly appreciated.

54. There was some illness and epidemics of infectious diseases subsided, though a few cases of chicken pox were reported.

55. 5,000 Italian refugees were repatriated to the south from Army areas. Good work was done by the UNRRA team located to assist at FORT AURELIA Italian refugee camp, near ROME.

56. The Banca d'Italia was authorised to advance the total sum of 12,100,000 lire. 5,000 displaced persons benefited from these advances. The average payment authorised was, to a household under 3,950 lire, and to whom 2,440 lire.

57. One of the more important agencies distributing equipment and clothing to the needy in ITALY was American Relief for Italy Inc., which worked in liaison with HQ Allied Commission. Shipments supplied from the UNITED STATES arrived and considerable quantities of food and clothing was and will be distributed.

58. The fact that clothing reached many overseas before the snows in high altitudes had a good moral effect.

59. The Vatican ship from BUENOS AIRES discharged 197 tons of food supplies including coffee, sugar, tea etc. This will be milled in ROME.

60. The last relief ship on present schedule is discharging at NAPLES.

61. High priority was obtained for a further ship to leave NEW YORK by the end of January with 1,400 displaced persons on board including 50 trucks

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[illegible] Fragments of Etruscan pottery were brought to NAAB for repair.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

52. By 4 December 4,700 Yugoslavs had been repatriated to YUGOSLAVIA. Subsequent moves were cancelled by the Yugoslav Government due to lack of accommodation and food in YUGOSLAVIA. 1,400 now await repatriation.

53. Camp Commanders and their staffs organised Christmas and New Year festivities for all refugees in Allied national camps, which were greatly appreciated.

54. There was less illness and epidemics of infection diseases subsided, though a few cases of chicken pox were reported.

55. 5,000 Italian refugees were repatriated to the south from Army areas. Good work was done by the WVSW, seven Liaison Officers assisted at PONTE MAMMOLO Italian refugee camp, near ROME.

56. The Banco d'Italia was authorised to advance the total sum of 12,100,000 lire. 5,000 displaced persons benefited from these advances. The average payment authorised was, to a householder 3,950 lire, and to others 2,440 lire.

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58. The fact that clothing reached many civilians before the armies in high altitudes had a good moral effect.

59. The Vatican ship from BARCELONA discharged 197 tons of food supplies including coffee, sugar, rice etc. This will be mailed to ROME.

60. The last relief ship on present schedule is discharging at NAPLES.

61. High priority was obtained for a further ship to leave NEW YORK by the end of January with 1,400 tons mixed cargo on board including 50 trucks for A.M.G.O.T. (Anglo American Distribution Scheme in Italy).

PATRIOTS BRANCH.

62. Sufficient quantities of equipment and clothing are in hand to meet immediate requirements and requests from Fifth and Eighth Armies showed that the Recruiting Centres were working smoothly. There were approximately 900 patriots in the Centres under Fifth Army control and less than 500 in the centre under Eighth Army control.

63. A Recruiting Party was sent to Fifth Army area and, in addition, one resident Recruiting Officer was located at each Patriot Centre. There was a considerable increase in the numbers volunteering for the Italian Army.

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PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION

1. The Sub Commission continued to work closely with the Ministry of Agriculture and officials on the development of an over-all agricultural program for Italy. Some personnel changes took place within the Ministry which should improve the operation and administration of its technical branch.

2. The movement of wheat seed was completed in Central and Southern Italy and a high percentage - 98 in LAZIO-UMBRIA Region - of wheat seed requirements were met. 1027 tons of seed potatoes were moved from APULIA to SICILY though this was only 20 of the estimated requirements. Some potatoes were sent to APULIA, but the quantity will be far short of the minimum requirements.

3. The estimate of agriculture, forestry and fishery import requirements prepared jointly by the Italian Ministry of Agriculture and the Agriculture Sub Commission was completed and submitted to the Economic Section on the 30 December 1944. It covered a period of 18 months broken down into units of six months. The principal items were for agriculture -- fertilizers, pesticides, farm power and machinery; for fisheries -- thread for nets, cables, tin and marine power; for forestry, saws, axes and saw mill requirements. The estimated landed cost of the imports is 37 million dollars.

4. The movement of surplus citrus fruits from SICILY to Central Italy continued with provide of quantities being available for areas other than ROME.

5. By the end of December, 89 of the estimated wheat collection for liberated Italy had been delivered to the "Granai del Popolo".

6. The olive oil crushing was most unsatisfactory. By the end of the month only 101,947 quintali had been crushed in liberated Italy compared with 359,610 quintali at the same date in 1943-44. In view of this serious position the Minister of Agriculture asked the Allied Commission for active assistance in the crushing program. The Allied Commission undertook to supply 60 Officers with transportation to assist the Italian Government in its oil crushing program. These will commence operations in January.

7. By a decree dated 2 December 1944, 500 million lire were appropriated for the repair and reconstruction of irrigation and public reclamation areas.

COMMERCE SUB-COMMISSION

8. December was a month of handing over to the Ministry of Industry, Commerce and Labour, and coaching Ministry personnel in the work of freezing, rationing and preparing availability reports of controlled materials.

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...operation and administration of its technical ...

2. The movement of wheat seed was completed in Central and Southern Italy and a high percentage - 98 in LAZIO-UMBRIA Region - of wheat seed requirements were met. 1027 tons of seed potatoes were moved from APULIA to SICILY though this was only 20 of the estimated requirements. Some potatoes were sent to APULIA, but the quantity will be far short of the minimum requirements.

3. The estimate of agriculture, forestry and fishery import requirements prepared jointly by the Italian Ministry of Agriculture and the Agriculture Sub Commission was completed and submitted to the Economic Section on the 30 December 194... It covered a period of 18 months broken down into units of six months. The principal items were for agriculture -- fertilizers, pesticides, farm power and machinery; for fisheries -- thread for nets, cables, tin and marine power; for forestry, saws, axes and saw mill requirements. The estimated landed cost of the imports is 37 million dollars.

4. The movement of surplus citrus fruit from SICILY to Central Italy continued with promise of quantities being available for areas other than ROME.

5. By the end of December, 89 of the estimated wheat collection for liberated Italy had been delivered to the "Granai del Popolo".

6. The olive oil pressing was most unsatisfactory. By the end of the month only 101,247 quintali had been pressed in liberated Italy compared with 353,610 quintali at the same date in 1942-43. In view of this serious position the Minister of Agriculture asked the Allied Commission for active assistance in the pressing program. The Allied Commission undertook to supply 60 Officers with transportation to assist the Italian Government in its oil pressing program. These will commence operations in January.

7. By a decree dated 2 December 194..., 500 million lire were appropriated for the repair and reconstruction of war-damaged public reclamation areas.

COURT OF SUB-COMMISSION

8. December was a month of handing over to the Ministry of Industry, Commerce and Labour, and coaching Ministry personnel in the work of freezing, releasing, and preparing availability reports of controlled materials.

9. The Italian Press Commission was unable, on account of lack of warehouse space, to take over the control of newsprint stocks, and the transfer of control was therefore deferred until January. Imports of newsprint were at a bare minimum, and stocks will only cover requirements up to February 1st.

10. The Ufficio Provinciale del Commercio e dell'Industria of Naples assumed supervision of the repair of salvaged army boots in Southern Italy, but was unable to take over supervision of the repairing and dyeing of salvaged army clothing, owing to the lack of transport and warehousing facilities. The Sub-Commission therefore set up the necessary organization, using AFA funds. Six factories were put into operation for repairing clothing, contracts were placed for dyeing, eight warehouses were requisitioned, and the necessary supplies of dye, thread, needles and pins were obtained. Production at the rate of 2,000 garments a day commenced, and has already been increased.

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11. Shipments for exports during the month totalled 8,445 tons, valued at 65 ½ million lire, whilst a further 8, 753 tons were at the ports, awaiting shipment at the end of the month. The shipping situation remained difficult, and much of the above material was lying at the ports for some time; a further 4,873 tons was called forward to the ports for January. Total exports since the Allied occupation have now passed the one billion lire mark.

12. Shipments of lumber to U.K. during this season now total 13,319 tons. Further purchases were suspended whilst the question of freight rates on timber for lumber boxes was under consideration.

13. Difficulty in having raisined stocks greatly affected the release of exporting sulphur to any extent during the first half of 1945, only 10,000 tons being available against total Mediterranean requirements, excluding Italy, of 20,000 tons.

14. 2,100 kilos of silk stolen at NAPLES in October 1944 was recovered; a survey of AVOLLA region disclosed 6 filatures in good working condition and 12,000 kilos of dried cocoons rescued, with a possibility of rescuing a further 20,000 kilos.

FINANCE SUB-COMMISSION

15. The Italian Government's Financial Mission to the United States continued its discussions with the U.S. Treasury Department during December. The Mission made a number of technical proposals dealing with the provision of lire to the Allied Forces, accounting for imported supplies, any further dollar credits, but the Treasury had, at the end of December, made no reply to such proposals.

16. During December it was felt that the time was appropriate to discuss formally and on a broad basis with the Italian Government the question of Italy's foreign exchange problem and policies. Informal conversations had been carried on with the Minister of the Treasury for several months, but without any positive action. The Minister appeared to favour the retention of Istorbi, while the Finance Sub-Commission recommended that the necessary executive organisation be established within the Banca d'Italia. In order to bring the problem to the attention of the President of the Council of Ministers and to stress that it was a matter of national importance, involving several Ministries, the views of the Finance Sub-Commission were embodied in a letter sent to H.E. Ivanoe Bonomi by the Chief Commissioner. At the same time, a letter was addressed to the Minister of the Treasury, outlining the immediate tasks that will confront the new exchange control organisation.

17. On 23 December 1944, the Minister of the Treasury made his third budget statement. In this lengthy document, not all of which was made public, he estimated that the total budgetary deficit may approach 190 billion lire for the fiscal year 1944-45.

18. Pursuant to authority received from the Combined Chiefs of Staff, the Minister of the Treasury was informed that the estimated aggregate amount of Italian [illegible] and the public in Italy on the [illegible]

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13. Difficulty in moving minimal stocks greatly affected the chances of exporting sulphur to any extent during the first half of 1945, only 10,000 tons being available against total Mediterranean requirements, excluding Italy, of 28,000 tons.

14. 2,100 kilos of silk stolen at NAPLES in October 1944 was recovered; a survey of AVOLLA region disclosed 6 filatures in good working condition and 12,000 kilos of cocoons harvested, with a possibility of securing a further 20,000 kilos.

FINANCE SUB-COMMISSION

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17. On 23 December 1944 the Minister of the Treasury made his third budget statement. In this lengthy document, not all of which was made public, he estimated that the total budgetary deficit may run to the 150 billion lire for the fiscal year 1944-45.

18. Pursuant to authority received from the Combined Chiefs of Staff, the Minister of the Treasury was informed that the estimated aggregate amount of AM lire in the hands of banks and the public in Italy at the end of October 1944 was 44 billion lire. Of this amount 6 billion lire was issued through the Allied Commission or Allied Military Government to meet the necessary currency requirements of the Italian civil administration.

19. In implementation of the statement by the President of the United States on 10 October 1944, and pursuant to instructions received through the U.S. State Department, the President of the Council of Ministers was informed that the amount of dollars corresponding to the amount of lire sold to civilians by American troops in Italy out of their pay was estimated to be **in excess** of one hundred million dollars.

20. The amount of purchases over redemptions of all Italian Government bonds was 2,405 lire in November. This figure compares with a monthly average of 1,875 million lire for the previous four months of the current fiscal year.

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21. The new major distribution orders were published during December, and work on a number of less important items proceeded.

FOOD SUB-COMMISSION

22. Despite the cessation of the general issues of miscellaneous commodities in urban centres, the general supply situation during December was reasonably satisfactory, because greater supplies of local produce came on to the market for the Christmas period.

23. In areas where local produce was not available, however, grave feeding problems arise, as for instance in LIVORNO Province (in which lies the important port of LEGHORN). Here, to deal with the problem a commission was made, and supplies of pasta, soup and dried vegetables were authorised to enable a soup meal to be served to workers in addition to the present 400gm ration meal authorised for heavy workers employed by the Allied Forces.

24. Another instance was the devastated areas which have no local resources to supplement the basic ration. There are about 200,000 rootless persons in these areas concentrated over six provinces and special provision for their feeding is made.

25. Stocks of local grain at the end of the month were satisfactory (487,000 tons in all), but were concentrated largely in Central Italy. In South ITALY and the Islands the grain from last year's harvest is practically exhausted and these regions have now to be fed almost entirely upon imported grain. The irregularities in the arrival of cereal ships continued, thereby causing near-crises in the bread supply of several regions in the South, and emergency adjustments had to be made. The ROME grain situation, however, improved, and at 31 December there was a 25 days supply in the city, the highest since the occupation.

26. Imports for the month showed an improvement over November, but as these included considerable quantities which are to be stockpiled for eventual use in Northern ITALY when liberated, there were no greater amounts available for general distribution.

27. Early reports of the results of the crushing of the new olive oil crop were disappointing. Pending a fuller report of the total possibilities for 1945, authority was given to issue three decilitres a head for December. The quantities required for ROME and NAPLES were distributed from the stocks of old crop oil.

28. Progress was at last made in attempts to persuade an Italian Government organisation to take over complete control of food questions in liberated ITALY. A High Commissioner of Food with direct access to the Cabinet was appointed and started to organise his Department.

29. During the period 26 November to 30 December approximately 17,000 tons of non-rationed food was brought into the ROME market, i.e. an average of 500 tons a day. 1,500 tons of cereals also arrived. Larger boats (Cutters or Liberties) with both citrus fruits and cereals now arrive regularly.

INDUSTRY SUB-COMMISSION

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29. During the period 26 November to 30 December approximately 17,000 tons of non-relief food was brought into the ROME market, i.e. an average of 500 tons a day. 1,500 tons of certain vital foods arrived. Larger boats (Cacatoes or Libertiés) with both citrus fruits and tomatoes now arrive regularly.

EQUIPMENT SUB-COMMISSION

30. During December assistance was given to the Ministry of Industry, Commerce and Labour in preparing a programme of Essential Imports for the industrial rehabilitation of ITALY.

31. Further assistance was given to the Soda Ash Works at ROSIGNANO, which when running, can produce all the caustic soda and sodium carbonate needed for the whole of ITALY, thus making imports unnecessary, and enabling industries to open out on their pre-war output. 4931

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32. Industrial gases and calcium carbide manufacture received considerable assistance. Given the necessary electric power, TERNI should soon produce 600 tons of calcium carbide monthly.

33. The PERUGIA match plant which closed down owing to lack of power, is to start producing again, thus relieving the critical situation in matches.

34. Food processing was transferred during the month from Food to Industry Sub-Commission, and surveys of sugar beet processing plants were pushed forward vigorously. It is hoped to produce substantial quantities of sugar by autumn 1945.

35. Soap production continued but was hindered by the transport difficulties of moving sulphur oil to the factories.

36. Map paper for the British Army will be produced at FABRIANO (ANCONA) to A.M.G. Survey Director to specification: all arrangements are in hand and 100 tons will be produced a month. Newsprint and 'standard' paper were produced under A.C. supervision at four mills.

37. Sardinian coal mining caused concern due to lack of labour and transport.

38. Superphosphate Fertilisers were produced at four plants, two more will start operating almost at once, and three more will follow early in 1945. Copper sulphate production will start shortly at RAGUSA on delivery of copper and bronze military scrap and of copper matte from SARDINIA.

39. Hemp production continued and 1,200 tons were pooled during the month. Power for hemp was available, but transportation thefts and contraband activities reached considerable proportions.

40. The TORRESPACCATA Plant of PIRELLI is now ready to reclaim rubber for manufacture of tyres, soles and heels, and automobile accessories. Efforts were made to obtain derequisition from the British Army of the PIRELLI ROME Plant for the manufacture of soles and heels and other articles.

LABOUR SUB-COMMISSION

41. The labour situation was fairly satisfactory and there were few serious disturbances.

42. Due to the Ministry of Industry, Commerce and Labour's drastic budget cut many activities of the Labour Offices in Italian Government territory will be curtailed.

43. Several industries and trades, including the sulphur mines, were investigated.

44. The Sub-Commission drafted a standard provision to be incorporated in all contracts between Allied Armed Forces and private Italian contractors governing the payment of wages and social benefits to contractor's employees. The standard

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35. Soap production continued but was hindered by the transport difficulties of moving sulphur oil to the factories.

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LABOUR SUB-COMMISSION

41. The labour situation was fairly satisfactory and there were few serious disturbances.

42. Due to the Ministry of Industry, Commerce and Labour's drastic budget cut many activities of the Labour Offices in Italian Government territory will be curtailed.

43. Several industries and tenders, including the sulphur mines, were investigated.

44. The Sub-Commission drafted standard provisions to be incorporated in all contracts between Allied Armed Forces and private Italian contractors governing the payment of wages and social benefits to contractor's employees. The standard provision was approved by Allied Forces Local Resources Board and is now being published by AFHQ. It protected the Armed Forces against overcharges for labour and social insurance on contract work while making it possible for contractors to pay their employees the standard Italian wage and enable them to obtain indemnities and social security benefits.

PUBLIC WORKS & UTILITIES SUB-COMMISSION

45. The number of qualified and experienced Italian engineers was still far below requirements for the vast repair and reconstruction programmes before the Government. Salaries offered were exceptionally inadequate, often below the wage of a semi-skilled workman. Successive Ministers have failed to improve matters and an individual was asked to hold at times more than one

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equipment drawing a double or triple salary. Alternatively, fees were paid to whole-time professional men, such as Consulting Engineers, according to plans and estimates prepared. The only judge of those plans is often the man himself and abuses are inevitable. The Minister was warned of these dangers.

46. At the special request of the Chief Engineer, AFHQ, the Allied Commission assumed responsibility for all roads and bridges (Military Lines of Communication) to LEGHORN. Every item of contractors' plant was mobilised. During the month an important conference was held, convened by the Chief Engineer No.1 District, which settled organisational details regarding roads and bridges and the further tasks of the Commission. Ten special inspections were made of all military routes between NAPLES, ROME, LEGHORN and FLORENCE. Portable bridges (Bailey type) were removed at six out of seven sites South of ROME and were replaced by more permanent structures. North of ROME reconstruction on 25 large bridges will start shortly.

47. At the end of December the following were in progress:

(a) Projects of Military Priority:

	Number	Value (Lire)
Highways	175	590.000.000
Bridges	286	414.000.000

(b) Other Projects(A.C. Responsibility).

Miscellaneous	699	663.000.000

(c) Other Projects(Italian Responsibility).

Miscellaneous	675	671.000.000

(d) Bridges rebuilt to date: 736

(e) Roads under maintenance: 6.000 Km.

48. By the end of December 2.000 Km of transmission lines were restored in Central Italy and 21.000 Kw of hydro-electric generating plant. A "master-control" station will be established in ROME to regulate output, loading of transmission lines, maintenance of standard voltages and frequencies at a fixed figure (45 cycles). This is a major change of policy, which has never before been attempted in Italy, involving the "pooling" of resources and the acceptance of unified control. The Electrical Reconstruction Committee approved the change. By June 1945 it is expected that 300.000 Kw of plant will be in operation rising to 900.000 Kw in June 1946, though it will still be only one-third of normal requirements. Power allocations in TURIN and ROME areas will not be increased until additional output is available. Insulating materials and transformer parts arrived in small quantities. ROME now has 30% of its normal supply of electricity as against 17% when the City was occupied in June.

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47. At the end of December the following were in progress:

(a) Projects of Military priority:

	Number	Value (Lire)
Railways	175	590.000.000
Bridges	266	414.000.000

(b) Other Projects(...S. Responsibility).

Miscellaneous	699	663.000.000

(c) Other Projects(Italian Responsibility).

Miscellaneous	673	671.000.000

(d) Bridges rebuilt to date: 736

(e) Roads under maintenance: 6.000 Km.

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TRANSPORTATION SUB-COMMISSION

49. The A.C. played a predominant part in reconstruction and rehabilitation work on twelve major projects in former axis hands, including the supervision of repair of the rail line from CASSINO to ANCONA. Owing to the acute strategic conditions on the Fronts, the former railheads reached at CASERTA on the East coast and PISA on the West.

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50. The New Works and Contracts Committee, formed jointly of Military Railway Services, Italian State Railways and A.C., satisfactorily settled problems on construction, supply, finance and, to some extent, shortage of freight cars.

51. There were still no passenger services working North of ROME but additional facilities were provided for civilian railway travel between ROME and CIVITAVECCHIA. A tri-weekly service between ROME and NAPLES will shortly be instituted.

52. Five companies out of a complement of eight in the Italian Truck Bn were fully employed on various hauls in the forward areas. Of the remainder one worked in ROME under Transportation Sub-Commission and the other two are not fully formed owing to lack of Italian personnel.

53. Four G.T. Coys. were in operation, two in Army areas and two further to the rear of AMG territory.

54. Negotiations proceeded with the Ente Nazionale Autotrasporti Cose (ENAC), the Italian Governmental agency which will license and issue permits for petrol to all road vehicles concerned in the transportation of goods and passengers. It will also coordinate all road haulage movements. ENAC will not function in AMG territory but transportation is being organised on a similar system to facilitate an easy change over to ENAC when AMG territory is taken over by the Italian Government.

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PART IV

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUBCOMMISSIONS

PUBLIC RELATIONS BRANCH

1. The most important developments of the month centered around Italian films and introduction of Allied news agencies into the Italian theatre. Approval was given by SACMED to the distribution of news in Rome only by Allied news agencies from January 1st. The ban on Italian news agencies was lifted from the same date. Approval was also given by SACMED to the establishment of a Temporary Film Board to regulate the Italian film industry and discussions were initiated between AC, PWB and the Italian Government regarding the drafting of a necessary decree.

2. The number of Italian correspondents permitted to cover news grew to 62 who were issued official accrediting cards. Twelve neutral correspondents also have these privileges.

3. The work of the Archives Section of the Public Relations Branch made progress in gathering, arranging and collating the records of the Allied Commission preparatory to eventual turning over to official record agencies of the British and American Governments.

NAVY SUBCOMMISSION

4. Cruisers and destroyers of the Italian Navy continued their useful work of transporting troops and stores in the Mediterranean. The work of the dockyards, one of the most important contributions made by the Italians to the Allied war effort, proceeded satisfactorily.

5. The Navy Subcommission requested numerous Allied authorities to supply information regarding benefits to be derived from a greater use of the port of PIOMBINO. It is hoped that the replies received can then be used to formulate instructions to the Ministry of Marine which will assure maximum assistance from the Italian Navy. Present indications are that increased use of PIOMBINO for off loading civilian supplies would greatly relieve the port of LEGHORN.

6. The Ministry of Marine was asked to supply complete information regarding the number of schooners that can be handled by the Italian Navy Port organization at SAN STEFANO.

7. 2,500 volunteers were enrolled into the Italian Navy to replace an equivalent number of time-expired men. These were the first volunteers to be accepted since August 1943.

LAND FORCES SUBCOMMISSION (MAIA)

8. The call-up of the 1914-1924 classes in SICILY began on the 4 December. It caused serious clashes between youths eligible for service and the Italian military authorities. In spite of pressure to postpone the call-up temporarily the War Ministry was instructed to continue and to take severe disciplinary action against those refusing to report.

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NAVAL SUBCOMMISSION:

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5. The Navy Subcommission requested numerous Allied authorities to supply information regarding benefits to be derived from a greater use of the port of PIOMBINO. It is hoped that the replies received can then be used to formulate instructions to the Ministry of Marine which will assure maximum assistance from the Italian Navy. Present indications are that increased use of PIOMBINO for off loading civilian supplies would greatly relieve the port of LEGHORN.

6. The Ministry of Marine was asked to supply complete information regarding the number of schooners that can be handled by the Italian Navy Port organization at GRAN STRETTO.

7. 2000 volunteers were enrolled into the Italian Navy to replace an equivalent number of time-expired men. These were the first volunteers to be accepted since August 1943.

LAND FORCES SUBCOMMISSION (SACMA)

8. The call-up of the 1914-1924 classes in SICILY began on the 4 December. It caused serious clashes between youths eligible for service and the Italian military authorities. In spite of pressure to postpone the call-up temporarily the War Ministry was instructed to continue and to take severe disciplinary action against those refusing to report.

9. The Allies were supplied with manpower from call-ups and personnel repatriated from the [illegible] and CHINCOM. Over twenty-one thousand Italian Military were evacuated from GREECE and a considerable proportion of those fit for service was allotted to the Allies, the largest proportion as reinforcements to the Combat Gps and Pack Tpt Grps.

10. The PIOMBINO Gp, originally one of the Combat Grps, was disbanded because of the urgent need for Carabinieri and volunteers due to the poor response to the call-ups and the Allies' demand for additional reinforcements.

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11. Of the five combat Groups four were engaged in higher training during the month and are ready to move forward. The Fifth Group which was on Internal Security duties in the SOUTH made a good start with individual training.

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12. The Reinforcement Training Centre and Schools for the Combat Force are now situated in CESANO-BRACCIANO area. This centre will deal with about 2,000 trained reinforcements a month and can accommodate 12,000 men. The permanent staff is composed of personnel from the former PISTOIA Group.

AIR FORCES SUBCOMMISSION

13. The Italian Air Force continued to support the Allied war effort in active operations over the BALKANS. The scale of effort during the month was considerably reduced partly due to bad weather conditions and partly to the fact that the enemy has withdrawn northwards in the BALKANS and is moving out of range of the Italian Fighter Wing. On 14 days during the month the only flying possible was weather reconnaissance.

14. The number of sorties carried out by the Fighter Wing were considerably reduced for the reasons given above. On the other hand results were satisfactory and enemy transport was damaged or destroyed. The serviceability of fighter aircraft decreased slightly. This was expected because of the intensive nature of the operations carried out during December. A quantity of Daimler-Benz engines and spares for them were discovered in FRANCE and were released for the Italian Air Force by SHAEF.

15. There was little demand for the Seaplane Wing except for Air/Sea Rescue service. Preparation for the use of the seaplanes on the Transport Service continued.

16. Both the Light Bomber Squadrons are now at their operational base and made a satisfactory number of sorties throughout the month. Serviceability remained good.

17. In spite of bad weather conditions, nearly the same number of sorties was carried out by the Bomber Transport Wing during the month as during November. A satisfactory weight of supplies was either carried or dropped, and a number of British and other personnel and equipment evacuated from the BALKANS. The serviceability of the Bomber Transport aircraft remained the same. Tires were the biggest difficulty and unless suitable sizes can be found the aircraft will shortly be grounded. A quantity of engine spares were found in the Middle East and released for the Italian Air Force.

18. The number of sorties carried out by the Courier/Transport Squadron was satisfactory and the service was much used by Government officials who would otherwise have lost much time through inadequate road and rail facilities.

19. The School is now ready to accept pupils and has its full quota of training aircraft and instructors. The first course will start as soon as the pupils arrive, though for the present there is a surplus of trained crews.

20. The morale of the Italian Air Force remained high. The Fighter Wing was naturally anxious to be moved to a base from which they could again carry on their good work against the enemy.

COMMUNICATIONS SUBCOMMISSION

21. Civil telegraph and provincial telephone services were authorised in the additional provinces of [illegible] and PESCARA.

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COMMUNICATIONS SUBCOMMISSION

21. Civil telegraph and provincial telephone services were authorised in the additional provinces of ANCONA and PERUGIA.

22. Civil telegraph service from ROME to the South was much improved during the month by the release of circuits from Allied use and by the installation of equipment transferred from SICILY.

23. Many additional telephone exchanges in Military Government territory were opened and many more are practically installed; this is the result of work in progress since July. PISA, MACERATA, TERAMO, MONTECATINI, FLORENCE, LUCCA and PERUGIA are among the towns with new services.

24. Long distance telephone services were authorised in all Italian Government territory, except FOGGIA Province.

25. Mail services were extended to the provinces of ANCONA, PERUGIA, SIENA, AREZZO, LIVORNO, FLORENCE, and PISA (the last two up to the GARIGLIANO only).

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26. Censorship was closed in the provinces of FROSINONE, LITTORIA, VITERBO, CHIETI and RIETI, and opened in the provinces newly included in postal services.

WAR MATERIALS & ITALIAN P.W. SUBCOMMISSION

27. In December, 54 derelict vehicles recovered into ROME were inspected. Of this number 12 were returned to Italian War Ministry and 42 were handed over to LAZIO-UMBRIA Region, Transportation Division, for repair and rebuilding.

28. Scrap material was cleared from twenty railway wagons in ROME. Five wagons containing Italian machine gun parts were handed over to the Italian Directorate of Artillery and six wagon loads of factory equipment were despatched direct to interested firms.

29. Vehicles operated by the ROME transport pool are using German tires and it has been decided that they would not be confiscated, but that the Subcommission would issue permits as and when necessary for the use of such tires.

30. Credit balances of repatriated PW totalling 4,400,000 lire were cleared through the Subcommission during December.

31. Allotments made by Italian ex-captor PW amounting to 20,000,000 lire were forwarded to the Italian Government for payment.

32. The policy of transferring as much responsibility as possible to the Italian Government on the question of Italian PW was continued.

33. During November and December a total of 20,000 Italian PW and soldiers were repatriated from the BALKANS and FRANCE. A considerable number have been re-marked to go back into the Italian Army as combat troops after a period of leave.

34. Italian PW in AFRICA continue to receive 6,000 copies of UPI's "Notizie" per day, and the Italian Red Cross have arranged for the supply of suitable books.

35. The plan for the repatriation of half a million Italian PW was being prepared and should be available early in January.

For Elmer W. Stone

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

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For Ellery W. Stone

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Rear Admiral, USNR
Chief Commissioner

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31 DEC 1945

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HEADQUARTERS ALLIED COMMISSION
A.P.O. 394

Ref: 824/00S. 31 January 1945

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HEADQUARTERS ALLIED COMMISSION
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MONTHLY REPORT

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PART I.

AMG FIFTH ARMY.

1. PISA Province was transferred to Regional Control with effect from midnight 25 November.

2. Apart from the repercussions in the Press from a visit of the Committee of National Liberation to ROME this has been a much quieter month politically. The tighter control over the movement of Cabinet Ministers and others into the Army Area has doubtless contributed. At the end of the month the parties are presumably waiting to see the outcome of the impasse in ROME and it is expected that activity will increase when the composition of the new government is known. There is a general hope that a new government can be found which is more efficient and energetic, especially about Defascism, than the last one. There is also a widespread demand for action on the institutional and electoral question in spite of the impossibility of such action at this time.

3. Except in the areas where gunfire is audible the people are less friendly with the Allies. (The contrast in the attitude between the ARNO Valley and a village within a few miles of the Germans is very striking.) This is attributable to the restrictions and inconveniences caused by the presence of large numbers of troops and to the inevitable reaction to the insufficient food supplies in the towns. It was felt that after the American Presidential Elections the implementation of the promised 300 grammes bread ration would be immediate and the apathy born of disillusionment is now creeping in. Public morality is also deteriorating, though of course it has a long way to go before it reaches the level of, say, NAPLES.

4. The requisitioning of nearly all the hotels, restaurants, and clubs of importance for Allied use, chiefly British, continues to be a sore subject with the Italians, who sometimes say that it is far too difficult for an Italian civilian to obtain a meal or room for the night by honest means.

5. Sugar is non existent and soap is short supply. Salt is sufficient for an increased ration of 240 grammes per month but there is none available for curing the hogs which are now due for slaughtering in some areas. Apart from these items it has been possible to distribute supplies satisfactorily to implement the existing ration scales. It is not considered however, that the towns, especially FLORENCE, are receiving sufficient to maintain full health and efficiency. The POL situation is satisfactory. Some 11,000 gallons a day are being drawn from the Fifth Army.

6. The rehabilitation of industry proceeds very slowly owing to the absence of electric power, the necessary materials for repairing plants and raw materials for manufacture. No early solution to these problems can be foreseen.

7. Much progress has been made in planting winter wheat and large quantities of seed wheat have been brought in from [illegible]. At the end of the month the

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[illegible] movement of Cabinet Ministers and others into the Army [illegible] doubtless contributed. At the end of the month the parties are presumably waiting to see the outcome of the impasse in ROME and it is expected that activity will increase when the composition of the new government is known. There is a general hope that a new government can be found which is more efficient and energetic, especially about Defascism, than the last one. There is also a widespread demand for action on the institutional and electoral question in spite of the impossibility of such action at this time.

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4. The requisitioning of nearly all the hotels, restaurants, and clubs of FLORENCE for Allied use, chiefly British, continues to be a sore subject with the Italians, who sometimes say that it is far too difficult for an Italian civilian to obtain a meal or room for the night by honest means.

5. Sugar is non existent and soap is short supply. Salt is sufficient for an increased ration of 250 grammes per month but there is none available for curing the hogs which are now due for slaughtering in some areas. Apart from those items it has been possible to distribute supplies satisfactorily to implement the existing ration scales. It is not considered however, that the towns, especially FLORENCE, are receiving sufficient to maintain full health and efficiency. The POL situation is satisfactory. Some 1½,000 gallons a day are being drawn from the Fifth Army.

6. The rehabilitation of industry proceeds very slowly owing to the absence of electric power, the necessary materials for repairing plants and raw materials for manufacture. No early solution to these problems can be foreseen.

7. Much progress has been made in planting winter wheat and large quantities of seed wheat have been brought in from GROSSETO. At the end of the month the olive harvest was just starting. The crop promises to be a good one and in spite of the destruction of the largest presses sufficient small mills have been put into operation to deal with it. It remains to be seen how much of the oil escapes the Ammasi and flows into the Black Market.

8. The slaughtering of hogs in the mountain areas is handicapped by shortages of salt.

9. A great amount of work has been done helping the Army in labour procurement. In FLORENCE the [illegible] exceeds the supply except for white-collar workers. In the rest of the area there is widespread unemployment and supply exceeds the demand. At the same time there are inevitable military demands for labour in LEGHORN and in the mountainous areas near the front, but there are no facilities in either case for housing and feeding the workers required.

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10. Progress has been made in repairing the Bonifica near VIAREGGIO which is ready to operate as soon as power is available for the pumps.

11. The security problem continues to be of paramount importance and large numbers of enemy agents have been caught: about 60 now await trial as soon as the cases have been prepared. Heavy demands for Carabinieri Reale to assist in the control of movement have had to be met and it has only been possible to comply as a result of the presence in the area of men waiting to go North. Without their assistance in controlling movement it is improbable that such a large number of enemy agents would have been caught during the month. Carabinieri Reale continue to give very good service: their morale is good and cooperation with Corps and Divisional Military Police is excellent.

12. On 10 November a demonstration was staged by about 150 women outside the FLORENCE Prefettura demanding more milk, less Fascism and more epuration. The purpose was undoubtedly political but it is not certain who organised it. Both this and a smaller demonstration at REGELLO (FLORENCE Province) on 22 November were dispersed without difficulty.

13. The ten kilometre rule was abolished in FLORENCE Province South of the ARNO with effect from 25 November. It is hoped that this will allow a greater resumption of normal trade and economic activity within the Province than has been possible hitherto. The strict control of movement continues to bring to light many expired, altered or bogus passes, and the control is still far from satisfactory.

14. There are many signs of undernourishment in the large towns, especially FLORENCE. The shortage of soap is responsible for many local outbreaks of scabies. Typhoid has been on the increase, especially in PRATO where there are at present 250 cases. Diphtheria occurs sporadically throughout the area and there have been several cases in the FLORENCE Refugee Centre, necessitating the creating of an isolation block. There has been no case of typhus. Apart from the above general health continues to be satisfactory.

15. The A.R.C. Field Representatives continue to perform outstandingly good work on the reorganisation of civil hospitals in the forward areas. No praise can be too high for them.

16. The two centres, at FLORENCE and LUCCA, were kept open during the month. An officer from the Displaced Persons & Repatriation Sub Commission is on duty at the former, while the Sub Commission are taking over the latter at the beginning of December. In addition one of the tented camps from Eighth Army continued to operate under 13 Corps. 4200 persons were evacuated during the month of whom some 450 were returned to their homes locally. Half of the total have homes North of the battle line, the remainder wished to return South in any case. The bulk of the total were from a group of small communes right in the battle line who were evacuated for security reasons.

17. In the forward areas advances have been made direct to communes. In BOLOGNA Province a new system of Annoni financing has had to be devised in the absence of any Banks. Elsewhere the work has been more typically Regional in character. A number of Local Government Budgets have been passed, in most cases after drastic reduction in the estimates submitted. A Specialist Revenue Officer

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18. Arrangements have been made for restarting the FLORENCE Tobacco Factory on a limited scale. The factory at LUCCA is also working. The Salt factory at VOLTERRA is not working satisfactorily - in part this can be attributed to the usual causes of lack of fuel, etc., but to a large extent it is due to the character of the manager.

19. a) The educational activities during the month continue to be satisfactory. Notably is the situation excellent in FLORENCE City and Province where the Provveditore agli Studi reports that for the City nine-tenths of the pupils are receiving daily instruction with a minimum schedule of two hours and with many pupils following a normal schedule. In the Province South of the ATBC most of the schools are now functioning and North of the ATBC the schools have been opened where possible and others are being reopened as rapidly as buildings can be found or be released by

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Army Units.

b) The University of FLORENCE is carrying out its program of make-up courses and examinations preparatory to the beginning of a new school year in January quite satisfactorily. It is also offering short survey courses in Italian language, literature, History, and Art for Canadian soldiers in this area and has outlined a much more comprehensive program for all Allied personnel. This proposal is now being studied by the Education Officers of the American and British Forces.

c) The University of PISA was formally opened on 25 November and SIENA on 26 November.

d) Epuration has been completed in all three universities of FLORENCE, PISA and SIENA and is far advanced in all provincial schools.

20. a) For the first time since the landing at PAESTUM it is possible this month to record real progress in mine clearance. In FLORENCE Province this is due to local initiative in raising use of the trained Unione Nazionale Protezione Antiaeree personnel available. They have done excellent work.

b) After many false starts the Italian Army School on the west coast has at last started to produce results. At the end of the month work was also starting in LUCCA Province and a school opened in PISTOIA. The difficulties confronting the officer in charge are considerable but the results achieved so far are encouraging.

21. On the 2 November the ARNO overflowed its banks and inundated the City of PISA. After considerable argument it was accepted as being the highest level the river had reached for 100 years. In PISA no serious damage was done except the covering of the streets with several inches of mud. Energetic emergency measures were necessary and the Prefect performed magnificently. It was fortunate that the consequences were not more serious. Headquarters escaped immersion by the narrow margin of two feet. War damage to drainage systems prevents the land from draining and large areas are still under water: they are likely to remain so until the Spring.

AMG EIGHTH ARMY.

22. No additional territory was handed over to regional control during the month.

All fresh territory occupied was in the Provinces of FORLI and RAVENNA. The provincial capital of FORLI was captured during the month and that of RAVENNA during the first few days of December.

23. Fresh territory occupied consists either of the rich agricultural plain with certain industrial areas or of the extremely mountainous last ridges of the APENNINES. Large areas of the plain are water logged and in some cases completely flooded owing to destruction of dyke retention walls. Administration of the mountainous country has become more difficult owing to the withdrawal of Bailey bridges on the mountain roads, and though all available help is being given by the Army, they themselves are short of material for the rebuilding

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24. The details of a scheme for the amalgamation of the staffs of Region EMILIA and AMG 8 Army (under the command of 8th) were worked out and will be put into practice early in December. The scheme is designed to obtain the best possible administrative results from the use of all available personnel whilst the Army area is more or less static.

25. The local food situation cannot be described as satisfactory. The large stocks are hoards which must be conserved for emergency in BOLOGNA, MODENA or even VENICE. The townsman has his 200 grammes of bread daily plus a monthly ration of 600 grammes of pasta, 75 grammes of salt and 125 grammes of sugar. Imported milk, dried vegetables and tin meats are issued only to special classes and in cases of grave hardship. Fresh supplies of these items are highly erratic.

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Generally speaking the fresh vegetable situation is satisfactory. Meat is rarely available, but fresh milk can be purchased in limited quantities in a number of communes. With the approach of the hay curing season (for which a special distribution of salt is being made) it is hoped to alleviate the shortage of proteins and fats in the mountain communes, but in the plain there are few pigs to kill and it is neither administratively nor statistically practicable to attempt a large scale redistribution between various parts of the area.

26. Oil and soap have been the principal shortages - absence of the former has been a chronic feature for a long period and no relief is in sight.

27. The olive oil harvest is just starting and some presses are operating. Unfortunately the present area produces little oil and estimates of the total quantity "available" do not exceed 200 tons.

28. Considerable quantities of sugar beet were located but so far none of the sugar factories found were in workable condition.

29. By the first of the month little wheat had been sown due as much to adverse weather as to war damage and dislocation. At the end of the month about 80% of normal area was planted; no barley was sown as it comes after the wheat sowing is finished if there is time. Some wheat and barley will be sown in the spring, the barley mostly for green feed for livestock. Sufficient wheat for seed was found out of 300 tons located in CERTA 200 tons are being moved to the SENIO area where the seed shortage is acute. In other areas the farmers were able to use their own seed or obtain it in their own communes. There will probably be no need to import wheat or barley seed for the spring planting season as it can be found in communes which threshed before the battle.

30. Contrary to earlier reports, the livestock situation is not hopeless, but is definitely an acute problem. About 50% of the oxen were saved (although different communes vary considerably), 60% of the milk cows and 10% of the cows: only about 30% of the feeder and work calves and young stock and 30% of feeder pigs, however, remain. The sheep situation is satisfactory and though only about 15% of the chickens were saved they can be quickly replaced by multiplication. Most of the horses were taken by the enemy for transport.

31. The typhoid-paratyphoid epidemic in the Republic of SAN MARINO and RIMINI area is under control. For the period 4 Sept to 27 Nov 1944, 812 cases were reported for the Republic of SAN MARINO and RIMINI area and the mortality rate was about 5%.

32. The destroyed areas are in the larger communes along the Adriatic coast road and the devastated towns in the flooded PO Valley. Emergency issues of clothing to people in dire need by the Red Cross has helped, and though food supplies have been inadequate they have kept people alive. Restoration of Ancona should be carried out in this malarious zone by next April or widescale aerial spraying considered to render it safe for occupation.

33. Refugees have had to remain in Forward Corps because transport difficulties from ANCONA southward have prevented them being moved to A.C. corps. FORLI was flood with the problem of about 2,000 southerners, principally from the ANCONA

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29. By the first of the month little wheat had been sown due as much to adverse weather as to war damage and dislocation. At the end of the month about 60% of normal area was planted; no barley was sown as it comes after the wheat sowing is finished if there is time. Some wheat and barley will be sown in the spring, the barley mostly for green feed for livestock. Sufficient wheat for seed was found and of 200 tons located in CREMA 200 tons are being moved to the MINCIO area where the seed shortage is acute. In other areas the farmers were able to use their own seed or obtain it in their own commune. There will probably be no need to import wheat or barley seed for the spring planting season as it can be found in corn-ties which threshed before the battle.

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33. Refugees have had to remain in Forward Camps because transport difficulties from ANCONA southward have prevented their being moved to A.C. camps. FOGGIA was faced with the problem of about 2,000 southerners, principally from the AVELLINO area, but it is now practically clear.

34. Currency floods into the banks in the FORLI and RAVENNA Provinces in a most satisfactory manner. The cash position of Banco d'Italia has more than doubled during the month. Authority was granted by Finance Sub Commission to allow AMG finance officers in Eighth Army Area to advance funds to communes for repairing houses damaged through the war in cases where the owners do not have necessary funds to effect such repairs.

35. The patriots in FORLI have not been disbanded and arms handed in.

SECRET SECTION.

36. In general the situation remained unchanged as, although the food position

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deteriorated, the month on t[illegible] whole was quieter with few str[illegible]s and little agitation. There had been no improvement in the effectiveness of local administration. While the economic difficulties of the situation are apparent no one attempts to take a stand against the prevailing spirit of laissez-faire. Corruption among all classes is probably one of the main reasons for this.

There is still a large number of Commissari Prefettizi in office throughout the Island.

37. To the list of laws or decrees which have been enforced only partially or not at all and which include the grain assessing decrees, laws regarding the circulation of vehicles, and a recent local decree aimed at producing a grain reserve or loan must be added the olive oil assessing decree. Indications are that the assessing of olive oil will be a complete failure.

It is to be hoped that the decrees regarding the calling up of certain classes for the armed forces will not be added to the above list but that there will be rigid enforcement.

38. The month generally was quiet. This may be due to reaction after the serious incident at PALERMO on 19 October. The increase in wages also had a good effect. It is hoped that this effect may be more than temporary but the continuing rise in prices coupled with diminishing stocks of grain and the advent of the cold weather are factors which may lead to a deterioration in the situation.

39. Among the various food and its price dominate the situation and the bread prospects were the cause of grave concern to the administrations in the large towns. The position as known to the local administration during the month was that, while there was only sufficient grain in the Island to feed the population to the end of the year, no grain imports were to be expected. For all practical purposes the assessing of grain ceased. A seasonal falling off in the small amounts being assessed was to be expected but the prospects of the Island having no grain in its Granai del Popolo during the first 6 months of the coming year and the increasing profits to be made in the Black Market had the natural result of nullifying any efforts to revive assessing. There was also considerable opposition to the movement of grain from grain-producing provinces to non-producing provinces normally supplied by them. A most complex situation developed. If no grain were imported the principal sufferers must be the workers, many of them in Allied employ, in the large towns,and their families. Those who would not suffer would be those responsible for the failure of the Island to assess a sufficient quantity of grain at least to have fed it throughout the winter as, for instance, the land owners, particularly the large ones, mainly separatists, the surine local administrators, higher administration who had allowed the pay of the UPSIA officials to fall seriously in arrears, political wranglers and black market operators. All such, if grain is imported, would continue to have the advantage of buying bread both at the ration and at the black market prices.

40. The average daily quantity of grain assessed during the month was 1020 quintals. Total wheat assessed to date is 1,243,376 quintals, and total barley is 105,936 quintals. Amount of wheat reported to be on hand in Consorzio Agrario warehouses on 27 November was 317,879 qls. and barley 40,354 qls.

41. There was no outstanding political activity during the month.

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It is to be hoped that the decrees regarding the calling up of certain classes for the armed forces will not be added to the above list but that there will be rigid enforcement.

38. The south generally was quiet. This may be due to reaction after the serious incident at PALERMO on 19 October. The increase in wages also had a good effect. It is hoped that this effect may be more than temporary but the continuing rise in prices coupled with diminishing stocks of grain and the advent of the cold weather are factors which may lead to a deterioration in the situation.

39. Among the reasons food and its price dominate the situation and the bread prospects were the cause of grave concern to the administrations in the large towns. The position as known to the local administration during the month was that, while there was only sufficient grain in the Island to feed the population to the end of the year, no grain imports were to be expected. For all practical purposes the arresting of grain ceased. A seasonal falling off in the small amounts being arrested was to be expected but the prospects of the Island having no grain in its Granai Del Popolo during the first 6 months of the coming year and the increasing profits to be made in the Black Market had the natural result of nullifying any efforts to revive arresting. There was also considerable opposition to the movement of grain from grain-producing provinces to non-producing provinces normally supplied by them. A most complex situation developed. If no grain were imported the principal sufferers must be the workers, many of them in Allied employ, in the large towns,and their families. Those who would not suffer would be those responsible for the failure of the Island to arrest a sufficient quantity of grain at least to have fed it throughout the winter as, for instance, the land owners, particularly the large ones, mainly Separatists, the supine local administrators, higher administration who had allowed the pay of the UNRRA officials to fall seriously in arrears, political wranglers and Black market operators. All such, if grain is imported, would continue to have the advantage of buying bread both at the ration and at the black market prices.

40. The average daily quantity of grain arrested during the month was 1020 quintals. Total wheat arrested to date is 1,243,376 quintals, and total barley is 105,936 quintals. Amount of wheat reported to be on hand in Consorzio Agrario warehouses on 27 November was 317,875 qls. and barley 40,354 qls.

41. There was no outstanding political activity during the month.

Crime remained at about the same level.

Health continued to be satisfactory. A small outbreak of smallpox occurred in PALERMO, 39 cases occurred during the month but it is hoped that the prompt restrictive action taken will prevent any spread of the epidemic.

42. The "Economic Kitchens" started operations during the month with 14 open in CATANIA feeding 3900 destitute per day. In PALERMO some 12000 hot meals are being served daily and it is expected that this will soon rise to 20000. Of the 20000, 15000 will be free and the remainder sold at a nominal cost. The soup served is rich and thick, providing a great deal of sustenance.

43. Prisons are still seriously overcrowded. 308 persons are now serving sentences imposed by AMG courts as compared with 391 on 31 October 1944.

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44. The road transportation situation has improved somewhat due to a supply of tires for civilian trucks becoming available, but the road movement is limited by the amount of petrol obtainable.

Military highways continue to be maintained in reasonably good condition. Trucks operated by I.N.T. during the first half of the month total 6793, a daily average of 453. The second half of the month is expected to be about the same. A supply of some 700 tires and 300 inner tubes has been allotted for purchase by I.N.T. for trucks in SICILY. This supply is most welcome.

45. The schools opened on 16 November in 7 of the Provinces. The opening in TRAPANI and PALERMO provinces was postponed owing to the smallpox outbreak. Education is still hampered by a shortage of books and accomodation due to war damage and continued occupation by the Services.

46. Currency continues to flow out of the Bank of Italy, PALERMO. Not only was the Bank unable to repay any of the Lit. 200,000,000 advance due on 15 November but an additional Lit. 200,000,000 was brought to the Island from NAPLES by Italian cruiser. The bank here seems to have done and to be doing little to meet the constant drain on its cash resources, referring responsibility in the matter to ROME.

47. It is understood that a first allotment of 400 million lire has been made to cover war damage in SICILY of which 100 million is to be used for repairing private houses. A commission of which the Provveditore alle Opere Pubbliche is to be President, will arrange the allocation of these funds on a provincial basis.

48. The refugees situation has eased considerably after the departure of 2300 for the mainland. Improvement is being effected in the accommodation of the remaining 4802 (this number does not include 16,044 refugees from North Africa awaiting repatriation).

SOUTHERN REGION.

49. SOUTHERN Region is a geographical group of 9½ million people separated from the rest of ITALY by a devastated belt 30 miles deep and corresponds roughly to that part of ITALY south of the 1943/44 winter battle line. As the Region was spared the heavy destruction of the North due to the fairly rapid Allied advance in the Autumn of 1943 and has now had six months for reconstruction, life is slowly returning to normal. The important power plants in the SILA were untouched and supply a certain amount of electric power to the whole area. Though the service is limited and overcrowded the railways are open to civilian traffic. Lack of material is a problem, but nevertheless, a fair amount of repair work is in hand, particularly in NAPLES, and articles of local manufacture are appearing in the shops.

50. There is, however, a real struggle for livelihood, especially in NAPLES and provincial capitals, which has led to a great deal of petty thieving and in NAPLES, much prostitution. There are now less Allied troops from whom to cadge and steal which has sharpened the struggle. A fear of deserter gangs, agrarian break-up and a distrust of currency - which leads to the hoarding of non-perishible

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SOUTHERN REGION.

49. SOUTHERN Region is a geographical group of 3½ million people separated from the rest of ITALY by a devastated belt 30 miles deep and corresponds roughly to that part of ITALY south of the 1943/44 winter battle line. As the Region was spared the heavy destruction of the North due to the fairly rapid Allied advance in the Autumn of 1943 and has now had six months for reconstruction, life is slowly returning to normal. The important power plants in the SILA were untouched and supply a certain amount of electric power to the whole area. Though the service is limited and overcrowded the railways are open to civilian traffic. Lack of material is a problem, but nevertheless, a fair amount of repair work is in hand, particularly in NAPLES, and articles of local manufacture are appearing in the shops.

50. There is, however, a real struggle for livelihood, especially in NAPLES and provincial capitals, which has led to a great deal of petty thieving and in NAPLES, much prostitution. There are now less Allied troops from whom to cadge and steal which has sharpened the struggle. A fear of deserter gangs, agrarian break-up and a distrust of currency - which leads to the hoarding of non-perishible agricultural products - all contribute to the difficulties of livelihood in the Region. Nevertheless, though conditions are unstable, provided there are no crimes either within the Region or externally there is every reason to believe that rehabilitation will continue satisfactorily.

51. The principal troubles in Food Supply were road transportation difficulties, shortage of railway wagons in FOGGIA Zone, at CASTELLAMMARE (Province of NAPLES) and at CROTONE (Province of COSENZA), and limited supplies of sugar and olive oil.

52. The wheat situation in BRINDISI and LECCE was critical on several occasions, and is a cause of continued anxiety unless reserves are accumulated sufficient to make the arrival of a grain ship on schedule not a matter of vital urgency.

55. Prices continued high throughout the Region, with a tendency to rise further in CATANZARO Zone.

56. The demands of the Military for winter quarters was found to be increasing the housing difficulty badly in large towns where the housing shortage was already acute.

57. Executive responsibility for soap making and distribution passed to the Italian Ministry, effective 1 November 1944.

58. Industrial surveys were conducted in six important plants in the NAPLES area with a view to their reactivation. The Montecatini plant at POMIGLIO, Province of NAPLES, continued satisfactorily in the production of sulphuric acid and superphosphates. The sulphuric acid section of the Montecatini plant at BAGNOLI, Province of NAPLES, was dereguisitioned, and it was estimated that production there would start by 15 February 1945.

59. The Hemp Control Office of the Industry Sub Commission operating within Southern Region reported as follows. Collection of hemp improved. 1,000 tons of hemp were received from farmers during November as compared with 300 tons for the preceding six weeks. This was because 1,000 tons of fertilizer were made available by the Agriculture Sub Commission for hemp farmers, and it was announced that two quintals of fertilizer would be advanced for every ton of hemp delivered by farmers. In the course of the month, there was a complete switch over from the manufacture of hessian for sacks to the manufacture of canvas suitable for water-proofing, and it is hoped to produce 175,000 square metres of such canvas per month. A large quantity of ropes, canvas and other hemp products was discovered in a clandestine store and the goods were confiscated and will be made available to the Allied Forces. The owner escaped arrest, only to be run over and killed a few days later. A representative of the British Royal Navy tested 13 samples of rope that had been made for the Navy under the supervision of the Hemp Control Office, and in every case the breaking point was above the high standard required by the Admiralty.

60. Grain collections were practically completed with totals of 3,087,000 quintals of wheat and 311,000 quintals of barley. The planting of grain was generally well advanced, but, because of prevailingly heavy rains, preparation of land and planting were retarded and the crop is very delicate. Some additional hard wheat seed is still needed and several wheat areas in the Provinces of NAPLES and SALERNO and in CALABRIA are in need of additional soft wheat seed.

61. The olive oil harvest proceeded with some difficulty and it is anticipated that the collection of olive oil will be extremely disappointing unless many more control officers are made available. Black Market activities in olive oil are constantly increasing.

62. The limited supplies of ammonium nitrate and other nitrogenous fertilizers on hand in the Region were distributed. More than 9,000 tons of rock phosphate were received during the month.

63. A feeling of insecurity on the part of farmers became increasingly a major problem affecting agricultural production. A conference at BARI commencing on 30 November concerning agriculture, forestry and fisheries, was attended by four officers of the Region.

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62. In BARI Zone there were several minor strikes, all of which were settled in a short time. The greatest threat was agitation on the part of port workers at BARI on the question of the "indennita' di presenza".

63. The conduct and efficiency of all police agencies, with the exception of the Vigili Urbani (municipal police), was satisfactory in spite of shortage of personnel, lack of equipment and particularly transport, and poor rates of pay. In NAPLES Zone, patrols of Carabinieri Reali were still operating in conjunction with Allied Military Police patrols in combatting crimes of violence. In the City of NAPLES, 75 CC.RR were assigned to patrol from 2000 hours to 0500 hours in the hope that crime would be accordingly reduced.

64. There was reasonably little crime apart from an increase in crimes of

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violence in NAPLES Zone and CATANZARO Zone.

The principal crime in the Province of CAMPOBASSO was cattle stealing, although there has been a marked drop in offenses of this sort.

Forgery of Allied Military currency reached serious proportions - a total of 108 cases during the month, involving 319 forged notes.

65. Civil police were consistently energetic in combatting black market activities and much contraband was seized throughout the Region.

66. At BENEVENTO a man was arrested by the CC.RR for being in possession of a parachute and a wireless transcitting set. In SALERNO an enemy agent was dropped by parachute and arrested.

67. The prison population of the Region, excluding the small Mandamentali prisons, decreased by some 700 to 12,889 at the end of the month, and of these about half were awaiting trial. Effective 15 November, all civil prisons in the Region became the complete responsibility of the Italian Government, and supervision from Regional Headquarters ceased.

68. Permanent Superior and Summary Military Courts were put into operation at BARI to deal with cases of pilfering and sabotage by civilians in and around BARI and in particular at 14 B.A.D.

69. There was a decline in incidence of both smallpox and typhoid fever which appear to have been checked.

There were four cases of typhus of the murine type, three at CANDITO, Province of NAPLES, and one at BARI. Active prophylactic measures were taken by the Allied Commission Typhus Control Unit.

Rabies was still prevalent among dogs, but the incidence in man was very low in spite of the fact that in the City of NAPLES alone approximately 15 dogs' heads had been examined monthly with 40 per cent of them showing positive. One case of cerebro spinal meningitis was reported from ISERNIA, Province of MATERA.

70. Schools were opened in the Provinces of AVELLINO, NAPLES, and SALERNO on 6 November and will be opened in the Province of BENEVENTO on 1 December, where postponement was due to the threat of small pox. Though school premises were insufficient throughout the Region partly because of requisition by the Allied Forces, alternative accomodation was found or schools operated with two or more shifts of pupils.

71. a) Rail. There was a shortage of equipment, particularly box cars, on the railway at the beginning of the month though conditions improved later. It was hoped that a rail transportation conference to be held in NAPLES on 30 November would ease the situation and it is proposed that a similar conference be held monthly in future.

b) Telecommunications. More circuits were available to the public and there was a large increase in civilian use of telephone and telegraph service.

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72. Allied Financial Agency at NAPLES received 1,441,600,000 lire of Allied Military currency from the United States and made payments to United States and British Armed Forces totaling 1,668,744,000 lire. Remittances from the United States to persons resident in Italy were 560,761,884 lire during the month.

LAZIO-UMBRIA REGION.

73. In ROME the political scene was dominated by inter-party events which finally led to the government crisis. In the Provinces economic difficulties were the principal preoccupation and the fall of the Government made no impression. It is difficult to know how the people do live and there can be few families who are not living on capital or at least partly by some dishonest means. Confidence in the

Allies is weakening, though this would be strengthened by work being started on an energetic housing programme and an improvement in the food supplied by the Allies.

74. In so far as grain and flour are concerned ROME began December in its best position in several months, as there were 1066 tons of soft grain, 866 tons of flour, 551 tons of hard grain, 1752 tons of barley on hand on 1 December. Throughout November the population received its regular bread ration without interruption and it was of satisfactory quality.

All other foodstuffs on the ration scale were distributed in their full amount except sugar which was not available in sufficient quantity. The special classifications also substantially received the amounts to which they were entitled.

In the Provinces there was great improvement in the flour situation and the black spots in the Devastated Areas (LITTORIA and FROSINONE) had no shortages. The introduction of a small pasta ration generally was a helpful move in the right direction.

Distribution of other A.C. food supplies was on a very small scale and it cannot be claimed that the country is getting an adequate diet. Rumors of an increased scale are, of course general.

The shortage of salt is the most serious problem this month. The failure of the Italian Government to take steps to ensure that sufficient supplies are available is a sad comment on the administration. Unless very much more honest and energetic action is taken at once there will be serious results. The people know that salt is available in the country and this is an added danger.

75. All police agencies in ROME are working better. The P.S. agents and Finance Guards are now receiving their improved scale of rations and this has raised their morale.

The recall of the CC.RR and P.S. from various duties with Allied Forces in the City has resulted in approximately 1000 men being available for night duty patrols. Over 4000 streets, squares and public places are now patrolled effectively after dark. Lt. Col. Norinett, Chief of CC.RR in ROME and Maj. Sciutto of the Finance Guards (now in forward area) were both decorated during the last few days by General Clark for their services in connection with our entry into ROME on 5th June 1944, with the special contingent of 5000 men.

76. The total crimes reported are about the same as the previous month in ROME but there is a substantial decrease in serious crimes and armed hold-ups.

77. Italian Courts. The mounting case load in ROME Prisons obliged close liaison being maintained with the Italian Courts in ROME. Despite precautions the unrest in the prisons finally developed into rioting which for a period of 24 hours was extremely disturbing. On the face of it, this looked like a police problem, but the refusal of the Judiciary to recognise the need for cooperation and coordination between them and the Arresting Authorities was a large factor. A number of joint conferences were arranged between all Officials having any degree of responsibility in the matter and as a result pressure in the prisons was relieved and further rioting avoided. The Italian Judicial authorities still fail to grasp the full extent of their responsibility however.

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78. Public Health in ROME and the provinces has been satisfactory. The small outbreak of smallpox at TERNI has subsided and vaccination is proceeding. In the devastated areas of PRESINONE and LITTORIA the old problem of clothing, food and shelter exists and anti-malarial plans for the coming year are still a main preoccupation.

Attendance at popular soup kitchens in the City showed a slight decrease during the month, dropping from 180,000 to 170,000 meals served, but industrial kitchens have increased from 300 serving 55,000 workers, to 366 serving 65,000 workers.

79. Distribution of the limited electric power available in the provinces is causing many problems. It is hoped that it will be possible to report very sub-

stantial progress in this direction next month. At the moment the olive pressing plants, mills and tile factories are seriously impeded.

Work is proceeding as fast as the difficult circumstances allow on bridges and with the repair to public buildings.

Considerable anxiety has been caused by the reluctance of the Italian Government to release funds for projects. LITTORIA Province has suffered very badly in this respect. Despite the untiring efforts of the Provincial Commissioner and the Prefect, the delays are never-ending and seem exasperatingly unnecessary. While this is no responsibility of A.C., it is impossible to allow without protest a state of affairs which may have wide repercussions and which has every sign of being largely no more than bad administration. LITTORIA is only the worst sufferer in what is a general and very serious situation.

80. During the month information concerning approximately 2000 suspects has been carded. Individual case files have been opened for 671 persons. The majority (1700 individuals and 800 cases) live in ROME City; the remainder in the provinces.

81. During the month 22,309 visitors attended the exhibition of Masterpieces of European Painting in Palazzo Venezia. Gross receipts amounted to L. 504,782,25 expenditures L. 85,250,000.

Deposits in the CC. Banca Commerciale for fund for repairs to Italian national monuments damaged by war total L. 1,615,000.

82. A traffic survey of ROME has been made and plans drawn up for the formation of a Traffic Commission to coordinate the transit facilities of the City. A limited number of small trucks will be legalised to carry passengers and to act as an adjunct to the present system of street cars and electric buses. The allocation of electric power and petrol is the determing factor in the amount of mass transportation facilities available in ROME and has been used in deciding upon the routes to be used and the frequency of service.

83. An increasing amount of time has been devoted to the re-activation of specific factories, consequent on the assumption of responsibility by the Italian Government for supplies of controlled and other materials. Re-activation work has mainly been in those industries which can make a substantial contribution to Allied Forces requirements.

ADRIATIC-APENNINE REGION.

84. Politically this has been on the surface a fairly quiet month though the Communists are still well to the fore in making themselves felt.

85. Political agitation can be traced to the shortage of certain foodstuffs, the wholesale requisitioning of property by the Army, the inefficiency of the Italian administration and, in the case of AQUILA, a feeling that whatever the disturbance the promoters thereof can get the better of the CC.RR.

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ABRUZZI-MARCHE REGION.

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86. The Provincial Government varies considerably in different Provinces but has generally speaking not settled down. The population has,with justification, no confidence in their present officials.

87. The harvest is coming in well, and the assessing figure is 99% of the target of 2½ million quintals. Assessing is hampered by the Army in ANCONA and PESARO Provinces, as many warehouses have been requisitioned by the troops. In MACERATA 30,000 quintals of maize is ready as soon as storage becomes available. The October and November allocations of olive oil have not yet arrived and though salt is coming in arrivals are not yet up to standard. The intake of potatoes at a rate of under 100 tons a day is also well below the anticipated figure.

88. Work continues on communications and public works, though unless adequate transport is forthcoming in the near future it will fall off considerably. Bridges

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in the North of the Region constitute a very big problem and in the KABOLE area alone the construction of 16 bridges is held up through lack of material.

89. Estimates have been submitted showing materials required for rehabilitation of houses in the Region but to date NO materials have been received.

90. Electricity has improved, though work is again held up through lack of transport.

91. P. & T. Postal Service is being supported throughout the Region.

92. Police are working efficiently but unless further clothing and equipment are sent soon a number of them will have to be sent on leave.

93. The general health of the population remains satisfactory.

94. In the devastated areas immediate action is being taken in view of the approaching winter. Transport is again a problem in stockpiling the devastated areas and moving 250,000 tons of amassed grain out of the Region to deficiency regions.

95. A general increase in unemployment is shown throughout the Region and this is likely to increase during the winter. Prices are rising and black market commodities increasing in variety.

96. Organisation of Provincial Labour offices has been completed in the Region with the exception of AMBOINA and PENANG Provinces.

97. The Court of Appeal of MANADO is functioning in TOLITOLI and good headway is being made with the cases.

98. The Mine Clearing School at CHRISTI has made a successful start, 52 out of 60 volunteers having passed the first course. They have now started work. The total number of mines cleared during the month in CHRISTI, PENANG and TIMOR Provinces amounts to 88,520.

99. The educational system is gradually being resumed.

100. A certain amount of anxiety is felt over the occupation of historical buildings by troops, especially when units are constantly being changed.

SUMMARY. SUMBA.

101. The press announcement of the changes in the powers of the High Commissioner and the granting of more autonomy to his office has come too late for comment in this month's report. The trend of public feeling has, however, been in favour of this development and it should be beneficial, especially if it curtails absences of officials in KOEPANG.

102. There has been only one small demonstration directed against food this month and the arrival of two cargo ships with a total of about 15,000 tons of barley and wheat has been very welcome.

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94. In the devastated areas immediate action is being taken in view of the approaching winter. Transport is again a problem in stockpiling the devastated areas and moving 250,000 tons of assessed grain out of the region to destinations.

95. A general increase in unemployment is shown throughout the Region and this is likely to increase during the winter. Prices are rising and black market commodities increasing in variety.

96. Organisation of Provincial labour offices has been completed in the Region with the exception of ANGOLA and TEMBO Provinces.

97. The Court of Appeal of KANGWE is functioning in TOMBUNDO and good headway is being made with the cases.

98. The Mine Clearing School at CHIPPI has made a successful start, 32 out of 40 volunteers having passed the first course. They have now started work. The total number of mines cleared during the month in CHIPPI, MBOCARA and TEMBO Provinces amounts to 88,920.

99. The educational system is gradually being renewed.

100. A certain amount of anxiety is felt over the occupation of Historical buildings by troops, especially when units are constantly being changed.

SADDUKA REGION.

101. The press announcement of the changes in the powers of the High Commissioner and the granting of more autonomy to his office has come too late for comment in this month's report. The trend of public feeling has, however, been in favour of this development and it should be beneficial, especially if it curtails elements of obstruction in NDOLE.

102. There has been only one small demonstration directed against food this month and the arrival of two grain ships with a total of about 15,000 tons of barley and wheat has been very welcome.

103. The Ground nut Popolo figure has now reached over 20,000 quintals (2,300 tons) out of 300,000 quintals aimed at to enable the Island to be self supporting until mid-December. The target total may be reached but hopes of exceeding the figure are fading and unfortunately, the local paper, the "Unione Sarda" came out with an article, misquoting President NKRUMAH, and suggesting that everyone might expect an additional 100 grams of bread per day from Allied sources. Further publicity had also been arranged to spread this news and had to be stopped at once. Whether because of this or for other reasons, the return of grain to the Ground nut Popolo, which had risen to a weekly rate of 2,000 quintals, has fallen again to about half that figure.

104. The food rations in SADDUKA, although obviously not over lavish and the subject of constant cuts, are being distributed and keep the people going. Stories of starvation which appear from time to time are difficult to understand. Their origin may be in enemy propaganda, fascist radio and German reports via RADIO Lavo

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put out such stories. The persistent efforts of the enemy to drop parachutists are perhaps connected with an endeavour to find out the real situation in the Island.

105. Apart from grain, SARDINIA is in a position to make a small surplus contribution, and export some types of food to the remainder of Italy. 700 tons of cheese is ready for shipment to the mainland and negotiations have been initiated by the Regional Food Officer with the High Commissioner's Office with a view to exportation of a very substantial number of lambs in December and January, a further export of sheep in May and June next may also be possible.

106. Olive Oil prospects continue to be good and the F.T.O. representative has been supplied with figures of the crop predicted and the quantities of oil that may be obtained. He has also been asked to work out radio talks and a vigorous propaganda to bring home to the people that the oil will be available in the Island and that there is proper machinery for its collection and distribution provided everyone does his duty and co-operates. The responsibility for a fair return of oil is being put on the Sardinians themselves.

107. The trial of the Fascist Militia General, MANTELLI, has been concluded this month. He was charged with treason and an attempt to organise a plot to escape to the mainland to join the Germans in November 1943 and was given 14 years penal servitude by the ORISTANO Tribunal. Five other accused were sentenced with him, the sentences being from 3 to 10 years penal servitude. The remaining 15 of the accused were acquitted. They included certain well known Fascists, among other the late Secretary of the Fascist Party in SASSARI, CAPPEDU, and there is no doubt that some sharp feeling has been aroused by comparisons between this just but comparatively mild procedure with the stories of past Fascist brutality and Fascist activities at the present time in Northern Italy.

108. A fleet of both British and American minesweepers arrived in CAGLIARI Port and they are expected to remain about three months. American troops of the Allied Garrison have moved out with their stores and the Regional Commissioner was appointed Allied Garrison Commander as from 6 November. The Regional Legal Officer has carried out a great amount of administrative work, in particular American Garrison administration in addition to his other heavy duties. The British ration strength is still over 1,000.

109. The small but steady stream of enemy agents dropped in SARDINIA continues. Three more have been dropped this month bringing the total up to 12 since July. One man dropped by parachute on 9 November was captured very quickly in the usual area not far from ORISTANO. Reports have come in of two more being dropped on the 20 November in a new area on the east of the Island, S. GIORGIO VILLASIMIUS. These men have not yet been caught but a wireless transmitter of American make dropped by parachute with them has been brought in by the Carabinieri.

110. Progress is at last being made in cleaning and clearing CAGLIARI City which was badly bombed. Italian soldiery have not been used for the job though a few trucks have been lent by the Italian Army.

Lack of water at CAGLIARI continued to be a great anxiety. There has been no substantial rain over the catchment area and even with water open for only 5 hours out of the 24 daily the reservoirs will be dry by the end of December unless the expected rain comes.

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111. On the opening of schools, the Education Officer visited 44 schools this month and reports that interest in higher education is good but elementary schools have been neglected.

TUSCAN REGION.

112. Region HQ moved from SIENA to LUCCA on 2 November 44 and the Province of PISA was handed over to Regional HQ by 5th Army on 26 November 44.

113. Oscillations due to the violent swing from Fascism to Communism appear to be slowing down with a distinct bias towards the "Left", but there is no cause for anxiety regarding the political situation within the Region, chiefly because all are preoccupied with their own affairs.

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114. Food situation both in the provinces of PISA and LIVORNO is difficult. In the former there is little besides bread and some vegetables, whilst in LIVORNO dry vegetables are off the list for December. In SIENA where wheat has been assessed to the extent of double provincial needs, withholding of sugar, etc.in favour of large towns is keenly felt. In GROSSETO the loss of vegetables in the recent floods has been severe. PISA to date has amassed 152,000 quintals of grain.

115. Hay, straw and oats have been 'choice' in large quantities by both Allied Armies. The olive harvest promises to be above average, though the results of the vintage are disappointing.

116. It is hoped that supplies of rope etc.for gear and nets will be forthcoming for GROSSETO Province as a result of the AC Navy Controller's visit. Fishing will be revived at MARINA di PISA when sanctioned by the C.N.

117. The floods at the beginning of the month caused widespread damage to roads, bridges, crops, livestock and river banks.

118. AMG and Italian courts are now functioning satisfactorily in each Province. The first 19 cases of fascists who committed crimes under CNF and PWB regime have been tried in GROSSETO Province and sentences from 2 to 3 years inflicted.

119. Health continues good in spite of overcrowding and lack of essential foods. It is hoped that there will be no further requisitioning of hospitals and also that the new system for the distribution of medical supplies will soon improve: it is not working well at this time.

120. In all Provinces there is large occupation of school buildings by Military Units and Refugees. Lack of window glass and fuel causes a good deal of hardship. Examinations for admission, promotion and graduation took place during the month.

121. It is understood that refugees in the Region who came from the south will be evacuated to their homes. It is hoped that this will be done speedily for with the static nature of the operations and the banking up of military personnel and establishments in the Region, it is gravely overcrowded.

EGELLA REGION.

122. Further progress has been made in the Arezzo and the entire Province of FORLI and a large part of the Provinces of RAVENNA and BOLOGNA are now in Allied hands. Some penetration has also been made into ANCONA. 2nd POLISH and EIGHTH Armies are administering these areas, though in EIGHTH Army sector the Provincial Commissioners of FORLI and RAVENNA are controlling their Provinces under command of 5046 EIGHTH Army.

123. After the capture of the city of FORLI, the Provincial HQ was established in the Prefecture on 27 November 44. This was the first provincial capital of EGELLA to be liberated. The city was still subject to sporadic shelling and occasional air attack.

124. The RAVENNA team was also moved forward and on 25 November 44, Provincial HQ was established at CERVIA. As the city of RAVENNA has since been captured it is hoped that this Province will shortly be installed in its provincial capital.

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[illegible] as a result of the AG Army Controller's visit. Fishing will be revived at RAVENNA di FISA when sanctioned by the H.H.

117. The floods at the beginning of the month caused widespread damage to roads, bridges, crops, livestock and river banks.

118. AMG and Italian courts are now functioning satisfactorily in each Province. The first 19 cases of Fascists who committed crimes under FAF and PFR regime have been tried in CESENATICO Province and sentences from 2 to 5 years inflicted.

119. Health continues good in spite of overcrowding and lack of essential foods. It is hoped that there will be no further requisitioning of hospitals and also that the new system for the distribution of medical supplies will soon improve: it is not working well at this time.

120. In all Provinces there is large occupation of school buildings by Military Units and Refugees. Lack of window glass and fuel cause a good deal of hardship. Examinations for admission, promotion and graduation took place during the month.

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FORLI REGION.

122. Further progress has been made in the Armies and the entire Province of FORLI and a large part of the Provinces of RAVENNA and BOLOGNA are now in Allied hands. Some penetration has also been made into MODENA. The FIFTH and EIGHTH Armies are administering these areas, though in EIGHTH Army sector the Provincial Commissioners of FORLI and RAVENNA are controlling their Provinces under command of 2ND POLISH Army.

123. After the capture of the city of FORLI, the Provincial HQ was established in the Prefecture on 25 November 44. This was the first provincial capital of EMILIA to be liberated. The city was still subject to sporadic shelling and occasional air attack.

124. The RAVENNA team was also moved forward and on 25 November 44, Provincial HQ was established at CERVIA. As the city of RAVENNA has since been captured it is hoped that this Province will shortly be installed in its provincial capital.

125. As forecast in the last report area of RAVENNA Province was flooded by the enemy. This was done by breaking the banks of the FIUME MONTE south of the town.

126. In EIGHTH Army area a special plan has been made whereby the executive administration of the area will be placed under a HQ staffed by EMILIA Region, though directly responsible to the SCAO. The purpose of the plan is to provide the [illegible] staff not normally present with Army and thus be able to make an earlier start on rehabilitation than would normally be possible. The scheme has been approved by HQ Allied Commission and will come into operation when the SCAO considers the position sufficiently stable. To facilitate the operation of this scheme Region HQ was moved to MODIGLIANA 1 December 44.

127. In FIFTH Army area the position remained unchanged and the SCAO continued to

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make full use of the Region EGILL officers under his command to reinforce Provinces in FIFTH Army territory and to reinforce CAOs in forward areas. A provision in the EIGHTH Army plan was made enabling specialist officers to remain free to devote part of their time to FIFTH Army area when required.

126. To maintain close liaison with FIFTH Army a portion of the Regional HQ staff was left at SAITAMO, calling themselves REAR HQ. FIFTH ARMY. This moved to Saitama 1 December 45.

129. Although specialist officers were taking an active part in the administration of the Region no part of the area was under Regional control.

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PART II

CIVIL AFFAIRS SECTION

Defascism.

1. The problem in Italy is very different from that in FRANCE; Fascism in ITALY covers over 20 years and decrees passed many years ago here not only to be repealed but measures found to undo the harm they have done. It may take much time and work to undo a wrong done a dozen or more years ago. The Italian Government is tackling the problem energetically and methodically. Since July 43 it has published 70 decrees on this subject (without counting decrees merely appointing new controllers to organisations set up under the Fascist regime), ten of which were published before the invasion of the mainland began.

2. The position regarding epuration of the Government up to 30 Nov was:

(a) All suspect senior officials (down to Grade IV included) had either been dismissed or suspended in eight out of thirteen ministries, and the remaining five would probably be epurated a few days later, transport difficulties having delayed certain investigations.

(b) 28,000 cases among the lower ranks had been or were under consideration. Of these, 1700 had been suspended at the request of the High Commission, a number believed greatly to exceed this by the Ministries themselves without reference to the High Commission, and nearly 7,000 cases i.e. 25% of the cases investigated have been referred to the hearing commissions for decisions as to whether or not the persons concerned should be dismissed.

3. Over one thousand two hundred cases have been investigated for Fascist "crimes" and in only five cases has it been decided that the evidence does not justify trial; the cases are already being heard. These do not include, however, crimes committed by Fascists which are punishable under the ordinary penal code as was the case with CARUSO.

4. This report does not include epuration of small undertakings in the Provinces. The Provincial Commissions are only just being formed and though some have actually started, work is in the initial stage.

5. General Order No.35 and administrative instructions have been drawn up for the epuration of Italian officials between our occupation of recovered territory and its restoration to a degree of tranquillity enabling the Italian Government to undertake its own epuration. It covers investigation of the antecedents of officials of certain grades and decision as to whether or not they should be suspended. It is not applicable in any Region without approval of this HQ.

Devastated areas.

6. Progress continued in the devastated areas through the provision of materials for the repair of houses and clothes and blankets for the inhabitants. Up to date,

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2. The position regarding epuration of the Government up to 30 Nov was:

(a) All suspect senior officials (down to Grade IV included) had either been dismissed or suspended in eight out of thirteen ministries, and the remaining five would probably be epurated a few days later, transport difficulties having delayed certain investigations.

(b) 26,000 cases among the lower ranks had been or were under consideration. Of these, 1,700 had been suspended at the request of the High Commission, a number believed greatly to exceed this by the Ministries themselves without reference to the High Commission, and nearly 7,000 cases i.e. 25% of the cases investigated have been referred to the hearing commissions for decisions as to whether or not the persons concerned should be dismissed.

3. Over one thousand two hundred cases have been investigated for Fascist "crimes" and in only five cases has it been decided that the evidence does not justify trial; the cases are already being heard. These do not include, however, crimes committed by Fascists which are punishable under the ordinary penal code as was the case with CARUSO.

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Devastated Areas.

6. Progress continued in the devastated areas through the provision of materials for the repair of houses, and clothes and blankets for the inhabitants. Up todate, 75,000 metres of canvas have been handed over to the Commune at BOSCHINCHE for the repair of houses and a further 25,000 metres were being dispatched to CHIETI for the same purpose. 4,000 blankets were due to arrive early in December and a further [redacted] has been transferred in BARI to collect [redacted] blankets for the devastated areas.

7. The glass position is being investigated. AC Headquarters have offered the Italian Government all the glass table tops in their building for hospitals and other damaged buildings. A housing expert is now assessing the repairs necessary to buildings in devastated areas.

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Mine Clearance.

8. Progress in mine clearance continued, particularly at PESCARA, CHIETI and PISA, and the towns of PESCARA and PISA were reported practically clear of mines. Planning for the Northern Provinces was being undertaken with the Italian Government.

LOCAL/.....

LOCAL GOVERNMENT SUB-COMMISSION.

9. Local Government:

(a) Reports from Prefects continue to show good progress in the establishment of local government in the ABRUZZI-MARCHE Region. In the same Region, a minor disturbance took place at MACERATA which resulted in the Prefect leaving his post. His place has been taken by Gen. ZANETTI as Prefetto Reggente and no more complaints have been received. An enquiry is being held.

(b) A People's Court was set up at MONTECATINI in PISTOIA Province but was promptly dissolved.

10. Appointment of Italian Government Officials: Some confusion and delay in filling vacant administrative posts has been caused by the "Personale" Division of the Ministry of the Interior nominating for such posts officials upon whom reports indicate the undesirability of their employment for security reasons. Steps have been taken to ensure that greater care is taken in such matters by the Ministry in future.

11. Sindaci:

(a) Reports were received from 18 Provinces of the difficulty of obtaining unpaid Sindaci and the desirability of paying such officials in forward areas. The general feeling was that payment should only be made in particular instances but as the difficulty of obtaining unpaid Sindaci arose in only 8% of all Communes, the case for payment was considered not proven.

(b) The appointment of a new Sindaco of NAPLES has been held up owing to the Government crisis.

12. Epuration: The Central Committee for Epuration has continued its work and has considered the cases of 50 officials in the higher grades.

PUBLIC SAFETY SUB-COMMISSION.

13. Police: AFHQ approved the transfer of the PICENO Division of the Italian Army to the CC.RR. This involved a total of 181 officers, 4444 O.R's. An equal number of CC.RR will therefore become available for duty in the North. The movement of personnel should be completed by 24 December.

14. Recruiting:

(a) In agreement with Land Forces Sub-Commission (MMIA), 4% of men accepted into the Army will be enrolled as CC.RR. They will be selected by CC.RR Officers and it is anticipated 1000 recruits will be obtained in the period December/January.

(b) 1500 recruits are at present under training and 3500 Army O.R's will be transferred to CC.RR in the near future. In all 5000 additional men will be available for CC.RR service at the beginning of 1945.

15. Mobile Battalions: All agencies concerned have agreed on the formation of mobile, light armoured battalions of CC.RR. The scheme will start in SICILY and later on the mainland. This scheme should greatly increase efficiency.

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11. Sinkedi:

(a) Reports were received from AMG Provinces of the difficulty of obtaining unpaid Sinkedi and the desirability of paying such officials in forward areas. The general feeling was that payment should only be made in particular instances but as the difficulty of obtaining unpaid Sinkedi arose in only 3% of all Communes, the case for payment was considered not proven.

(b) The appointment of a new Syndaco of NAPLES has been held up owing to the Government crisis.

12. Epuration: The Central Committee for Epuration has continued its work and has considered the cases of 50 officials in the higher grades.

PUBLIC SAFETY SUB-COMMISSION.

13. Police: AFHQ approved the transfer of the FIOMMO Division of the Italian Army to the CC.RR. This involved a total of 161 officers, 4141 OR's. An equal number of CC.RR will therefore become available for duty in the North. The movement of personnel should be completed by 24 December.

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16. Prisoners of War: CC.RR PW are now being repatriated. 12 officers and 645 OR's have recently arrived from AFRICA and GREECE.

17. Railway Police: The Ministry of the Interior has planned to recruit 1800 agents of Public Security to form a special Railway Police. Pending training of these men, ex-railway employees will be used.

18. Policing the North Italian Frontier: It is generally agreed that at first there will be no civilian movement across the frontier of NORTH ITALY and that subsequently persons with Military Travel authorizations only will be permitted to cross the borders. Details for policing by Allied and Italian personnel were being worked out with AFHQ and SAC.

19. Prisons/....

19. Prisons: After the riots in Regina Coeli Prison, ROME, 700 prisoners were transferred to other prisons. The same prisoners were still trying to create trouble, using as an excuse that they received 500 grams of bread a day in Regina Coeli prison and only received 300 grams in other prisons. The question of an overall ration scale for prisoners was being considered.

20. Prison Supplies: There was still a great shortage of necessary items for prisoners such as beds, mattresses, blankets, medical supplies, shoes, clothing and cooking utensils. Steps were being taken to have this remedied.

21. Crime:

(a) Crimes of violence have increased in SOUTHERN ITALY. They are committed largely by Allied Military personnel, or persons masquerading as such. Joint patrols of Italian and Allied Military Police were being used to combat this situation. In the same area counterfeit AM currency is appearing more frequently.

(b) Crime throughout liberated ITALY is under control and had not increased since last month's report, particularly in the case of ROME.

(c) The so called black market was still a major problem but often, and with many items, it is the legitimate market hoarding and selling at exorbitant prices. The question of supply and demand is, as usual, the determining factor.

22. Fire and RAD: In forward areas near FLORENCE, UMBRIA, directed by Fire and RAD officers, is being used in mine clearance work with excellent results.

PUBLIC HEALTH SUB-COMMISSION.

23. Political: Complete control of Public Health in SARDINIA has now been handed over to the Italian Authorities. The Public Health policy in liberated ITALY is to act more and more in a consultative and advisory capacity to the Italian authorities and to assume no executive responsibility. The Senior Public Health Branch of the Ministry of the Interior welcomed this policy and assumed more responsibility in Public Health administration.

24. Public Health:

(a) Four cases of "endemic" or murine typhus have been reported from NAPLES Province. The illness assumed a mild form and there were no deaths.

(b) The Typhus Demonstration Unit successfully completed its tour of SOUTHERN Region and SICILY and arrangements were made for similar demonstrations to be held in ROME for teams from the Provinces of LAZIO-UMBRIA Region. The Unit will in due course tour in the forward areas.

(c) A dusting station has been set up at the Prenestina Railway Station, ROME, where refugees are treated with anti-louse powder on arrival.

(d) A report has been prepared on malaria control work in the OSTIA LIDO and

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(d) A report has been prepared on malaria control work in the OSTIA LIDO and PIOMBINO areas.

In preparation for next season's malaria work a series of classes has begun at the Institute of Hygiene. Medical Practitioners will attend them to learn the most up-to-date methods of controlling malaria.

Plans for the coming malaria season were also being discussed with the Italian Government and it was proposed to start experimental work on the distribution of hibernating mosquitoes in the VOLTURNO area.

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(e) The incidence of Venereal Disease in the more Southerly Regions was decreasing and the Italian Government was trying hard to provide additional beds in its hospitals for the treatment of this disease.

(f) Outbreaks/.....

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(f) Outbreaks of typhoid at SAN MARINO and RIMINI were energetically dealt with and the Army Medical Services gave great assistance. The BENEVENTO epidemic is now over.

(g) November tuberculosis figure for ROME was 193 compared with 236 in Nov 43.

(h) During November, 29 cases of smallpox were reported in the PALERMO area. Cases and contacts were isolated and 400,000 vaccinations have been performed. In mid November six cases of smallpox were reported from a civil hospital in SIENA but there have been no further cases, and the usual precautions have been taken. The BENEVENTO outbreak has now subsided to 30 cases and NAPLES Province had 317 cases, 46 less than in October.

(i) The ROME infant mortality figure for November was 134.9.

25. Veterinary:

(a) The Veterinary Schools of PERUGIA and PISA reopened and the PERUGIA Laboratory produced vaccine for swine erysipelas.

(b) The incidence of all animal diseases previously reported had considerably decreased during the month.

(c) Twenty seven condemned horses have been procured for the Solaro Institute, SIENA, in order to maintain its production of anti-serum for human beings.

(d) A culture of Brucella Abortus, received from the United States , has been given to the Italian authorities to begin producing the appropriate vaccine.

26. Medical Supply:

(a) SNIDEL, the Italian Government organisation, began distributing medical supplies which arrived at LEGHORN during the month and were transferred to FLORENCE. A small quantity of medical supplies was sent to GREECE and YUGOSLAVIA. A shipment of 750 tons captured by the FIFTH Army at SALINO was released for the Civil population and some was also given to the Italian Army.

(b) The clothing Section with all its personnel was transferred to the Transportation Sub-Commission.

27. Welfare:

(a) In SOUTHERN Region and SICILY the Italian Government's interest in welfare was increasing. The Italian Welfare Director for SICILY visited ROME to discuss welfare questions with the Undersecretary for the Interior and suggested that a Provincial Welfare Department should be created for every Province in ITALY.

(b) The Welfare Branch considers that the ONMI (Opera Nazionale Maternita ed Infanzia) should devote greater interest to its activities outside ROME.

LEGAL SUB-COMMISSION.

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25. Veterinary:

(a) The Veterinary Schools of PERUGIA and PISA reopened and the PERUGIA Laboratory produced vaccine for swine erysipelas.

(b) The incidence of all animal diseases previously reported had considerably decreased during the month.

(c) Twenty seven condemned horses have been procured for the Sclavo Institute, SIENA, in order to maintain its production of anti-serum for human beings.

(d) A culture of Brucella Abortus, received from the United States, has been given to the Italian authorities to begin producing the appropriate vaccine.

26. Medical Supply:

(a) ENDIMA, the Italian Government organization, began distributing medical supplies which arrived at LEGHORN during the month and were transferred to FLORENCE. A small quantity of medical supplies was sent to GREECE and YUGOSLAVIA. A shipment of 750 tons captured by the FIFTH Army at SALINO was released for the Civil population and some was also given to the Italian Army.

(b) The clothing Section with all its personnel was transferred to the Transportation Sub-Commission.

27. Welfare:

(a) In SOUTHERN Region and SICILY the Italian Government's interest in welfare was increasing. The Italian Welfare Director for SICILY visited ROME to discuss welfare questions with the Undersecretary for the Interior and suggested that a Provincial Welfare Department should be created for every Province in ITALY.

(b) The Welfare Branch considers that the ONMI (Opera Nazionale Maternita ed Infanzia) should devote greater interest to its activities outside ROME.

LEGAL SUB-COMMISSION.

28. RDL No.151 Constituent Assembly: The Legal Sub-Commission advised on the function of the Constituent Assembly established by RDL No.151 of the 25 June 1944 and expressed the opinion that it was the function of this Assembly to determine whether the Italian Constitution should be monarchical or not.

29. Status of Yugoslav Missions: The status of the members of the Yugoslav Missions in ITALY was considered and the decision was reached that according to existing law, members of these Missions were subject to the jurisdiction of the Allied Military Courts.

30. Regina Coeli Prison Riots: The troubles at the Regina Coeli Prison in ROME were investigated and found to be largely due to delays in the pre-trial procedure of the Italian Courts. To lessen these delays, arrangements were made for the appointment in ROME of four additional judges.

31. (G No.22/.....

32. GG No.26 - Labour Regulations: Rules decided upon under General Order No.26 cover the operation of Provincial and Regional Labour Offices and arbitration procedure in cases of labour disputes.

33. Italian Judges: In view of the anticipated shortage of Italian judges in the Northern Regions, Italian Military Tribunals will sit in these areas. The necessary decree to implement this policy was prepared.

34. Espionage trials: The cases tried in AMG Courts and reviewed by this Sub-Commission included nine cases of espionage. Of these cases six death sentences were confirmed, one death sentence commuted owing to the youth of the accused and two prison sentences were confirmed.

EDUCATION SUB-COMMISSION.

35. Visits: The Acting Director and the Minister of Public Instruction visited the Provveditori agli Studi, the pro-rectors and other staff members of the Universities in SIENA, FLORENCE, LUCCA and PISA. A number of informal and informative conferences were held with school officials and students.

36. Printing:

(a) The "summer printing" of new elementary school text books were reaching the book shops and the children, and a large distribution will take place in December throughout liberated ITALY. Paper, ink, etc are arriving in quantity from AMERICA.

(b) The new programmes of study for elementary and secondary schools have been printed and distributed.

37. Universities and Schools:

(a) Educational work progressed in all Regions, but most actively in TOSCANA Region. The Universities of PISA and SIENA have been ceremonially opened though their buildings have been almost entirely requisitioned. Some work was, however, carried on in improvised quarters.

(b) Schools are open and functioned wherever suitable locations could be found. From 50% to 100% of the children normally attending school are at school, the percentage varying according to local conditions.

(c) A hot mid-day meal for school children was offered to schools and they are beginning to avail themselves of it. The programme is, therefore, being extended and will, it is hoped, eventually cover all schools.

38. Boy Scout Movement and Girl Guides:

(a) The two National Boy Scout organisations in ITALY, Catholic and non-Sectarian, have federated, with Vatican approval, each retaining internal autonomy. Requests have been forwarded to the International Commissioner of Boy Scouts for recognition of the federation and its two component organisations.

(b) The Girl Guide organisation in ITALY is being slowly developed.

39. Derequisitioning of School Buildings: Derequisitioning of school buildings

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(b) The Girl Guide organisation in ITALY is being slowly developed.

38. Derequisitioning of School Buildings: Derequisitioning of school buildings proceeded too slowly. Allied Forces were more helpful than Italian officials, though, so far, Allied persuasion (no authority was lacking) has been ineffectual particularly in ROME where schools were still occupied by miscellaneous organisations, including leading political parties.

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MONUMENTS, FINE/.....

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MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

39. Condition of monuments in newly occupied territory:

(a) RAVENNA - First reports showed that, with the possible exception of S. APOLLINARE IN CLASSE, none of the great Byzantine monuments had suffered serious damage.

(b) RIMINI - Detailed inspection by Italian experts confirmed that the TEMPIO MALATESTIANO, despite heavy damage, would be restorable without grave loss to its essential character.

(c) Damage in the Romagna was in general widespread, though FORLI escaped surprisingly lightly.

40. Repairs to Monuments: First-aid repairs to war damaged monuments continued throughout AMG and AC territory. Work was started on the Churches of PISA, and substantial repairs were under way in VITERBO. Great progress has been made in NAPLES since the summer.

41. Monuments in enemy held ITALY: From detailed examination of air photographs damage to monuments in VERONA and PARMA seems to have been slight, and damage in BOLOGNA is far less than might be expected.

42. Deposits of works of art:

(a) Reports have been made based on information obtained from intelligence and diplomatic sources, on deposits in TUSCANY, what has been removed from them by the Germans and the subsequent fate of some of the objects removed.

(b) A completed report on movable works of art in LAZIO revealed a very small percentage of loss.

(c) There are indications that in NORTH ITALY some deposits of works of art have been moved to the ALPINE VALLEYS.

43. Exhibitions:

(a) The Exhibition of European Masterpieces at the PALAZZO VENEZIA continued to attract 600 visitors daily and has been extended to 31 Dec. Similar exhibitions will open shortly at FLORENCE and SIENA.

(b) In ROME preparations were made to reopen the BORGHESE GALLERY and a part of the GALLERY OF MODERN ART. MICHELANGELO's Moses and the mosaics of Santa Costanza have been cleared of their protective covering.

44. Photographic Record: Difficulties of equipment and supply continued to hamper the compilation of essential photographic record. The documentation of NAPLES and BENEVENTO was well advanced. A third group of photographs, illustrating deposits of works of art in TUSCANY, was sent to WASHINGTON and LONDON.

PATRIOTS BRANCH.

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PATRIOTS BRANCH.

45. Reorganisation: A reorganisation of the Patriots Branch has taken place in the light of five months' experience. The Advanced Echelon in FLORENCE has been closed, and the distribution of Intelligence Reports to Regional Commissioners and others from the Advanced Echelon has ceased.

46. Planning for the North: It is likely that much larger numbers of patriots will be met than hitherto and arrangements have been made accordingly. Centres and points for the reception of patriots are being established in Army areas.

The following have also been requested:

(a) A large scale release of boots, clothing of all kinds, and blankets from military sources for the use of patriots.

(b) The issue of rations on a scale approximate to the Allied Military ration to patriots employed in labour gangs in Army areas or being handled in the reception centres behind the front.

(c) The/.....

(c) The acceptance of wounded patriots in ITALIAN or Allied Military hospitals.

47. Monetary Allowances: The INPC decided that monetary allowances would be paid to all fighting patriots and that indemnities and pensions equal to those granted the Italian Regular Army would be paid to wounded patriots and the families of the dead.

48. Certificates issued to Patriots: The INPC have been informed that no certificates other than those signed by the Allied Commander in Chief can be issued in Military Government territory. They have been informed further that no Patriot Committees other than those constituted by the Allied authorities can be tolerated in Military Government territory.

49. Withdrawal of Patriots Representatives from Italian Government territory: All patriot representatives of the CLN in Army areas have been withdrawn, and all patriot representatives, Military or CLN, will be withdrawn from Italian Government territory by 31 December.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

50. Yugoslavs: A general exodus of Yugoslavs to YUGOSLAVIA began from SOUTHERN ITALY. The original request for 1500 agriculturalists to return was followed by a request for a further 1500 agriculturalists to be sent to the Yugoslav Islands. Finally the Committee of National Liberation Army, Yugoslavia, at BARI said they wished to return all Yugoslavs to their home country. By the end of the month 2,537 had been evacuated. The attention of the Yugoslav Representative was drawn to the fact that conditions for orphan children might be very difficult in Yugoslavia and it was suggested that these might be left in ITALY to benefit from Allied care during the winter months.

51. Health in Camps and Hospitals:

(a) All Northern Camps were visited during the month, with the exception of FLORENCE. The general condition of refugees was fair. Up to 60% or 70% scabies was reported with varying degrees of louse infection (5% to 50% reported). Living conditions are very trying in water logged and muddy camps with the shortage of blankets is an acute problem.

(b) Hospitals in SOUTHERN ITALY have average number of admittances. The most prevalent disease was mild mumps. One confirmed case of typhus was reported from CSDIC Cage at No.1 Transit Camp (Refugees) and appropriate measures were taken.

(c) A dental clinic has been opened in ROME for refugees at CINECITTA Reception Centre.

52. Repatriation: Nationals of some twenty six nations have been registered for repatriation. The work advanced rapidly but repatriation was still a lengthy procedure.

53. Refugee Movements:

(a) Italian refugees moved from the North to ROME totalled 7,096 and 4,000 Southerners in ROME were repatriated to the South.

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(a) Italian refugees moved from the North to ROME totalled 7,096 and 4,000 Southerners in ROME were repatriated to the South.

(b) At the end of November there were 4,790 persons in SICILY who wished to return to PROVINCE and LITTORIA, ROME, CASERTA and NAPLES. Due to present conditions in PROVINCE and LITTORIA, no repatriation is possible for at least two months.

54. Loans to Allied Nationals: Cash loans to Allied Nationals through the 4917 d'Italia and its branches were started in November. Payments were authorised to be made in 21 Provinces and 4,230 displaced persons received loans totalling 10,435,000 lire, an average of 2,470 lire a person. Displaced persons of 18 different Nationalities have been helped by this scheme. Information was received early in the month that a U.S. Treasury licence had been issued to the American Joint Distribution Board to effect a transfer of funds to PALESTINE and it was also agreed that the Joint Distribution Board would repay the refugees sent to U.S... for lire collected by the Sub-Commission. No information has been received that payment has been made.

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PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture, Forestry and Fisheries.

1. The development of a closer working relationship between the field and central staff members of the Ministry of Agriculture and the Agriculture Sub-Commission through a joint conference on Liberated Italy on Agriculture, Forestry and Fisheries and Hunting was the outstanding feature of November. A clearer understanding of mutual problems, the joint development of concrete recommendations for their solution, a gain in self-confidence by Ministry representatives together with the acceptance of increased responsibilities by the Italian Staff was the result of the four-day conference.

The major recommendations of the conference were plans to increase production of cereals, dried vegetables, potatoes, olive oil, fuelwood, charcoal, fish and game. Improvement in the control of livestock slaughter and fish markets, and transfer by motor schooner were also suggested. Methods for improving the status of personnel carrying out the recommendations were suggested, such as the provision of legal status for Provincial and Communal Committees in Agriculture, de-militarization and further epuration for the Forestry Corps and a budget for the re-organized Fisheries Division in the Ministry of Agriculture.

2. A joint programme of requirements for agricultural supplies was being worked out with the Ministry of Agriculture.

3. Wheat production estimates for CALABRIA and SICILY will be reduced one-fourth from the 1944-45 estimates of August. Dried vegetables for ITALY will be one-tenth less due to lack of fertilizer and seed. About one-sixth of the proposed seed wheat program failed to materialize because of transportation difficulties. A report of estimated quantities of vegetable seeds for export is now available. Seed potatoes are moving to SICILY but collections in ABRUZZI are disappointingly low. Increased corn acreage is predicted to use land not planted with wheat, hemp, sugar beet and potatoes because of plant destruction or lack of seed.

4. CAMPANIA and TOSCANA Regions have surpassed their goal in the "Granai del Popolo" and LAZIO-UMBRIA and ABRUZZI-MOLISE were rapidly attaining theirs. The total stands at 9,813,774 quintals, or 85% of estimated collections.

5. Olive Oil collections started late and reached 33,305 quintals, compared with 101,047 quintals in 1942-3.

6. A definition of respective responsibilities for dealing with reclaimed land area problems was being prepared, in conjunction with the other Sub-Commissions involved.

7. Regional Meetings of Prefects and representatives of the Forestry Corps were held at five large consumption centres to discuss fuelwood prices. Plans were made for some wheat to be made available to woodmen, and charcoal bags allocated to the producers.

8. The Fisheries Division obtained a further relaxation of naval restrictions

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8. The Fisheries Division obtained a further relaxation of naval restrictions and planned for the distribution of recently arrived fishing supplies.

COMMERCE SUB-COMMISSION.

9. Materials Division:

(a) Availability of Materials.

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A new list of controlled, restricted and Italian Government-controlled materials was compiled and sent out to all interested parties. The list of materials controlled by AFHQ has been reduced from fifty items to thirty-five. In forwarding this list to the Ministry of Industry, Commerce and Labour, it was suggested that the Italian Government might wish to place on their controlled list some of the items taken off the AFHQ list. So far, nothing definite has been advised by the Ministry on this point.

(b) Require/.....

(b) Requirements and Releases.

As the Italian Ministry of Industry, Commerce and Labour have undertaken to furnish returns of availability of controlled materials and their blocking and releasing as from the 1 November 1944, much time during November was devoted to conferences with Ministry officials and the preparation and distribution of the necessary directives to ease the inevitable growing pains of the new system.

Though the whole matter of control and release of materials in general demand for the reconstruction of Italy's industrial and economic structure including, in some instances, the priority requirements of the Allied Armed Forces, is a very complex one, it is already obvious that the original directive was fundamentally sound. This is confirmed by the evidence reaching Commerce Sub-Commission of the apparent smoothness of the switch-over from A.C. to Ministry control in the Provinces.

(c) Newsprint.

There have been very few arrivals of imported newsprint, the total quantity amounting to about 62 tons. Large stocks were on hand, however, and no serious difficulty ensued.

AFHQ approved the requisition of 1000 tons of newsprint a month for the first six months of 1945 and it was forwarded to WASHINGTON.

AFHQ under the terms of Memorandum No.50 of 25 November has approved a plan of A.P.B. to transfer control of the press to the Italian Press Commission. The necessary steps to implement this memorandum as regards distribution of newsprint are being taken.

(d) Textiles, Shoes and Clothing:

As directed by this Headquarters, Commerce Sub-Section, SOUTHERN Region, arranged for the transfer of the shoe repairing and clothing repairing and dyeing contracts to the Ufficio Provinciale del Commercio e dell'Industria of NAPLES. This was carried out and made effective 1 December.

(e) Matches.

The match situation has improved insofar that constant efforts to obtain power for the important SAFFA plant at IESI have been successful. An output of 5,000,000,000 matches has been attained.

(f) Tobacco.

The tobacco situation is bad in SICILY, because of the delays in sea transport from the mainland, which has to supply raw tobacco to the tobacco factories at PALERMO and CATANIA.

(g) General.

Commerce Sub-Commission was charged with obtaining net import requirements for clothing, shoes, textiles, matches, paper (including newsprint), sacks, candles, materials for the functioning of State Monopolies, the manufacture of cigarettes and

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(g) General.

Commerce Sub-Commission was charged with obtaining net import requirements for clothing, shoes, textiles, matches, paper (including newsprint), soaps, candles, materials for the functioning of State Monopolies, the manufacture of cigarettes and materials to implement an export program.

Complying with instructions from Public Health Sub-Commission, 4,500,000 litres of Alcohol were ordered from SICILY.

10. Fuel Section:

Arrangements have been made for the Italian Government to take over the printing of all POL Application forms, Circulation Permits, Petrol Coupons etc. At our suggestion a new type of more flexible coupon is being introduced w.e.f. 1 Jan 45, and the printing is nearly completed.

11. Foreign/.....

11. Foreign Trade Sectio[illegible]

Shipments of various commodities in November totalled approximately 9,000 tons, with a total value of Lire 5½ millions. A further 8,500 tons were at port awaiting shipment at the end of the month.

The silk industry in CALABRIA and SICILY was running smoothly, the monthly production amounting to 4 to 5 tons of raw silk. Some of the silk produced has given disappointing results in the tests carried out in U.K., but generally speaking the standard has been satisfactory.

The first three lemon ships of the season were loaded during the month and from all reports the quality of goods shipped was excellent.

From 25 October to 21 November 2,834 tons of timber were transferred from CALABRIA to SICILY for lemon box making.

A provisional six months program of exports to MALTA has now been authorised.

FINANCE SUB-COMMISSION.

12. The prolonged delay in the formation of a new Government following the resignation of Prime Minister BONOMI and his cabinet on 26 November resulted in a serious interruption of day-to-day business between the Finance Sub-Commission and the Ministries of Treasury and Finance. Long awaited decisions were deferred, and certain decrees essential to the welfare of the community were not ratified. As an example, discussions on the controversial subject of the management and custody of Italian foreign assets were suspended. A decision whether this important function should be centralized at the Istituto per i Cambi con l'Estero or revert to the Banca d'Italia was still awaited.

13. Before and during the interregnum, signs were not lacking that the Italian Government through official and unofficial channels were continuing to press for an extension of the dollar credits made available to ITALY and announced by the President on 10 October 1944. From conversations with the Minister of Treasury it was known that these were his personal views, but it was not until 24 November, at a meeting of the Inter-Ministerial Committee of Reconstruction with members of the Economic Section, Allied Commission, that the Minister presented a memorandum requesting, inter alia, that either goods or foreign exchange should be made available as a counterpart against Allied Military lire paid out by the Allied Forces for goods and services; and, in addition, against those amounts disbursed by the Italian Government on behalf of the Allied forces. While the Minister of Treasury explained that the proposal was not officially presented by the Italian Government, there can be no doubt that its policy was to press constantly for such concessions.

14. From a report forwarded from WASHINGTON by Lieut.Comdr J. J. LAWLER, USCGR, Joint Director of the Finance Sub-Commission, it was evident that the Italian Government Mission, whose visit to the U.S.A. was referred to in the October report, was approaching the U.S. authorities in similar terms. At a meeting on 10 November with representatives of the U.S. State Department and F.E.A., Mr.QUINTIERI and MATTIOLI indicated that the basic problem of ITALY was financial and would be largely solved by the creation of countervalue in dollars for AM lire issued in ITALY. Mr. QUINTIERI added that the dollars resulting from net troop expenditures

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15. The excess of purchases over payments of Buoni del Tesoro Ordinari amounted to 2,026 million lire in October, compared with 2,999 million lire in September, and with an average of 2,652 million lire for the first four months of the current fiscal year. The decline from September resulted largely from reduced purchases in SICILIA and TOSCANA Regions and increased redemptions in ROME.

It will be/.....

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It will be noted that the October net gain of 2,025 million lire in Buoni Ordinari is in contrast to a net gain of 1,323 in all Buoni. In addition to the Ordinari (discount bonds), the latter figure includes Buoni Novennali and Buoni Poliennali (coupon bonds) and interest payments on both types. For the Novennali and Poliennali, counting interest, there was a net loss of 702 million lire during October.

16. The indicated deficit for October was 5,365 million lire. For the first four months of the fiscal year beginning 1 July, 1944, the deficit totalled 24,818 million lire, a monthly average of 6,207 million lire.

17. The agreement between the Banca d'Italia and the Allied Commission concerning the remittance system was approved by CCS. Following the receipt of approval, representatives of the Banca d'Italia and the Banco di Sicilia and the Allied Commission to effect arrangements respecting the operation of the system on a geographical basis. The various correspondent banks in the UNITED STATES will continue to send lists of remittances to the Banco di Sicilia for SICILY and to the Banco di Napoli for SARDINIA, ROME and the Provinces South of ROME. In addition, following the appropriate amendment to General License 32 A on 24 Nov , they have begun to forward to the Banca d'Italia remittances for the ten (10) extra provinces North of ROME and the Banca d'Italia will effect payment of remittances through the nearest commercial bank, as follows :

Banco di Roma	TERAMO, AQUILA, PESARO
Banco Nazionale del Lavoro	ASCOLI, MACERATA, CHIETI
Monte dei Paschi di Siena	GROSSETO, TERNI
Banco di S. Spirito	RIETI, VITERBO

The "Big Five" banks in the United Kingdom agreed to act as correspondent banks of the Banca d'Italia for all liberated ITALY, and will, no doubt, be forwarding remittances at an early date. The Bank of England is now in a position to withdraw from active participation in the remittance scheme. While it was realised that it would be preferable for the banks in GREAT BRITAIN and UNITED STATES to have direct correspondent relations with Italian commercial banks, there are certain practical difficulties which must be taken into consideration, i.e., the restrictions of the amount one individual may receive in a given period, and the location of the head office of some of the more important banks in that area of ITALY still occupied by the enemy. It is deemed advisable to use the Banca d'Italia for effecting remittance payments North of ROME until the whole of ITALY is liberated.

18. Up to 26 November, 1944, the property of 266 individuals and organizations was placed under protective sequestration, including such Fascist leaders as MUSSOLINI, STARACE, GRANDI, FARINACCI, GRAZIANI, CIANO and FRIGGANI. It is estimated that over five billion lire worth of property has been sequestered. However, as much Fascist property is believed to have been cloaked both in ITALY and abroad, the above mentioned estimate is believed to be low. An active investigation was in process to uncover such further holdings.

19. Further progress was made in the plan for transferring to the Italian Government the responsibility for receiving, distributing and accounting for miscellaneous supplies. The plan followed in general the procedure now employed for foodstuffs. Under the proposed system the Italian Government through the Istituto Nazionale Commercio Estero would receive cargoes of imported supplies based

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SECRET/.....

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FOOD SUB-COMMISSION.

20. The Director of Food Sub-Commission returned to AC Headquarters at the end of the month after completing his special mission to WASHINGTON and LONDON, the object of which was submission of Allied Commission estimates of food requirements for January - June 1945, and a first hand presentation of the information and reports on which the estimates were based.

After a series of discussions lasting nearly two months, the estimate for pulses, meat, milk and sugar was approved. The wheat programme was still under discussion when Colonel Legg concluded his mission on 21 November.

21. General Supply Situation:

(a) The 300 gms ration for the whole of ITALY was again the question of paramount importance throughout the month. Several summaries of the present wheat situation in relation to the establishment of this ration were submitted through AFHQ to the Combined Chiefs of Staff, to enable a decision to be reached.

It was hoped that this decision might have been reached by the end of the month, but such was not the case and demands for an increased bread ration, a possibility that had been receiving increased publicity, had still to be faced with no indication of how demands could be met. The question at issue was the wheat import required as against the amount of wheat that could be imported due to the world shipping situation and as against the commitments that may be necessary in Northern ITALY when that territory is liberated.

(b) There was no immediate improvement in the prospects with regard to sugar, dried vegetables and dehydrated soup owing to lack of definite news from WASHINGTON. Pending the grant of further imports, ration issues of these items have been consistently reduced since September to attempt to conserve supplies. A final cut in the issues of soup and dried vegetables was postponed as long as possible, but by the end of the month it was found necessary to discontinue issues in urban areas, and only distribute these items to special classes such as hospitals, refugees etc.

Increased imports of dried skim milk were announced at the end of the month.

(c) Transporting supplies to the right place at the right time was no easier during November owing to the usual difficulties of scanty imports, slow unloading of civil supplies and difficulties of coastal movement and inland transportation.

22. Under Secretariat of Food.

Though it was hoped as a result of long discussed plans that an Italian Under Secretariat of Food would assume responsibility during the month for the Feeding of liberated ITALY, very little progress was made in this direction owing to delays on the part of the Italian Authorities. The Royal Decree forming the new Undersecretariat was not finally passed owing to technical difficulties. A draft plan showing the organisation of the new Ministry and roughly how they

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23. Home Supplies.

With the assistance of the POWR Supply Committee a total of 15,000 tons of non-rationed foods arrived in POWR markets, an average of 525 tons a day. Of these, 1,000 tons were potatoes, and energetic measures were being taken to increase this total to 2,000 tons for December.

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24. Ration Scales.

As a temporary measure pending the decision on the 300 gram bread/pasta ration, an additional pasta ration of 300 grams for a fortnight for all normal consumers North of the GARIGLIANO line was authorised as from November. A ration scale was also agreed upon for feeding returned Italian prisoners of war whilst in disembarkation camps in SICILY and Southern ITALY.

The arrangements for printing ration cards for the period 1 March - 30 June 1945 are well in hand - despite the non-arrival of 440 tons of paper requisitioned for this purpose.

INDUSTRY SUB-COMMISSION.

25. Two major events occurred in the month of November :

(a) The initiation of a basic rehabilitation programme for Italian industry.

(b) The establishment of the Industrial Coordination Committee of the Allied Force Local Resources (Italian) Board.

The Rehabilitation Programme (a) above:

This is a relatively short term policy for putting some of the basic industries of ITALY on their feet, and dollar credits for an amount at present unspecified are to be placed at the disposal of the Italian Government for this purpose. The huge and complicated task of establishing priorities of certain raw materials and of using these credits to the best possible advantage has now to be tackled. This is the responsibility of the Italian Government with the assistance and supervision of Sub-Commissions in the Economic Section.

After a number of conferences between Economic Section and the Italian Ministers it was decided that the relatively modest credits available would be devoted to rehabilitation of the following basic services and industries which are vital to the reconstruction of the economic life of the Italian Nation:

Transportation.
Hydro-Electric Service.
Agriculture.
Textiles and Leather.
State Monopolies.

Industrial Coordination Committee (b) above:

In May last Industry Sub-Commission suggested the formation of an Industrial Coordination Committee in a letter to AFHQ, G-5 Section, dated 30 May 1944. It had long been obvious to officers of Industry Sub-Commission that industrial resources in Liberated ITALY were being uneconomically and illogically utilised, that parallel production by various branches of services of the Allied Armies was the cause of waste of available electric power, of imported materials, and of transportation. Materials available and unused in one plant were unavailable to another. Factory equipment such as motors and machine tools were treated by the Allied Forces not as a means of production in the factory in which they were installed but as

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In November the Industrial Coordination Committee of AFLNS was formed. One of its important functions will be the consideration of applications to derequisition industrial plants, many of which are being utilised by the Armed Forces for purposes other than those for which they were constituted, e.g. as billets or supply dumps.

26. Industrial/.....

26. Industrial Activities.

(a) Textiles and Ancillary Industries:

Further progress was made in the rehabilitation of the PRATO woollen factories, and report were received which indicate that if power and fuel were available, upwards of 1,000,000 Kgs of cloth could be produced a month. Power however remains the limiting factor and at present out of over 50 firms reported to be ready or almost ready to resume operations, only 6, which have their own generating plants, are working partially. Bids have therefore been placed for 700,000 KWH a month, to be consumed largely during night hours to avoid normal peak periods.

Production of leather remains unsatisfactory, and new proposals made by the tanners themselves are under consideration by the Ministry.

(b) Structural Materials:

Grinding of clinker has started at COLLEFERRO and about 600 tons of cement have been produced. Bids for coal and power have also been submitted the cement factories at MONOPOLI and VIBO VALENTIA.

The possibility of reactivating two glass works in the ROME area by modifying the plants to burn lignite instead of long flame coal is being investigated and, pending trials, bids for fuel and power have been made. The production of paraffinised paper as a glass substitute has begun at ROMERINI-PAROTI MILANO, COLLEFERRO.

S.I.M.S.A., COLLEFERRO, has started making roofing felt and experiments are also being carried out in ROME in the manufacture of roofing materials from salvaged tins.

(c) Coal:

The new coal quay at CIVITAVECCHIA was completed during the month and discharge and distribution have averaged 600 tons a day. PIOMBINO is also ready to discharge barges or small steamers.

AFHQ has decided that AC and the Italian Government shall be responsible for supplying 31,850 tons of coal and lignite a month to the Armies during the winter.

(d) Mining:

SARDINIAN Coal. Production for October was 34,602 tons. Stock on hand on 31 October was 31,875 tons. Increasing production to quantities required is a problem of labour, much of which was lost during the period of curtailed production.

Mainland lignite. Power and transportation are the usual problems of production here and the estimate for November was 20,000 metric tons. Stocks of 200,000 tons of lignite and 15,000 tons of briquettes at CASTELNUOVO may be drawn upon by Allied Forces to the extent of 18,000 tons a month, which will relieve the financial situation.

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Sulphur. Production of the SICILIAN mines increased substantially during October from an average of 3,415 tons in the previous two months to 4,926 tons. On the mainland stocks in the MARCHE-ROMAGNA mines now amount to 18,000 tons.

(e) Caustic Soda:

The Andone Plant, ROME, is ready for operation except for supplies of electrolytic Salt. This has been located in SICILY and arrangements are being made for shipment.

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LABOUR/.....

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LABOUR SUB-COMMISSION.

27. The labour situation was still precarious and, although increased wage adjustments stemmed the tide in most instances, the real answer to industrial peace was still sufficiency of food.

28. The Labour Sub-Commission frequently stressed to the Minister of Industry, Commerce and Labour the importance of legalizing the Regional and Provincial Labour Offices in Italian territory by Royal Decree. Reports from various areas showed the increasingly prominent role that these Labour Offices played in the labour field. Further delay is unjustified and is affecting the efficacy of the work being done.

The Labour Offices are the machinery through which the Italian Government can study and solve labour problems and through which a free and independent trade union movement can obtain support. A few of the many problems of the Labour Offices are:

(i) To follow the labour phenomenon in its social aspect so as to be always informed of developments.

(ii) To study labour problems and provide regular compilation of labour statistics.

(iii) To promote the peaceful settlement of labour disputes through conciliation, mediation and arbitration by offering the contending parties a meeting ground as well as a legal means of composing their differences.

(iv) To control and supervise a placement of labour which, according to the decisions of an International Labour Conference, should be a State responsibility.

(v) To supervise the recognition and enforcement of all social legislation.

29. The Labour Sub-Commission did not object to the re-establishment of the Offices of Port Captaincies nor to the registration of seamen through the Personnel Section of that office, providing that these "Capitanerie di Porto" charge no fees and that such registrations will not result in a monopoly of employment process.

30. The labour situation in the LIVORNO-PISA area has been complicated by short supply, and the fact that LIVORNO is a supply base for operations on the fighting front. Upon the request of the Regional Commissioner of TOSCANA Region, the Base Purchasing Agent of PBS, FIFTH Army, Royal Navy and other units, a special Headquarters Labour Officer was detailed as a single authority to coordinate all the labour activities in this area. Problems were generally comparable to those of last winter in the Port of NAPLES. Results already achieved justify the continued assignment of our representative for an indefinite period.

31. Wage agreements between employees and employers of the "S.I.E.L.I.E.", NAPLES - PIEDIMONTE D'ALIFE Railroad and COMPAGNIE CONTINENTALE HEUNT were reviewed and approved during the month.

32. Independent investigations were carried out after the [illegible] riot of 18 Oct

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32. Independent investigations were carried out after the PALERMO riot of 16 Oct to ascertain the causes of the incident from the labour point of view. From unofficial sources it was learned that the main cause of the demonstration was economic and not political. Good judgment of the Civil Authorities could easily have avoided the tragic denouement. The demonstration arose out of the following:

(i) Proposal to increase the bread ration.

(ii) Lack of control of prices.

(iii) Blackmarket speculation.

(iv) Demand for higher wages.

33. In order/.....

33. In order to parallel the Italian Royal Decree of 31 October for an increase of wages in private industry, the Special Sub-Committee of the Labour and Wages Control Committee approved an increase in the Allied Forces Wage Scale, granting an additional 40 to 60 lire a day to the present wage of workers for the Armed Forces. This increase, effective 16 November, was proposed to meet the higher cost of living and to restore the preferred position of the Armed Forces.

34. The plan to give full social insurance coverage to Italian workers employed directly by the Allied Forces throughout ITALY was approved by both the Italian Government and Allied Forces during the month and was scheduled to become effective on and after 1 December.

35. Progress was good in the registration of labour. New registration forms have been completed and distribution to all areas will be made shortly.

36. In LIGURIA-EMILIA Region the request for supply of labour to Allied units increased and our labour supply office has been very active. During the month, of the 65 requests processed from Allied units, a total of 1105 of various categories were employed.

Exact statistics of the number of persons unemployed and available for work are difficult to obtain. Though the ROMA Province Labour Office registered 49,725 unemployed it is still an incomplete return. A conservative estimate of unemployed figures for the whole of LIGURIA-EMILIA Region is 125,000.

37. In ADRIATIC FIFTH Army territory there are 32 Labour Supply Offices in the area now in operation, in FLORENCE, PISTOIA, LUCCA and highway 65, and they have altogether thus far furnished 7,162 men and women.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

38. The Italian Government was given greatly increased powers to execute within its territory all projects not involving use of critical (or imported) structural materials. Works of military necessity required by Armies will, however, continue under direct control of this Sub-Commission.

39. A decree covering financial subsidies for building repairs (private properties) was approved by the Council of Ministers. This will be the beginning of a considerable housing programme. The Minister of Public Works has a 500 million lire fund for discretionary allocation in connection with commencing initial projects. Some delay due to administrative difficulties has occurred. There is a similar difficulty in the financing of repairs to hydro-electric plants and power facilities generally for which a fund of 2 billion lire is contemplated.

40. As "black market" activities have extended to building materials, which are increasingly reflected in estimates submitted by Genio Civile, the Minister was urged to establish controls and maximum prices by promulgation of a decree or by some other method.

41. In SARDINIA the Public Works Sub-Commission has had no officer for the last three months and by January 1946 this position will apply to SICILY and CALABRIA.

42. A draft decree [illegible] increases in rates for water, gas and electricity [illegible] with other interested Sub-Commissions,

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Exact statistics of the number of persons unemployed and available for work are difficult to obtain. Though the ROME Provincial Labour Office registered 49,725 unemployed it is still an incomplete return. A conservative estimate of unemployed figures for the whole of LAZIO-UMBRIA Region is 125,000.

37. In ADRIATIC army territory there are 31 Labour Supply Offices in the area now in operation, in FLORENCE, PISTOIA, LUCCA and Highway 65, and they have altogether thus far furnished 7,161 men and women.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

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41. In SARDINIA the Public Works Sub-Commission has had no officer for the last three months and by January 1945 this position will apply to SICILIA and CALABRIA.

42. A draft decree covering increases in rates for water, gas and electricity (public utilities) was modified, in conjunction with other interested Sub-Commissions, but it has not yet been promulgated.

43. The general rehabilitation of water undertakings and some sewerage systems continued, water supplies to ROME City being almost back to normal standard.

44. The 50 million lire Pontine Marshes project (Bonifiche) made good progress, particularly towards prevention of further flooding along Route 7. Channels have been cleared, temporary dams built to replace destroyed floodgates and smaller pumping stations restored to service. The largest one (MAZZOCCHIO) remains useless, the enemy having removed all electrical plant. Similar works were executed in TOSCANA Region, viz. valleys river ARNO, SIEVA, ARBIA, CHIANA and elsewhere. Studies of the probable situation in PO Valley area continue in conjunction with Agriculture, Public Health and Industry Sub-Commissions. Portable pumping plant totalling 10,000 h.p. have been indented for, equivalent to 10% of installed plant now there. (In POLESINE area 90% of such plant found destroyed).

45. Special/.....

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45. Special works required by P.B.S. on Routes 1 and 7 (NAPLES - ROME - BRENNER) are begun. Urgent bridge works are in hand on Route 6 (ROME - CASSINO) preparatory to the removal of portable Bailey bridges urgently required by the Armies in the North. Access roads to air fields (FOGGIA area) were taken over from the U.S.A. Air Force Engineers on special request. Floods in North caused extra demands from military districts for diversions and bridge works. Bailey bridge replacements by more permanent structures continue regularly. Of all Bailey bridges in an area North of ROME 76% will be released by January 1945 and another 14% will be replaced by "ACROW" bridges (steel) now being manufactured in ITALY. In November 316 roads and bridges schemes (military) were in hand, value 620 million lire, 85 being completed during the month. The Sub-Commission approved 421 other schemes: viz. roads and bridges, public buildings, schools, debris clearance, public utilities including water works, housing etc., at a total cost of 332 million lire. During the month 275 such schemes were completed at a cost of 194 million lire. Projects dealt with independently by Italian Government totalled 330 end of October. Value 75 million lire.

46. About 20,000 K.V.A. generating equipment (electrical) restored to service, making total 300,000 in Central ITALY. 163 km transmission lines were restored and in APULIA-CALABRIA and TUSCANY Regions considerable similar works was done, as well as on small generating stations. The lack of transport and consequent lack of regular maintenance over a long period caused a serious transmission line breakdown in SOUTHERN Region. The electrical companies concerned were assisted by the Sub-Commission's personnel and special transport. Electrical Reconstruction Committee held first meeting, Lt.Col. LAWYER making reports on his mission to USA, UK and FRANCE. Planning to rebuild repairable power stations by end of 1945 was begun in conjunction with the principal electric companies and the Ministry of Public Works. Electrical construction supplies showed some improvement except for insulating materials. Some of these are now beginning to arrive by sea. The transportation problem of many Power Companies becomes more and more acute, handicapping both reconstruction and regular maintenance. The Ministry of Public Works has been asked to appoint a representative, located at HQ of Sub-Commission, to facilitate interchange of ideas, reduce correspondence and from time to time take over responsibilities.

47. Staff personnel was 71 in total, viz. 19 at HQ and 52 in Regions. The Director of the Sub-Commission, Lt. Col. JENNY, returned to duty from WASHINGTON and Lt. Col. LAWYER from LONDON.

SHIPPING SUB-COMMISSION.

48. The general situation is satisfactory. Vessels, except schooners, have operated smoothly and no particular difficulties have been encountered.

49. The schooner situation, however, has presented certain anomalies which continue to receive the attention of Economic Section, Mediterranean Shipping Board and the Italian Ministry of Marine. One of the main difficulties, now overcome, is the legalisation of CABOTAGE. This enabled the operating committee to come to satisfactory terms with the schooner industry.

50. Negotiations were continued during November on a freight tariff based on a ton mileage basis to cover all commodities. This tariff is now practically agreed [illegible] satisfactory methods hitherto in force. These

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[illegible], housing etc., at a total cost of 332 million lire. During the month 275 such schemes were completed at a cost of 194 million lire. Projects dealt with independently by Italian Government totalled 330 end of October. Value 75 million lire.

46. About 70,000 K.V.A. generating equipment (electrical) restored to service, making total 300,000 in Central ITALY. 105 Km transmission lines were restored and in ABRUZZI-MARCHE and TOSCANA Regions considerable similar works was done, as well as on small generating stations. The lack of transport and consequent lack of regular maintenance over a long period caused a serious transmission line breakdown in SOUTHERN Region. The electrical companies concerned were assisted by the Sub-Commission's personnel and special transport. Electrical Reconstruction Committee held first meeting, Lt.Col. LAPPER making reports on his mission to USA, UK and FRANCE. Planning to rebuild repairable power stations by end of 1945 was begun in conjunction with the principal electric companies and the Ministry of Public Works. Electrical construction supplies showed some improvement except for insulating materials. Some of these are now beginning to arrive by sea. The transportation problem of many Power Companies becomes more and more acute, handicapping both reconstruction and regular maintenance. The Ministry of Public Works has been asked to appoint a representative, located at HQ of Sub-Commission, to facilitate interchange of ideas, reduce correspondence and from time to time take over responsibilities.

47. Officer personnel was 71 in total, viz. 19 at HQ and 52 in Regions. The Director of the Sub-Commission, Lt. Col. JENNY, returned to duty from WASHINGTON and Lt. Col. LAPPER from LONDON.

SARDINIA SUB-COMMISSION.

48. The general situation is satisfactory. Vessels, except schooners, have operated smoothly and no particular difficulties have been encountered.

49. The schooner situation, however, has presented certain anomalies which continue to receive the attention of Economic Section, Mediterranean Shipping Board and the Italian Ministry of Marine. One of the main difficulties, now overcome, is the legalisation of CABOTAGE. This enabled the operating committee to come to satisfactory terms with the schooner industry.

50. Negotiations were continued during November on a freight tariff based on a ton mileage basis to cover all anomalies. This tariff is now practically agreed by all parties and supersedes the unsatisfactory methods hitherto in force. These tariffs [illegible] most erratic freight rates and will be a considerable help to schooner owners.

51. The tariff rates for carriage of goods by schooner will be approximately forty-five times greater than was laid down before the outbreak of hostilities in 1939. This [illegible] increased running costs, delays and rate of exchange.

52. During October, 4,814 weight tons of civil cargo was carried by Italian schooners and 1,200 weight tons by Italian coaster. In November 8946 weight tons and 3050 weight tons respectively were carried by schooner and coaster. Approximately 6900 weight tons of civil cargo was also carried by vessels under flags other than ITALIAN.

In view/.....

53. In view of the cessation of the present service between CAGLIARI and NAPLES a civilian service will be instituted. This service will be the first return to a regular shipping service run by the Italian Authorities for civilian cargo.

54. Schooners are still delayed unfortunately by cargo not being available against individual allocations. It is requested that all concerned give their particular attention to this point so that the maximum use may be made of those vessels which are available for the carriage of civil goods.

TRANSPORTATION SUB-COMMISSION.

Railways.

55. Military railheads have been almost static during the month. Weather conditions have caused damage to various tracks making movement difficult. A plan has been agreed with Director of Military Railway Services for the satisfactory rehabilitation of Italian Railways. This will place additional responsibilities on AC.

56. Fourteen engineering projects were in hand, ranging from long stretches of track to bridge work, and all projects when completed will assist in the distribution of essential needs of the community.

57. The question of a ROME - NAPLES passenger service continued to the fore, but limited track capacity and priority of military and food supply demands have so far prevented its introduction.

58. A violent cyclone in SARDINIA caused a train derailment on 8 November, when one person was killed. Locomotives in that island are being converted to burn Sulcis coal, thus restricting import of coal.

59. The work of wagon repairs has been stepped up to meet acute shortage of wagons.

Roads.

60. Three G.T. Coys were operating, viz: Nos. 1000, 1001 and 1004. The fourth G.T. Coy (No.1002) was made available by AFHQ and is reporting on or about 8 Dec.

61. The progress of ENAC has been very much retarded owing to the crisis in the Italian Government. As a result the revised haulage rates were not published and the formation of ENAC not completed.

62. During the month returns have been received from Regions with information concerning location of vehicles, present holdings, and additional requirements of maintenance, personnel, equipment, garages etc. These returns are now being consolidated and every endeavour made to meet requests still outstanding.

63. Three additional tyre repair plants in ROME have been requisitioned and re-established by this Section. These will assume operations as soon as requisitioned raw material arrives. The collective output of these will average 110 of various sizes a day.

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63. Three additional tyre repair plants in ROME have been requisitioned and re-established by this Section. These will assume operations as soon as requisitioned raw material arrives. The collective output of these will average 110 of various sizes a day.

64. One of the problems encountered by the 1st Truck Battalion was the lack of Control Vehicles. The civilian cars assigned were inadequate in number, not road worthy for operation in Army Forward Areas and difficult to maintain.

Shipment/.....

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Shipment.

65. Bad weather caused serious delays in schooner traffic during the month. The small vessels which are operating are confined to port whenever weather conditions are unfavourable. Many of them are under repair and winter conditions generally reduce the available tonnage. During November goods amounting to 8946 tons were lifted by schooner and 3950 tons by coaster.

66. All bids submitted to AFHQ during the month were accepted with the exception of 8600 tons phosphate rock.

67. A regular service from CAGLIARI to NAPLES was agreed with AFHQ and will start on 25 December. The S.S. ARBELLA has been selected for this ferry service and will do two round trips per month. Her capacity will be about 250 personnel and 1000 tons cargo.

68. CASTELLAMARE, CIVITAVECCHIA, SALERNO and CROTONE all worked satisfactorily.

General.

69. On 21 November the Clothing Section, Medical Supply Branch, Public Health Sub-Commission, was transferred to Transportation Sub-Commission.

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PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INFORMATION SUB COMMISSIONS.

POLITICAL SECTION.

1. November brought many important events of political significance. In spite of the Prime Minister's efforts to strengthen the Government and his pleas for unity early in November, the dissension within the Government and the dissatisfaction without continued to increase until it became clear that reconstruction of the Cabinet was a necessity. Consequently, on 25 November the Prime Minister submitted his resignation to the Lieutenant General of the Realm, thereby precipitating a crisis that was still unsettled at the end of the month.

2. Following constitutional procedure, the Lieutenant General proceeded to hold conversations with the Presidents of the Senate and of the Chamber, with leaders of the six C overnment parties, and with other political personages. These conversations were concluded on the evening of 29 November and shortly thereafter the Lieutenant General charged Signor Bonomi with the task of forming a new Government.

3. A number of factors had contributed to the political instability. Probably the most important was the realization by the old Government and the public that warfare in Italy will continue for some time and that the existing Government, instead of being an interim organization, as some had originally thought, would be called upon to take planned and energetic action for an indefinite period. The Government had been hanging together largely as a result of the agreement to co-operate which the several parties were attempting to maintain for their individual advantages, in spite of the bitter attacks they levelled at each other in the public press.

4. At the time of the resignation, it was rumored that the parties of the left had contributed to the instability by demanding that they be given the portfolio of Interior, War and Foreign Affairs and by asking for the removal of certain representatives of the moderate parties from the Government.

5. Elsewhere it was said that the President of the Council of Ministers had decided to form a Cabinet of technicians. The Communist paper, "AVANTI", was loud in denouncing such a possibility and called it an attempt "to exclude the Communists from the Government".

6. Subsequent to the resignation, Count Sforza was named Chairman of the group of C.L.N. representatives who had met to discuss a means of solving the crisis. It was said that he was slated for the Foreign Affairs portfolio in a new Government. However, Count Sforza resigned as Chairman, after a Committee of the C.L.N. had called upon the British Ambassador. According to SAC they were given to understand by the Ambassador that Count Sforza, would not be welcome to the British Government as a member of the new Italian Cabinet.

7. In spite of numerous contributory factors, it appeared likely that the resignation of the Government was caused primarily by the unwillingness of the President of the Council and of the moderate members of his Cabinet to accede to the demand for key ministerial posts by the Parties of the Left.

8. The announcement of the resumption of direct relations between Great Britain

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[illegible] Lieutenant General of the Realm, thereby precipitating a crisis that was still unsettled at the end of the month.

2. Following constitutional procedure, the Lieutenant General proceeded to hold conversations with the Presidents of the Senate and of the Chamber, with leaders of the six C overnment parties, and with other political personages. These conversations were concluded on the evening of 28 November and shortly thereafter the Lieutenant General charged Signor Bonomi with the task of forming a new Government.

3. A number of factors had contributed to the political instability. Probably the most important was the realization by the old Government and the public that warfare in Italy will continue for some time and that the existing Government, instead of being an interim organization, as some had originally thought, would be called upon to make planned and energetic action for an indefinite period. The Government had been hanging together largely as a result of the agreement to co-operate which the several parties were attempting to maintain for their individual advantages, in spite of the bitter attacks they levelled at each other in the public press.

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7. In spite of numerous contributory factors, it appeared likely that the resignation of the Government was caused primarily by the unwillingness of the President of the Council and of the moderate members of his Cabinet to accede to the demand for key ministerial posts by the Parties of the Left.

8. The announcement of the resumption of direct relations between Great Britain and Italy and the establishment of diplomatic relations by the United States, Russia and the Latin American countries with Italy has been followed by a considerable degree of diplomatic activity. At the end of November fifteen of the Latin American Representatives had advised the Italian Government of their intention to resume diplomatic relations and five of them, Brazil, Cuba, the Dominican Republic, Mexico and Peru have already appointed representatives.

9. The issuance of instructions to the patriots in the North by Field Marshal Alexander in which the patriots were asked to slow down activity due to the conditions of the winter campaign caused a large amount of public comment. In general the press called for an intensification of Government and Allied assistance to prevent collapse of all partisan activity, while the press of the Left urged recognition of the Committee of Liberation as "provisional government" in newly liberated territory.

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The Socialists in a subsequent resolution urged the recognition of the main Committee in enemy-occupied territory.

10. The arrest of General Mario Roatta and Colonel Bertolini, former Chief and member, respectively, of the Army General Staff brought again into public discussion the possibility of a full inquiry into the cause of, and responsibility for, the collapse of the Italian Army after the Armistice.

11. A very favorable public reaction resulted from the review of the re-equipped and re-organized Italian Army Units that was held when the Units passed through ROME on 24 November. Although the occasion was used by some of the parties as an opportunity to show their political banners, the splendid appearance of both personnel and material provoked favorable comment and no small degree of pride from the large number of spectators.

PUBLIC RELATIONS BRANCH.

12. While carrying on the usual routine work associated with daily press releases, daily digests of the Italian press, trend of correspondent's copy, weekly bulletin and arrangements for interviews and conferences on behalf of Allied, neutral and Italian correspondents, the Public Relations Branch was also increasingly occupied by questions arising from the resumption of Italian activity in the cinema, theatre, radio, and press agency fields, and the question of operation as it touches the Undersecretariat of the Press and Information and the parastatal agencies depending from it. As a result of protracted discussions, agreement was obtained from AFHQ for the establishment of a temporary Film Board to decide the various complex problems now arising with AC, PWB and Italian Government representation. After considerable discussion with AFHQ a plan for the future structure of the Italian radio was also put forward to AFHQ; a similar plan was laid before the Council of Ministers by the Undersecretary of the Press. Steps were taken to clear up the copyright difficulties existing over theatrical productions translated from English. Agreement was obtained from AFHQ to permit Allied Press Agencies to resume the input of news on 19 January and steps were taken to open the field similarly by Italian news agencies, provision being made against exclusivity.

13. A feature of the month was the delegation by the Allied Publications Board to the Italian Press Commission of all powers regarding the granting or revocation of licenses in territory under Italian jurisdiction, P.W.B. controlled papers remaining except from this control and the APB reserving the right of intervention on questions of military security or undemocratic practices.

14. The vexed question of accreditation and procedure for Italian war correspondents was finally cleared up, and a coordinating officer was sent with these correspondents to the Fifth and Eighth Army areas. An air tour was arranged for Italian civilian correspondents in Italian air units re-equipped by the Allies.

15. The work of the Archives section proceeded steadily, eight crates of documents being received from SICILIA Region. SOUTHERN Region is in process of sorting out obsolete records for evacuation.

NAVY SUB COMMISSION.

16. The general disposition of the Italian Fleet remains the same and the ships

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NAVY SUB COMMISSION.

16. The general disposition of the Italian Fleet remains the same and the ships continue to carry out useful work in the MEDITERRANEAN. The larger vessels have been used mainly as fast transports.

17. The Navy Sub Commission has received information from the Ministry of Marine, that the Italian organization of the ports of CIVITAVECCHIA, SAN STEFANO and PIOMBINO is proceeding satisfactorily. The three ports were recently returned to Italian control and the full administrative and operational responsibility is now vested in the Ministry of Marine.

18. The Ministry has announced its intention of establishing a Port Division in its offices in ROME which will be under the direction of a Senior Naval Officer and which will co-ordinate all matters in those ports which have been or which will in the future be returned to Italian Navy Control. In the larger ports the local Italian or-

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gendarmerie will be in charge of a Naval Commander of appropriate rank. In the smaller ports, such as SAN STEFANO, the Tenente di Porto or Harbourmaster will be in charge. The representatives of the Ministry of Marine appear to have accepted their new responsibilities in the ports enthusiastically and have undertaken the necessary arrangements in a business-like manner. It is hoped that it will be possible for the Ministry of Marine to obtain an estimate of the amount of Allied traffic expecting to use the ports so that necessary arrangements can be made by them for labour and equipment.

19. One of the main difficulties regarding the supply of Naval Stores to the Italians is that no central storing system exists in the Italian Navy. The Ministry of Marine has recognised the disadvantage of its departmental system however, and it is understood that it is setting up a central stores department which will co-ordinate the demands of the various departments of the Ministry. It is worthy of note that this step is being taken quite spontaneously by the Ministry of Marine.

LAND FORCES SUB COMMISSION (M.M.I.A.).

20. During November the FRIULI and CREMONA Combat Groups completed their re-equipping and preliminary training in the BENEVENTO Area. Inspections were made by H.R.H. Prince UMBERTO of PIEDMONT and by Field Marshal Sir Harold ALEXANDER who told the commanders he was impressed and well satisfied, and that the Groups would form part of his Group of Armies and be treated in the same way as those of all the other nations fighting under him. Some anxiety was experienced over the standard of training of motor drivers and other mechanical specialists which has resulted in considerable damage to equipment; extra British personnel were provided to raise the standard. Towards the end of the month both Groups moved forward to come under command of British 1 District and 10 Corps respectively for higher training before going into the line. During the moves each Group provided a representative column of 1500 men and 200 vehicles to march through ROME as evidence to the citizens of their existence. They were given an enthusiastic reception from large crowds in spite of the efforts of the younger generation to turn the event into an excuse for expressing their political views. H.R.H. Prince UMBERTO took the salute of the FRIULI combat group on 24 November but was prevented from doing so in the case of the CREMONA group by the government crisis.

21. LEGNANO and FOLGORE Groups remained in the CASIA Area reorganized on the new basis but awaiting their equipment and vehicles - modified training scales only of which have been received. There was some discontent over clothing and lack of blankets and boots but this situation improved towards the end of November when equipment was released in greater quantities.

22. MANTOVA Group remained in the host and completed its reorganisation in time to move to BENEVENTO Area at the end of the month to relieve the FRIULI and CREMONA Groups. Training scales of equipment are due to be released during the first week in December. The SIU has been formed and is functioning.

23. PISTOIA Group is still under discussion and its future was changed many times during the month. The latest decision is that 3,000 of its officers and men should be loaned to the Allied Commission for Carabinieri duties until 15 February 1945. It is undecided whether the remainder is to join the nucleus of the Sixth Combat Group, be used as a reserve holding Group, or be disbanded and converted into a Replacement Training Depot.

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21. LEGNANO and FOLGORE Groups remained in the CAPUA Area reorganized on the new basis but awaiting their equipment and vehicles - modified training scales only of which have been received. There was some discontent over clothing and lack of blankets and boots but this situation improved towards the end of November when equipment was released in greater quantities.

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24. Reinforcements for the Combat Groups are being provided from call-ups in various parts of Italy and a Depot has been established at TERNI (N.E. of CAPUA). The problem of equipment, training facilities and future location for this depot has not yet been solved, though considerable attention was given to it during November.

25. Auxilliary units which were to be formed for the first two Groups are now ready to accompany them to the forward area. The rest are slowly forming alongside their respective Groups but their equipment presents a difficult problem.

AIR FORCES SUB COMMISSION. 4909

26. The Italian Air Force continues to support the Allied war effort in active

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operations over the BALKANS. The scale of effort during November has greatly exceeded that ever achieved before. This has been due partially to the arrival at operational bases of squadrons equipped with Allied types of aircraft which have been under training during the past months, and partially to an increase in serviceability.

27. Fighter Wing: The whole of the Italian Fighter Wing is now fully operational. The number of sorties carried out by the Wing is an all time record, and considerably in excess of that ever carried out before. Enemy transport has been damaged or destroyed, and a considerable weight of bombs has been dropped by fighter bombers on important targets. Unfortunately this effort has not been carried out entirely without loss.

28. Seaplane Wing: There has been little demand of an operational nature on the activities of this Wing, and the number of sorties carried out shows a considerable reduction. Permission has been granted by H.Q. M.A.A.F. for a limited number of the aircraft of this Wing to be used on transport service, and preparation of the bases for this service is now being actively carried out. The air sea rescue commitment still remains, but during the month few sorties have been carried out and there have been no results.

29. Light Bomber Wing: One of the squadrons has been on active operations and has carried out a number of sorties, it is claimed, with average results. Half the second squadron is at its operational base and the other half is held up by weather conditions, but will move to the operational base as soon as these improve.

30. Bomber Transport Wings: In spite of difficulties through serviceability of aircraft more sorties were carried out during November than in October, and a satisfactory weight of supplies was either carried or dropped.

31. Progress has been made in the formation of the school, and the aircraft and personnel are now located on the training airfield. Training flying at the school has actually started, but because of the considerable surplus of trained crews it has not been found necessary to carry out any intensive flying, and the main effort has been devoted to the improvement of serviceability.

32. The serviceability of the Italian Fighter aircraft again shows an increase which is greatly to the credit of all concerned. In spite of considerable technical difficulties the serviceability of the Bomber Transport aircraft has improved slightly compared with October. The initiative, ingenuity and hard work of the technical personnel and ground crew of this Wing is most praiseworthy. The serviceability of the Light Bomber Wing is good and demonstrates the ability of the Italian technical personnel to keep these aircraft in a serviceable condition.

33. The situation as regards manpower is unchanged, but the I.A.F. is making a substantial contribution to both the R.A.F. and the U.S.A.A.F.

34. It is regretted that the question of an increase of rations for aircrews is still not settled. A visit by a Staff Officer from H.Q. M.A.A.F. Rear, has been made and certain definite recommendations have been forwarded by that H.Q. to higher authority, and it is hoped that these will have some result in the immediate future.

35. The morale of the Italian Air Force still remains high. A special message of congratulation was received by the Fighter Wing from the Air Officer Commanding, Italian Air Force, for their operations during the early part of the month.

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30. Bomber Transport Wings: In spite of difficulties through serviceability of aircraft more sorties were carried out during November than in October, and a satisfactory weight of supplies was either carried or dropped.

31. Progress has been made in the formation of the school, and the aircraft and personnel are now located on the training airfield. Training flying at the school has actually started, but because of the considerable surplus of trained crews it has not been found necessary to carry out any intensive flying, and the main effort has been devoted to the improvement of serviceability.

32. The serviceability of the Italian Fighter aircraft again shows an increase which is greatly to the credit of all concerned. In spite of considerable technical difficulties the serviceability of the Bomber Transport aircraft has improved slightly compared with October. The initiative, ingenuity and hard work of the technical personnel and ground crew of this Wing is most praiseworthy. The serviceability of the Light Bomber Wing is good and demonstrates the ability of the Italian technical personnel to keep these aircraft in a serviceable condition.

33. The situation as regards manpower is unchanged, but the I.A.F. is making a substantial contribution to both the R.A.F. and the U.S.A.A.F.

34. It is regretted that the question of an increase of rations for aircrews is still not settled. A visit by a Staff Officer from H.Q. M.A.A.F. Rear, has been made and certain definite recommendations have been forwarded by that H.Q. to higher authority, and it is hoped that these will have some result in the immediate future.

35. The morale of the Italian Air Force still remains high. A special message of congratulation was received by the Fighter Wing from the Air Officer Commanding, BALKAN Air Force, for their operations during the early part of the month.

36. The political crisis which occurred in the last week of the month has naturally had its effect on the Italian Air Force, but so far this effect seems to be less far reaching than usual, and at any rate in so far as the operational units are concerned they are putting their active aid to the Allies first.

37. The question of defascistion is still highly unsatisfactory.

COMMUNICATIONS SUB COMMISSION.

35. Telecommunications.

(a) Telephone Exchanges were repaired or installed and brought into use

in: FIUGGI, ANZIO, VENTRAIA, TUSCANIA, LORIANO, NARNI, AMELIA, ACQUASPARTA, TODI, MONCIGLIONE, ASCONA, JESI, OSIMO, CASTELFIDARDO, LORETO, SENIGALLIA, PRATO and FOGGIA. Circuits were completed from ROME to TRENTI (additional), RIETI, ANZIO, AQUILA (additional) and between many towns in the UMBRIA-LAZIO, ABRUZZI-MARCHE and TOSCANA Regions.

(b) Telegraph. Many additional offices have been connected to the telegraph network, and between 50% and 80% of offices in the forward provinces in the authorised zone are now open.

The pneumatic tube distribution system for the telegraph service in NAPLES has been restored.

Many conferences, in which the U.S. and British Embassies took part, were held in an attempt to reach an agreement on the conditions for opening of a radiogram and cablegram service to the U.S. and U.K., but no decision was taken.

39. Postal.

(a) Commercial correspondence was authorised in the U.S. and U.K. with certain restrictions, and the weight limit for this class of correspondence has been increased from 240 grams to 1 Kilo.

(b) The overprinting of large stocks of certain denominations of Fascist Republican stamps was agreed with the Italian Government and 80 bags of stamps and postcards were sent to FLORENCE in readiness for extension of services.

(c) The withdrawal of the Italian Naval ship service to SARDINIA has made postal connection insufficiently frequent. A merchant ship service now carries correspondence only bi-monthly, though urgent official and air mail stamped private correspondence is being taken by air.

(d) The forms originally intended for International Red Cross messages to civilians in enemy occupied territory many now be used for Italian soldiers in GERMANY. Previously these men could not receive any mail as the Germans refuse to let them be considered entitled to Prisoners of War treatment.

(e) The foreign mail letter traffic now totals about 15 tons a month, of which about 10 tons is P.O.W. mail. This is approximately 3 million letters a month.

WAR MATERIALS DISPOSAL AND ITALIAN P.W. SUB COMMISSION.

40. War Materials Disposal.

In respect to the War Material Disposal side few words should suffice to explain what covers a considerable amount of constructive effort and planning.

41. The main problem of the month was in connection with transference of salvage material between the Commission, PRO and British Salvage. Opinion was divided as to whether Commerce Sub Commission should handle directly all material offered by salvage agencies or if it should in the first instance go through the War Material Disposal Sub Commission. The question is still under consideration and a decision awaited.

42. The day to day work of the Sub Commission included the inspection of all the

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42. The day to day work of the Sub Commission included the inspection of all the goods yards in ROME Area with a view to clearing material, (mostly salvage) from loaded trucks. After inspection a number of trucks containing machinery etc. were despatched to factories in agreement with Industry Sub Commission. Other material for it was impossible to dispose of was sold on the public market and 20 railway trucks and wagons were thus made available for Movements.

43. Seventy derelict MT vehicles which had been recovered and brought into ROME Area were inspected. It was found possible to make eleven available to Italian Ministry of War and nine to LAZIO-UMBRIA Region, Transportation Division. The 4908 vehicles will, in due course, after repair, be back on the road again.

44. A considerable number of jerricans were returned through the Sub Commission to the Petrol Section of RAAC.

ITALIAN PRISONERS OF WAR.

45. The work of the Italian Prisoners of War Division of the Sub Commission was centered on the adjustment of past policy to meet new directives, the continuation of Italian Prisoners of War repatriations, the co-ordination and control of Italian Prisoners of War repatriated to fill specific appointments in Italian Government and local administration, and the study of a plan for the ultimate absorption by Italy of over one million and a quarter of the male population who are now Prisoners of War. In the carrying out of these duties, the Sub Commission was ever cognizant of the necessity to avoid or give rise to such questions as might cause political issue or agitation on the subject of Italian Prisoners of War.

46. On all questions of Italian Prisoners of War the Sub Commission stipulated that the main issue was for all Italians to understand how essential it was that Italian Prisoners of War should contribute the maximum possible to the war effort.

47. The Sub Commission has always worked on the lines that the Italian Government should assume the maximum amount of responsibility in connection with Italian Prisoners of War and by gradually making the problems relative to Italian Prisoners of War, Italian Government problems rather than ones for the Commission, a considerable amount of unnecessary work should in due course be eliminated. In accomplishing this the relationship between the Sub Commission, the Italian High Commissioner for Prisoners of War and the Undersecretary of State for War has continued to be cordial and understanding. On the 8 November, the Italian Ministry of War set up a new branch called Autonomous Office for Veteran Prisoners of War and Repatriated soldiers. It is too early to express an opinion as to how this department will carry out its function: so far it has been entirely satisfactorily.

48. Detailed work of the Prisoner of War Sub Commission included sorting and forwarding to the High Commissioner for Prisoners of War semi-monthly allotments by Italian co-operators to their families in Italy, the total amount of allotments made for November being 6,106,000 lire, balances due to repatriated Italian Prisoners of War amounting to 3,600,000 lire were also forwarded to the Italian High Commissioner for Prisoners of War to pass to the Italian Ministry of War for payment.

49. The final decisions in respect of liability for the payment of the repatriation balances, is still unsettled.

50. Complaints on conditions of Italian Prisoners of War in INDIA, 136 individual enquiries concerning the health of Italian Prisoners of War whose families had not heard from them for over 6 months, the despatch of 6,500 copies of Notizie Nazioni Unite daily to Prisoners of War in NORTH AFRICA, and the forwarding of Italian packages to Prisoners of War in SARDINIA and CORSICA were all duties carried out during the month.

51. Repatriations during the month of November totalled 1,141 and a return of approximately 2,400 Italian Prisoners of War during December has been arranged. Requests for repatriation of 3,556 Italian Prisoners of War were passed through the Sub Commission during November. During the previous month the Sub Commission has in conjunction with PWB been able to inform the Italian public both by radio and through the Italian press the numbers and names of the Italian Prisoners of War who have been repatriated. The Sub Commission originated a bi-weekly radio program giving the names of the recent repatriated Italian Prisoners of War and certain other information which would help to give peace of mind to Italian families regarding their prisoners of War. The work in connection with this radio

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52. The staff of the Italian Prisoners of War Division of the Sub Commission working on the plan for the mass repatriation of all Italian Prisoners of War are completing their study on this subject. The object has been to find ways and means of returning these Prisoners of War to ITALY so as to cause as little discontent and unhappiness as possible. Throughout the study the heads of the other Sub Commissions and different parties of the Italian Government have been consulted and discussions with those most interested in the Vatican are also taking place. The report on this plan should be ready for consideration within the next few weeks.

Elbert W. Stone

ELBERT W. STONE
Rear Admiral, USNR
Chief Commissioner

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28 DIC 1944

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HEADQUARTERS ALLIED COMMISSION
APO 394

Ref: 625/008.

MONTHLY REPORT

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PART I.

AMG FIFTH ARMY.

1. During the month very little advance was made in the difficult mountainous country of the APPENINES. In all, about a dozen new communes were occupied in the Provinces of BOLOGNA, RAVENNA and FORLI. The four Provinces of PISA, FLORENCE, LUCCA and PISTOIA remained under command of AMG FIFTH Army throughout the month. Half of LUCCA Province and one commune in PISTOIA were still in enemy hands at the end of the month, while the liberated parts of these Provinces were for the most part full of tactical troops.

2. In the interest of good administration TOSCANA Region specialist officers have been encouraged to work in the Army area on long term problems and are in fact handling Education, Engineering, and certain phases of Economics.

3. Six Provincial teams of TOSCANA and EMILIA Regions have been under command, waiting to operate in their own areas, and during the month five other teams for Northern ITALY were added.

4. Because of the special eminence of TUSCANY in this field, Fine Arts have been of greater importance than ever before. Considerable progress has been made in repairs to the Campo Santo at PISA and the restoration to FLORENCE of paintings and sculpture, which had been taken elsewhere for safety.

5. In FLORENCE the chief interest has been over the food and fuel supply, which are both still far from satisfactory, and the political-constitutional struggle between the Prefect and the Committee of Liberation, in which important issues of national importance were raised. At one time the political atmosphere was lively but things had quietened down by the end of the month.

6. In PISA life is still paralyzed by the physical destruction and mining of the city and the grave housing shortage, which is further aggravated by large scale requisitioning of accommodation for military units.

7. Public morale generally was far from high, largely owing to the present inferiority of physical living conditions as compared with those prevailing under German occupation. While the people are in general friendly towards the Allies, empty bellies and economic distress are submitting this new friendship to a severe test.

8. In the towns the food situation was bad. There were demonstrations during the month in FLORENCE, PISTOIA and PISA, in each case dispersed without much difficulty. LUCCA and PISTOIA Provinces both ran out of locally produced grain and PISA will do so early in the New Year. There are a large number of towns in the area economically dependent on industry and in these the shortage of groceries and animal products caused severe hardship.

9. Much of the wheat crop on the Southern side of the APPENINES has been lost as a result of military operations. The shortage of livestock hampers autumn planting and precludes the distribution of any dairy products in the cities. Prospects for the olive crop are good.

10. Some 1000 refugees were sent South during the month. With the slowing down of

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10. Some 1600 refugees were sent South during the month. With the slowing down of the advance and the onset of bad weather, both of which make necessary the accommodation in buildings of large numbers of troops, it is expected that large-scale evacuation from forward areas will soon start.

AMG EIGHTH ARMY.

11. The Province of AREZZO was handed over to Regional administration on 21 October and it has been arranged that the Provinces of LUCCA and PESARO will be handed over to ABRUZZI-MARCHE Region on 1 Nov.

12. The new territory captured by EIGHTH Army can be divided into two geographical categories :

(a) The low lying/.....

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(a) The low lying agricultural plain in the triangle RAVENNA - RIMINI - FORLI, which is rich agricultural land producing grain, sugar beet and market garden produce. There was considerable damage to dwelling houses in this area and a very large portion of it is now under water as a result of the destruction of dykes, retaining walls and pumping stations.

(b) The mountain territory lying directly south of Route 9 and forming the most northerly ridges of the APENNINES. Here there was heavy damage to some of the villages and an almost complete destruction of the bridges which cross the not inconsiderable rivers running down to the PO Valley.

13. From the above description it will be appreciated that damage generally was heavier than in the past and that the outlook for the coming winter is extremely gloomy. The progress of troops has become slow and the war may almost be stated to be in a static phase, with large numbers of troops seeking winter quarters in the much reduced number of available houses. To this must be coupled great destruction caused by flooding on farm land, with the resulting impossibility either of harvesting this year's crop or of sowing next, and the difficulty of transporting such supplies as there are over bridgeless roads.

14. Committees of Liberation were met with in all newly captured areas but no particular difficulty was found in dealing with them. Prefects of all Provinces operated satisfactorily and Sindaci and Giuntas functioned in the communes of ANCONA Province, as well as in all but the ten most northerly towns in PESARO Province.

15. Miscellaneous food supplies from ANCONA and flour from SENIGALLIA were brought up to the advanced base supply depot at RIMINI. Special issues of grain were authorised to consumers in the Provinces of ANCONA and PESARO, where much of the wheat crop was lying unthreshed in the fields until an unusually late date. Measures were taken in FORLI and RAVENNA Provinces to supplement the very inadequate diet of the civil population by a properly organised distribution scheme for fruit and vegetables, which are plentiful in the plain.

16. The Civil Police performed excellently during the month in keeping the main Army roads free of civilian traffic.

17. Operation of tented refugee camps was greatly handicapped by the weather, which also made it more difficult to move displaced civilians to neighbouring communes. In all 8326 civilians were evacuated through AD camps, of which 1890 passed through a camp in FIFTH Army area. The necessity of housing troops in an over-crowded and damaged zone may mean that a considerable number of refugees will have to be evacuated South.

18. All troops have now evacuated the Republic of SAN MARINO. Supplies of food and medical stores have been arranged for the Republic.

SICILIA REGION.

19. The tide of unrest caused during the early part of October by shortage of food, the rising prices of essential commodities, unfulfilled expectations as to increases in pay and the general inability of the local administration to control the situation culminated in an unpleasant incident at PALERMO on 19 October, when troops opened fire on and used grenades against a crowd (from which a bomb is reported

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16. The Civil Police performed excellently during the month in keeping the main Army roads free of civilian traffic.

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20. Many misrepresentations of the incident appeared both in the press and elsewhere, where the impression was sometimes given that a serious battle between strikers and the Italian armed forces had occurred, or that an attempt had been made by the Separatists to initiate violent action. It seems clear that the causes of the trouble were in the main economic and that, though the situation at the time was tense, had the forces of law and order been properly employed bloodshed could have been avoided or at least only a few casualties caused. Though excitement subsequently ran high in the city of PALERMO for some days and strong patrolling of the streets was necessary, the situation by the end of the month was outwardly calm and normal. Throughout the rest of the Island the situation was not abnormal, though there was continuous agitation against the low rate of wages and the high cost of living.

21. During the month the separatists held a congress at [illegible]. The meeting was orderly but it appears that the movement is gaining strength. The congress was attended by some 250 individuals, mainly from CATANIA, MESSINA and PALERMO. Although the delegates held different political views there was complete unanimity over the fundamental aims of the movement.

22. Food and its price continue to dominate everything, while the approach of winter makes the lack of clothing, material and of shoes most serious. Workers would prefer a stabilisation of prices at a reasonable level rather than a rise in wages, which may tend to drive prices still higher. Efforts are being made by the local administration to bring prices down and to exercise some rigid form of control but the shortage of commodities, the operations of those interested in keeping black market prices high, non-observance of laws and regulations and the inefficiency of the lower administration make the problem most difficult.

23. Grain availability, which has a disturbing influence on the whole situation, is most serious as present stocks will be exhausted by the end of the year and no plan has as yet been made to meet this situation. It is estimated that about one million quintals have not been amassed. Unfortunately activity in enforcing the amassing laws was seriously hampered by the PALERMO disturbance on 19 October. Black market prices of bread and pasta are rising steadily.

24. Communal soup kitchens are being set up in all the larger towns. Soup kitchens sufficient to feed fifteen thousand poor people will shortly be functioning in PALERMO.

25. Preparations have been made for the reopening of the schools on 4 November, but many school buildings are still occupied by the military, either Allied or Italian, and many others are uninhabitable due to war damage. Certain buildings are occupied by refugees but the utmost is being done to return these to the schools.

SOUTHERN REGION.

26. The Region continues to give day-to-day assistance to Allied forces. Amongst other routine work more than 2,000 civilians were found alternative accommodation in MATERA Province to make room for Allied troops.

27. During the month a large number of activities were handed back to Italian control, including two cement and two brick works, distribution of drugs, control of certain industries such as soap, repairs to power stations and the operation of public utilities etc. At the provincial level the Italian authorities are functioning fairly well but they complain of a lack of guidance from their Government in ROME.

28. The political position continued to be confused but the activities of the various parties were under reasonable control. The Communist Party was stimulated by a visit of the Russian Trade Union delegation. The Socialist Revolutionary Party declared itself against the parties of the Committee of Liberation and also sponsored the newspaper "Pensiero Rosso". The great mass of the people, however, remained indifferent to the political situation and were more concerned with the problems of food and clothing for the winter. Fears for the future persisted, fear that the Italian currency would collapse and that the withdrawal of the Allies from ITALY would result in chaos.

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29. As regards local government, the low salaries of all grades of state and municipal officials and employees was a subject of complaint, and inaction at ROME caused irritation locally and created a deepening mistrust.

30. The main difficulty in connection with the food supply was still transport. Fruits and vegetables were plentiful in producing areas but scarce elsewhere. The situation remained unchanged insofar as rationed items and free market goods were concerned. SICILY exported 27,000 tons of grain and flour to other Provinces during the month and 4,300 tons of wine were transported by ship from [illegible] to ROME.

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31. Total grain collections reported up to 29 October were 3,611,666 quintals of wheat and 305,792 of barley. Provincial grain collection committees were requested to submit plans for action to bring in as much additional grain as possible.

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32. Prices in general rose and in NAPLES today are double those of a year ago.

33. New olive oil control officers, in training at FOGGIA, seized on their first effort 9 quintals of wheat, a truck with a false bottom containing two quintals of oil and 80 gallons of Allied petrol.

34. The promise of an increased food ration for civil police agencies resulted in a marked uplift in morale. A number of crimes of violence, mostly committed jointly by deserters from Allied Forces and civilians, were reported in outlying districts of NAPLES Province. Operations of all police agencies against the black market were continued with success.

35. The local Housing Commission in NAPLES commenced a programme of house repair, in conjunction with the Genio Civile.

36. As regards public health, Italian smallpox vaccine was found to be defective and it is not now clear how many of the 1,300,000 persons vaccinated in NAPLES area have actually been immunized.

LAZIO-UMBRIA REGION.

(A) ROME City.

37. Both the general population of ROME and others entitled to rations in ROME received their quota of rationed food during October, with only slight exceptions. The issues were within 2% of the ration entitlement, a considerable improvement on September. The distribution of foodstuffs available in ROME no longer presents a major problem but transportation difficulties hinder the bringing in of food.

38. Labour made "strike talk" more often during October. Organised labour in ROME is getting stronger and finding its voice. A half-hour strike to take place on 31 October was proposed by the ROME Chamber of Labour, but was later called off.

39. The City Sindaco has formed a Committee for Coordination of Technical Services, the initial meetings of which indicate constructive and helpful cooperation.

40. Police agencies have worked better during the month but are still short of food, boots and clothing. However, the increase as from 1 November of the rations of Metropolitani, Finance Guards, Prison Guards and Fire Brigade personnel to a similar scale to that of the CC.RR is appreciated by the men and should still further improve efficiency.

41. Although crime decreased in October there has been a number of hold-ups and robberies after dark, against which concerted drives are being made by the civil and military police.

42. Public health has remained good. Typhoid cases have decreased to about seven daily and will decrease further. Infant mortality, which was high, has also improved as has the malarial situation, the cases in ROME city and Provinces having dropped to 110 a week. The only concern at present is the supply of chlorine for the water of ROME, but is is hoped that adequate future supplies will soon be available.

43. At the end of the month 235,700 daily bowls of soup were being served in industrial kitchens.

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[illegible] and Genio Civile.

36. As regards public health, Italian smallpox vaccine was found to be defective and it is not now clear how many of the 1,300,000 persons vaccinated in NAPLES area have actually been immunized.

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44. Schools were due to open on 6 November. The situation as regards de-requisitioning of schools is still unsatisfactory but is improving.

45. There was no marked change in the black market where food still appears to be plentiful. Prices have not been increased.

46. A control post has been established North of ASCOLI in LAZIO Province in order to expedite the delivery of potatoes to the general markets in ROME.

47. Detailed instructions for the formation and operation of truck pools have been prepared and translated into Italian. Provincial Commissioners have also been contacted in connection with the formation of provincial pools.

48. The unblocking of uncontrolled materials has proceeded according to plan. As from 1 November the Italian Government will assume responsibility for controlled materials in Liberated Italy with a few exceptions.

(B) PROVINCES./.....

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(B) PROVINCES.

49. Lack of transportation and communications are primarily responsible for failure to improve the supply situation. In many instances Provinces had on 1 October sufficient of certain foodstuffs to make the prescribed distribution but failed to do so for one or other of the above reasons.

50. Housing is a serious problem which the Italian Government has not successfully tackled.

51. The official scheme for dealing with landmines is now in the training stage, In the meantime one company has picked up a few and is helping to clear power lines etc. A small band of volunteers has also collected some eight thousand in FROSINONE.

52. Two new Prefects took office during the month. The change in LITTORIA was a great improvement and in VITERBO it seems likely that the high standard already reached will be maintained. Good progress is being made by the Italian Government with building up the rest of their provincial administration.

53. The main task in industry was the unblocking of various commodities. TERNI, the only industrial center in the Provinces, showed remarkable progress.

54. The transportation of seed wheat was the main agricultural problem of the month, and a reasonable degree of success was achieved.

55. Ploughing is behind schedule owing to bad weather and POL shortage. The collection of grain is still progressing well, with over-flowing granaries as one of the difficulties. 94% of Allied Commission goals was reached by 23 October.

56. The revival of the fishing industry is showing slow progress.

57. In the labour field, so long as the Italian Government does not hold up the release of funds for public works there will be no great unemployment problem. Provincial Labour Offices are in operation.

58. The only reports of serious crime come from Provinces where there are bands of Allied deserters but these are not widespread.

59. The proper equipment of Carabinieri is extremely urgent if public order is to be upheld.

60. A seasonal decrease in malaria and typhoid is general but VITERBO reports concern over tuberculosis and LITTORIA over scabies.

61. Heavy rains and the removal of Bailey bridges for more urgent military needs have made travel by road increasingly difficult. All Provincial capitals except FROSINONE are now in signal communication with ROME.

ABRUZZI-MARCHE REGION.

62. Political activity was more widespread, with meetings throughout the Region, chiefly of a communist nature. The Christian Democrat party was reported to be in the lead with numbers but the Communist party was well to the fore with propaganda.

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62. Political activity was more widespread, with meetings throughout the Region, chiefly of a communist nature. The Christian Democrat party was reported to be in the lead with numbers but the Communist party was well to the fore with propaganda.

63. Welcome changes continued to be made in the Italian local government personnel. Prefects were co-operative and were beginning to take their full share of responsibility. A provincial epuration committee was set up in ANCONA and PESARO Provinces.

64. Collection of grain slowed down considerably in the last half of the month, especially in those Provinces handed over to the Italian Government. The weather was very bad and it may be that this was the reason. Collection was, however, approaching the target figure.

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65. While the supply of salt improved, the olive oil position has deteriorated. The olive oil allocation for October and November had not yet been received. Up to the date of handing over AQUILA Province to Italian administration potatoes were coming in faster than they could be transported.

Civilian/.....

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66. Civilian labour offices were organised in all Provinces except in ANCONA and PESARO. There were no widespread clashes between employers and employees but dissatisfaction continued regarding the relationship of wages to purchasing power.

67. Work continued on the reconstruction of roads and bridges, though such work was hampered by bad weather latterly.

68. A number of plans for the rebuilding of schools, government offices, etc., were approved, the largest of which was the reconstruction of the AVEZZANO Prison at a cost of L. 2,400,000.

69. Some 41,000 mines were removed during the month from the Provinces of CHIETI, PESCARA and TERAMO. There is still a great amount of clearance to be done. This is also the case in PESARO Province, from which area the battle has only recently gone forward.

70. An improvement in the electricity supply is expected shortly, when it will be augmented by an allotment of power from Southern Region.

71. The Region continued to be free from serious crime and no large black market activities are reported. The political demonstration staged at ORTUCCHIO appeared at one time to be formidable. It was firmly handled by the Carabinieri and it is not thought that another such outbreak is likely to occur.

72. The health of the population is satisfactory and twenty tons of medical supplies received will be of great benefit.

73. The majority of the schools have been reopened, with the exception of those in the Provinces of PESARO-URBINO. Reopening in the Northern Provinces was hampered owing to the lack of accommodation, the schools having either been destroyed or occupied by the Army. New Rectors were elected in the three Universities of the Region and examinations were being held prior to reopening.

74. About 1,300 refugees were received from the forward areas and dispersed in the Provinces. The organisation for their reception and dispersal functioned admirably and no difficulties were experienced.

SARDINIA REGION.

75. General progress was made towards all round better cooperation and improved administration, the improvement being reflected in the absence of serious reaction following the reduction of the workers' food ration. Although the reduction was considerable and affected more than 200,000 workers there were only five food demonstrations in September and October against seventeen in the two previous months, but although the change has been accepted in good spirit, anxiety is not over as the grain collected on the Island will only maintain the ration until mid-December. 7000 tons of imported grain will then be required by the 15th of each month. This calculation is based on the assumption that locally assessed grain will amount to 300,000 quintals. At the end of October just over 276,000 quintals had been collected and an energetic drive to reach the target figure continued.

76. A serious factor in the food situation is a universal lack of sugar.

77. The political situation remained comparatively quiet. On 15 October the [illegible] and the Italy Junior Party was announced. The

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77. The political situation remained comparatively quiet. On 25 October the fusion of the Sardegna Action Party and the Italy Action Party was announced. The Communist Party had an opportunity to show itself as an organised group during the visit of the Russian Labour Delegation, at whose meetings it was prominent. Other visitors included Dott. CORBI, the Socialist Under-Secretary for Marine and EMILIO LUSSU, the leader of the Action Party, who on this occasion came in connection with welfare matters and not politics. Summarising political trend taken on the Island, there is an expressed desire for greater administrative autonomy under the High Commissioner but there is no real separatist movement.

78. The functioning of the SARDINIA Courts of Law is again causing anxiety. There is an accumulation of over 16,000 cases awaiting trial and more than 1400 prisoners in jail awaiting trial. Despite this congestion, which continues to grow worse, the additional Judges sent to the Island have been removed.

Progress/.....

79. Progress was made in the release of 611 time-expired prisoners at ASINARA Penal Settlement; 352 of these, whose homes were in Southern Italy, were embarked for the mainland on 29 October. One of these men said that he had completed his sentence sixteen months ago and another protested that his crime had been anti-fascist activity. There are still 250 men imprisoned in this Settlement who have completed their sentences.

80. Rain fell during the month and cultivation is well forward; barley and oats for forage have already been sown in many districts and the preparation of land for wheat is well forward. Prospects for the olive crop continue to be good.

81. Clearance of badly bombed CAGLIARI is a tale of slow progress, due to lack of transport to remove debris. Repairs to schools and public buildings are in hand.

82. 25 cases of armed robbery were reported during the month, whilst organised banditry continues in NUORO. A shepherd's vendetta resulted in the wanton slaughter of 600 sheep.

83. There was no unusual trend in Public Health except for an epidemic of typhoid in ORUNE, which has subsided.

TOSCANA REGION.

84. At the end of the month Regional Headquarters were obliged to move from SIENA in order to make room for an operational HQ. FLORENCE was the obvious centre but it proved impossible to find accommodation and the HQ had perforce to move to LUCCA.

85. The slowing up of the Armies' advance caused unavoidable congestion in the area close behind the fighting line, resulting in increased demands on stocks of food, fodder, accommodation etc. The widespread destruction to communications added to the difficulties experienced.

86. The various political parties continued to play for position, but on a reduced scale. Public morale generally was good. The necessity of requisitioning buildings to house troops caused concern in some areas, notably in AREZZO and LIVORNO, where anxiety was aggravated by a number of crimes committed by troops against civilians.

87. Local government functioned well in SIENA and GROSSETO. Communal Committees for Aid to Patriots were established in LIVORNO and though in AREZZO no Sindaci have as yet been confirmed, all Northern communes are gradually being brought into the governmental administration.

88. There is ample lignite in AREZZO and GROSSETO Provinces and in the latter there is a good supply of charcoal, pyrites, pelts, wheat, oats, and olive oil when harvested. Shortage of sugar, however, will probably be seriously felt. A comprehensive programme to supply the Northern Provinces with seed wheat was worked out and some 250 tons have already been moved.

89. There were no labour disputes nor trade union developments during the month. The most difficult unemployment problem is at PIOMBINO but this will decrease when mining in the area is increased.

90. The Public Works and Utilities Division worked hard during the month, the drainage of flood water being among the most important tasks. Work on roads has

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90. The Public Works and Utilities Division worked hard during the month, the drainage of flood water being among the most important tasks. Work on roads has also been constant and the railway has reached LIVORNO. A civil mail service from GROSSETO was resumed on 16 October.

91. Civilian crime in general was not serious and Allied and Italian courts functioned satisfactorily. Health in the Region continued to be good, the outbreak of typhoid in AREZZO Province having decreased. Finally, schools opened in GROSSETO, SIENA and AREZZO Provinces and are expected to open in LIVORNO during November.

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PART II.

CIVIL AFFAIRS SECTION.

1. The Italian Government has issued a decree directing that priority be given to the epuration of the four senior grades of government and railway employees and requiring that epuration of these grades be completed by 31 Dec. It has also issued the Rules of Procedure for the epuration courts. Both decrees should expedite the process of epuration.

2. Despite shortage of equipment and other handicaps progress is being made by the Italian Government in mine clearance. The Centre of Instruction at PISA has completed its first course and squads are now operating in that area. The Centre at SPOLETO has been visited, where about 20 men are under instruction on the first course. At CHIETI a course of instruction for 30 men has commenced and a group of about 100 men are reported to be at work in PESARO.

LOCAL GOVERNMENT SUB-COMMISSION.

3. The Provinces of PESCARA, TERAMO, ASCOLI, MACERATA, ANCONA and PESARO have been surveyed and good progress is noted in the reorganisation of local government.

4. On representations of this Sub-Commission, the post of Prefetto Ispettore was created by the Italian Government. He is to visit Provinces in restored Italy, advising Prefects and to report, his reports being made available to the Local Government Sub-Commission.

5. A Decree has been published by the Italian Government in connection with the preparation of electoral lists. Implementation in Military Government Territory is held up pending study of the new decree.

6. At the request of the VC, the Director visited FLORENCE to investigate relations between the CLN, the Prefect and AMG.

7. Reports from political sources severely attacking the AMG Prefect of TERAMO have been submitted to the Italian Government. They have been investigated by this Sub-Commission and found to be baseless. The Italian request for the removal of the Prefect was refused and the Prefect is to receive all possible support.

8. Naples CLN was consulted by the Zone Commissioner as to the appointment of a new Sindaco. No suitable nomination was submitted by them and under pressure from the CLN through newspapers the AMG nominee withdrew. The Zone Commissioner therefore appointed a Commissario Prefettizio. The situation is being watched and the Regional Commissioner is to include in his monthly report special reference to this question.

PUBLIC SAFETY SUB-COMMISSION.

9. Agreement had been reached that the Carabinieri would be temporarily augmented by 5,000 Italian troops who would be attached to Regions in Southern ITALY, thus releasing trained Carabinieri for Northern ITALY. The whole scheme has been rendered futile by a ruling that the 5,000 troops (who are not expected to arrive until the end of November) must return to military duties on 31 December. Suitable protests are being made.

10. The disturbance in PALERMO on 19 October (see account in report on SICILIA

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are reported to be at work in PESARO.

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10. The disturbance in PALERMO on 19 October (see account in report on SICILIA Region) was exploited by political factions and on the following day leaflets of a Separatist character were distributed in the streets. On 21 October the Separatist Headquarters in PALERMO were raided by the Police, documents were seized and 11 persons arrested. No repercussions followed the incident and public order is normal.

11. The police (particularly the Carabinieri who are popularly supposed to be Monarchists) have been accused of being influenced by politics. The Commanding General of the Carabinieri has issued an order to the Force, again emphasising the need for the police to remain strictly non-political. To counteract unfair Press criticism, which was undermining public confidence in them, Col. Young of the Public Safety Sub-Commission, addressed the editors of the Italian Press in ROME, asking for their cooperation in restoring the prestige of the police.

The Italian/.....

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12. The Italian Government is now aware of the danger of weapons and ammunition being collected by political parties and instructions have been issued for the seizure of firearms illegally held by civilians.

13. Armed hold-ups in SICILY are on the increase. In ROME there has been an out-break of theft in the streets at night, particularly robbery with violence.

14. The Council of Ministers has passed a decree re-naming the Corps of Agents of Public Security the "Guardia Nazionale di Polizia". 300 recruits have commenced a course of instruction at the Training School in ROME.

15. All Public Safety agencies have been granted an increased ration scale, equivalent to the Italian Army ration.

PUBLIC HEALTH SITUATION.

Public Health.

16. Only 15 cases of typhoid have been reported in BENEVENTO up to 26 October as compared with 90 for the whole of September.

17. Smallpox continued in NAPLES and adjacent areas, but the epidemic is of such a mild nature that it is largely disregarded and many cases are concealed by the local population, thus increasing the difficulties of control measures.

18. A greatly exaggerated account of V.D. amongst young girls in NAPLES has appeared in the Italian press.

19. The total tuberculosis death rate for ROME has also fallen, the October figure being 243.

20. Plans are being prepared for the 1945 anti-Malarial Campaign.

21. Two cases of Endemic, i.e., not louse borne, typhus have occurred in NAPLES province.

Veterinary.

22. Italian laboratories are producing all requirements for animal diseases with the exception of Hog Cholera.

23. The incidence of Rabies is decreasing, but the incidence of Bovine Tuberculosis is high among dairy cattle. Recommendations concerning the pasteurisation and boiling of milk have been made.

Medical Supply.

24. Medical supplies to the total value of $5,335,000 and the approximate weight of 3,000 long tons have been imported into ITALY from the start of AMG operations in ITALY.

25. The National Wholesale Druggist Association, formed for the distribution of Medical Supplies, was due to start operating on 1 November.

Welfare.

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[redacted] COMMISSION.

Public Health.

16. Only 15 cases of typhoid have been reported in NAPLES up to 26 October as compared with 30 for the whole of September.

17. Smallpox continued in NAPLES and adjacent areas, but the epidemic is of such a mild nature that it is largely disregarded and many cases are concealed by the local population, thus increasing the difficulties of control measures.

18. A grossly exaggerated account of V.D. amongst young girls in NAPLES has appeared in the Italian press.

19. The total tuberculosis death rate for ROME has also fallen, the October figure being 3/3.

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Welfare.

26. Satisfactory conferences with the Italian Government regarding the allocation of funds for Welfare projects have been held and as the result of a meeting held in the office of the Director of Public Health and attended by H.E. CASTELLI, Under Secretary of the Interior, the establishment of a Commission to deal with devastated areas resulted.

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[redacted] COMMISSION.

27. The Office of the Chief Legal Advisor was concerned during the month with completion of documents for restoration of additional territory to Italian jurisdiction and consideration of various needs pertaining to the future structure of the press, radio and film industries in ITALY. The problem of denazification of the property of United Nations nationals was also considered, as well as a decree to restore property to Jews. Finally, a directive on enemy partisans was issued by the Office of the Chief Legal Advisor.

Amongst work/.....

28. Another work carried out by the Office of the Chief Counsel was preparation of opinions on:

(i) Rights to require Italian army to supply material and services;
(ii) to control appointment and personnel of Commissariat;
(iii) to control general economy.

Rules and regulations to supplement General Order No.28 (Labour Relations) were prepared; and the subject of control of utility rates was considered.

29. The Italian Branch was concerned with the control of Italy decrees prior to their submission to the Council of Ministers and the procedure to be adopted, as well as with rules for restoration of property rights to Jews. Work was done on the reorganization of the administration of Italian military justice. A memorandum on the complaints made by the Waldensian Church, arising out of its position in ITALY under the Lateran treaty, was considered and a decree was drafted on property control for administration by the Italian State of the property of members of the United Nations. A decree to facilitate marriage of the members of the U.S. Forces under the Italian law was approved.

30. The Office of the Chief Judicial Officer was visited by Chief Judicial Officer of TOSCANA Region, who reported that things were quiet in that Region and there was little work for Allied Military Courts, except at LIVORNO.

31. Espionage cases in October were :

Death sentences confirmed - 6;
" " confirmation by Chief Commissioner awaited - 2;
" " commuted - 0.

There was no case for review in which a person convicted of espionage had received any sentence other than death.

EDUCATION SUB-COMMISSION.

32. The extensive printing inaugurated during the summer is far from complete. Some books have been published in NAPLES. In ROME most of the printing is done but the covers are not yet finished. In FLORENCE, four of the ten books are printed, except for covers, others are getting under way. The paper and ink ordered from the UNITED STATES in April had begun to arrive. This has been the principal cause of delay in PALERMO and NAPLES. Delays have been due to difficulty in getting electricity for the presses and the taking over of presses, in the midst of printing, by PWB. In FLORENCE there was necessarily a late start.

33. Reinstatement of school and university personnel proceeds on normal lines - at least, the mechanism is excellent.

34. The gravest problem is in regard to school buildings. The number occupied by Allies, by Italian Military and Carabinieri and by refugees and homeless constitutes the majority in most Provinces; many of the rest are either destroyed or badly damaged.

35. This building problem is being vigorously and systematically attacked by the Regional Education Officers. Occasionally it is possible to get the military units to move over and make room for children. Strong pressure is being put on Prefects to get refugees out. Sindaci and Comiti Civili are being pushed into making repairs [illegible]

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istration by the Italian State of the property of members of the United Nations. A decree to facilitate marriage of the members of the U.S. Forces under the Italian law was approved.

30. The Office of the Chief Judicial Officer was visited by Chief Judicial Officer of TOSCANA Region, who reported that things were quiet in that Region and there was little work for Allied Military Courts, except at LIVORNO.

31. Espionage cases in October were :

Death sentences confirmed - 6;
" " confirmation by Chief Commissioner omitted - 2;
" " commuted - 0.

There was no case for review in which a person convicted of espionage had received any sentence other than death.

EDUCATION SUB-COMMISSION.

32. The extensive printing inaugurated during the summer is far from complete. Some books have been published in NAPLES. In ROME most of the printing is done but the covers are not yet finished. In FLORENCE, four of the ten books are printed, except for covers, others are getting under way. The paper and ink ordered from the UNITED STATES last April had begun to arrive. This has been the principal cause of delay in PALERMO and NAPLES. Delays have been due to difficulty in getting electricity for the presses and the taking over of presses, in the midst of printing, by PWB. In FLORENCE there was necessarily a late start.

33. Defascism of school and university personnel proceeds on normal lines - at least, the mechanism is excellent.

34. The gravest problem is in regard to school buildings. The number occupied by Allies, by Italian Military and Carabinieri and by refugees and homeless constitutes the majority in most Provinces; many of the rest are either destroyed or badly damaged.

35. This building problem is being vigorously and systematically attacked by the Regional Education Officers. Occasionally it is possible to get the military units to move over and take room for children. Strong pressure is being put on Prefects to get refugees out. District and Genii Civili are being pushed into making repairs and disinfecting and disinfesting buildings. Their great cry is for materials.

36. Schools opened in the majority of Provinces from ROME north in October. In the rest of the Provinces and in all Southern ITALY they are ready for opening early in November - this done not by the Minister.

MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

37. Liaison with LONDON and WASHINGTON: During October the Sub-Commission began its first sending of photographs to WASHINGTON and LONDON on records of damage and repair of monuments in ITALY. These shipments will be carried on crescendo provided that the photographic equipment can be properly maintained. Special reports were also submitted on the condition of monuments and art objects in GENOA and on the removal of German archaeological libraries from ROME.

38. Liaison/....

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38. Liaison with Italian Government: Meetings with Italian officials were concerned chiefly with taking energetic steps on the question of the budget for repairs, and assisting representatives of the Ministry of Public Instruction to go to SARDINIA and to cities in the MARCHE, where inspections and repairs were necessary.

39. Activities in various localities: In ROME the Exhibition of European Masterpieces still attracts many people. It will be kept open until 1 December. To-date 1,210,000 Lire have been deposited in the bank for use in monument projects, from the gate and photograph receipts at the exhibition. Repairs in the Protestant cemetery are practically complete. MICHELANGELO's "Moses" is being freed from the air-raid protective masonry and will shortly be on public view. In the field many repair projects are under way in LAZIO, UMBRIA, the ABRUZZI, the MARCHE and TOSCANA Regions.

(i) At FLORENCE the long labour of inspection and check-up of the deposits of art treasures and of many of the villas in the vicinity was concluded and reports submitted.

(ii) At PISA the emergency roofing of the CAMPOSANTO was completed and work on the damaged frescoes continued by Italian experts.

Both at FLORENCE and SIENA exhibitions are being prepared of works of art brought back to these cities from the deposits.

40. Operations of MFAA Officers (General): During this month MFAA Officers with FIFTH and EIGHTH Armies and the Regional MFAA Officers have been able to collaborate more closely in actual problems of inspection and repair and in planning for the future. Various tours of inspection in LAZIO-UMBRIA Region were undertaken by the Deputy Director.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.

41. No evacuation of Allied Nationals from ITALY has taken place during the month. Of the 7,000 Italian refugees arriving in refugee camps in ROME, some 5,000 have been repatriated to their communes. The shortage of transport in No.1 Sub Section, LECCE, is becoming acute. The need for release of blankets for Italian and Allied refugees is stressed.

42. In the southern areas the epidemic of measles and whooping cough had died down as the result of control measures. Mumps of a mild form has been prevalent and there have been a few cases of diphtheria. Immunisation against diphtheria is in process of completion. Child health in general was good. Among new arrivals few cases of tuberculosis were reported.
All camps north of ROME were visited during the month. General conditions were fairly good, although sanitation requires improvement in some instances. An automatic water pump and chlorinator has been installed at CINECITTA and AVERSA Camps.

43. Excellent work has been done during the month by the Records Bureau and 62,740 displaced persons are now recorded. Welfare and whereabouts enquiries continue to be received in large volume.

44. Preliminary work on repatriation of 900 Jews to PALESTINE has been begun.

45. [illegible]

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45. Advances to Allied Nationals continue and some 1611 people of 18 different nationalities have received sums totalling 6,736,200 lire. These loans average 2,000 lire [illegible] and 1,380 of the beneficiaries are ex-internees of the Italian Government. Final arrangements have been made regarding Italian Government financial assistance to ex-internees. Currency conversion of those refugees proceeding overseas still awaits a ruling. The move of the further 900 Jews to PALESTINE in the near future emphasised the need for formulation of policy and planning at a high level, in anticipation of mass repatriation at the close of European hostilities.

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PART III

ECONOMIC SECTION

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture, Forestry and Fisheries.

1. Progress in the acceptance of responsibility by the Italian Government has been made during the past month in all three fields, Agriculture, Forestry and Fisheries. Programs have jointly been determined, responsibilities for securing results have been accepted and certain personnel changes, which should ensure speedier results, have been made.

2. Another step in the direction of closer working relationships with the Italian Government for King's ITALY resulted in the assignment of greater responsibilities to the Allied Civilians, who will work even more closely with the Italian Civilian representatives in the Ministry of Agriculture.

Agriculture.

3. Progress in developing a uniform livestock program was made by the Ministry through issuance of a decree prohibiting the slaughter of bovines, buffaloes and equines, except in certain unusual conditions.

4. Lack of transportation has been an especially important problem during the month with regard both to movements of seed wheat and seed potatoes. It is now clear that yields of these crops will be lowered by many thousand quintals during the coming season due to the use of poor quality local seed and actual reduced acreage in certain war damaged areas. In addition, the decision of AFHQ to reduce the imports of seed potatoes will mean a greatly reduced production of this important food item in 1945, as local seed potatoes are not being made available because of lack of transportation and of the high prices obtained as food.

5. Progress of the "Ammasi del Popolo" continues in many areas in spite of transportation and warehousing difficulties, showing an increase of 7½% during the month, reaching a total of 9.197,252 quintals. Three Regions have now surpassed 90% of the estimated quantity of wheat to be amassed. SICILY and CALABRIA are still lagging far behind.

6. Wheat amassing will be limited in the forward areas due to a large proportion being damaged by weather conditions. In some communes it has been necessary to distribute such damp wheat as quickly as possible after occupation to all families in order to save it. In a few cases lack of warehousing has caused some damage, since sufficient transport was not available.

7. To increase delivery of the 1944 wheat as well as to give a reward for a high proportion of the crop amassed over family retentions, a limited quantity of the available nitrogenous fertilizers in SICILY are being used on an incentive basis in accordance with plan worked out jointly with the Regional personnel.

8. Olive oil amassing has now started. No reports are as yet available but estimates of production, consumption and quantities to be amassed are in the process of preparation.

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5. Progress of the "Granai del Popolo" continues in many areas in spite of transportation and warehousing difficulties, showing an increase of 7½% during the month, reaching a total of 9,197,230 quintals. Three Regions have now surpassed 90% of the estimated quantity of wheat to be amassed. SICILY and CALABRIA are still lagging far behind.

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9. The prices of rice, olive oil, silk cocoons and nitrogenous fertilizers have been approved by the Price Committee, and this information is being distributed to the forward areas as well as to other Regions.

10. For the first time since the Allied occupation a limited quantity of rock phosphate imports were received on the mainland for processing.

Forestry.

11. Acceptance by the Ministry of Agriculture of the responsibility of the Royal Forest Corps for carrying out a six-point Forestry program for charcoal and fuel wood production, allocation and distribution, marks another step forward toward turning the job of A.C. over to the Italian Government. The appointment of a few key people in the Royal Forest Corps and the re-activation of certain field offices lend further encouragement.

Pinholes/.....

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Fisheries.

12. To increase the supply of fish at regular fish markets two interdependent plans to bring about uniformity in the distribution of Nafta for motor fishing schooners and to discipline marketing centres, have been circulated to all Provincial Prefects in Italian territory by the Ministry of Agriculture through its Ufficio Centrale della Pesca e della Caccia. The Nafta circular goes into effect on 1 January 1945, while the one on the discipline of marketing centres goes into effect upon receipt. The plans are interdependent, since the assignments of Nafta and Oil Products depend on the amount of fish taken to the collection centres.

13. The problems of requisitioning and derequisitioning of motor fishing vessels and jurisdiction in transferring fishing craft from one area to another for increased production have been discussed with the various authorities concerned.

COMMERCE SUB-COMMISSION.

11. Materials Division:

(a) Availability of Materials.

Difficulties were encountered in connection with handing over to the Italian Ministry of Industry, Commerce and Labour the work of collecting data on, and reporting availability of, controlled materials in Italian Government territory; but eventually a formula was found which was acceptable both to AFLRS and to the Ministry, whereby it was agreed that Military Units requiring Italian controlled materials should notify the Ufficio Provinciale before withdrawing them.

(b) Requirements and Releases.

Releases from AFLRS to AC were on a reduced scale.

The Italian Ministry of Industry, Commerce and Labour circularized the Uffici Provinciali, putting into effect the new system of dealing with controlled materials as from 1 November.

Distribution of cement releases was hampered by the general shortage and poor quality of sacks.

Military demands for calcium carbide created a serious problem in connection with supply of this material in the ROME area.

(c) Special Materials.

Newsprint arrivals enabled stocks to be built up at distribution points in anticipation of demands for Northern ITALY when liberated. Supply of newsprint to SARDINIA was difficult, owing to lack of transportation facilities, but one ton was sent by air and 25 tons by boat. A plan for turning over control of this commodity to the Italian Government was put forward by the Allied Publications Board and is now awaiting approval of AMG.

Printing Ink: A supply sufficient for two to three months' requirements has been built up. 40 tons were received at LEGHORN and shipped to ROME, and a

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transferring fishing craft from one area to another for increased production have been discussed with the various authorities concerned.

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Printing Ink: A supply sufficient for two to three months' requirements has been built up. 15 tons were received at LEGHORN and shipped to ROME, and a further seven tons are expected shortly at NAPLES.

Textiles, Shoes and Clothing: Negotiations were in progress regarding the transfer of the distribution of repaired clothing and shoes to the Italian Government to fit in with the proposed transfer by Industry Sub-Commission of the actual repairing process.

83,665 pairs of workers' canvas shoes imported from the U.S. arrived at LEGHORN, were shipped to ROME and transferred to the Ministry of Industry, Commerce and Labour. Another 234,000 pairs at NAPLES were in the process of being transferred.

(d) General/.....

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(d) General.

Allegations concerning purchases for export by French agencies were investigated and evidence on the question was submitted to AFHQ, G-5, with the recommendation that French purchases should be coordinated with those of other forces and their export should go through regular channels.

Over 100,000 square metres of light, heavy and waterproof canvas were obtained by allocation from AFLRS for the PROSIDONE-CASSINO housing project.

The situation in regard to the availability of sacks for foods and grains was well in hand and no undue difficulty was expected in providing for current needs of sacks for charcoal.

Leather continued to be critical in supply but current needs for boot repairs were met by using rubber soles and also surplus leather soles and heels from Army sources.

Production and distribution of belting was satisfactory.

Commencing in November the ration of matches was to be increased from 25 to 50 per month in the whole of occupied and liberated ITALY. This was made possible by improved production figures, availabilities found in forward areas and some importation from abroad.

Bidding for transportation of tobacco was turned over to the State Monopoly and all other questions concerning tobacco were transferred to Finance Sub-Commission, to avoid overlapping.

15. POL Section.

Control over POL allocations in Southern ITALY, SICILY and SARDINIA was handed over to the Italian Government, to whom bulk allocations were made.

Further work was done on consolising demand and control of POL for fleets of vehicles operated by the Vatican, Knights of Malta, Diplomatic Corps and Consular Offices.

16. Price Section.

The work of the Sub-Commission in connection with prices officially was concluded on 9 October and was transferred to Economic Section.

17. Foreign Trade Section.

Shipments of various commodities to the value of Lire 90,000,000 were made during the month, and at the end of the month goods purchased but not yet shipped consisted of 6791 tons of various items ready at ports, for which space had been bid, and 3623½ tons ordered forward to ports for which space had not yet been bid.

A shipping program for 20,000 tons of lemons for U.K. during Nov/Jan was

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A shipping program for 20,000 tons of lemons for U.K. during Nov/Jan was arranged and bids were made for the first two shipments.

30 tons of silk cocoons were imported and contracts for raw silk production in the next three to four months totalled 27,630 Kgs.

A serious theft of 3800 Kgs of silk, valued at 4 million Lire at controlled prices, took place between REGGIO CALABRIA and NAPLES and is being investigated by SIB Military and civilian police forces in NAPLES and REGGIO.

Initial reports and investigations were made in regard to export possibilities of the many artisan and small industries of Central ITALY.

The Instituto Commercio Estero was rapidly developing its work and had opened inspectorates at NAPLES, BARI and in SICILY; they were supplied with all relevant data in possession of the Sub-Commission.

18. Gene l/.....

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18. General.

Col. W. P. EVANS, Director of the Sub-Commission, proceeded to LONDON for consultation with the Ministry of Supply, Ministry of Food, War Office and Board of Trade.

A number of officers from HQ were assigned to forward Regions but remained with the Sub-Commission on call by the Regional Commissioners, whilst certain newly-assigned officers commenced work at HQ in preparation for later assignment to field activities.

FINANCE SUB-COMMISSION.

19. Financing of Imported Civilian Supplies.

On 10 October President ROOSEVELT announced that the United States Government would make available to the Italian Government the dollar equivalent of all lire issued as pay up to now and hereafter to troops of the United States in Italy. Later it was clarified that this referred only to that part of the dollar equivalent of lire issued to troops of the U.S. which is not sent home by way of remittances or through purchases of War Bonds. In addition there were, and will continue to be, made available the dollar proceeds representing (a) Italian exports to the U.S.A., and (b) remittances to ITALY from or through the U.S.A. The dollars made available will be used by the Italian Government to pay for essential civilian supplies to be purchased in the UNITED STATES.

It is contemplated that the Italian Government with the Allied Commission will jointly prepare a program of essential civilian imports.

Although the dollars accruing from all the sources indicated will not be applied by the U.S. Government against any claims upon ITALY, it is made clear that the provisions of the agreement do not affect the terms of the Armistice nor prejudice the final settlement between the Governments of the UNITED STATES and ITALY.

No similar announcement has been made by the UNITED KINGDOM, which will continue to provide its quota of essential civilian supplies but under different financial arrangements.

20. Italian Government Financial Mission to the UNITED STATES.

In July, 194-, the Italian Government raised with the UNITED STATES Government the possibility of sending a group of technical experts to the U.S. to discuss financial and economic questions. The U.S. State Department indicated that there was no objection to such a mission.

The Italian Government nominated as its representatives Ing. Quinto QUINTIERI, President of the Banco di Calabria and Minister of Finance in the third Badoglio Government (April, 194-); Dotte. Raffaele MATTIOLI, Joint Managing Director of the Banca Commerciale Italiana and one of ITALY's most prominent bankers; Dotte. Egidio ORTONA, of the Italian Ministry of Foreign Affairs; Dott. Enrico CUCCIA and Avv. Mario MORELLI, Secretaries. The mission, which is due to leave ITALY on 3 November, will be accompanied by Lieut-Cmdr. J. J. LAWLER, recently appointed Joint Director (A) Finance Sub-Commission, in place of Col. E. H. FOLEY, Jr.

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21. Modification of British and United States Trading with the Enemy Legislation.

The British Prime Minister and President ROOSEVELT, in a joint statement on 26 September, announced that the application of the Trading with the Enemy Act would be modified so as to enable business contacts with ITALY to be resumed for the benefit of the Italian people.

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Banks and other financial institutions in the U.S. and U.K. may now reply to requests for information from their depositors in Liberated ITALY, documents such as birth, death, marriage certificates, wills and legal notices may be transmitted, and US/UK and Italian firms may exchange business information with a view to the future resumption of business relationships. The resumption of private trade is not yet permissible. It is understood that no licences will be granted for private trade transactions at the moment, since trade with ITALY is now being carried on only through governmental agencies. The transmission of payment orders, proxies and powers of attorney from UK/US to ITALY will continue to require licences from the existing control authorities.

The status/.....

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The status of Italian assets in the U.S. and U.K. is not in any way affected by this modification of the Trading with the Enemy legislation.

22. Investment in Treasury Bills.

The excess of purchases over payments of Buoni del Tesoro Ordinari amounted to 2,999 million lire in September; the net investment for the first three months of the fiscal year was 9,461 million lire.

23. Tax Receipts.

Available information indicates that gross revenue receipts for the first quarter of the fiscal year 1944/45 (July through September, 1944) were approximately 2,500 million lire for the 44 Provinces of Liberated ITALY.

24. Rehabilitation of Industrial Plants.

The Italian Government has set up an appropriation of two billion lire to be used as a fund to guarantee loans to be made by credit institutions to private firms. The credit institutions may advance money on loans up to 75% of the estimated works cost, at a rate of interest to be fixed by the Ministries concerned. The Italian State will pay part of the interest charges provided they do not exceed 3%. This arrangement will continue in force for four years, after which time loans will be consolidated on new conditions as to the re-payment of the capital and interest.

25. Advances to United States and British Nationals.

The U.S. and British Consuls have assumed the responsibility for making loans to their respective nationals in Liberated ITALY, with the following exceptions :

(a) SICILY and SARDINIA. British Consul NOT yet responsible.
(b) Provinces of APUANIA, AREZZO, FIRENZE, FORLI, LIVORNO, LUCCA, PISA, PISTOIA, SIENA and RAVENNA. Swiss Legation will continue to look after the interests of British and U.S. Nationals.

Emergency payments will be made by Finance Officers of ANZ FIFTH and EIGHTH Armies in newly liberated territory, until the Swiss Legation is able to take over the responsibility.

26. Defascism of Financial Institutions in AMG Territory.

The first specially trained group of Guardia di Finanza left for FIRENZE, PISTOIA and LUCCA in October to facilitate defascism in forward areas. Additional groups have been trained and will move forward as important additional territories are liberated.

27. Property Control.

A draft of decree under which the Italian Government will assume responsibility for the care and custody of Allied property in transferred territory was finally approved by AC and by a committee representing the Ministry of Treasury on 1st October, but the decree had not been passed by the Italian Government when the month ended.

28. Distribution of [illegible]

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28. Distribution of and Accounting for Imported Foodstuffs.

In the last month's report mention was made of the arrangement which went into operation on 1 September. On that date the Italian Government, through the Ministry of Agriculture, assumed responsibility for receiving, distributing, and accounting for imported foodstuffs. Cargoes arriving at ports (except NAPLES) now pass directly to the local Consorzio Agrario, who prepare receiving reports. Such reports are ultimately routed through the Federazione dei Consorzi Agrari to the Chief Accountant. This new arrangement was extended to certain forward areas during October.

Food Sub-Commission/.....

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FOOD SUB-COMMISSION.

Grain Situation.

29. A topic which received a great deal of attention during the month was that of the general grain situation in relation to the proposed universal 300 grams bread ration. Representations continued to be made by Northern Regions of the prevailing discrepancy between Northern and Southern bread/pasta ration scales. It has long been recognised that such a discrepancy is illogical and the whole purpose of recent discussions and the visit of the Supply Section to WASHINGTON has been to have this discrepancy removed.

General Supply Situation.

30. It has been reported in previous months that the general supply situation has been deteriorating. A large extension of areas to be fed, coupled with almost complete cessation of imported foodstuffs other than grain, have led to a steady eating down of stocks. A memorandum to this effect prepared early in October showed that at present rate of consumption and present scheduled imports, stocks of dehydrated soup, meat and dried vegetables would be exhausted by January 1945. The situation was explained at the SIBM Conference in early October and views were asked as to the principle of Selective Rationing being applied to make the best possible use of existing stocks of miscellaneous items, and to make presently available supplies last at least through the winter.

31. This was also discussed at a meeting with Italian Ministers, called owing to the imperative necessity of getting a decision in agreement with the Italian authorities upon vital questions such as the idea of Selective Rationing, the release of present controls upon some or all of locally produced foodstuffs, and the provision of supplies by the Italian authorities when they no longer have our imported supplies upon which to rely. At this conference it was decided that the Italian Government should put forward concrete proposals upon the points submitted to them, but at the end of the month these proposals were still awaited.

32. Studies were made of the actual bread/pasta ration that would be available throughout ITALY if present scheduled import tonnages were maintained, and also of the actual amount of grain imports that would be required if the higher ration of the South were to be made universal. The conclusion reached on the first was that a considerable reduction of the ration in the South would be necessary if no further increase upon scheduled imports were granted. The result of the second was communicated to AFHQ and an early decision upon the question of the higher ration for the present "unprivileged" part of ITALY was requested.

33. The necessity for such a decision became more pressing as the month went by, as statements in the Press, based upon the joint statements made in WASHINGTON, reflected the growing assurance of the Italian population that such a concession would, in fact, be granted to them.

34. By the end of the month, however, no definite program of increased imports had been issued and the question of the 300 gram universal ration was still in abeyance.

35. The SICILIAN wheat situation also was the subject of a special study during October. Harvesting had been disappointing in the Island and by the end of the

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35. The SICILIAN wheat situation also was the subject of a special study during October. Amassing had been disappointing in the Island and by the end of the month the total amassed was still 100,000 tons below even the revised and decreased target figure. The Regional authorities are doubtful if much more amassing can be expected and at the moment it appears certain that SICILY will have to be "baled out" long before expected.

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36. Barley imports arrived during the month for the first time. The idea is that a certain amount of barley, surplus in certain countries, will be imported into ITALY to ease the pressure upon world supplies of wheat. Present proportion is 20% of barley will be imported to 80% of wheat. Certain stocks of local barley also exist and therefore instructions were sent to all Regions ordering the use of barley flour in bread making and a directive issued laying down milling ratios for barley and the amount of barley flour that is to be mixed with wheat flour in the making of bread. At present this is 20% but a possible revision will be made when the Italian Ministry of Agriculture, in agreement with us, issues complete instructions on the whole subject. The Ministry has also been requested to make allocations of all present stocks of locally grown barley.

37. Turn to/.....

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37. Data to show the diminishing scale of imports are as follows :

MONTH	SUGAR	MILK	MEAT	DRIED VEG.	SOUP	FISH	TOTAL
JULY	-	1,375	6,306	2,634	-	404	10,719
AUG.	+2,687	10	-	-	-	158	2,855
SEPT.	-	-	-	1,834	-	291	2,125
OCT.	2,682	-	-	4,661++	-	326	7,669

\+ Into SICILY.
++ Into LEGHORN - stockpile earmarked for NORTH ITALY.

38. The first ship with sugar to reach the mainland since May arrived in NAPLES. It came in so late in the month, however, and rate of discharge was so slow, that for the second month in succession it was not possible to issue a sugar ration in large areas of the mainland.

39. Pending the final settlement of the question of the universal high bread/pasta ration it was decided, with the approval of AMG, to authorize an issue of 300 grams of pasta or flour fortnightly in all Provinces north of the GARIGLIANO. First issue was to take place during the first week in November.

Rationing.

40. A new ration scale for Guardia di Finanza and Public Security Agents was formulated to come into effect from 1 November. The new scale is near that of the existing military scale.

41. Further progress was made to provide special rations for meals for school-children.

42. Italian Under-Secretariate of Food: The question of the formation of all Under-Secretariats of Food has been followed up and after much discussion it is hoped that the whole organization will be prepared to function in a very short time under the leadership of the former Under-Secretary of Agriculture, Prof. M. S. MARCHI.

43. Port Facilities: The Army authorities ceased operating the ports of CASTELLAMMARE and TORRE ANNUNZIATA and arrangements were made to hand them over for civilian operation.

44. Rome Supply Committee: This Committee continued to operate and an average daily tonnage of 500 tons plus a daily average of 2500 eggs were brought into ROME. Wine has also started to flow, a shipment of 4300 tons arriving in CIVITAVECCHIA.

45. Olive Oil: The movement of olive oil from APULIA was delayed by lack of tankers. 600 tons were scheduled to move but the total arrivals in the ROME area to 30 October, including oil railed from NAPLES, only amounted to 33 tons. 318 quintals of edible oil have been distributed in ROME to cover the September issue of 200 grams p.c.

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46. Transportation: Problems increased in October with the continued shortage of rail cars, wet weather and railway operating difficulties. Because of this tonnage bids were cut and other bids accepted to remote stations, necessitating long road hauls. These set-backs increased the already difficult job of keeping the food supplies flowing.

INDUSTRY SUB-COMMISSION.

47. General.

(a) On 9 October the directorship of the Industry Sub-Commission was handed over to a civilian, Mr. W. S. VANDEMAN. Colonel J. S. H. TOLD, the Acting Director, is leaving for another assignment, making this the first of the Sub-Commissions to have a civilian at its head.

(b) The suggestion/...

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(b) The suggestion that small committees of experts in the Ministry of Industry should handle individual types of industries has materialised and the Ministry has now an organisation of some 60 odd engineers at work collating, correlating and resolving the data submitted by individual plants into lists from which it can be decided which products to manufacture. Certain technical organisations as well as the C.E.I. (Comitato Esperti Italiani) have been engaged on this task for a considerable time. This mass of information will finally be condensed into many requisitions for material items to be purchased either in ITALY or from foreign sources.

(c) The weekly meetings with the Minister of Industry have continued and it is felt that much is being accomplished by these contacts. Many items on the weekly agenda are settled at once and thus much loss of time in correspondence is avoided. This personal touch brings together many technical officers from the various divisions of the Sub-Commission - Building Materials Division, Textile Division, Chemicals Division, Mining Division, Coal Division and Hemp Division - with their opposite numbers in the Ministry.

(d) It was pointed out in the last report that the Minister of Industry was showing a strong desire for complete independence of action when making appointments to industrial posts under the Ministry. H.E. the Minister of Industry, Commerce and Labour, during the month insisted on the appointment of his nominees in connection with the discipline of the hemp and Sardinian coal industries. Industry Sub-Commission registered strong protests in writing but up-to-date has heard nothing further regarding them.

(e) The month of October brought to a successful conclusion the question of whether or not an Industrial Coordinating Committee should be formed. It had been felt for a long time that the Allied Commission should have a stronger representation on Committees, especially those where the allocation of industrial plant or equipment was concerned, and where the well-being of the Italian civilian economy was affected. Industry Sub-Commission now feels that through the proposed committee not only will military and civilian needs be protected, but productive capacities will be maintained at a higher level than would be possible without the direction of an organisation of this kind.

48. Decrees. During the month additional decrees were published by the Italian Government. Those of particular interest were :

(a) Regarding the appointment of a Commissary for the National Institute of Processed Food Products.

(b) Regarding the control of hides and tanning products.

(c) Regarding the blocking of olive-oil by-products and of sulphur oil.

(d) Regarding the declaration and blocking of industrial raw materials.

49. Industrial Activities. These can only be referred to briefly. The most

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49. Industrial Activities. These can only be referred to briefly. The most outstanding activities during the month were :

(a) Transfer of control of Soap and Paper Manufacture to the Italian Government, with the exception of plants producing for the Allied Forces.

(b) Progress toward the rehabilitation of the important Solvay Soda Plant at ROSIGNANO, the reactivation of which will eliminate completely need for imports of caustic soda and sodium carbonate. One 30 Km long pipeline has already been repaired and the difficult problem of repairing bridges, particularly that of the railway bridge at VADO, seems likely to be successfully solved shortly.

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(c) The first/.....

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(c) The first imported American cotton has been delivered and is already in work. Production plans have been drawn up by the Italian Government with the advice of A.C. for manufacture of essential civilian fabrics, chiefly bed and personal linen, and sewing thread. These plans also include conversion of 400 tons of Sicilian Cotton now en route to the mainland of ITALY.

LABOUR SUB-COMMISSION.

50. A draft decree concerning Chambers of Commerce, submitted to AC by the Italian Government, was altered so as to transfer all functions in the labour field to the Provincial and Regional Labour Offices.

51. An active part was taken in the matter of wage increases and as a result the increase in the Armed Forces Wage Scale, which became effective on 1 October, was further increased by a mandatory 40 to 60 lire daily increase in wages. This matched the action taken by the Italian Government on 31 October, which made effective a mandatory increase to workers in Italian industry in similar amounts.

52. Wage control can in part be exercised by an active inspection service. Such a service, known as the "Ispettorato Dell'Industria e del Lavoro", has been in existence since 1906, and representatives of the Labour Sub-Commission have recently made a number of trips in the field so as to aid in the reactivation of this excellent service.

53. Continued efforts have been made to facilitate the return to normal functioning of the national offices of the five major social insurance institutes: Previdenza Sociale, Malattia and Infortuni (covering workers in private employment); Previdenza Statali and Previdenza Enti Publici (covering government employees).

54. Although the Italian Government had made a commitment to provide for social insurance coverage for employees of the Armed Forces, definite action on their part through the issuance of a Royal Decree has not yet taken place and conferences between our representatives, the Minister of the Treasury and the Minister of Industry, Commerce and Labour are leading to imminent action upon the adoption of the implementing decree.

55. Because of the involved labour situation in the LIVORNO-PISA area, due to overlapping territorial authorities, this Sub-Commission, by request, has taken the matter in hand and sent a representative to take charge of the problem in that area.

56. Colonel J. R. SMITH was appointed Acting Director vice Colonel J. T. R. HALL. He was also appointed as Chairman of the Labour and Wages Control Committee of the Allied Forces Local Resources (Italian) Board, AFHQ.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

57. Epuration.

Defascism of Ministry of Public Work's personnel proceeded satisfactorily (refer September report). Special instructions given to Ministry to expedite cases down to and including Grade IV.

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58. Mine Clearance.

Repairs and reconstruction of bridges, roads, buildings and other schemes were still being seriously retarded by lack of a mine clearance organisation. (A single commune reports the presence of at least 150,000 mines).

. . .

59. ROME Tunnel.

Request by Italian Ministry of Communications for engineering measures to pump out a flooded tunnel near the Colosseum (Ferrovia Metropolitana di Roma) was rejected after two detailed inspections. A simpler alternative was suggested after consultation with Public Health Sub-Commission.

60. Financing/.....

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60. Financing (repairs).

Conferences were held with Minister of Public Works (Signor MANCINI) and his Director-General, directed to proper financing of electrical rehabilitation (power stations and transmission lines) and that of first-aid repairs (war-damage) to private properties. Issue of certain decrees is being expedited.

61. Road Reports.

Heavy rains and floods causing many road blocks and interruptions, even in October, revealed value of the small "Road Reports Bureau" now maintained by this Sub-Commission.

62. Companies (increase of charges).

Increasing and more urgent demands from Public Utility Companies to be allowed to increase their charges to consumers (gas, water, electricity, etc.) resulted in conferences with other Sub-Commissions (Finance, Legal and Industry) at which principles suitable for general application were settled. These concern a decree about to be issued by the Italian Government.

63. ROME Electricity.

Complaints were lodged with Electricity Control Board (Rome Area Allied Command) concerning apparent lack of control of the situation, both by correspondence and in personal interview with Chairman of Board. A particular complaint was made about the energy allocated to local tram services whilst lighting situation remains so serious and preventing operation of lifts in a building such as A.C. Headquarters. Sub-Commission succeeded in getting a direct representative on the Board and also took other appropriate steps to bring about some improvement.

64. Controls and Approvals (Italian Government).

A codified system for approval of public works projects was prepared, setting out types and cost limits in Italian Government and A.M.G. territories respectively. It has operated satisfactorily and is now thoroughly understood by all concerned. It is being further modified almost immediately by permitting the Italian Government widely extended further powers, viz., to plan and execute works of a civil character without any cost restrictions, provided use of critical materials is not involved.

65. Highways, Bridges, Public Works.

Under Military Highways and Bridges headings 53 new contracts were made in October, and 41 for miscellaneous works (civil) including bridges, buildings and ports.

Expenditure on the former since last January reached a total of 887 million lire, and on the latter nearly 450 million lire. Monthly rate of expenditure is increasing rapidly. Serious local flooding on Routes 1, 2, 3, 6 and 7 in October was caused by temporary bridges built by the Armies with insufficient waterway or by culverts having been filled in with earth during spring and summer. Emergency repairs were organised and interruptions continued for only short periods. Route 1 at end

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Main railway line near CASSINO (Route 6) was closed by a "wash-out"; traffic was unloaded and carried forward by road for some distance, involving crossing of large concrete bridge, fortunately just completed (20 October) in time to carry the unusual traffic.

66. Housing.

Schemes from the LAZIO-UMBRIA Region were approved as to repairs (32 million lire) and new construction (116 million lire).

67. Electrical/.....

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67. Electrical Division.

Revised organisation and increased officer personnel were arranged for to carry out AFHQ instructions dated 5 October making the Sub-Commission wholly responsible for all reconstructional and repairs activity in ITALY. Special conferences were held with Electrical Companies (co-ordination of all repairs that can be completed by 1 January, 1945).

Several conferences were held with WASHINGTON and LONDON representatives. Detailed information was furnished to them.

Copies of approved estimates supplied by Electrical Companies in South ITALY were furnished to Finance Sub-Commission (repairs of war damage). Special maps were furnished to A.A.I. and also to AFHQ at request of respective Chief Engineers, relating to Northern plants and transmission lines.

Measures were taken under which all generating capacity in Central ITALY was put under impartial and equitable distributional control.

Fuel situation at ROME Power Stations (thermal) was critical throughout October; mechanical condition also was poor but output was increased. Special arrangements were made to provide energy to numerous industrial plants.

New rationing scheme ROME City to be put into force on 1 November.

68. Miscellaneous.

Repairs to damaged water-works continued steadily, including large scheme at TERNI. Tendency on part of Italian authority to carry out more work than is strictly necessary, in several cases, checked. Supplies to ROME City will shortly be back to normal.

Repairs to sewage systems in various towns were continued and also several land reclamation schemes (3 niticheé), including PONTINE MARSHES and protection of Route 7 from local flooding.

As to gas, production in SICILY was suspended owing to lack of coal. Elsewhere restricted supplies were maintained in ROME, NAPLES, BARI, TARANTO etc.

69. Personnel.

Lt. Cols. JENNY and LESTER were absent during the whole month in AMERICA on special duty.

Four American civilian engineers joined the Sub-Commission in October making a total of 72 officers, viz., 19 at Hqs/Quarters and 52 in the Regions.

70. SICILY Region.

The Sub-Commission has now only one Engineer Officer on the Island. In October 137 projects were in hand (estimated cost 73 million Lire) including 63 public buildings, 10 bridges, 19 harbours and lighthouses, etc. Works at MESSINA and AUGUSTA required by

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71. SOUTHERN Region.

Requests for works are continually being received from Royal Navy, P.B.S., Military Districts, Air Forces and Sub-Commissions of A.C. There was a severe electrical breakdown on 29 October at hydro-electric station in CALABRIA. Repairs to three other plants were continued, also transmission lines and transformer stations.

Principal electric supply company in the Region estimates war damage at 200 million lire.

Fresh applications for power were 250, of which only 64 were approved owing to general power shortage.

Desperate/.....

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Desperate shortage of road transport was reported for bridge and road works and also to enable Electricity Companies to maintain their hundreds of miles of transmission lines.

Distribution of gas in NAPLES was still further extended and aqueduct repairs (water supply) was continued. Elsewhere throughout the Region water supply conditions are almost back to normal and restrictions on consumption have been cancelled.

Fair progress on road works is reported, with eight bridges completed in October, five new contracts/and many others in hand.

For supply of store (highways) a working agreement was reached with United States Air Corps for pooling joint resources and equipment.

Regional Engineer reports that Genio Civile officials (NAPLES) have recently been very lax and unhelpful, adding that this may be, in part, because they are very poorly paid.

72. LAZIO-UMBRIA Region.

Electric power available is barely 10% of pre-war demand. There has been a slight improvement which is continuing. ROME water-works repairs are still in hand.

Since July 146 bridge projects have been approved but 40 await financial sanction. Of bridges (classification Military) 43 were handed in October, bringing total to 137, of which only 19 were completed.

Housing schemes were obstructed by financial difficulties and absence of decrees. Over 130,000 people are homeless in FROSINONE and LITTORIA Provinces. Severe criticism is felt of Italian administrative and financial delays.

Clearance of FIUMICINO port made progress. There is a general shortage of cement, bricks and bitumen.

Slightly better progress was made in mine clearance.

73. ABRUZZI-MARCHE Region.

The Regional Engineer has a forward office at ANCONA. Genio Civile are still very disorganised, particularly in PESARO-URBINO. In PESARO Province all bridges are destroyed and communication is impossible.

Several bridge contracts were arranged permitting removal of Bailey bridges further northwards, numerous bridges and diversions are in hand on Route 16; ten out of eleven bridges are nearly finished. Road and bridge works are in progress on many secondary and minor roads. In ANCONA and PESARO enemy carried out demolitions with exceptional thoroughness. A scheme is in hand at mouth of MISA River to prevent flooding of SENIGALLIA town. Repairs to five water undertakings are well in hand, also drainage repairs at PESCARA and land reclamation near FUCINO LAKE. Numerous schemes for public buildings are in hand (reconstruction), and re-building of AVEZZANO Prison (cost 2½ million lire).

PESARO Province is without electric power. Elsewhere extensive repairs are

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pooling joint resources and equipment.

Regional Engineer reports that Genio Civile officials (NAPLES) have recently been very lax and unhelpful, adding that this may be, in part, because they are very poorly paid.

72. LAZIO-UMBRIA Region.

Electric power available is barely 10% of pre-war demand. There has been a slight improvement which is continuing. ROME water-works repairs are still in hand.

Since July 146 bridge projects have been approved but 40 await financial sanction. Of bridges (classification Military) 43 were handled in October, bringing total to 137, of which only 19 were completed.

Housing schemes were obstructed by financial difficulties and absence of decrees. Over 130,000 people are homeless in FROSINONE and LITTORIA Provinces. Severe criticism is felt of Italian administrative and financial delays.

Clearance of FIUMICINO port made progress. There is a general shortage of cement, bricks and bitumen.

Slightly better progress was made in mine clearance.

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PESARO Province is without electric power. Elsewhere extensive repairs are in hand to power stations. Rainy season has slightly improved output of energy.

A general shortage of transport, cement and bitumen is reported.

74. SARDEGNA Region.

The Island is under Italian control and there is no Regional Engineer. Debris clearance in CAGLIARI City is 84% completed. Program amounting to 80 million lire for re-housing in CAGLIARI were prepared. In October 11 million lire spent on anti-malarial works, with a further program 92 million lire.

Water supply position at CAGLIARI has improved but strict rationing is still in force. Electrical situation is satisfactory. Street lighting has been re-started. Normal progress was made on ports, highways, bridges and other matters.

75. TOSCANA/.....

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75. TOSCANA Region.

More engineering tasks were taken over from FIFTH Army. Electric power situation is serious and joint conferences were held with FIFTH Army, AAI, PBS and other interests. Several transmission lines and small power stations are under repair. Close liaison was maintained with Industry SubCommission to ensure power for special industries, with particular reference to that for oil presses.

There is a very heavy bridge reconstruction program; in hand 36 on Military highways, 45 provincial and 4 in FLORENCE City. Latest bridge survey shows total of nearly 1400 bridges needing heavy repairs or complete reconstruction. Demolition of dangerous buildings and removal of debris cost 14 million lire in October. A survey is in hand of damaged provave houses.

First priority is given to flood control schemes, having regard to conditions near rivers ARNO, SERCHIO and OMBRONE.

Works projects totalling over 76 million lire were in hand at end of October.

All officials of Genio Civile in Region are working well. There is an acute general shortage of road transport, both for supervisory personnel and materials.

76. EMILIA Region.

Assistance was given to FIFTH and EIGHTH Army AMG Headquarters. PISTOIA City aqueducts were repaired as well as small power plants. Water pumping stations were reconstructed for RICCIONE, CATTOLICA and RIMINI. At RICCIONE enemy had used reservoir for sewage; it is being emptied, cleaned and sterilised.

Generally, conditions are extremely serious over a wide area as to bridges, roads, utilities and general public works problems. There has also been serious flooding of areas through enemy destruction of dykes and pumping stations.

77. PIEMONTE, LIGURIA, LOMBARDIA and VENEZIA Regions.

No active work was possible and activities were confined to collecting information, planning, etc. Officers of Regional Engineer's staffs were temporarily transferred to give assistance in other active Regions.

TRANSPORTATION SUB-COMMISSION.

Rail Section.

78. During the month there have been many critical moments due to shortage of freight cars and concern is felt that traffic has been accepted for movement whilst the actual facilities for movement have not been available. Rolling stock has been shipped from SICILY and SARDINIA but this can only be a temporary relief as it soon gets merged into the general pool.

79. Plans are in hand for close working between Military Railway Service and Italian State Railways to ensure that rehabilitation of tracks is carried to greater effect. A number of important lines have been scheduled for repair and contracts signed by the Italian State Railways with contractors. In Southern ITALY improved [illegible] Railways have been handed over to AC

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79. Plans are in hand for close working between Military Railway Service and Italian State Railways to ensure that rehabilitation of tracks is carried to greater effect. A number of important lines have been scheduled for repair and contracts signed by the Italian State Railways with contractors. In Southern ITALY improved rail services have been agreed, while SARDINIA Railways have been handed over to AC for supervision.

80. A decree has been agreed authorising increase in railway rates and fares to 100% over June 1945 figures. Severe restriction to coal in SICILY is causing considerable difficulty and urgent requests have been made for reversion to original tonnage.

Shipments, Ports and Warehousing Division.

81. Shipment: Schooner traffic has been severely curtailed by the weather during the month. Schooners allotted to civil trade are the smallest type which are most affected by weather conditions, being constantly forced into port and remaining there for days. This will get worse during the winter and most civil bids have to be carried on other ships set up by AFHQ. The position cannot be improved until larger schooners are allotted to carry civil supplies.

82. Ports/.....

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82. Ports.

(a) CIVITAVECCHIA: A port Committee is now set up and an AC Port Liaison Officer appointed to ensure the smooth turn-over of the port to civil uses. The rail served berth should be completed shortly.

(b) CASTELLAMMARE: To enable a discharge of a top-loading of bag grain lighters and tugs have been obtained for the use of the civil contractors operating these ships, but bad weather has prevented this discharge.

(c) SALERNO: An inspection has been made of the port. It may have to be used for final discharge of ships with civil supplies, in order to avoid the rail congestion round NAPLES. The port is capable of taking ships alongside quay with the draught up to 21 ft. Warehouse accomodation is being repaired and all necessary arrangements made for accepting a ship with 4000 tons of cargo.

83. Warehouses.

As of 1 October the Warehouse and Forwarding Division of the Food Sub-Commission became the warehouse Section of the Shipment, Port and Warehouse Division of the Transportation Sub-Commission. The following were the principal changes made during the month:

(a) A.C. Dept No.49 in SIENA was turned over to TOSCANA Region for operation.

(b) A.C. LEGHORN accommodations were greatly expanded, increasing the capacity from about 14,000 tons to 40,000 tons. This change was necessary in order to accommodate the increase in Food Sub-Commission stock-piling activities. Further expansion is contemplated to bring capacity up to 70,000 tons.

Roads Section.

84. Of the two G.T. Coys (Italian) promised by AFHQ, one, the 1004 G.T. Coy, has been assigned and is operating out in the ANCONA area. Of the American personnel required to operate the Truck Battalion 9 officers and 20 enlisted men have been received, but we have no assurance as to the definite date when the remaining personnel will be made available. Three Q.M. Truck Coys have been formed and the training of two more is proceeding. Of the 250 vehicles promised by AFHQ, 100 have been drawn and it has not been considered advisable to draw any more until the necessary supervisory personnel have been obtained.

85. A standard work ticket has been agreed with MAAC and it is hoped that this standard work ticket will shortly be in operation throughout the whole of occupied ITALY.

86. Maintenance instructions have been published, setting out a complete system of maintenance to be applied to all vehicles. These instructions have been forwarded to all Regions and the system has now been put into effect. At the present moment a combined maintenance team, consisting of two British and two American officers from

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87. Steps have been taken for the manufacture of a number of spare parts and the outlook is fairly promising.

88. The tire position, although still acute, has improved slightly as a shipment of tires and tubes has been received from Army sources. Tubes, however, are [illegible] becoming a more serious problem than tires.

PART IV

POLITICAL SECTION, PUBLIC RELATIONS BRANCH
AND INDEPENDENT SUB-COMMISSIONS

POLITICAL SECTION.

1. There were no major political developments during the month of October. It was a period of marking time for the moment when the Commission would be in a position to explain to the Italian Government the meaning of the joint declaration of 26 September by President ROOSEVELT and Mr. CHURCHILL, in its day-to-day application towards ITALY. The good intentions of the Allied statesmen were shown in the announcement that the word "Control" would be eliminated from the title of the Commission as from 23 October.

2. Certain further statements of policy were made in WASHINGTON. The lifting of the trading with the enemy regulations for Liberated ITALY was announced. A more profound expression of Allied policy was the announcement on 25 October that direct relations had been resumed between GREAT BRITAIN and ITALY and a following announcement that diplomatic relations with ITALY had been established by the UNITED STATES and RUSSIA. The U.S. Government stated that its action had been taken after consultation with the other American Republics, all of whom, excepting ARGENTINA, had agreed to resume relations with ITALY. The communique made it quite clear that no change in ITALY's status of co-belligerency was inherent in the government's announcement which, however, would signify its intention to return to ITALY control of her internal affairs as soon as possible.

3. The Italian press viewed these developments as an important step toward ITALY's emergence from isolation and towards the government's obtaining greater autonomy. The Prime Minister found that by them ITALY had regained her individuality as a nation but that this situation was incompatible with the state of subjection in which she was held by the terms of the Armistice.

4. The encouragement offered the Italian government and people by these developments was damped by a statement made in the House of Commons which the press attributed to Mr. EDEN, saying that the British Government was opposed to the return of colonies to ITALY, and that the Italian Empire in AFRICA was irrevocably lost. A clarification of these reported statements indicated that the questions and answers made in the House of Commons sought to lay down the present attitude of the British Government and that the future of territories will have to await consideration by the United Nations at the conclusion of peace. The public feeling of resentment toward s the British Foreign Secretary was assuaged by his visit to ROME at the end of October. At this time he conferred with the Prime Minister, the Under-Secretary of Foreign Affairs and the Italian representative designated to LONDON. The visit was regarded as significant, coming as it did on the heels of re-establishment of direct relations between the two countries and in light of the antagonism which had existed between Mr. EDEN and the Fascist regime. Press comment was friendly and stressed the fact that Mr. EDEN was opposed to Fascism, not to the Italian people.

5. In the field of domestic affairs the most important developments were a decree providing in certain special cases for the cultivation of large holdings of land by the peasants through properly organized and recognized peasants' cooperatives and measures to increase the wage scale.

6. Incidents occurred of the seizing of land by peasants which, in some cases, led to conflicts between them and the Carabinieri. As a consequence the Prime Minister

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7. Following the incident in PALERMO on 19 October the Council of Ministers prepared the necessary decrees to set up in SICILY a consultative body of 24 members representing various interests on the Island, the financing by special funds of 4593 further industrial development and agrarian reform.

NAVY SUB COMMISSION.

8. Three of the seven active Italian cruisers have been refitting during the past month. The remainder and the destroyers and small craft continue to be fully employed in their transport and escort duties. The morale of officers and men remains satisfactory.

9. The Ministry/.....

9. The Ministry of Marine has been notified of the turn back of the ports of CIVITAVECCHIA, PIOMBINO and SAN STEFANO to Italian Navy Control and has been requested to issue appropriate organisation orders for the above ports to ensure their efficient operation.

10. During the past several months the Navy Sub-Commission has arranged for the evacuation from the ROME area of over 1,000 inactive members of the Italian Navy and their families. The evacuees have been removed to SOUTHERN ITALY and SICILY under the guidance of the Ministry of Marine, to locations where they will be able to obtain better living conditions.

11. Routine activities of the Commission have included the usual problems of supplies and materials for the Italian Navy and control of movements of Italian Navy personnel.

LAND FORCES SUB-COMMISSION (SACL).

12. The call-up of the 1915 to 1924 classes in the LAZIO Region continued during October. Personnel were recruited with a view to completing outstanding commitments for Allied Units. Certain units of the Italian Combat Groups were still in need of reinforcements and instructions were issued to the Ministry of War that all suitable personnel recruited at FROSINONE were to be allotted to these Groups and dispatched to the Reinforcement Depot for posting to units in the Combat Groups.

13. The results of the LAZIO call-up did not fulfill the necessary requirements. Land Forces Sub-Commission consequently authorised the War Ministry to extend the call-up of the 1914 to 1924 classes to CALABRIA, CAMPANIA, MARCHE, PUGLIA and LUCANIA. Later the period of this call-up was extended owing to transport and communication difficulties in recruiting, assembling and dispatching this personnel.

14. Total reinforcements sent to Allied Units and the Combat Groups was 3,813.

15. The Italian Army Patriot screening agencies operating in the Army areas continued their work and sent 460 patriot volunteers to the Combat Groups.

16. The organisation and training of the Italian Combat Groups continued during October. By 3 October CREMONA Division had been reorganised and training had commenced.

17. Frequent visits to the Combat Groups were made by Land Forces Sub-Commission officers to discuss equipment, training and reinforcement problems. The issue of British clothing and equipment continued, as did the training of regimental instructors. Results of courses held during October were good and reports showed great keenness and ability on the part of the Italian students attending these courses.

18. October was a heavy month for the movement of Italian Army personnel. The main commitments were :

(a) Movement of troops from SARDINIA to the mainland.
(b) Regional call-up of classes to the Italian Army.
(c) Large moves of labour personnel to ports after re-forming at MINERVINO Camp.
(d) Additional movement of personnel and supplies to the Combat Groups training areas.

19. The evacuation of the first batch of Italian Military from the [illegible]

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19. The evacuation of the first batch of Italian Military from the Balkans commenced towards the end of the month. Land Forces Sub-Commission ensured that the War Ministry made full arrangements for the reception, housing and screening of these men. Any suitable volunteers for the Army would be accepted after screening and sent to the Reinforcement Regiment of the Combat Groups after a period of leave. A Land Forces Sub-Commission Liaison Officer was dispatched to TARANTO in order to deal with any questions and problems of urgency.

AIR FORCES SUB-COMMISSION.

20. For most of the month of October the Fighter Wing was bogged down by heavy rain. On 19 October, however, it began operating with considerable intensity and has achieved good results. Enemy motor vehicles have been damaged or destroyed and a train knocked out. Successful bombing attacks have also been made on bridges and other communication targets. Although the number of sorties carried out is not as high as usual, the daily average is far above that ever carried out before.

2. The operations/..

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21. The operations of the Bomber Transport Wing were considerably curtailed owing to bad weather but a satisfactory weight of supplies was dropped over YUGOSLAVIA. In addition to their active operations, Bomber Transport Aircraft have proved a valuable means for evacuating damaged fighters from airfields which are inaccessible to transport. A method has been evolved whereby damaged fighters can be flown out in the SM.82's without extensive dismantling. In addition a shuttle-service has been in operation between ITALY and NORTH AFRICA carrying spares and equipment. Without this it would have been impossible to have made the Light Bomber Squadrons operationally ready by the end of October.

22. The Light Bomber Wing is now fully operationally trained and is about to move to its operational airfield.

23. Very few operational demands have been made on the Seaplane Wing. Two British aircrew and a dinghy were picked up under extremely difficult weather conditions, the aircraft being damaged during the process of landing and picking up the survivors.

24. The serviceability of the Italian Fighter aircraft shows a substantial increase. This is due to the protracted efforts of the Air Forces Sub-Commission Technical Staff and the Italian Technical Staff. With the aid of salvaged spare parts and a certain amount of improvisation, very creditable results have been achieved.

25. The demands for manpower from the I.A.F. in substitution for R.A.F. and U.S.A.A.F. manpower are gradually being satisfied.

26. The question of an adequate ration for aircrews is still in abeyance but the Sub-Commission has been visited by a Staff Officer from M.A.A.F. (Rear) and it is hoped that something will be done very shortly.

27. The morale of the Italian Air Force remains high, particularly in the Fighter Wing. The fighter squadrons have earned the praise of the Air Officer Commanding, Balkan Air Force.

28. Defascism within the Service is still proceeding very slowly and it is clear from some of the verdicts that some of the tribunals cannot be considered to be free from taint of favouritism.

29. Since the declaration by Mr. CHURCHILL and President ROOSEVELT it is clear that the Italian Air Force has expected something quite out of the ordinary to be done for them in the way of direct assistance, so that they can take their part to better advantage with the Allies. Air Forces Sub-Commission has done everything possible to discourage any undue optimism in this respect.

COMMUNICATIONS SUB-COMMISSION.

30. Telecommunications.

(a) Telephone: Intra-provincial service was authorised in the four additional provinces, and inter-provincial service was authorised in fourteen additional provinces. The telephone cable to SARDINIA was restored to the Italian Government and taken into use by them.

(b) Telegraph: Telegraph service was authorised in fourteen provinces. Restoration of circuits has now given the Italian Government telegraph communication

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(b) Telegraph: Telegraph service was authorised in fourteen provinces. Restoration of circuits has now given the Italian Government telegraph communication to all provincial capitals of provinces under Italian administration plus five provinces to the North of Italian Government territory.

About 150,000 telegrams a month are now passing through the ROME office.

Notification was received from AFHQ that civil radio and cablegrams would be permitted to U.S. and U.S. possessions, and to the U.K. and BRITISH EMPIRE from 15 November.

31. Postal.

(a) Internal postage rates were doubled on 1 October.

(b) Allied Military postage stamps were withdrawn from use in SICILY on 1 Oct.

(c) Internal/.....

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(c) Internal and foreign mail services were restored in all the further Provinces of ASCOLI, GROSSETO, MACERATA, TERNI and VITERBO. Preparations made in the Provinces of ANCONA, AREZZO, LEGHORN, PESARO, PERUGIA and SIENA, which are now ready to introduce services on receipt of the necessary authority.

(d) Restriction on type of language used in civilians' letters to places abroad removed. Any language now permissible.

(e) Direct despatches of mails from ITALY to MALTA introduced.

(f) Conference held at AFHQ on subject of delay to POW and civilian mails addressed to U.S.

(g) Announcements were made in press and radio broadcasts regarding resumption of commercial correspondence between U.S. and U.K. with ITALY, and action was taken regarding postal arrangements.

(h) Announcements were made in radio broadcasts and press of limited parcel service to be introduced between U.S. and ROME, NAPLES and PALERMO. Action was also taken regarding censorship, restrictions on contents, custom charges and operating accommodation and transport.

(i) Postcard services between members of Allied Forces in this theatre with civilians in parts of liberated FRANCE; application has been made to extend the service to Italian civilians.

WAR MATERIALS DISPOSAL AND ITALIAN P.O.W. SUB-COMMISSION.

War Materials Disposal.

32. During October progress was made with the proposal for re-forming and expanding the Italian Air Force Salvage Unit. Should the scheme be approved by HQ AAI it can start to operate at once. It is considered that when the organisation starts to function a considerable number of vehicles, stores, etc., will be made available to the Italian armed forces which are at present a dead loss. It is also considered that a good number of vehicles will become available for Allied Commission purposes.

33. In conjunction with Regional Transportation Divisions, 51 derelict vehicles were inspected, the majority of which were recovered and a considerable number put under repair. A number of these are now on the road working for Allied Commission, or have been handed back to the Italian Army. A further 16 are undergoing repair and will be on the road at an early date.

34. The Sub-Commission, with representatives from the Italian War Ministry, and at the request of the Italian Air Ministry, inspected a number of Italian military vehicles which were held illegally. Most of these vehicles have been returned to the Armed Forces and are now back working for the Italian Army or Air Force.

35. Experiments are being carried out by the Italian War Ministry for repairing tyres classed as SCR by PEMF. Ten such tyres are being tried out now and, if the experiments prove successful, a scheme is prepared and it will be possible to commence work on a large scale.

36. The problem of clearing derelict ammunition and mines is still acute.

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(c) Announcements were made in press and radio broadcasts regarding resumption of commercial correspondence between U.S. and U.K. with ITALY, and action was taken regarding postal arrangements.

(h) Announcements were made in radio broadcasts and press of limited parcel service to be introduced between U.S. and ROME, NAPLES and PALERMO. Action was also taken regarding censorship, restrictions on contents, custom charges and operating accommodation and transport.

(i) Postcard services between members of Allied Forces in this theatre with civilians in parts of liberated FRANCE; application has been made to extend the service to Italian civilians.

WAR MATERIALS DISPOSAL AND ITALIAN P.O.W. SUB-COMMISSION.

War Materials Disposal.

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35. Experiments are being carried out by the Italian War Ministry for repairing tyres classed as SLR by REME. Ten such tyres are being tried out now and, if the experiments prove successful, a scheme is prepared and it will be possible to commence work on a large scale.

36. The problem of clearing derelict ammunition and mines is still acute. Applications from farmers etc., for assistance in this matter arrive almost daily. Inspections have been made and AFHQ requested to give permission for the Sub-Commission to employ Italian munition experts to collect and break down such ammunition, and remake into explosives. If AFHQ agree to the collection and breakdown of such ammunition, a means will be found of providing explosives, of which Allied Commission alone requires several hundred tons.

37. Several truck loads of Italian guns and materials were located, inspected and the Italian War Ministry instructed with regard to disposal.

38. The question/.....

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38. The question of salvage was discussed with the Economic Section, who were in agreement that all salvage should in the first instance be handled through this Sub-Commission. A scheme is being prepared for discussion and consideration.

Italian Prisoners of War.

39. As forecast in the September report, the repatriations of Italian Prisoners of War increased to an average of some 100 a day during October. The return of these Italians to ITALY were :

(a) Sick and wounded, of whom the total was 1500.

(b) Specialists to fill administrative and medical appointments, some Carabinieri and Guardia di Finanza, totalling 2400.

40. The question of broadcasting messages to Italian Prisoners of War in AMERICA, GREAT BRITAIN and CANADA had been discussed and approval has now been received to broadcast messages from the Italian Government to their Prisoners of War. A Committee to organise the broadcasts has been formed.

41. Weekly broadcasts from Radio Rome continue to be made, giving the names of those Prisoners of War who have been repatriated.

42. The official intimation of the release of the 65,000 paroled Prisoners of War in SICILY was made to the Italian Government.

43. The question of apprehending Prisoner of War co-operators stationed in ITALY who had absented themselves - or had not returned from leave - was raised with AFHQ and instructions on this subject are awaited. If a Prisoner of War co-operator gives himself up to an Italian Army Unit it is extremely difficult to apprehend him without causing certain embarrassment to the Italian Government.

44. During the last week of October some 800,000 lire a day were paid in allotments from Prisoners of War to their families in ITALY.

45. Transit Camps for the reception and disposal of Prisoners of War have been opened in NAPLES, BARI, BRINDISI and TARANTO, under Italian administration.

46. The difficulty of finding transport to move sick and wounded Prisoners of War from ship to hospital has always been a problem. For the present the arrangement that we can, in emergencies, call on the military to help out with ambulances has been sufficient to cover all requirements.

47. The Sub-Commission is now dealing with some 20/30 requests a day for repatriation on compassionate grounds. Since only cases for compassionate repatriation forwarded by Allied Commissions will be considered by AFHQ, an extra strain has been thrown on the Sub-Commission. Ways and means are being devised so as to cut down the number of applications received from the Italian High Commissioner for Prisoners of War which in many cases do not even value the conditions approved.

48. Among the complex questions of Italian Prisoners of War, the ever recurring one of the removal from Prisoners of War status was raised on every possible occasion by the Italian High Commissioner for Prisoners of War.

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49. The Italian newspapers wrote a number of articles attacking the system of repatriation of their Prisoners of War and also the High Commissioner for Prisoners of War.

50. On an average 10 to 15 people call daily regarding Prisoners of War, mostly female, enquiring for husbands, sons, fathers and sweethearts, whom they have been told are on their way home and who have not yet arrived. To tell them to go to their own High Commissioner for Prisoners of War takes more time than to give a soft answer, which at least turns away wrath.

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PUBLIC RELATIONS/.....

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PUBLIC RELATIONS BRANCH.

51. Re-organisation: On 1 October PRB took over responsibility for operation of the Information Division and Archives.

52. News Production: Daily releases to Allied, neutral and Italian press and PWB on normal range of topics, including civilian movement, FLORENCE art caches, malaria control record, infant mortality and tuberculosis statistics, typhus, Allied Advisory Council meetings, mail service, and particularly food announcements. Also arranged for, advised on and reviewed stories on AC by PWB for distribution through United Nations News Home Service.

53. Journalists:

(a) Italian - Number of accrediting cards issued to screened journalists now total approximately 40. Interviews arranged with AC officers. Correspondence with POWE editors on various items of news. Two correspondents finally sent in the field with Italian armed forces. Permits obtained for visits to forward areas.

(b) Allied - PRB Villa (billeting and mess) put into operation and used as a gathering place for political correspondents. Interviews arranged and information given on request. Trips arranged to NAPLES and Field. PRO assigned to FIFTH Army AMG to assist correspondents.

(c) Neutral - Interviews, briefings and information arranged and given.

54. Relations with [illegible]: Recommendations forwarded to G-5, AFHQ, on re-activation of Italian news agency, films and radio. The Allied Publications Board also recommended that responsibility for licensing of newspapers and distribution of newsprint in Italian Government territory be given to Italian Press Commission. Arrangements made with Italian authorities on Allied coverage of MEDOLINO and other epuration trials.

55. AC Anniversary: Extensive research and writing devoted to production of press release marking one-year anniversary of AC and 16 months of military government in ITALY. Release now in hands of AFHQ for approval.

56. Information Division: Activities of Central Reference Library, distribution of maps and issuance of news bulletins continued. Increasing use of library by AC personnel noted as well as by Italian journalists who ask for Allied publications.

57. Archives: Documents have been placed in chronological order and gaps are being filled by requests from appropriate agencies possessing original files.

58. Routine: Trend of Correspondents' Copy, Daily Digest of Rome Press and Weekly PRB Bulletin continued to be issued.

Wm W. Stone

WILLIAM W. STONE
Commodore, USNR
Chief Commissioner

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CONFIDENTIAL.

HEADQUARTERS ALLIED COMMISSION,
APO 394

MONTHLY REPORT

SEPTEMBER 1944.

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Navy Sub-Commission,
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Italian Prisoners of War
Sub-Commission.

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AMG FIFTH ARMY.

1. At the beginning of September AMG Fifth Army had ten Provincial Commissioners and their teams in operation on the Arno, with a wide front to cover, and about twenty new communes were opened up. SIENA Province was turned over to Regional administration on 5 Sept and the commune and city of LIVORNO was handed over to the P.G. shortly afterwards, the AMG Army team being withdrawn for duty further North.

2. Among new communes occupied later in the month was PISTOIA, entered by 5th on 15 Sept and found to be considerably damaged. Later the communes of MONTEMURLO and S.GODENZO were occupied. Both towns have been completely destroyed.

3. Towns along the Arno Valley between PISA and FLORENCE had largely been evacuated during the last weeks of August, but many inhabitants have since returned to their homes. There are many minefields in the area, much of the harvest has been lost and considerable unemployment exists.

4. The food situation is generally serious: local resources are poorer than was expected and a large proportion of the wheat harvested has been spoilt by war and weather and is unfit for consumption. But food in small quantities is reaching the bulk of the population.

5. There has been much political activity during the month, especially in FLORENCE. The patriot problem is synonymous with politics: they are the bone of contention between various political parties. Attempts made to recruit patriots for the regular Italian Army have not been very successful: patriots wish to join the Army in organised bodies rather than as individuals.

6. Carabinieri for the Northern Regions are arriving satisfactorily.

7. AFHQ is making arrangements with the Transportation Sub-Commission for the formation of Truck Companies to haul civilian supplies.

8. PISA was under intermittent shell fire until 28 Sept. Inhabitants of the city, estimated at about 15,000 persons, were all North of the river and in view of the water shortage all entry into the town was temporarily stopped by a ring of police posts. Later the supply improved and many people returned to their homes. Partisans, who co-operated well, were duly disarmed and public order was good. The famous leaning tower suffered a few unnoticeable chips.

9. Conditions in FLORENCE improved noticeably when the Germans had withdrawn from the Northern suburbs. The sanitation of the city, which was in a terrible state when the Allies entered, is now in hand. Law and order are good and all hospitals are functioning normally. Schools are to reopen on 2 October. A committee formed of prominent persons deals exclusively with Anglo-American nationals. Two hundred homeless Southern Italians are being evacuated daily. The food supply to the city is still unsatisfactory.

10. Political interest in the city centres around the conflict between the prefect and the Committee of National Liberation: AMG support is being given to the prefect. The city has attracted many visitors, including the Lieutenant of the Realm, Bonomi and the Prime Minister, and a host of unauthorised persons.

AMG EIGHTH ARMY.

11. The month has seen little change in the area administered by AMG Eighth Army

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AMG EIGHTH ARMY.

11. The month has seen little change in the area administered by AMG, Eighth Army. The Province of PERUGIA was handed over to LAZIO Region. AREZZO will shortly pass to TUSCANY Region.

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12. Most of the new territory occupied comes into PERUGIA Province of UMBRIA Region. The mountain regions present no unusual administration problems but the coastal belt has suffered very badly in the fighting. The destruction in ports is as great as that in the LIRI Valley and the approach of winter will cause considerable hardship to the population.

13. The neutral Republic of SAN MARINO was entered on the night of 20/21 Sept. This situation had unusual features and considerable preparations had been made to handle it in a way that would give the least possible offence to the susceptibilities of a neutral nation. It was pointed out to the Captain Regent of the State that Allied troops had been forced to enter the State to pursue the enemy who had violated its neutrality and it was the intention to evacuate all troops as soon as circumstances permitted.

14. Proclamations 1 and 2 were not posted but a copy of Proclamation No.1 was handed to the Captain Regent.

15. The Republic was found to be well stocked with food, but 40 tons of supplies were nevertheless sent in as soon as conditions allowed. 12 loaded trucks were standing by at the time of entry but owing to heavy rain the roads were temporarily impassable. This food was distributed mainly to refugees, of whom there was a large number. The State has normally a population of 18,000 but above this were 30,000 refugees, mainly from RIMINI. It was a considerable problem and great credit is due to the Republic for the organisation it had set up to deal with it.

16. Both electricity and water supplies were disrupted but water trucks were loaned as a temporary measure.

17. Damage otherwise was slight except for the roads, which had been destroyed.

18. RIMINI, when entered, was very seriously damaged. The town was empty of civilians who had mainly dispersed in the MARINO and along the coast. Emergency measures had to be made to house and feed the returning civilians (needed for military labour) until they could be distributed among the habitable buildings left in the town.

19. In nearly all cases of towns liberated during the month, Committees of Liberation have been formed which have rendered great assistance in reforming administration. The Committees have been representative of nearly all Parties and have appeared less interested in the existing Italian Government than in restoring local administration on a non-political basis.

20. A fairly substantial (1700 tons) stock pile of flour has been built up from local grain milled in the area. Lack of electric current is still a limiting factor in the milling, but recent rains will allow water mills to operate more freely from now on.

21. The lack of warehouse accommodation, owing to destruction, is a great handicap in the assessing programme. Harvesting was held up by operations and much grain lays until it was wet; owing to lack of warehouse accommodation much will be lost.

22. It was presumably due partly to this factor that the administration during the German occupation distributed grain for the whole of the coming year to consumers, who will be able to turn, dry and store the individual allotments. Varying amounts were allotted; the present indications in FORLI Province are that grain was distributed to a considerable portion of the population to last till next August in a basic ration of approximately 400 grammes of grain per day, with approximately 550 grammes for workers.

23. All Provinces report the chief shortage to be salt and olive oil. Salt is, of course, particularly important in the pig farming areas where farmers cure their own bacon in Nov/Dec.

24. The immediate agricultural problem in the forward areas is unfortunately insoluble. It is the inability of the farmer to get on to his land at all, due to its being either in an area of operations or else mined.

25. Unemployment is considerable in the manufacturing areas of AREZZO Province

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25. Unemployment is considerable in the manufacturing areas of ANCONA Province and will not be solved until power is available in the factories.

26. Refugees during the month have not presented serious problems. There are, of course, large numbers of civilians in the coastal belt from PESARO Northwards who are not in their own houses but distributed somewhere in the countryside. With the slowing down of the advance at the end of the month and the breaking of the weather, these displaced civilians may cause a considerable problem. As usual at this time of year, the refugee problem is entirely dependent on the speed of advance and the ability of the Army to find sufficient billets without disturbing local inhabitants.

27. Very considerable destruction of bridges and roads has occurred throughout the area, and if large areas are not to be isolated this winter when Bailey bridges are withdrawn, construction programmes will be heavy. Regional Public Works officers are aiding reconstruction.

28. Very few patriots have been met, and none who can be described as organised bands. There has been local difficulty in disarming some of these, particularly in the coastal belt.

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SICILIA REGION.

29. The political atmosphere remains unchanged, though the Separatist Movement has shown an increase of strength and activity. There is a widespread spirit of laissez-faire and the administration generally makes little or no effort to improve the situation or to enforce the law. Political and personal feelings carry too much weight and officials appear to be afraid to take necessary steps for the common good or in the interests of the war effort. Many changes have taken place recently in higher grade appointments and it is hoped that these may lead to improved results. Subordinate local administration generally is ineffective, a fact which became most obvious in connection with the Ammasso del Popolo. Everything is dominated by the food situation and prices of foodstuffs in the markets. Food is short and prices of many normal items are very high.

30. The internal security situation is delicate and the operations of armed bands are increasing. At the same time public security and police forces are suffering from reduction in numbers and no improvement in armament or equipment. Their morale among a well-armed population cannot be high. Much praiseworthy work, is, however, carried out in many of the country districts, particularly in dealing with acts of banditry.

31. The present food situation is comparatively satisfactory. Almost all stocks of AC tinned goods have been handed over to Italian agencies as from 30 Sept and the distribution of three months rations of sugar was completed early in Sept. But with the failure of the grain collection the future cannot be regarded with equanimity.

32. Road transportation continues to be a serious problem, due almost entirely to lack of tyres and spare parts. It is quite obvious, however, that vehicles are frequently used for unessential purposes and large numbers of vehicles bearing no proper registration marks can be seen on the roads. The police take no action and a state of affairs is allowed to exist which should not be tolerated in any law-abiding country.

33. The Ammasso del Popolo has been disappointing. The local target figure of just over 3 million quintals, which it was estimated would have fed Sicily up to the next harvest, is generally admitted to have been too high, but 50% of this total has not been reached. Since the middle of September the return of grain has fallen off alarmingly. Voluntary collection of grain has, to all intents and purposes, practically ceased, only [illegible] is hoped to extend this system but the small forces available make this extremely problematical and every day that passes makes their future task more difficult, as more grain goes into hiding. It is to be remarked, also, that even these special forces are not above suspicion.

34. The popular opinion that the price for grain is quite unremunerative still holds and, in existing circumstances, farmers prefer grain to money.

35. The proposals concerning an additional indemnity for Italian workers that have appeared in the press have added to the difficulty of maintaining industrial peace among labour.

36. The public works programme is proceeding without serious difficulties and about 112,000 workmen are employed in public works in the MESSINA Province.

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37. Lastly, plans have been prepared for the repatriation of refugees to the mainland when it becomes possible, and efforts are being made to improve the conditions of those who must remain during the winter months.

SOUTHERN REGION.

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38. Southern Region was set up on 28 August. Its tasks, as indicated to officials and Press by the Regional Commissioner, are threefold: firstly, to satisfy the operational needs of the Allied forces in all things concerning civilians and to prevent civilians interfering with the war effort; secondly, (subject to safeguarding of the first task) to hand back to the Italian authorities as much as possible of the work which was previously done by AC; and thirdly, to help the Italian authorities in their new duties and to reduce dishonesty, inefficiency and delays to a minimum. Leading Italian authorities were informed of these tasks and a similar announcement made in the Italian press. During the month progress in all tasks has been satisfactory.

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39. The operational needs of the Allied Forces have been met wherever possible. To augment the supply of potatoes to the Armed Forces, the block was reimposed in the NAPLES area. No.3 District supplied six officers with cars to "jiggar up" producers. The controlled supply was artificially increased as a consequence. Questors and CC.RR assisted the Military Police in a round-up of deserters and a fairly satisfactory bag was secured. Normal day-to-day assistance to Allied Forces was rendered in all Zones to the apparent satisfaction of local commanders. Incidentally, Relationships with the French Forces are improving. Strong Representations to the new French Provost Marshal in NAPLES and through him to his Commander, have resulted in a welcome abatement of Ghoum activities. A joint Italian-French organisation, set up to purchase sheep in Calabria, worked both amicably and successfully.- to everyone's surprise.

40. The gradual handover of AC functions to the Italian authorities proceeds. Reception, warehousing and distribution of AC foodstuffs have been handed over to Consorzii; bids for rail transport are now largely through Italian channels. Except in NAPLES Commune AMG, the Legal, Finance, Public Health and Public Safety Sections now work largely through Italian channels. Public Works and Utilities, Industry and Commerce, and Property Control, continue to do a great deal of detail work, partly because Allied interests are directly concerned and partly because the provincial **organs** of the corresponding Italian Ministries have not yet been set up. The decree for the new Transport Organisation (ENAC) has been published, but its functioning must wait for the appointment of Directors by the Government. (The organisation is naturally unpopular and special police methods are planned to force it on the trade). The Property Control Decree is expected in a few days. The Provincial Offices and Chambers of Industry and Commerce are still apparently in the planning stage. The Epuration Committees continue to wait for the appointment of Presidents by the Italian Government. The sooner the Committees are formed the better, as they will be a welcome curb on Fascist-baiting and on the accusation of innocent people; semi-Fascists will know where they are.

41. In performing their tasks, Italian authorities eagerly seek AC assistance. They are prepared to do the work, but prefer that the responsibility should continue to be, at least nominally, AC's. All fear/what will happen after we have gone, and an AC "request" is a convenient alibi to political opponents. It is probably desirable that this should continue until the Italian Government is strong enough to give proper support to its local representatives. If support is not accorded, essential services might deteriorate to a dangerous level through sheer inanition. When the remaining Provincial organisations are set up, the machinery of local government in Italy will in many ways be more highly centralised and more comprehensive than in most Allied countries. What is lacking is driving power and this must inevitably be found by AC until the Government can supply it.

42. Throughout the Region, Communists are showing markedly increased activity. At the instigation of the local Communists, peasants in the VOLTURNO area have threatened to recapture by force the land appropriated by the Fascist Government for the E.N.C. farms, and stories of hidden machine guns are current. (Fifty additional CC.RR have been drafted into the district). There are rumours in FOGGIA that the Communists are acquiring arms, but no confirmation has been obtained.

43. Apart from the Communists' activities, the people at large are outwardly docile as ever. On the surface there is little prospect of widespread disturbances; below the surface there is no doubt some discontent and some subversive organising, but it is hard to gauge the extent of the one or the success of the other. CC.RR officers are worried and have expressed fears at the consequences which may arise from

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44. The Italian Government Refugee Committee is apparently getting into its stride. Properly organised repatriation movement is increasing and the arrangements show improvement, but overlong periods of movement is evident. Unfortunately, many people are not content to wait; patience is becoming exhausted and unorganised movement is on the increase. Unauthorised refugees are dumped back by the "Restricted Line" and tend to accumulate in NAPLES and FOGGIA. Efforts will be made to disperse these accumulations, but concerted efforts to deter unauthorised movement seem called for and are badly placed in hand in this Region.

45. The wage structure of the Region is [illegible]. There are so many means of paying illegal wages with impunity (piece-work, premium, "bonus", bargain buying through subsidised cooperatives, under-the-counter pay checks, free meals and the like), and the standard of living which can be supported by the legal wage is so [illegible] low, that any real control of the wage structure is that [illegible] impossible. Once "black market" [illegible] are established it is well-nigh impossible to reduce them.

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An early fulfilment of the promise of substantial local increases all round seems the only solution, but the miserable wages paid to state employees should have special treatment first.

46. On general questions the following comments can be made. Political activity during the month was in general slight and apathetic. As regards food, shortage of transport throughout the Region was the main difficulty that faced the food supply authorities. The total grain exposed in the Region at the end of September was satisfactory, but not outstanding. During the month FOGGIA road blocks impounded 21 military vehicles, mostly French and Italian, engaged in the black market. As regards crime conditions, the general situation throughout the Region was satisfactory.

LAZIO-UMBRIA Region.

47. On 21 September FOGGIA Province came under Regional control, completing the final handover of Regional territory from the Armies. At the end of September there were three Provinces under the Italian Government and four under AMG but it was planned to hand over two more provinces, (RIETI and VITERBO), to the Italian Government during October.

48. In the Provinces there has been little or no change in political tendencies, the Communist Party still being the one showing the most activity. In ROME also the political situation remains much the same.

49. Considerable progress has been made with the provision of postal facilities in all but FROSINONE Province and a much better understanding has been reached over the control of civilian movement. The food situation is serious but the shortage of sugar could probably be overcome if something could be done to satisfy the paste and oil demands. In ROME available rationed foodstuffs have been distributed to the population but the ration scale continues low.

50. Industrial reactivation in ROME continues to be restricted for lack of electric power and coal supplies, and it is now often necessary to unblock rather than block the materials used in industry. Industry does not play a big part in the Provinces, except in TERNI, but such as there is gives an encouraging picture.

51. Water available in ROME is now about 95% of the pre-war total but it has to cater for a larger population than in pre-war days.

52. Projects for State and military roads in ROME area which have been approved include 106 bridges in permanent construction and 24 contracts for maintenance. Expenditure approved for Public Utilities includes Lire 120,000,000 for new houses and 36 bridges on other than State and military roads. In the Provinces the shortage of materials is still causing concern. Housing and communications give the most trouble and even a small allocation of cement would help. Housing is a little more hopeful in the CASSINO area. Some progress was made in mine clearing and a batch of volunteers picked up 2,000 in a very short time. Plans are now in hand to tackle this work with properly trained men and proper equipment.

53. There were no serious crimes in ROME apart from the CARETTI incident, the disturbances to CARUSO's grave on 30 September and rioting among prisoners at REGINA COELI Prison.

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53. There were no serious crimes in ROME apart from the CARETTA incident, the disturbances in CARUSO's prove on 30 September and rioting among prisoners at REGINA COELI Prison.

54. There has been no change in public health during the month. In the Provinces there is the danger of renewed or an aftermath of malaria, caused by a lack of fuls enlment.

55. The trend in the movement of refugees in ROME began to swing towards the exodus during September. The purpose of dispersal was a planned scheme of rehabilitation rather than haphazard dispersal, as in August. All the refugees who were sent from ROME went back to their home communes or Provinces. Two large Centres in ROME were taken over solely for refugees. There is a very urgent need for blankets at refugee camps in the Provinces.

56. Provincial motor pools are being formed and VITERBO has nearly 150 vehicles available. Bus services, on a restricted schedule, are gradually opening up.

57. Property control in ROME is now very much concerned with the operation of businesses.

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58. Deposits in the Banks continued to increase during the month and the general banking situation is satisfactory.

59. Approval is awaited for the issue of supplementary rations to Allied nationals in ROME but otherwise the general situation as regards Displaced Persons has been static. [illegible].

60. The exhibition of Masterpieces of European Painting in the Palazzo Venezia raised the sum of Lire 821, 044,25.

ABRUZZI-MARCHE Region.

61. Political activity has been at a minimum during the past few weeks, owing perhaps to the harvest. The Communist Party has been the most noticeable and articulate.

62. The Italian administration, despite the changes made among the senior officials, continues to function smoothly and well. These officials are still in need of the encouragement given by AMG officers but it is thought that they will soon be able to stand on their own feet.

63. Amassing of grain proceeds very satisfactorily, though the people in grain-producing Provinces are shortly expected to protest against the 200 gms ration, compared with the 300 gms ration in Southern Italy. There is justification for this as they have already collected three-quarters of the target amount which represents one-sixth of the total amount collected in liberated Italy.

64. The lack of olive oil and salt is [illegible] another cause of dissatisfaction but this is likely to be rectified during the coming month. The olive harvest is reported to be good and if the fiscoli are forthcoming the oil situation will be much easier than at present.

65. The potato crop produced in the AVEZZANO district has been given such prominence lately that the farmers now have an exaggerated idea of the importance of their product. It is anticipated that the matter will be dealt with satisfactorily during October, since the main part of the crop will then have been dug and collections thus made easier.

66. The repair and reconstruction of roads and bridges is proceeding as fast as the problems of labour, supply and transportation can be surmounted.

67. The question of housing for devastated areas is urgent.

68. Electricity remains a problem which is not easily overcome, though every effort is being made to improve on the existing arrangements.

69. Mine clearance presents an almost hopeless situation and deaths continue to be reported. One Italian mine clearing company has been transferred from the PESCARA-CHIETI area and one company is left. In one commune alone there are 150,000 mines and there is only one company left to deal with them.

70. The Public Safety Section report that the Region is practically free from serious crime.

71. Health is good and there have been no epidemics.

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71. Health is good and there have been no epidemics.

72. Those schools not rendered unusable will be opened as from 1 October, as far as possible. The screening of teachers is near completion.

73. In the devastated areas the return of the population is presently a great difficulty. These people are brought from the South by the Italian Army who continue to carry hundreds of civilians in their vehicles.

SALERNO Region.

74. During the month of September the new Prefects have had an opportunity to settle down to work and all three are at present satisfactorily carrying out their duties.

75. The High Commissioner's staff is also beginning to take shape under Signor CATTANEO. It is still too early to give a considered judgment but the changes in the administration have already been a decided help to us.

76. The main preoccupation of the month has been the reduction in the workers' food ration, due to take effect on 1 October so as to bring Sardinian workers into line with the rest of Italy. At least 200,000 workers will be affected and in some cases the reduction is considerable, 150 grams of bread per day in the case of miners for example. PWB, under M. D'AGOSTINO, has helped with a carefully worked out radio and press campaign. The radio talks were followed by published notices and by the actual announcement of the new ration scales on 25 September. On the same date the Regional Food Officer held a good meeting with seven Labour leaders, representing 40,000 workers, including 11,000 miners. He explained the situation to them and made known small concessions in the way of additional soup powder, dried vegetables, etc. It will not be possible to say how the change affects the situation until next month. Only two food demonstrations occurred in September.

77. Giuseppe SARAGAT, the Italian Socialist Minister, and CORBI, Under-Secretary of Merchant Marine, visited SARDINIA during the month and made several speeches. They also paid a courtesy visit to the Regional Commissioner and, as far as can be seen, the effect of their visit to SARDINIA has been beneficial and they showed a good understanding of the help given by the Allies. Emilio LUSSU had again visited the Island and has also been attending a number of meetings. He appears to be a visionary and is swayed by the last group of workers he happens to have visited. This month it was the CAGLIARI salt workers. He painted a very grim picture of the bad conditions under which these men worked and compared them to galley slaves of 3000 years ago, finishing up with a plea that they be given more boots. These men do not work in a salt mine but in open salt beds where the salt has been evaporated out from sea water. There is nearly always a cool breeze and the work is not unduly hard, the only troublesome feature being that those who are bare-footed suffer, to some extent, from the salt in contact with the skin of their feet. A small issue of shoes has bee made to them but the conditions under which they were said to be working were unduly exaggerated by LUSSU.

78. One of the enemy agents dropped by parachute over SARDINIA has escaped and one wireless transmitter has not been located. A ninth agent was dropped on 27 September and fortunately rounded up at once.

79. The case of the Penal Settlement at ASINARA is being taken up by the High Commissioner and arrangements are being made for the repatriation of a number of prisoners who have completed theirsentences.

80. The Regional Engineer left SARDINIA on 14 September and an Italian Engineer, Sig. BUTTINI, is in charge of Public Works. This is an experiment.

81. The storms on 18 September caused the loss of one of the regular Courier Aeroplanes. 16 persons are now reported missing but it is believed only 2 bodies have been recovered so far. The missing include Lt.Col.KELSNER, Major KNAUER and three Italians, FUMA, CORRADO and SARTORELLI, all from AC.

82. 22 Italian Government officials taking a course for the Demographic Industrial Survey are in SARDINIA and have been distributed to selected communes throughout the Island.

TUSCANY Region.

83. The Province of SIENA reverted to Regional control on 4 September and the Province of LIVORNO on 8 September, making a total of three Provinces out of nine under the Regional Commissioner..

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TOSCANA Region.

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84. On 20 September the Island of ELBA reverted to Regional control. The Officer Commanding the French Forces is styled Deputy Military Governor of the Island. The fact that only part of the French Garrison has been withdrawn (and incidentally this has been partly offset by the arrival of nearly 200 other French troops) increases the difficulty of administration.

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85. Political reaction and popular opinion is mostly concerned with Communist activity against the alleged Fascists. The Communist Party is the best organised of any and many of members (who were formerly Patriots) are armed.

86. Incidents where Italian personnel, employed directly or indirectly by the United Nations, were concerned, caused some amusement. A woman employed by NAPLES C.I.S. who toured much of the Region without any permit, was found in possession of 150 pairs of good leather shoes. Three Patriot officers, bound for ROME, had 700 pairs of silk stockings, also jewellery, and were illicitly carrying mail. Lastly a clerical gentleman had collected 20 motor tyres.

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87. Provincial Local Government is generally complete in GROSSETO and SIENA. In LIVORNO Sindaci or Giunta are established. Provincial Government is proceeding reasonably satisfactorily.

88. The food situation is satisfactory in GROSSETO and SIENA. In GROSSETO the scarcity of fuel and transportation difficulties have inevitably a deleterious effect on the general food situation.

89. The situation as regards Public Safety is for the moment satisfactory. The first essential is to build up the morale of the various police services.

90. Functioning of AMG and Italian Courts is satisfactory. There were three serious offences in AREZZO Province, shooting and killing, shooting and wounding, and assault and wounding of Allied soldiers. "Political" murders have occurred in SIENA and FLORENCE. Conduct of Allied troops is, in the main, fairly good. Considerable criticism of the behaviour of French troops in SIENA has been made.

91. Distribution of medical supplies is proceeding satisfactorily. There have not been sufficient to stock pharmacies, but enough essential drugs are now available for hospitals. Most civilian hospitals within Regional jurisdiction are now functioning almost normally, and where supplies permit the special hospital food rations are given.

92. 37 cases of malaria were notified during August.

93. Opening of schools has been postponed to 16 October. In SIENA Province preparation of premises has been taken in hand. In GROSSETO it is hoped to have most schools functioning by 1 November.

94. Refugees do not now constitute a great difficulty in this Region, but saturation point has been reached in SIENA and AREZZO Provinces. Province.

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PART II.

CIVIL AFFAIRS SECTION.

1. Defascism. The preliminary stage of organising the machinery to carry out defascism is drawing to its end. It has been necessary to draw up the decrees, form the courts, recruit the personnel, judicial and clerical, draw up rules of procedure and the like. Now the machine is ordinarily to turn over, as it is run in it will be possible to accelerate.

Defascising is carried out under four heads:

(a) The punishment of Fascist crimes, that is, acts contrary to the old constitution. The first trials are commencing. Caruso has been tried and executed and several other trials are scheduled for October.

(b) The removal of Fascists from the administration of 126 "trial" commissions, 61 have been established. Over 600 cases are already in hand of which nearly 3500 have already been referred to "trial"; a large number of persons are suspended pending trial. The cases of senior grades of officials are being given priority.

(c) The recovery of improperly gained riches. Nearly 1500 cases are already under investigation. The property involved in one group of 20 persons alone exceeds 47 million pounds.

(d) Recovery of the property of Fascist organisations. No overall figure is available yet but in ROME alone property to the value of nearly ½ million pounds has been recovered.

LOCAL GOVERNMENT SUB-COMMISSION.

2. Prefects and Officials. Arrangements have been made with the Ministry of Interior for the election of suitable Prefects for provinces not yet liberated. To overcome the shortage of personnel the Ministry, on the recommendation of this Sub-Commission, have promoted a number of Vice Prefects. Many changes and transfers of junior officials have been made to strengthen the Italian Administration in Allied provinces where staff vacancies have been reported.

3. Local Government.

(a) GROSSETO (3-7.Sept). A representative visited GROSSETO Province and conferred with the the Provincial Commissioner and his staff, as also with the Prefect and Vice Prefect, on local government problems. He also conferred with the President and members of the Deputazione Provinciale on their reorganisation and functions.

(b) LUCCA, PISA, PISTOIA, TERNI and RIETI (22-27.Sept). At the request of 5 Army an officer visited the first three Provinces for the purpose of ascertaining the scope and condition of the Italian Civil Administration and to advise the respective Provincial Commissioners. Visits were also made to TERNI and RIETI with the view of ascertaining the position of Local Government there. The Provincial Commissioners and Prefects were interviewed.

4. Reorganisation of Rome City. The Sub-Commission conferred with the Ministry of Interior and with the Finance, Legal and Public Works Sub-Commissions on

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4. Reorganisation of Rome City. The Sub-Commission conferred with the Ministry of Interior and with the Finance, Legal and Public Works Sub-Commissions on the proposed draft decree for the reorganisation of ROME City. A new draft has been drawn up. In view of the importance of the administration of ROME the usual relationship between it and the province is to be modified. This should be to the advantage of the City.

5. Education. Personal contact has been made with the members of the Epuration Commission. Detailed instructions for the compilation of reports as to its work and progress have been given to it. Public Safety and Public Health Sub-Commissions, whose epuration activities are co-ordinated by this Sub-Commission, have been instructed similarly.

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PUBLIC SAFETY SUB-COMMISSION.

6. Formation of New Sections. During the month Public Safety officers have been withdrawn from Southern Regions and formed into Regional teams to occupy the industrial north. On 25 September a meeting was held at 5 Army HQ when the newly appointed Regional Public Safety Officers discussed with Army Public Safety Officers plans for policing the Northern Regions.

7. Strength of Police. Efforts are being made to increase the strength of the Police Forces by incorporating Italian troops into the CC.RR, by securing the release of prisoners of war, and by a recruiting campaign.

8. Guard Duties. In order to make the fullest use of trained police personnel, instructions have been issued that in the future no policeman will be used for guard duties or any kind of work other than regular police duties. Those already employed will be withdrawn after 14 days notice.

9. Public Order. Public order has been well maintained, with the exception of one ugly incident in ROME when CARETTA, a witness at the trial of CARUSO, ex-Questore of ROME, was mobbed inside the Palace of Justice. He was seized, beaten, thrown into the TIBER and finally strung up by his heels outside Regina Coeli Prison. The police failed to control the situation, although present in sufficient numbers. A full Enquiry by the Italian Government is proceeding. Disturbances have also occurred in Regina Coeli Prison, ROME, owing to overcrowding and delay in bringing prisoners to trial before Italian Courts. Order has now been restored and steps taken to avoid any repitition.

10. Police Morale. On 22 September the Commanding Generals of the CC.RR and CC.PP and the Director General of Public Security, Minister of Interior, attended a meeting presided over by the V.P. Administrative Section to discuss measures for raising the morale of the police. Briefly it was agreed to establish closer contact between officers and men, to encourage initiative and esprit de corps, to obtain cooperation of the Press and to carry out impartial investigations into complaints against police and award exemplary punishments. Every assistance is being given to increase rations and procure uniforms and equipment for the police.

PUBLIC HEALTH SUB-COMMISSION.

11. Personnel. Col.Prof P. RUSSELL, Head of the Malaria Control Branch, has left for another theatre. His work, especially in combatting malaria, was outstanding.

12. Political.

(a) The Public Health Division of the Ministry of Interior has completely reorganised its Central Staff.

(b) A pool of doctors is available in ROME from which individuals may be selected to go to forward areas a Medici Provinciali. A salary scale for these officials has been fixed.

13. Public Health.

(a) The typhoid epidemic in NAPLES is subsiding. A small outbreak of typhoid in SASSARI is being energetically dealt with.

(b) Smallpox in NAPLES Province continues to increase. 113,870 vaccinations have been performed during the month. 45 cases of smallpox have occurred

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13. Public Health.

(a) The typhoid epidemic in BENEVENTO is subsiding. A small outbreak of typhoid in SALERNO is being energetically dealt with.

(b) Smallpox in NAPLES Province continues to decrease. 113,270 vaccinations have been performed during the month. 45 cases of smallpox have occurred in BENEVENTO.

(c) The Malaria Control programme in Italy in 1944 has effectively kept this disease in check throughout the liberated Provinces, in spite of a high epidemic potential, disorganised health service and serious lack of transport and supplies.

(d) The Typhus Demonstration Unit will go on tour during October and November.

(e) The Italian Government has been requested to clarify the position regarding medical supplies for soldiers hospitalised for more than 30 days.

(f) The tuberculosis mortality figures for ROME have increased between 1938 and 1943. It is anticipated that the 1944 figures will be found greater than those of [illegible] but will, none the less, be much less large as the figures for 1918.

(c) For the first eight months of 1944 the infant mortality rate for ROME was 135.4, as compared with 93.6 for a similar period in 1943. It is gratifying to note, however, that the August rate dropped to 148.7 from 221.3 in July. The rate for September was 89.9 per 1000. The lowest since January 1944, and lower than September 1943.

14. Veterinary.

(a) Foot and mouth disease tends to spread, but the output of vaccine is showing a satisfactory increase.

(b) Hog cholera is expected to decrease with the onset of winter. 19,000 doses of vaccine have been distributed to date.

(c) Large quantities of hog cholera anti-serum and virus have been handed over to the Yugoslav Medical Commission for use in YUGOSLAVIA.

15. Medical Supply.

(a) 600 tons of medical supplies were received at the end of September and all requisitions should shortly be filled satisfactorily.

(b) A National Wholesale Druggist Association has been formed to act for the Italian Government for the distribution of medical supplies to the Provinces of liberated Italy.

16. Welfare Branch.

(a) The Opera Nazionale Maternita' ed Infanzia is experiencing difficulty in maintaining its activities due to lack of funds.

(b) Many institutions which afford relief to destitute and helpless persons are hard hit because their incomes have decreased, or remained constant while the cost of living has increased. They find great difficulty in obtaining money to balance their deficits.

(c) The British and American Red Cross personnel are performing invaluable service in this Branch.

LEGAL SUB-COMMISSION.

17. Italian Branch. The activities of this Branch cover:

(a) Reorganization of the personnel of the Italian Magistracy in AF /AM territories is proceeding.

(b) The publication of decree abolishing the death penalty in the Penal Code.

(c) The adjustment of jurisdiction over petitions for Pardon and Conditional Liberty.

(d) The preparation and settling of decree providing for the continuity of Italian responsibility in the matter of sequestration of Allied property.

18. Office of Chief Legal Advisor. The following are being studied and/or prepared:

(a) Draft of decrees dealing with "Sanctions against Fascism".

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18. Office of Chief Legal Advisor. The following are being studied and/or prepared:

(a) Draft of decree dealing with "Sanctions against Fascism".

(b) Preparation of first draft of new Restoration documents.

(c) Consideration of problems of a Petroleum Section of AMG, with particular reference to AGIP and AMIO.

(d) Consideration of duties and functions of Property Control. 4884

19. Office of Chief Counsel. In the course of the month:

(a) General Order No.33 (petrol cans and other military property), No.34 (Wage adjustments) and Notice No.4 (petrol cans) have been prepared.

(b) A directive in respect to Enemy Partisans is under preparation.

(c) Preparations of Opinions on Scope of Armistice in hand.

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(d) An opinion with respect to limitations imposed by Proclamation No.4 (Revised) on payments of benefits is also in hand.

20. Chief Judicial Officer. The work for month of September was of routine nature; review of cases has continued.

In espionage cases, 4 cases have been submitted for confirmation or commutation of death sentences; in 2 other cases sentences of 10 years have been affirmed.

Four cases have come up for review in which charges have been laid against Italians, left behind by the Germans, who were provided with explosives and demolition equipment for sabotage purposes. In no case yet reviewed has any such person committed or attempted to commit any act of sabotage. Charges are therefore laid under Proc1.No.1, Part II, Art.IV(5) for possession of explosives. Sentences have ranged from 10 to 2 years.

EDUCATION SUB-COMMISSION.

21. Courses. The courses of study, prepared under the auspices of the Education Sub-Commission last year, have been modified and are being issued in revised form.

22. Elementary Text Books. The very large printing project for elementary school text books (totalling about five million copies) has been resumed.

23. Secondary School Text Books. There being a great variety of these, the main problem has been studying and classifying them as approved, approved with specified pages removed, and ordered confiscated. The Educational Commission, aided by the Sub-Commission, has completed this work for books available from ROME south and is publishing a list of 213 books to be confiscated (in addition to the great number of purely Fascist books), 546 books approved minus certain pages and 4,117 books approved.

24. New Directives. The Directives for the opening and functioning of schools in non-Fascist basis, first prepared last year in Sicily and gradually amended, have been issued in enlarged form for use in the Northern Regions.

25. Survey. The survey of Italian Education is making progress, is revealing interesting data and bids fair to become a major contribution, not only to Italian education, but to an understanding of it in other countries.

26. Translations. In consultation with the Minister, the Sub-Commission is making the selection and supervising the translation of a series of books designed to acquaint Italians with the organization, purposes, methods and problems of education in the United States and Great Britain and soon, it is hoped, Russia.

27. Field Work. Italian Government territory is now almost wholly self-operating. The LAZIO-UMBRIA and MARCHE-ABRUZZI Sections are largely organized. ROME is being organized, Province by Province, as the Allies move forward. Preparations for PUGLIA and VENEZIA are complete. Summer sessions, where held, wound up during September and all was in readiness for opening schools generally during October.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

28. LAZIO-UMBRIA Section.

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

28. LAZIO-UMBRIA Region.

(a) The exhibition of European Masterpieces had an attendance of 47,300 persons during the month. Proceeds from entrance fees and sale of photographs amounted to 1,022,310.25 Lire. The balance to date after expenses were paid is 871,044.25 Lire, for use for projects on repairs of monuments.

(b) Budget submitted of 14,118,000 lire for the most urgent repairs in the Region.

(c) Inspections of ALATRI, FERENTINO, ANAGNI and UMBRIA.

(d) The anti-aircraft protection was removed from the Arch of Constantine.

29. ABRUZZI-MARCHE Region. Detailed inspections were carried out in the Provinces of CHIETI, PESCARA, CAMPOBASSO, and AQUILA. Funds planned for repairs in the ABRUZZI amounted to 1,773,153 lire. Further estimates of 2,223,000 Lire were submitted. Many repairs were initiated and completed in the Provinces of AQUILA, PESCARA, CHIETI and TERAMO. Report made on German vandalisms and thefts in the Region. ANCONA and LORETO, repairs initiated.

30. TOSCANA Region. An unusual situation obtained in TUSCANY because of the military situation. A division of control for work was established between Army, Regional and HQ officers. The work consisted of:

(a) Location, examination and safeguarding of deposits of art.

(b) Visiting monuments and giving first aid.

(c) Coping with problems of movement control, supply and transportation.

All deposits around FLORENCE have now been seen with the exception of one. Repairs for monuments in the Region have been planned and many have already been completed.

31. AMG Armies.

(a) Initial report on the condition of monuments in RIMINI received.

(b) Large scale first-aid measures taken with regard to the Campo Santo at PISA.

32. Archives.

(a) The Ministry of the Interior has taken control of archives in Italian controlled territory.

(b) The archives of the Supermarina have been restored to the Ministry of the Marina. Fascist industrial archives and Mussolini's Archivio Ordinario are stored in the Palazzo Venezia.

(c) Archives at VELLETRI being recovered from the debris.

33. Various.

(a) Report made on German and Italian activities in relation to works of art in Italy.

(b) Check-up on movable works of art in LAZIO almost complete.

(c) With acquisition of necessary materials programme is being made in compilation of long overdue photographic record of damage and repair to monuments.

(d) Report on war-damaged monuments in CAMPANIA published in NAPLES by Dr. MOLAJOLI, Superintendent of Galleries.

PATRIOTS PROBLEM.

34. The formation of the Italian National Patriot Committee under the Presidency of the Prime Minister, with General ORLONE as the Executive Head of the Patriot Office, should mean the beginning of the handover of the patriot problem to the Italian Government.

35. Intelligence reports are being collected from all sources and disseminated to HQ

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PATRIOTS BRANCH.

34. The formation of the Italian National Patriot Committee under the Presidency of the Prime Minister, with General CADORNA as the Executive Head of the Patriot Office, should mean the beginning of the handover of the patriot problem to the Italian Government.

35. Intelligence reports are being collected from all sources and disseminated to HQ of Regions going to Northern Italy. The idea is to give such up-to-date and last minute news to Regions that, in the event of a sudden collapse, all Regional and Provincial Commissioners will have a clear and helpful picture on the conditions which they may expect to find.

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36. It is important to record that in the majority of cases arms are not being handed in, except in very small numbers.

37. The number of recruits who have joined the Italian Army from the Patriots have been remarkably low - under 400 in all from July until the end of September. The patriots themselves display no eagerness to volunteer.

DISPLACED PERSONS & REPATRIATION SUB-COMMISSION.

38. General. On 27 September the Internees and Displaced Persons Sub-Commission and the Italian Refugee Branch were amalgamated under command of Colonel C.H. FINDLAY. The name of the new Sub-Commission is "Displaced Persons and Repatriation Sub-Commission". D.P. & R. Sub-Commission now deals with all Allied National Refugees, which will mean repatriation of Allied Nationals from Italy and Italians back to Italy.

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39. Medical.

(a) Food Supplements - ROME. 1475 Allied Nationals with medical certificates are receiving food supplements in ROME. Many others not receiving extra food are anaemic and under weight. These factors diminish resistance to winter's chills and it is hoped that extra food will soon be available.

(b) Health. A sharp outbreak of measles occurred in two camps, each with over a thousand children. A new 50 bed hospital at POGGIARDO was opened. This epidemic is now thought to have died down, and should not assume serious proportions in the absence of large numbers of fresh unimmune arrivals. All possible measures were taken regarding quarantine, etc., but intelligent co-operation is beyond many refugees. Mumps is also occurring in a mild form. Protection of almost all children against diptheria by immunisation has already been carried out.

40. Records Bureau. A total of 58,118 displaced persons are recorded in the Records Bureau. Of this number the location of 44,527 is known. The balance of 13,591 have been in Italy within the past year. These records represent 66 nationalities. During September 365 enquiries as to welfare and whereabouts were received and 211 replies made to enquirers.

41. Finance.

(a) Relief Payments. Emergency payments were made by the Polish Military Mission, the Royal Yugoslav Delegation and the Greek Ambassador to several hundred heads of families from funds advanced by this Sub-Commission. Beginning October these payments will also be made by the Banca d'Italia.

(b) Currency Conversion. There is still no action on the repayment of funds to the refugees who went to PALESTINE in May and to the UNITED STATES in July

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PART III

ECONOMIC SECTION

AGRICULTURE SUB COMMISSION.

1. Reconstruction of Italian Agriculture, Forestry and Fisheries Control

(a) Some of the Directorates of the Ministry of Agriculture are beginning to show that they may eventually function effectively in controlling and directing agriculture. The development of initiative and forcefulness is, however, slow.

(b) Progress is speedier in the field offices. Many of the compartmental and provincial inspectors are finding their feet and are anxious to do constructive work. Progressing further North there seems to be less of the cowed condition to overcome, but it is surprising to what extent some of the officials in the South have recovered self-confidence with the help and backing afforded them by A.C. agricultural officers in the field.

(c) The olive oil pressing decree was followed up during the month with a price decree for that important commodity. It is considered that while a blanket price to cover costs in all regions was difficult to arrive at without unduly raising the cost of the ration to consumers, the price as fixed, at nearly four times the 1942 price, amply covers cost to producers in nearly all regions and there is, consequently, no possible excuse for evasion or black market dealing. The Ministry of Agriculture has been asked to work out a full plan of campaign.

(d) Progress of the Granai del Popolo scheme continues good in many areas in spite of the usual difficulties, lack of transport, etc., emphasized in previous reports. By the end of September the total collection amounted to 8,451,203 quintals or 73% of the 11,600,000 quintals most recently estimated that will be amassed. The previous target figure, based on Regional Commissioners' local campaigns, had been 13 million quintals. The harvest collections compare favorably with Fascist years, when it is remembered that the Allied-sponsored Granai del Popolo was operated in the immediate rear of intensive military operations.

(e) All regions and ANG 5th and 8th Armies, also the Italian Ministry of Agriculture, have been informed that the National price of wheat grown in 1944, based on lire 900/1000, shall be effective in recently occupied areas in Italy, including LAZIO, ABRUZZI, MARCHE, TOSCANA, EMILIA, LIGURIA, PIEMONTE, LOMBARDIA and VENEZIA, for all wheat delivered after Allied occupation. Stocks of durable wheat found in Consortio warehouses upon Allied occupation, and which were delivered under contract with the Republican Government but not paid for, will be paid for on the basis of Republican Government's contract price. Any claims which wheat growers may present for 1944 deliveries made prior to Allied occupation will be a matter to be resolved by the grower and the Italian Government.

(f) The production plan for agriculture, forestry, and fisheries for 1944-

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(c) The olive oil amassing decree was followed up during the month with a price decree for that important commodity. It is considered that while a blanket price to cover costs in all regions was difficult to arrive at without unduly raising the cost of the ration to consumers, the price as fixed, at nearly four times the 1942 price, amply covers cost to producers in nearly all regions and there is, consequently, no possible excuse for evasion or black market dealing. The Ministry of Agriculture has been asked to work out a full plan of campaign.

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(f) The production plan for agriculture, forestry, and fisheries for 1944-45 has been completed. It deals with many aspects of planning in considerable detail and is for the whole of Italy, province by province. It will be discussed by officials from all liberated Italy, who will meet shortly in ROME for the first time since the invasion of Italy and the plan will form a hard core for detailed programs and procedures.

(g) It is proposed to follow up the Granai del Popolo film with one illustrating the democratic features of Italy's new agricultural organization. There should also be a brief news film as a follow-up on the Granai del Popolo film and an olive oil amassing film. The difficulty will be to procure transport [illegible].

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2. Forestry

(a) Approval of the Sub Commission was given to a Decree placing Administrative Committee and Commands of the State Forests under the jurisdiction of the Director of the Royal Forest Corps.

(b) The Forestry Directorate of the Ministry is beginning to make its presence felt, even in AMG areas.

3. Fisheries

(a) This Division has succeeded in getting a decree promulgated establishing an organization charged with the responsibility of distributing fishery requirements. Under the direct control of the Ministry, it will have storage places at major fishery centers and so simplify transportation problems.

(b) Steps are being taken (a) to establish amassing centres wherever there is production so that proper allocation of supplies may be made as between local consumption and major consuming centres; (b) to allocate nafta strictly on the basis of quantity of fish unloaded.

(c) At the instance of this Sub Commission, Flag Officer Western Italy, R.N., granted further relaxation of present restrictions on fishing.

CONFIDENTIAL SUB COMMISSION

4. Materials Division

(a) General

During the month a survey of Materials Control procedure disclosed a considerable improvement in the operation of the Control system.

A comprehensive plan for administration of the Controlled Materials system for AMG territory was approved and passed to APLIE for comment and agreement before being sent out to AMG Region and Army HQs. This proposed plan was to be submitted to the APLIE(I)B meeting on 7 October 1944.

(b) Tobacco

Up to the last week in September 315 tons of tobacco had been shipped by rail, against the month's bids for transportation of 800 tons made on behalf of the Tobacco Monopoly, and accepted.

800 tons of raw tobacco were loaded at GALLIPOLI, providing a 4 months' supply for factories at PALERMO and CATANIA which had been closed on account of lack of raw materials.

The Monopoly is being assisted in the procurement of the raw materials needed for the production of cigarette paper.

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COMMERCE SUB COMMISSION

4. Materials Division

(a) General

During the month a survey of Materials Control procedure disclosed a considerable improvement in the operation of the Control system.

A comprehensive plan for administration of the Controlled Materials system for AMG territory was approved and passed to AFHQ for comment and agreement before being sent out to AMG Region and Army HQs. This proposed plan was to be submitted to the AFHQ(I)B meeting on 7 October 1944.

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10 tons of damaged flour was provided for the Tobacco Factories as a substitute for starch.

(c) Matches

Permits have been obtained from the Armies for both O.I.F. and Unione Fiammiferi, to send representatives to North Italy for the planning and reconstruction of damaged plants.

The experiments which are being made in the S.A.F.P.A. Plant with hemp-thread and stearin are likely to be soon completed.

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With the higher production of the match factory at NAPLES it will be possible to raise the present ration of 25 matches per person monthly to 50 matches, thus reducing the black market traffic.

SICILY and SARDINIA have now obtained supplies of matches sufficient for two months.

(d) Requirements and Release Section

September releases to AC from IAC, MC AAI, continued to provide more liberal contributions towards civilian requirements.

Discussions took place between this Section and officials of the Ministry of Industry, Commerce and Labour with a view to passing over to the Ministry the work of reporting and freeing controlled materials, and receiving and screening civilian demands.

(e) Paper and Printing Ink

The Newsprint situation should be relieved by arrival of 347 tons in NAPLES and 150 tons in CATANIA. SICILY should now have two months supply.

The Printing Ink situation continues to be satisfactory.

(f) Textiles, Shoes and Clothing

Textile mills at PRATO and LUCCA were visited. Approximately 400 mills of various capacities are located in this area.

First delivery of one thousand rubber soles and heels for repairing salvaged boots has been completed. PIRELLI Company production is now placed at 600 soles and heels per week.

5. Fuel Section

Arrangements have been made to allocate to the Italian Government supplies of POL in bulk for SICILY, SARDINIA and Southern Italy (Southern Region) leaving it to them to sub-allocate to Provinces, and categories of users, effective 1 November 1944. This allocation was formerly carried out by Petroleum Section.

6. Price Section

Activity during September consisted of participation in the work of the Price Committee and further efforts to assist the Italian Government in establishing an effective system for handling prices, but progress in this latter direction continues to be slow.

7. Foreign Trade Section

(a) Towards the end of September shipping facilities improved and October

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Discussions took place between this Section and officials of the Ministry of Industry, Commerce and Labour with a view to passing over to the Ministry the work of reporting and freezing controlled materials, and receiving and screening civilian demands.

(c) Paper and Printing Ink

The Newsprint situation should be relieved by arrival of 317 tons in NAPLES and 150 tons in CATANIA. SICILY should now have two months supply.

The Printing Ink situation continues to be satisfactory.

(f) Textiles, Shoes and Clothing

Textile mills at PRATO and LECCA were visited. Approximately 400 mills of various capacities are located in this area.

First delivery of one thousand rubber soles and heels for repairing salvaged boots has been completed. SICILY Company production is now placed at 600 soles and heels per week.

5. Fuel Section

Arrangements have been made to allocate to the Italian Government supplies of POL in bulk for SICILY, SARDINIA and Southern Italy (Southern Region) leaving it to them to sub-allocate to Provinces, and categories of users, effective 1 November 1944. This allocation was formerly carried out by Petroleum Section.

6. Price Section

Activity during September consisted of participation in the work of the Price Committee and further efforts to assist the Italian Government in establishing an effective system for handling prices, but progress in this latter direction continues to be slow.

7. Foreign Trade Section

(a) Towards the end of September shipping facilities improved and October should see considerable movement in goods which have been accumulating for export.

(b) Letters were interchanged with the Ministero dell'Industria del Commercio e del Lavoro, establishing agreement to the re-activation of the Istituto Nazionale per il Comercio Estero (ICE) as the executive organ of the Italian Government responsible for export trade development.

(c) Discussions are in progress by which payment of Italian exporters would be undertaken by the Bank of Italy, and wharf cusing, forwarding and loading of export goods would be done entirely by transport agents under agreement with AC and the Italian Government.

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(d) The timber supply situation for box making for the citrus fruit export programme at last shows some improvement.

(e) Meetings have been held with the Italian Ministry of Agriculture and Ministry of Industry, Commerce and Labour to discuss centralised organisation of the Silk Industry. Meanwhile CALABRIA continues to produce, and silk cocoons from Turkey have been imported in order to maintain output from the filatures now working.

(f) Hemp exports have been reduced - it is hoped temporarily.

(g) Requests from Allied countries have been received for, or offers made by Italians of the following new commodities:- alcohol, cork, mercury, iron ore, manna, gloves, snuff, tobacco seed and wheat seed, juniper berries cement and pyrites. Almost 100 varieties of vegetable seeds are now being procured and shipped, or stockpiled for shipment to liberated countries. Preliminary enquiries on marble have been made.

FINANCE SUB-COMMISSION.

8. On 29 September the Minister of the Treasury, SOLERI, released to the press a long review of the financial position of the Treasury. In this review he estimated the deficit for 1944 - 45, in the thirty provinces now under the Italian Government, at 90 billion lire. The gross indebtedness of the Treasury had risen from the 406 billion lire given by BADOGLIO in his speech on 30 June, 1943, to 723 billion lire at the most recent date.

9. As indicated in the August Report of the Finance Sub Commission, the Italian Government decided to lower both the rediscount rate of the Banca d'Italia and rates on Buoni del Tesoro Ordinari. By Ministerial Decree, effective from 11 September, the Banca d'Italia's rediscount rate was reduced from 4½% to 4%. Another Ministerial Decree reduced such rate in the schedule of maturities of effects by½. This change was effective on 20 September, 1944. The new rates are:-

1 and 2 months bills	-	2.75% per annum
3 and 4 " "	-	3.25% " "
5 and 6 " "	-	3.75% " "
7, 8 & 9 " "	-	4.25% " "
10, 11 & 12 "	-	4.50% " "

10. The Corte dei Conti is now well established and competently maintaining all the controls within its legal powers. For many years past, under the Fascist Government, this State office was not permitted to exercise the full controlling powers over expenditure that were contemplated when it was first established and whose duties were originally defined by statute. Changes in the law during the past two decades had the effect of whittling away the real power of control, so that the office became a mere rubber stamp. The original powers are now restored and the Corte has already shown that it will become the most powerful single instrument of effective budget control.

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FINANCE SUB-COMMISSION.

8. On 29 September the Minister of the Treasury, SOLERI, released to the press a long review of the financial position of the Treasury. In this review he estimated the deficit for 1944 - 45, in the thirty provinces now under the Italian Government, at 30 billion lire. The gross indebtedness of the Treasury had risen from the 406 billion lire given by SINCAGLIA in his speech on 30 June, 1943, to 723 billion lire at the most recent date.

9. As indicated in the August Report of the Finance Sub Commission, the Italian Government decided to lower both the rediscount rate of the Banco d'Italia and rates on Buoni del Tesoro Ordinari. By Ministerial Decree, effective from 11 September, the Banco d'Italia's rediscount rate was reduced from 4½% to 4%. Another Ministerial Decree reduced such rate in the schedule of maturities of 3/12 by½%. This change became effective on 20 September, 1944. The new rates are:-

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11. The war profit's tax revision became law with the publication in Official Gazette No. 56 on 16 September, 1944 of Decree Law, 10 August 1944. No. 199. Draft decrees have been received covering proposed revisions for the Imposta sull'entrata (Turnover Tax) and for Imposta Successione e Donazione (Succession and Gift taxes). These are being considered and have been the subject of interviews with the Minister and the Direzione Generale concerned. It is clear that the Italian Government has at last realized the importance and urgent necessity of increasing State Revenue. They are tackling the question of tax revision in a most energetic manner.

12. During the thirty days ended 10 September 194[illegible] the Bank of Italy

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lost currency from its reserves to the amount of 575 million lire, thereby
lire outpayments of 600 million lire during the
itionary reports indicate a further outline of the global reserve to about 5.2 bil-
on September, reducing the official reserve position to 4.2 billion
on days ending 20 September the official reserve had fallen to 4.0 billion
ilion lire. As of 30 September, the drain in currency has been stopped since the bank of Italy in order
lire. The drain in currency has been stopped since the bank of Italy in order
1 1/4 billions of lire, and the bank of Italy month of ROF since 5 June 1944, and the
to branches of the Bank of Italy, in fact, it has proved successful.
Chain shows no indication of slackening. In fact, it has proved successful.
to deposit 300 million lire in new 50 lire currency in the bank of Italy.
It appears that the multiplicity of currencies and the resultant confusion
strange to a Public competition with each other to buy food in the black
market, which holds also taking some of these funds.

In view of the foregoing attempt of the Bank d'Italia currency
position it becomes the former policy of opening the
banks as soon as possible. It is abviously undesirable that AM lire should
be used on a large scale to pay our Italian expenditures.
and planning of currency provided for under presently
prior to the operation

13. Under arrangements to General License No.32A, dated 29 August 1944,
the limit of 50 dollars a month placed on remittances from the United
States to any individual on recipient may be enlarged by the addition of
500 dollars per month for household purposes. The amended license also provides for payment to be
made in the additional dollars to a blocked account in the name of the
Remittances from blocked dollar accounts may be authorized for
United States who are citizens of the United States
licenses will be granted for such expenditures
500 dollars per month. Such
Plan, in no instance
exceeds in the United States
in Italy who are citizens of the United States
claimed war.

14. Steps were taken whereby the Italian Government, through the
Ministry of Agriculture, established the office of Director General
Agricultural Reconstruction, which assumed direction and control of
functions, including all phases of the supply of essential agricultural
Quarterly Report for the period ending 30 September 1944
through this action on 1 September
The plan put into effect on 1 September
provided for the Southern area as
for the Northern area as of
1 October. The establishment
to perform only the
Approved For Release 2000/08/22 : CIA-RDP78-04718A000100040001-6

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...living in a futile competition with each other to buy food in the black market, which holds its gains in the form of currency. Rural regions are also taking some of these funds.

In view of the resulting stringency of the Banca d'Italia currency position it became necessary to reverse the former policy of opening the banks as soon as possible. It is obviously undesirable that AM lire should be used on a large scale to pay off Italian depositors. Public expenditures and financing of crops are adequately provided for under proclamation No. 4, prior to the opening of banks for general withdrawals.

13. Under amendments to General License No.32A, dated 29 August 1944, the limit of 50 dollars a month placed on remittances from the United States to any individual or household for living expenses was increased to 500 dollars per month. The amended license also provides for payments to be made in the additional provinces of ROME, FROSINONE, LITTORIA and CASERTA. Remittances from blocked dollar accounts may be made only to a citizen of the United States who has a beneficial ownership in the said account. Specific licenses will be granted by the Treasury Department for sums in excess of 500 dollars per month through existing "AP" accounts upon adequate substantiation. In no instance will a license be granted for transfers from Blocked accounts in the United States belonging to, or beneficially owned by, persons in Italy who are citizens of nations against which the United States has declared war.

14. Steps were taken whereby the Italian Government, through the Ministry of Agriculture, established the office of Direttore Generale dell'Alimentazione, which assumed direct charge of co-ordinating and controlling all phases of the supply of essential foodstuffs. The Direttore Generale appointed Federazione dei Consorzi Agrari as the distributing agent throughout Italy. Through this action an organization was established for handling imported foodstuffs. The plan went into operation on 1 September for the large Southern Region, and will be extended to forward areas on 1 October. The detailed work of keeping warehouse records, making sales and effecting collections has been transferred to Italian hands, leaving AC to perform only the quantative accounting for imports received.

15. Pursuant to HQ AC G.O. No. 43, para XIV, which became effective on 1 October 1944, the Property Control Sub Commission was transferred to the Economic Section and made a division of the Finance Sub Commission, to be known as the Property Control Division. Henceforth it will perform its duties as a division of Finance Sub Commission. Prior to such amalgamation the Acting Director of the Property Control Sub Commission was authorized to re-open negotiations with the Italian Government, looking to the return to that Government of the responsibility for the care and custody of Allied property in transferred territory. Such negotiations had been in recess since April pending a decision on questions of policy. The first of the new meetings was held with the Minister of the Treasury and other officials on 23 September. Rapid progress was made and by 28 September draft decrees had been prepared and discussed and agreement reached upon all the important points. On 30 September a draft decree was handed to Legal Sub Commission for examination.

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FOOD SUB-COMMISSION.

16. A survey was completed of available imported supplies in Italy in relation to the extended areas liable to be fed. This showed that a reduction in the total consumption was necessary due to the lack of concrete information with regard to the resumption of imports of these supplies.

17. To achieve this, as from 1 September the existing ration scale, with the exception of bread and salt, would be issued only to towns of 50,000 and above, but retaining the existing special ration scales universally. It is appreciated that this plan is not ideal, but it was the only logical solution in view of the existing supply situation.

18. The inequality of the bread and pasta ration as between the South and Central Italy has had careful study during the month. Uniformity of ration - with an upward movement of the ration scale in Central Italy being the aim, rather than a reduction in the South - necessitates a program of increased imports of cereals during the winter months. Because of this and of the need for the importation of other basic foodstuffs to ensure a reasonable ration scale for the entire population, a new program of imported food supplies was prepared in considerable detail for submission to AFHQ. As a result of this program being taken to Washington by Brig. Gen. O'Dwyer, the Director and Statistician of the Food Sub Commission were called to Washington to support the estimates submitted.

19. The feeding of ROME continued to cause anxiety. The bread ration of 200 gram daily, the authorised ration of meat, dried vegetables, soup and salt was issued plus an issue of 550 grams of pasta. No sugar was available for issue due to late arrival of expected supplies and the olive oil ration was carried forward to early October due to transportation difficulties. In addition to feeding the ordinary population of ROME, supplies were made available to Communal and Industrial Kitchens feeding 260,000 people daily, to 25,000 Hospital Patients and to other special classes. In addition an average of 450 tons daily of non-rationed foodstuffs were brought into ROME.

20. The problem of the supply of areas devastated by war and the difficulties of transport being increased by the winter rains, had to be faced. Southern. FROSINONE and LITTORIA, badly battered in the early advance, were given a special allocation of food, but supplies of vital commodities such as fats etc. do not exist. Some areas likely to be isolated during the winter months have had a special three months allocation of food.

21. No supplies having been set up for North of the PISA-RIMINI line until November by A.F.H.Q. a special milling and mail program was [illegible] the rate of approximately 250 tons per day, with other supplies in proportion, to provide a stockpile for a possible rapid advance North of the PISA-RIMINI line before November.

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22. Local Resources. As a result of action by A.C., a new administrative instruction was issued by A.F.H.Q. during the month, which limits the amount of local produce to be purchased by the Armed Forces. If carried out to the letter this will make a far greater amount available for civilian needs at this vital time.

23. The tomato processing season is nearly over. Final figures are not available, but due to competition by the black market processors for fresh vegetables, and the extreme shortage of fuel, the target figure of 2000 tons will not be reached.

24. To conclude the month has been one of meeting the problem of supplies to recently occupied areas, and of planning for the feeding of the whole of Italy during the coming winter.

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INDUSTRY SUB-COMMISSION.

25. Foreword.

During the past month considerable progress has been made in the transference of detailed executive work from the Sub Commission to the Italian Ministry of Industry, Commerce and Labour. By the end of the month steps were being taken and details being worked out to hand over to Italian governmental administrative control most of this Sub Commission's main interests, more especially the fertiliser, soap making, paper making and cement industries. It was decided that the Italian Ministry would create small committees for each of these industries which would be responsible for this transfer of control. The committees to be presided over by a representative of the Ministry and to consist of two or three representatives of the industry in question. Under the proposed plan detailed executive work will be done almost entirely by the Italians themselves, this Sub Commission's responsibilities being virtually confined to the screening of requisitions for necessary imports of raw or repair materials, and to endeavouring to solve the transportation problems involved.

The regular weekly conferences with the Ministry were continued throughout the month and were found to be of increasing value, but it was felt that the Minister was evincing a stronger desire for complete independence of action. Some divergencies of opinion between the Minister and the Sub Commission arose over the question of the selection of personnel for some industrial administrative posts. It can, however, be recorded that the past month has shown a steady growth in the administrative power of the Ministry, which, with the growth of a more efficient communications network, showed evidence of its ability to handle, day to day executive problems.

26. Governmental Decrees

During the month the Governmental Decree for the control of the hemp industry and manufactured products thereof received Cabinet approval, and was duly published. Steps were taken to ensure similar action in [redacted] which, of course, remains AMG territory.

It is regretted that other decrees which have been pending, such as those for the control of the leather industry, and dealing with the position of the Ente Zolfi Siciliani have not yet been published.

27. Administration

This month has once again seen considerable progress in the recruitment of qualified personnel, and the policy has been consistently followed of arranging for newly recruited personnel to spend some time at HQ before their transference to their selected assignments in the field. The Sub Commission's plans for adequate representation in all the forward areas are now nearing completion and it is pleasant to be able to record that recent recruitment has reached a very high standard of technical qualifications for future tasks.

Arrangements were completed to carry out the recommendations of the [redacted] Detailed

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Arrangements were completed to carry out the recommendations of the Manpower Reorganisation Committee. The Sub Commission put forward a detailed plan giving immediate implementation to the Committee's recommendations.

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At the beginning of the month, the Coal Section of the Transportation Sub Commission was transferred to this Sub Commission and now forms the Coal Division.

28. Conferences

During the month a personal investigation was made of the problems to be solved prior to the resumption of production by the Soda Solvay Works at

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ROSIGNANO, thereafter a conference was held with General HUMBLE, D.C.A.C., HQ., AAI. as a result of which permission was obtained from Fifth Army for immediate repairs to be commenced to the 36 kms. of pipeline running from the salt mines to the works, despite the fact that the pipeline is laid for a considerable length along route No. 68, which is still in operational use for military traffic. A meeting was also held with the D.S., M.P.S. in SOMS who undertook to send a reconnaissance party to study the problem of the restoration of railway traffic from VADA into the works at ROSIGNANO, and promised the Sub Commission every assistance in the repair of the one bridge that is destroyed in this area. Following these meetings and other action, it is hoped that this important unit may be able to commence production at the beginning of next year.

29. Industrial Activities.

The month under review has witnessed the liberation of important industrial areas in Tuscany. Almost before the dust of battle had settled, officers from Industry Sub Commission entered the area to carry out preliminary investigations into conditions. At first sight the outlook is grim, damage has been severe, but a reasoned appreciation is not immediately possible, and an appraisal of potential recovery must be deferred until stock has been taken, a process now being carried out.

LABOR SUB COMMISSION

30. Labor Relations, Laws and Regulations

(a) The important news of the month was the visit and tour of Delegates from American and British Labor Unions, the Delegates were Mr. LUIGI ANTONINI, American Federation of Labor; Mr. GEORGE BALDANZI, CIO; Mr. WILL LUTHER, British Federation of Miners Union; Mr. TOM O'BRIEN, British Trade Union Congress. A tour through Southern Italy and SICILY was followed by a general Trade Union Congress in ROME and afterwards the entire group visited the fighting front.

It was very clearly defined to the Italian Trade Union movement that real progress could be made only through freedom from political influences; but that any possible help, moral or otherwise from the U.S. or Great Britain would be dependant on whether progress was made in line with fundamental principles of democratic free procedures.

(b) This Commission instituted a survey inspection of the Ispettorato dell'Industria e del Lavoro and of the Regional Labor Offices. One person full time has been assigned to deal with problems of the Ispettorato del Lavoro.

(c) The important problem of recognition by the Italian Government of Regional and Provincial Labor Offices set up initially by AMG was pursued with the Minister of Labor.

(d) The Decree-Law on the Suppression and Liquidation of Syndical Organizations has been considered by this Sub Commission along with the Finance and Legal Sub Commissions and the position of AC has been formally forwarded to the Ministry.

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31. Wages, Hours and Labor Conditions

(a) The Sub Commission prepared and submitted a proposal to the Wages Sub Commission of the Labor and Wages Control Committee AAI for the revision of wage scales for the employees of the Armed Forces. After approval by Labor and Wage Control Committee, the Resources Board concurred with the scale becoming operative 1 October 1944.

(b) Action was also taken on wage increases for employees in private industry. Negotiations were carried out between this Sub Commission, Economic Section and the Minister of Industry, Commerce and Labor.

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(c) This Sub Commission approved with qualifications, in conjunction with Finance Sub Commission, the problem of the Italian Government on wage increases for Government employees.

32. Social Insurance, Benefits and Training

(a) Close liaison has been maintained with the 5 major Social Insurance Institutes and considerable help has been furnished by this Sub Commission to further the work of Field Inspectors of the Previdenza Sociale, Malattia and Infortuni.

(b) Recommendation was made to the Minister of Industry, Commerce and Labor for the appointment of 2 co-Commissioners for the Cassa Marittima Meridionale at NAPLES.

(c) Considerable attention was paid to the problem of tying in the administration and fiscal control of the various Casse Mutue Aziendali (Factory Mutual Assistance Sickness Funds) with the national system of the Istituto Nazionale Assistenza Malattie.

(d) The long discussed plan of providing social insurance covering Italian workers employed directly by the Allied Armed Forces has now been formally approved by the Government Agencies and the Local Resources (Italian) Board of AFHQ.

33. Southern Region Summary

(a) Syndicates are still in existence in APULIA although it is hoped that passage of the new Decree on abolition will correct this situation very shortly.

(b) Several wage increase agreements have been approved by the Labor Sub Commission.

(c) An estimate of unemployed workers in NAPLES for the month of August was 64,038. There is practically no unemployment in the southern part of the Region.

34. LAZIO-UMBRIA Region Summary

(a) Nominations have been made for Provincial Labor Directors in the Provinces of VITERBO, RIETI and PERUGIA.

(b) Tremendous pressure has been brought to bear by organized labor groups on the Italian Government for increased wages.

35. TOSCANA Region Summary

(a) Steps have been taken to establish a Regional Labor Office in FLORENCE, Provincial Labor Offices already having been set up in GROSSETO,

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for the appointment of 2 co-Commissioners for the Cassa Maritima Mediterranea at NAPLES.

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(b) Several wage increase agreements have been approved by the Labor Sub Commission.

(c) An estimate of unemployed workers in NAPLES for the month of August was 61,033. There is practically no unemployment in the southern part of the Region.

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35. TOSCANA Region Summary

(a) Steps have been taken to establish a Regional Labor Office in FLORENCE, Provincial Labor Offices already having been set up in GROSSETO, SIENA, LIVORNO and FLORENCE.

(b) Constructive work has been done with the aid of the Labor Sub Commission in the registration of labor and tying in the granting of housing and ration privileges with actual employment in the LIVORNO area.

(c) There is considerable evidence of political activity on the part of the Camera del Lavoro in each Province.

PUBLIC WORKS AND UTILITIES SUB COMMISSION

36. General Observations

Lt. Cols. JENNY and LAPPER went to AMERICA on 22 September (re Supplies,

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plant, materials, equipment, etc.).

37. Italian Public Works Dept. (Genio Civile)

Relations with Minister of Public Works (Italian Govt.) improved. Has now a better grip of his Department (which still remains lamentably defective). Remaining Engineer Officer withdrawn from SARDINIA, leaving responsibility with Genio Civile, and similar action contemplated in SICILY shortly. Analysis of organisational defects of Genio Civile summed up in letter to Minister of 20 September.

38. Defascistization

Major PALMIERI of Legal Sub Commission is satisfied with progress made (special duties in this connection) and has advised Ministry of Public Works Commission as to speeding up activities. Close contact maintained with Major PALMIERI.

39. Reconstruction of War Damaged Italian Cities

Ministry of Fine Arts and Monuments wish that no reconstructional changes likely to alter character of old Italian Cities should be made without consulting them and Director General Monuments, Italian Government. All Regional Engineers notified.

40. Ports (salvage of sunken ships)

Prime Minister approached by Chief Commissioner re taking over of non-operational salvage by Italian Government. No decision yet reached as to whether Ministry of Public Works to be responsible, or Ministry of Marine.

41. Road Conditions

Sub Commission has established a "Road Reports Bureau" to collate experiences of touring officers with information already in possession.

42. Railways (Bridges, permanent way, etc.)

Transportation Sub Commission will continue to be responsible for this class of war-damage.

43. Land-reclamation, Flooding, Bonifiche Works

Reports received from Eng. Div. 5th Army AMG concerning ARNO and SERCHIO Rivers and likelihood of winter disasters (see para 6 of August Report re Pontine Marshes, and PO Valley). Problems later in PISA plain, likely to be wider in scope. Project (50 million lire) Pontine Marshes now in hand.

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37. Rehabilitation

Major PALMIERI of Legal Sub Commission is satisfied with progress made (special duties in this connection) and has advised Ministry of Public Works Commission as to speeding up activities. Close contact maintained with Major PALMIERI.

39. Reconstruction of War Damaged Italian Cities

Ministry of Fine Arts and Monuments wish that no reconstructional changes likely to alter character of old Italian Cities should be made without consulting them and Director General Monuments, Italian Government. All Regional Engineers notified.

40. Ports (salvage of sunken ships)

Prime Minister approached by Chief Commissioner re taking over of non-operational salvage by Italian Government. No decision yet reached as to whether Ministry of Public Works to be responsible, or Ministry of Marine.

41. Road Conditions

Sub Commission has established a "Road Reports Bureau" to collate experiences of touring officers with information already in possession.

42. Railways (Bridges, permanent way, etc.)

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44. Eruption of VESUVIUS (March 1944)

Special inspection carried out by Acting Director and Regional Engineer (Southern Region) in September preventive measures can not be effective this winter. Projects prepared by Genio Civile (120 million lire) probably unsound.

45. War Damages (Buildings, etc.)

Minister instructed Chief Officers of his Department throughout Central and Southern Italy to make complete inventory of war damage in Provinces and Communes.

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46. Utility Companies

Gas, Water and Electricity Coys continue to ask advice and assistance in various routine (and many extraneous) matters. Applications for permission to increase charges to consumers continue.

47. Public Utilities (Emergency Services)

Strikes reported at NAPLES and south thereof by employees of Società' Meridionale di Elettricita' and Gas Companies. Conference held at Southern Region HQ 26 September to discuss plans for setting up substitute operational agency to keep essential services going.

48. Capital Expenditure. July 1944 - June 1945.

In 7 Provinces recently returned to Italian Government Minister notified probable expenditure of 1,700 million lire exclusive of 253 ML arising out of VESUVIUS eruption, war damage to buildings, and numerous other matters.

49. Highways, Bridges and Public Works

(a) New contracts in September amount to 72 for Military Highways and bridges and 99 for miscellaneous works.

(b) Sub Commission asked by Military Districts (Br.) and Peninsular Base Section (Am.) to take over many additional highways and bridges. Special bridge problems discussed in main report.

(c) Housing. Repairs proceeding very slowly. New Decree under consideration. Estimates prepared for construction of new housing units in 9 communes LAZIO-UMBRIA Region. Costs outrageously high and private made; but Minister stated he was satisfied.

(d) Transport. No improvement - about 50% of vehicles unserviceable. POL supplies still inadequate.

50. Personnel (Allied Officers)

Limited at HQ to 13. Total number employed in HQ and Regions 67. 5 American Civilian Engineers joining shortly.

51. Electrical Division

(a) Increase in Italian civilian engineers. Research and survey work over wide areas in hand.

(b) New A.F.H.Q. Memorandum No. 43 of 5 October 1944 of very great im-

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(b) New A.F.H.Q. Memorandum No. 43 of 5 October 1944 of very great importance, setting out this Sub Commission's heavily increased responsibilities.

(c) Power-output reports furnished to all interested Army Engineers. 4877
General situation very serious.

(d) Special position and difficulties regarding power plants in ROME explained.

(e) One object of Senior Officers visit to U.S.A. to obtain electrical generating equipment for Italy.

Regional Reports

51. SICILIA Region.

Urgent works required by Navy at MESSINA. Bridge construction works slowed

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down. Road surfaces serviceable. Increased accommodation in prisons available.

Hydro electric situation fairly good.

Some transport difficulties eased by re-opening of PALERMO - MESSINA Railway.

52. SOUTHERN Region

Sanitary and housing conditions in BENEVENTO bad.

Roads in CAMPOBASSO show progress. Out of 135 Communes many without water. Some arrangements made.

Roads in CATANZARO show good progress.

Water supply in REGGIO polluted. Repair works on 6 aqueducts and water-supply systems in COSENZA, CATANZARO and REGGIO inspected.

NAPLES City - many works in hand.

Consumption equal to supplies allocated (electricity).

Gas Company (NAPLES) maintaining some supply under existing conditions. Miscellaneous repairs proceeding satisfactorily.

Transport problems remain acute. (Roads and bridges.) Good progress in BARI District; water and electricity supplies satisfactory. Gas ~~situation~~ inadequate. Reports from CATANZARO similar to those from BARI.

53. LAZIO-UMBRIA Region

Projects approved in September amounted to 30 ML. Funds regularised to complete bridges and other works begun without estimates and proper authority. Amalgamation of ROME Region and Region IV completed. Fair standard of roads maintenance reported. Progress in Bridge construction moderate. Housing projects blocked by lack of clear directives from Italian Government.

Mines-clearance proceeds very slowly.

Building repairs proceeding.

Water supply faulty (ROME City) inherent defects; apart from war-damage.

54. ABRUZZI-MARCHE Region

Boundary between Districts 1 and 2 (Military) moved forward.

Regional Engineer complains Genio Civile staff inadequate and unsatisfactory.

13 out of 50 bridges on Route 16 repaired, and 20 under reconstruction. Highways works proceeding slowly. Approval obtained to urgent repairs to public

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Regional Engineer complains Genio Civile staff inadequate and unsatisfactory.

13 out of 50 bridges on Route 16 repaired, and 26 under reconstruction. Highways works proceeding slowly. Approval obtained to urgent repairs to public buildings.

Water supplies being restored.

Electric power strictly rationed.

55. SARDEGNA Region

Clearance of CAGLIARI City 80% completed. Arrangements in hand for limited supply of gas. Electricity satisfactory. Water supply still critical. Transport situation unsatisfactory.

56. TOSCANA Region

Regional Engineer's activities, owing to forward movement, considerably ex-

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tenders. Very large program of bridge reconstruction anticipated.

Electric power situation FLORENCE serious.

General public works schemes in hand, also repairs to damaged hospitals.

Responsibility for flood control handed over to National Engineer, Armies have promised assistance with transport and equipment. Inspector General (Public Works) Tuscany reported to be of great assistance.

FLORENCE City, 90% of normal water supply now available.

57. EMILIA Region

(a) Enemy causing great damage to roads, bridges, water and electricity plants. No active work possible.

58. PIEDMONTE and LIGURIA Regions

No active work possible.

59. LOMBARDIA and VENEZIA Regions.

No active work possible.

SHIPPING SUB COMMISSION

60. There has been no salient feature to report as regards shipping matters in the month under review. Considerable satisfaction, however, can be taken from the undoubted fact that the protracted machinery of A.C. requirements for Italy has resulted in an orderly examination of this with the authorities at A.F.H.Q., and it can be stated that all those requirements, so far as their movement by sea is concerned, were been covered. This has been done in consultation with the Shipping Authorities at A.F.H.Q., and has on occasions required the use of Allied tonnage for SARDINIAN coal and phosphates, and the use of one large British vessel for the carriage of wine from the APULIA district to the ROME area.

61. It is early to make any comments on the new method of handling schooners, but it can be reported that the machinery is working efficiently. The Schooner Control which sits in NAPLES and which is represented by the Mediterranean Shipping Board, A.C. and CO.OR.NA, is gradually getting some order out of a certain amount of chaos, and is directing the schooner fleet under their auspices to the civilian needs as required by the A.C.

Some slight criticism has been made that the numbers of schooners available for civil needs has not reached the stated total of 27,000 tons. This is accounted for by the fact that all the schooners which were visualised as being available for A.C. cargoes are not yet under full control, being spread over SARDINIA and from the islands off the coast of Italy. The assistance of the Naval Authorities has been enlisted, and it is satisfactory to report that machinery has been put in motion to bring these schooners under control. It is disappointing that these schooners are of the small size, but it has always been admitted and in fact ordered by Allied Force Headquarters that Military needs

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62. The port of CIVITAVECCHIA has been handed over to civilian authorities by the Army and Navy, and will be utilised for importations for the ROME area. It was disappointing to find that most of the gear and dock equipment had been removed, but this has been put right by the Services as a result of meetings which took place in ROME between the interested parties.

Considerable pressure is being put on the respective authorities to ensure that the railroad from the coal berth at CIVITAVECCHIA is put in order at an early date, as on this will depend to a great extent the supplies of coal to

ROME during the winter months.

It is also satisfactory to note that considerable success has rewarded the efforts of the Italian contractors engaged at FIUMICINO, and it is conceivable that at an early date this will result in another means of supplying the city.

63. The Financial arrangements between the various authorities for payment for services of Allied and other shipping still remains under discussion, and considerable ground has still to be covered before clarity on this point is achieved. It is hoped the next report will give a statement showing at least views of the various authorities on how the Financial matters should be administered.

TRANSPORTATION SUB COMMISSION

Railways

64. Rail development has again been able to draw closer to the fighting troops. There has been a considerable increase in freight traffic backloaded from forward areas, thus making best possible use of rolling stock. Such traffic includes wheat, lignite and salt.

65. Plans are in hand for the preparation of advance rehabilitation schedules based on priorities to be indicated by the Italian authorities.

66. The Decree for increase in rail rates and fares has been dealt with and is likely to become law in the near future.

67. On the movements side, officers from AFHQ have been detailed to A.C. for the purpose of taking over rail movement work, releasing A.C. officers for other specified duties in the field.

68. All engineering works have continued and further examination of lines are in hand.

69. In SICILY, proposed coal reduction is likely to cause considerable difficulty and a great burden on road transport which it is not in a position to meet. Suitable action is being taken to meet the needs of the Island objectively.

Work in the field has continued to progress and develop, and field officers have been maintaining their [illegible] high standard of efficiency.

Shipments, Ports and Warehouses

Shipments

70. Tonnage was allotted for all available bids of A.C. forecast. A 5000 ton ship was allotted for wine from NAPLES. Barrel shortage will limit further wine [illegible] Centralization of shipment bids through A.C.

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Practically no bids arrive from SICILY or Southern Regions. Existing instructions are not being followed nor chain for bids arranged. All A.C. shipment bids for September were accepted by AFHQ to be carried by schooners or other ships. The specific allotment of schooner tonnage to Civil supplies is still only 15,000 tons DW of the smallest and most expensive schooners. During the month were allotted 10,000 tons DW schooners and 3500 tons coasters carrying in all 8000 tons.

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Ports

71. The Port of CIVITAVECCHIA has been handed over for civil use. Rail served berths for coal and civil supply ships are being arranged. Gear for the discharge has been obtained from Army sources.

Warehouse and Forwarding Section

72. The above Section is being taken over by this Section of the Transportation Sub Commission on 1 October.

Roads

73. Two complete G.T. Companies (Italian) and 250 American vehicles have been provided by AFHQ in order to alleviate the present critical shortage of transport. It has been decided to organise these companies and vehicles into a G.T. Truck Battalion.

74. Five additional officers have been assigned to this Sub Commission.

75. E.N.A.C. is not yet in operation and its policy is meeting with stiff opposition from interested parties. It is hoped, nevertheless, that it will be given a fair trial. In AMG territory the FLORENCE plan of organising civilian transport is proving very satisfactory.

76. This Sub Commission has now accepted responsibility for maintenance of all A.C. vehicles, both military and civilian. A complete plan is being put into operation.

77. Both the Super and Lancia Garages in ROME have been fully booked for work on repairing cars etc., during the current month.

78. Tyres, as ever, are a sore problem. Bitter disappointment was experienced when it was found that a large quantity had been erroneously consigned to us. There is reason to believe, however, that atonement for this will be made in the near future.

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Page IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS.

POLITICAL SECTION.

1. There was a good deal of tension both in the matter of internal and foreign politics during the month. Principal matters of note were the drive for workers' and state employees' subsidies, the recriminations and occasional acts of violence of the Left and Right and the persistent appeals from all parties for material and moral aid from the Allies.

2. The Socialist Party manifesto (7 September) is a good example of the more extreme programme. After a declaration of faith in the general principles of socialism and internationalism, the Socialists made some very specific demands. Of the Allies they asked Lease Lend, demobilisation of AC, the right to make a greater contribution to the war through both the partisans and regular troops, and a statement of reassurance on the Allies financial policy. Of the government they asked immediate attention to the unemployment problem and immediate elections of provincial and communal officials. The manifesto ended with an allusion to the forces of reaction and the readiness of the workers to reply with "revolutionary violence" to any challenge from such forces. These, including political rights for women, are in general the demands of the Leftist parties, although not always voiced with such brusqueness. To them may be added the pressing for some kind of expropriation of the latifundia - the Christian Democrats advanced a tentative plan on 12 Sept and the Communists have been urging occupation at least of untilled lands by the peasants as an emergency measure and without waiting for a governmental decree. On the foreign policy side it may be said that the Socialist programme represents only the minimum of Italian demands: Croce's speech, asking that Italy be classed among the victor nations and accorded full autonomy and parity, received almost universal approval.

3. Repeated reports of violence in the Southern Provinces on the part of Communists and Socialists came in throughout the early days of the month. The Leftists parties have steadfastly denied any activity of the sort and indeed on the best documented occasion (the breaking up of a meeting in CAMPANIA Province when hand grenades were thrown and the speaker wounded) it was the Communists who were the victims. The outstanding act of violence during the month was the lynching of [redacted] (19 September) who was to be a witness at the DANUSO trial. This was such a shocking affair that there were rumours for a day or so that the government would fall and the extremist parties, though professing sympathy with the people who, they felt and the extremist parties, though professing sympathy with the people who, they claim have been too much delay in punishment of Fascists, did somewhat moderate their tone. Even at the highest point of tension, however, there was no real thought of upsetting the government, and the rather unrealistic outcry for a "Committee of Public Safety" died away completely when, on 26 September, the six parties again bound themselves in a public declaration to work together, settle their differences on Fascism and postpone discussion of radical reform until the liberation of the whole country and the meeting Constituent Assembly. The fact that the DANUSO trial was held with dispatch and efficiency and speedy justice was done (as well, perhaps, as the lack of any workable alternative for the BONOMI Government) gleaned the hotheads and saved the situation. At the same time that the manifesto of solidarity was released by the government parties the announcement of the policy toward Italy made by ROOSEVELT and CHURCHILL was broadcast and had a very tonic effect. The promise of relief from the dreading of the word "Control" from ACC and the invitation

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4. The Council of Ministers, meeting on 24 September, took up the matter of [illegible] which, it is

understood must now be considered by AC. It also ordered the preparation of electoral lists for elections in the communes (these lists are based on the regulations of 1919 and do not provide for women voting) and set up an Inter-Ministerial Price Control Board. Meeting again on 29 September the Ministers listened to SOLERI's report on the Treasury. It was a report admired by all for its honesty and integrity but it brought out very clearly the fact that Italy has a mounting deficit and a currency circulation out of control of the Government.

PUBLIC RELATIONS BRANCH.

5. News Production. Daily releases to the Allied, neutral and Italian press on a variety of subjects, including evacuation of the Grand del Popolo, German tortures in Via Tasso, civilian movement, food, export of silk, arrival of penicillin, Italian Red Cross, olive oil seizure, etc.

6. Press Arrangements. PWB officers supervised arrangements for Allied correspondents covering the CARUSO trial and execution and also figured in helping quell the disorder on the first day of the trial. Arrangements were made with the Italian Government insuring Allied coverage of other High Fascists brought to t trial.

7. Press Conference. Arrangements made for meeting of Allied correspondents with the Anglo-American Labour Delegation at the Grand Hotel.

8. Journalists.

(a) Italian. 15 more accrediting cards issued after screening. Interviews arranged with Sub-Commissions.

(b) Allied War Correspondents. Interviews arranged and briefing given. Aid continued to "March of Time" film unit.

(c) Allied Political Correspondents. Trip arranged with conducting officer to cover inauguration of new mayor of FLORENCE. Work progressed in taking over former MANCHUKUO Embassy and setting up as Political Correspondent's Mess and billet.

(d) Neutral Correspondents. Weekly briefings held. Foreign Press Association expanded to include substantial number of Allied correspondents, with direction now passing from hands of neutrals to council of journalists elected by accredited correspondents in ROME.

9. Relations with Italian Government. Major accommodations made on Italian film and radio industries and creation of Italian news agency. Epuration activities of Sottosegretariato per la Stampa followed and checked.

10. Meetings Attended. Secondo section, Weekly Conference, Allied Publications Board, PWB Propaganda Directive Conference, SHAEF Forward AC conferences.

11. Propaganda. Suggestions and assistance given PWB concerning patriots, olive oil shortage and extent of Allied supplies and aid given to Italians.

NAVY SUB-COMMISSION.

12. Ships of the Royal Italian Navy continue to be as fully employed as their [illegible] of four cruisers are ferrying troops from

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NAVY SUB-COMMISSION

12. Ships of the Royal Italian Navy continue to be as fully employed as their state of readiness permits. An average of four cruisers are ferrying troops from CAGLIARI to NAPLES. Destroyers and smaller vessels are fully employed on escort duties, minesweeping, etc. Work is proceeding well in the dockyards of TARANTO and BRINDISI where Allied and Italian naval and merchant vessels are being repaired and docked in increasing numbers.

13. Considerable attention is devoted to economic problems such as the control of hemp, including the production of an adequate supply of raw hemp to meet requirements for finished products necessary for the war effort.

14. A conference was held at CASERTA to review the policy for shipbuilding. The present policy that the facilities should be used for repairs in the interest of the immediate war effort was reaffirmed, with the additional agreement that there is no objection to building small coastal vessels under 1500 tons, tugs, barges, and schooners, provided that material and machinery can be obtained without detriment to the war effort.

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15. An endeavour is being made to formulate a policy and plans for non-operational salvage. The President of the Italian Council of Ministers has been requested officially to designate either the Ministry of Marine or of Public Works as the agency to plan and coordinate non-operational salvage work, including actual salvage operations.

16. Agreement has not yet been reached between MEDITO and the Labour Sub-Commission as to the proper agency for hiring Italian merchant seamen. MEDITO contends that this is a function for the Italian Port Captaincies, but the Labour Sub-Commission proposes that all hiring should be through the Controlled Labour Offices.

17. The disposal of vessels of Italian ownership captured from GERMANY by the Allies after the Armistice with ITALY has again been raised through the Italian Ministry of Foreign Affairs. The Italian view is that the CUNNINGHAM Agreement entitles them as co-belligerents to the return of these vessels to Italian control.

18. Numerous other problems involving supplies for the Italian Navy, the control of movements of Italian naval personnel, arrangements for transport of persons and equipment, censorship regulations, accommodation, etc., have been handled.

LAND FORCES SUB-COMMISSION (M.M.I.A.)

19. The call-up of the 1915-1924 classes in ROME continued during September with a view to completing outstanding commitments for Allied Units. Both specialist and non-specialist personnel were recruited. Up to 10 September only 670 reinforcements had been dispatched. This low figure was due to the fact that many men were exempt from Military Service because physically unfit, or for compassionate family reasons, or because of business and agricultural commitments.

20. The C.I.L. was withdrawn from the line. Rail transport at the rate of 600 personnel and 100 tons of stores a day was arranged from ASCOLI to VENAFRO. Personnel and stores were also moved by road in vehicles of the C.I.L. The reorganisation of the C.I.L. into two Combat Groups commenced as soon as all units had been concentrated in the PIEDIMONTE area. These groups are now re-designated the "LEGNANO" and "FOLGORE" Gps. The move of units of the "FRIULI" Combat Group from various points to the SAN GIORGIO concentration area was completed. The training of instructors of the "FRIULI" Group in British weapons was completed and on 19 September the training of instructors from the "LEGNANO" and "CREMONA" Gps commenced. On 26 September MMIA's outline plan for the reorganisation, training and equipping of the Italian Combat Force was sent to AFHQ, AAI, MGEN LOs and Gs. i/c BLOs.. On 16 September the Italian Combat Groups became a British responsibility.

21. At a conference at AFHQ on 4 September attended by MMI representatives the division of the Italian Army into three categories was discussed. The Italian Armed Forces would be divided into three classifications as under and referred to by the appropriate abbreviations.

(a) Italian Armed Forces under British Command - IN-ITI.

(b) Italian Armed Forces under United States Command - US-ITI.

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(b) Italian Armed Forces under United States Command - US-ITI.

(c) Italian Armed Forces under the Command of the Theatre Commander through the Italian Government - ITI-ITI.

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The responsibility for maintenance would rest with the Allied or Italian Command according to the above categories. MMLA would be responsible to the Theatre Commander for the coordination and supervision of supply to all categories of the Italian Armed Forces through the Italian Ministries.

AIR FORCES SUB-COMMISSION.

22. During the month of September there was considerable increase in fighter activity, despite a deterioration in weather conditions, and an average of 18 sorties a day has been maintained.

23. Supply dropping is still being carried out by the Bomber/Transport Wing and during the month over 145 tons of arms, ammunition and food were dropped over YUGOSLAVIA.

24. The move of the Italian Air Ministry to ROME made it apparent that the subject of manpower would have to be dealt with by the ROME Office of the Air Forces Sub-Commission. At the present moment the full figure of 9,000 personnel for employment with the Allies does not seem to be in demand, and some 300 men are waiting to be posted to Allied Units. At the same time a steady influx of personnel from liberated territory continues, together with a corresponding number of discharges necessary to maintain the total ceiling strength of 34,000.

25. The question of an increased ration for operational crews is still under consideration. It is hoped that some decision will be reached in the near future. M.A.A.F. Reports being pressed for this.

26. Sanitation in the Italian Air Force is improving, and the Italian part of the Station at LECCE has recently been commended by the American Medical Officer in charge of the station.

27. On the whole affairs in the Italian Air Force remain settled and morale is high. The dissatisfaction in respect of the re-employment of personnel who were in hiding in ROME has now decreased. The crews of these have now been taken into the Air Force and a number of them hold very important posts.

28. Defeatism is still most unsatisfactory but this cannot be blamed on the Italian Air Force who, at any rate, appear to be more than ready to get on with the job and anxious to get rid of the majority of the fascist senior officers.

29. The most satisfactory aspect of the month is the increase in fighter serviceability. This is the fruit of protracted efforts of the Engineer Staff of the Air Forces Sub-Commission and the Technical Staff of the Italian Air Force.

COMMUNICATIONS SUB-COMMISSION.

30. Telecommunications.

(a) Telephone. The towns of LITTORIA, VELLETRI, FROSINONE, TERRACINA and VITERBO have been connected to the main telephone system. On the East side of Italy the towns of TERNI, RIETI, AQUILA and TERAMO have been interconnected, though there is still no connection from that side to the main system. Local services have been restored in several more towns.

An inter-urban board has been reconditioned and is being installed in FLORENCE in readiness for service.

(b) Telegraphs. Telegraph service is now available to the same towns as those in para 30(a).

The telegraph cable from ROME to SARDINIA has been restored to the Italian authorities.

An examination of Italian Government facilities on foreign cablegrams and an investigation of their cipher systems have been started by an expert commission from LONDON.

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31. Postal.

(a) Postal services have been restored in the additional Province of RIETI.

(b) A special 25 word postcard service has been set up between FLORENCE and the internal postal zone.

(c) Direct despatches to SPAIN and PORTUGAL were introduced in lieu of circulation via LONDON.

(d) The NAPLES-ROME carriage of mail has been transferred from road to rail.

(e) Linking up with the restricted civil mail service established in liberated FRANCE has been investigated and it is hoped the service will open shortly.

(f) Foreign correspondence totalled well over 3 million items.

32. Censorship.

Internal censorship of mail and telegraph communications has now been discontinued in all Provinces South of the ROME-AQUILA-CHIETI line, except in NAPLES, FOGGIA, BARI, BRINDISI, TARANTO, CATANIA, PALERMO and SYRACUSE. All these censorship stations are, or shortly will be, under Italian control, except NAPLES and FOGGIA.

WAR MATERIALS DISPOSAL & ITALIAN P.W. Sub-Commission.

33. War Material Disposal.

(a) In the early part of the month requests for permission to recover derelict vehicles and material continued to pour into the Sub-Commission. Approval to recover was given in certain cases and the recovery of vehicles both derelict and those hidden and held by unauthorised persons continues.

(b) The Sub-Commission has been responsible for the return of a number of such vehicles to the Italian War Department.

(c) A number of conferences were held with CCAC to evolve a scheme for the location of trucks and tyres which were hidden and held illegally. This work is proceeding and although the recovery to date has been small there is no doubt that in time a considerable amount of material will be brought to light.

(d) Arrangements were made with the War Department whereby vehicles which had been repaired by private individuals and firms could be used by these individuals and firms for a certain period providing they were being used in connection with AC activities.

(e) The railway service in ROME reported certain railway car loads of stores in the sidings in ROME and steps have been taken to dispose of this material to Italian Government departments and the different authorities whom it may interest.

(f) A reconnaissance was made of the FLORENCE area, where it was discovered that a considerable quantity of Italian material was in general being misused and wasted.

(g) The whole question of safeguarding and recovering Italian material was studied and it was proposed to the Services Sub-Commission that a proper Italian salvage unit should be formed. The Air Force Sub-Commission said that the Italian Air Force had already formed a salvage unit. It was decided to consider increasing the strength of the Italian Air Force Salvage units and putting all recovery work into the hands of these units, under the direction of the War Material Disposal Sub-Commission. The Italian Under-Secretary of the Ministry of War, General CASILLO, agreed that the War Department would provide all specialist officers necessary for attachment to the Air Force Salvage units and any senior liaison officer thought necessary to make the scheme a success.

34. Italian Prisoners of War.

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34. Italian Prisoners of War.

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(a) The work of this branch of the Sub-Commission continues to increase. The requests for repatriation have more than doubled during the month and questions as to why certain P.W. have not yet returned continue to be received in large numbers.

(b) The difficulty of employing Italian officer P.W. in North Africa was raised and the Italian Government has agreed to accept these officers and find employment for them upon their repatriation.

(c) During the month the situation as regards repatriation was greatly improved. A large number of sick and wounded PW arrived in Italy to be cared for by their own people, and a number have been repatriated to fill official and other civil appointments. Repatriations have averaged over thirty a day and for October plans for a total of one hundred a day have been approved and the necessary shipping space allotted.

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M. Italian Prisoners of War (Cont'd).

(d) In accordance with an itinerary arranged by AFHQ a visit of inspection to Italian PW co-operator camps in Italy was made by members of the Italian High Commissioner for PW's staff, including General DeFIND. An officer of the Sub-Commission accompanied them, representing the AC. The report made by General DeFIND to General CLARKE and the Italian Government left no doubt that these Italian co-operators were living in every case under similar conditions to the soldiers of the Allied Armies.

(e) A number of decisions have been reported during the month, permitting co-operators to make allotments of money to their families, leave in which to visit them and allowing for the repatriation of all P.W. over sixty years of age and those over fifty years old who have been a P.W. for two years, etc. Arrangements were also made for improved mail services and the dispatch of books to P.W. camps throughout the world. Two thousand copies of Daily News in Italian were sent daily to North Africa for P.W. and a broadcast programme from Radio ROME announcing the names of P.W. repatriates was arranged.

(f) The Italian P.W. question continues to be a delicate one and as AFHQ have decided that all repatriations of Italian P.W. must be approved by and come through the AC, careful liaison with the Italian Government through the High Commissioner for P.W. is necessary.

Ellery W. Stone

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner

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29 SEP 1944

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HEADQUARTERS
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MONTHLY REPORT

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TO	INIT	Date
Public Safety		
Public Health		
Interior		
Legal		
Education		
Communications		
Property Cust.		
Admin. Sec.		

PLEASE PASS QUICKLY

29 SEP 1944

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HEADQUARTERS
ALLIED CONTROL COMMISSION
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Ref/498/CA.

28 September 1944.

MONTHLY REPORT FOR AUGUST

General Remarks

1. July was the harvest month. Normally August is the first month in which results can be seen from the Ammasi or, as it is now called, the Granai del Popolo. Collection of grain has proved moderately satisfactory although no Region is within close range of its target. But there are signs that the results will be better than normal and that the measures taken to make the country more self-supporting than usual will have some success.

2. It is natural that great attention should be paid by journalists and visitors to the situation in ROME. Here is the capital city, articulate and not very well fed. But compared with other cities in the line of advance, ROME has fared probably better and taking into account the almost complete absence of destruction of buildings, the Romans through their swollen Press, both Italian and Allied, complain too loudly. It is true that the present ration in ROME is not a generous one. It is nevertheless enough to live on and considering the difficulties of importation all that can be expected by the Romans under the circumstances. They have suffered little and are by no means starving nor homeless nor lacking in many of the amenities cut off from most of the great cities in Europe.

3. There are three other problems which are to the fore. Here in ROME it is easy to forget the numerous daily casualties occurring in the country districts from the presence of many thousands of mines strewn about the fields and the paths and the sides of the roads. Victims are found among the farmers and the road workers and the ordinary villagers. Attempts have been made to organise mine clearance companies from the Italian Army without success, chiefly due to lack of equipment. Except for the initial clearance by the Allied Armies in their advance nothing has been done to rid the country of mines which are a danger to life and a check on reconstruction far worse than any temporary shortage of food in ROME. It is hoped that the Italian Government will soon have civilian detachments trained in mine clearance.

4. In the devasted areas already referred to it is apparent that the Italian Government will not have time to rebuild or repair houses for the many thousands of homeless people before the winter sets in. Various improvisations are being considered but it is likely that a large scale evacuation of population will be necessary under a billetting scheme.

5. Transportation difficulties are constant and pressing, and it is feared will increase with the advance of winter. The country has considerable resources of its own transport, but much of it is immobile through the absence of spare parts, and especially tyres. This is a problem for which no real solution has been found; it is aggravated as time passes.

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6. In the forward areas there has been little advance and A.M.G. Armies have been able to turn more attention to local government, harvesting and the like. Food and transport remain difficulties, not only in forward areas, but particularly in the harvest Regions where it is only with great difficulty that the grain can be taken from the threshing floors to the depots. Lack of POL again creates a difficulty in threshing grain.

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7. Great progress/..

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7. Great progress has been made in placing upon the Ministries of the Italian Government more responsibility, especially in the fields of agriculture, industry and commerce. The Ministry of the Interior also has shown progress in the appointment of prefects and other local government officials. Epuration moves slowly but Commissions of the Italian Government are being set up to deal ministerially with this problem.

8. The Shipping Sub-Commission has instituted a new scheme for the better employment of schooners in aid of civilian supplies. Schooner transport has been woefully short in the past due to operational needs, but it is hoped that this natural and very necessary coastal traffic will soon be set in motion, thereby avoiding the necessity of road and rail transport.

9. August saw the amalgamation of three A.C.C. Regions, II, III and VII, in the south of Italy into one Region with Headquarters at NAPLES. This new Region was called Southern Region and was organized in zones instead of Provincial Teams. The Headquarters of the zones, which consist of a varying number of Provinces, are located where Allied Military concentrations or installations exist. A considerable saving in personnel was made available for the Northern Regions by this amalgamation. At the other end of Italy the advance of the Armies renders control more difficult. This was overcome to a certain extent with the holding of fortnightly meetings at SIENA for forward Regions and A.M.G. staffs of Armies. These meetings proved a great success.

10. All the above problems and many others were fully ventilated and discussed at a Regional Commissioners' Conference held for the first time in ROME on August 22nd when, under the chairmanship of Captain Stone, the meeting was privileged to be addressed by the Supreme Allied Commander. The Italian Press was admitted for the first time and dealt fully with the points discussed. This has resulted, it is believed, in a better appreciation of the work of the Commission and the many problems with which it has to deal.

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PART I

R.C. & M.G. Section

AMG FIFTH ARMY.

1. Owing to the almost static military situation there is little to report. It is the first halt since the Garigliano and to compare it is to remark on the reduction of both transport and personnel.

2. There are now only 47 officers, of whom five are in hospital. 17% of transport has been written off, all of it military vehicles, and the prospect of more failing owing to old age leaves a most disturbing situation.

3. GROSSETO Province was handed over to the Region VIII as from midnight 6 August.

4. In LIVORNO the situation is still unsatisfactory as the town remains evacuated on orders of the military authorities. At the moment only about a thousand civilians are working on military installations in the town. However, electricity, water and sewers are now functioning.

5. With military operations still confined south of the river the situation at PISA shows no change.

6. The harvest has been the main preoccupation and its gathering has proceeded very satisfactorily. To facilitate payment for its collection the banks were opened in LIVORNO and Southern PISA Province on 7 August and there were further openings in the Corps area on 21 August. All demands for POL for harvesting were met.

7. Refugees have been handled effectively with the co-operation of the Refugee Branch. The policy of the retention of refugees as near to their homes as possible is being pursued, only a few having to be evacuated to Corps area.

8. Patriots are behaving well and have been found useful for many duties including the handling of refugees. Certificates are still being issued but only a small proportion of the claimants receive them.

AMG EIGHTH ARMY.

9. At the beginning of the month the Provinces of SIENA, MACERATA, ANCONA, PERUGIA, AREZZO, and FIRENZE were being administered, but operational movement of the Armies resulted in SIENA and FIRENZE being handed over to Fifth Army AMG on 21 August. MACERATA was handed over in the normal course of events to Region V on 16 August.

10. The beginning of the month was notable for the occupation of the City of FLORENCE, which was first entered by the AMG team on 4 August. An extraordinarily difficult state of affairs prevailed, for at that time the enemy still occupied the northern half of the city. Only one bridge over the Arno was intact and that was heavily mined and in the city was a population of 410,000 in great distress. Sporadic shellfire and sniping continued even after the enemy withdrew on 11 August. Despite all difficulties supplies were taken in an administration set up without

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11. Many small townships were entered, some much damaged, the area most affected being in the vicinity of the Gothic Line, where devastation is on a scale comparable with that in the area of the Volturno.

12. The new area occupied covers some of the richest agricultural land in Italy. Harvesting is completed so it has been unnecessary to import flour but milling has been done under great difficulty. Electrically driven mills are nearly all at a standstill and August was a period when a shortage of POL occurred.

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13. Public Health is generally good and there are no epidemics, but the almost total lack of serviceable civilian ambulances makes the evacuation of civilian casualties almost impossible. This problem was paramount at FLORENCE where the civilian hospitals were for some time inaccessible and casualties had to be taken elsewhere. The Army obligingly loaned some ambulances for a time and with other improvisation casualties were dealt with, but the problem remains generally unsolved.

14. Refugees were handled as a routine and nothing unusual occurred. It is estimated that the total number evacuated during the month was 17,700.

REGION I (SICILY)

15. In this Region the collection of grain has been the chief concern during the month of August. At the beginning of the month a sullen indifference everywhere confronted grain collecting officials, and everywhere a defeatist attitude on the part of Italian officials was present. Dissatisfaction with the price, the natural disinclination of the Sicilian to part with his wheat, the appeal to his cupidity, which successful black market operations would make, all join together to make "Granai del Popolo" a difficult assignment. There is, moreover, a lack of vehicles for officials responsible for grain collection which is seriously hampering the campaign. Every possible step is being taken to get the local Italian administration to rectify this. There is no place for complacence. It will be extremely difficult to amass enough grain to ensure the full ration for Sicily until the next crop season. But results appear better than was at one time anticipated.

16. The new ration scale has been authorised. It provides 200 grams of bread per day and 550 grams of pasta per week per person, or the equivalent. 2700 metric tons of sugar were received during August and a three months ration will be distributed early in September - remainder to be kept on hand.

17. Popular opinion revolves around and depends upon food. Some discontent has existed during most of August over the food ration. An increase in the ration was announced to come into effect on 12 August but it was not possible to increase it until 18 August because of the slowness of the amassing of grain.

18. Some activity of the Separatists has continued, with occasional meetings, but no violence. Political parties continue to be active. It is believed that the Christian Democrats will benefit by the fact that one of their members, Aldisio, has become the High Commissioner for Sicily.

19. 17987 quintals of potatoes have been amassed.

20. Sufficient sulphur oil and caustic soda are on hand for a two months ration of soap, but additional sulphur oil is necessary to maintain this soap ration.

21. 7043 tons of steam coal and 7000 tons of Sardinian coal were received.

22. The electric power situation for the Island is improved owing to the completion of the PORT EMPEDOCLE plant.

23. The health of the Island population continues to be well above the average. There is some increase in infectious diseases and in typhoid and malaria. Amoebic

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23. The health of the Island population continues to be well above the average. There is some increase in infectious diseases and in typhoid and malaria. Amoebic dysentery shows a decrease. Vigorous action is being continued against V.D. by treating those found with this disease.

24. All Communes with refugees from the mainland have been visited during the month. Refugee camps at SIRACUSA and TAORMINA have been closed and the staff cut to the minimum. Both camps can be reopened at short notice, when repatriation begins, and will be used as staging camps.

25. The railroad outlook has greatly improved with the reopening of the standard gauge railroad lines over the Island. The necessary movement of grain and food can now be ensured, subject to deliveries of coal. The gaps in the railroad lines between PALERMO and MESSINA, between MESSINA and CATANIA and the SIMETO Bridge between CATANIA and PALERMO, have been completed and were opened to traffic on 28 August.

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REGION III (CAMPANIA)

26. There was comparatively little political activity during the month, Bonomi's speech on armistice terms resulting in pessimistic rumours among the civilian population. On the other hand, Churchill's farewell speech was most favourably received. In the City of Naples Unione Femminile Italiana was organized, a women's organization demanding equal suffrage rights for women.

27. The ACC Provincial Offices in AVELLINO and BENEVENTO were closed respectively on 17 August and 27 August.

28. The olive oil ration continued at 200 grams (about 7 ounces) per month and there was much dissatisfaction expressed in the Province of SALERNO and in the City of NAPLES on its distribution. Toward the end of the month fruits and vegetables, potatoes in particular, became scarce in the City of NAPLES. The Prefect of the Province of NAPLES had issued two decrees regulating the shipment of potatoes and other vegetables and fruit, but was required by an order from HQ ACC to rescind these decrees, with immediate effect in the NAPLES market, both in reduced supplies and in higher prices. Deliveries of grain for manufacture of flour were on the average 150 tons per day less than the amount required.

29. 2,000,000 candles (weight 100 tons) were produced for ROME. 429 tons of hemp and hemp products and 2 tons of silk were shipped to the United Kingdom. Prospects appeared good for meeting the quotas for collection of wheat for the Granai del Popolo.

30. Crime showed a further slight decrease. Prison population declined to 8150, from 8600 a month earlier.

31. Smallpox showed a decrease of over 45% in the Province of NAPLES and presented no problem in the other Provinces. Typhoid fever persisted throughout the Region and reached epidemic proportions in the City of SALERNO.

32. Uncontrolled movement of individual refugees into the City of NAPLES from the south caused a problem. At one time during August there were almost 1200 refugees living in and about the railroad station in the City of NAPLES under deplorable sanitary conditions.

33. Cash held by banks reached a total of 1,600,000,000 lire, compared with 1,000,000,000 lire in January and deposits reached a total of 22,600,000,000 lire, compared with 5,000,000,000 lire in January.

34. Region III was merged into Southern Region on 28 August 1944.

REGION IV (LAZIO)

35. On 1 August Rome Region was absorbed and Region IV was in control of its full complement of territory with the exception of FROSINONE Province, which is still under Army Control. On the 15 August the Provinces of FROSINONE, LITTORIA and ROME came under Italian Government jurisdiction.

36. It was becoming evident during the month that the food situation in ROME City was serious and that the shortage was not due to teething troubles which would

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36. It was becoming evident during the month that the food situation in ROME City was serious and that the shortage was not due to teething troubles which would cure themselves. It is not proposed to ventilate here an extremely complex problem which is being fully explored by competent authorities but malnutrition is evident. At the same time the importance of ROME as a capital city should not obscure the difficulties which exist elsewhere in the Region. In the Provinces the supply situation is only fairly good when compared with ROME. By any other standard it is serious, as the population is not predominantly food producing and growers find the attractive prices of the ROME market hard to resist.

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37. Returning to affairs in ROME, during the month 6358 tons of rationed food were distributed in addition to the daily flour ration of 306 tons, whilst other produce amounted to approximately 700 tons daily. The latter is only about 50% of the normal supply.

38. The largest aqueduct carrying ROME's water supply was permanently repaired, electricity continued on a strictly rationed basis and a gas service of 1½ hours daily was commenced.

39. The state of crime is low but there is an increase in thefts of vehicles.

40. Sponsored by Monuments and Fine Arts Sub-Commission an exhibition of Masterpieces of European Paintings was opened on 27 August. Proceeds, after expenses have been covered, are being devoted to the restoration of Italian national monuments damaged by war.

41. In the Provinces the collection of grain is fairly good though hindered by a POL shortage at the beginning of the month. Prospects for oil and wine are good.

42. This Region includes the devastated area of CASSINO and its neighbourhood, where, it is estimated, there are 25,000 homeless people. Despite every precaution these people have drifted back and whilst suffering little hardship during the summer months, their housing during the winter will be a great responsibility for the Italian Government. A large scale evacuation may be yet necessary.

43. In this area mine clearance is also a serious matter. Despite every endeavour no assistance could be obtained other than that provided by two Italian Mine Clearance Companies, ill trained and equipped. Little impression has been made on the thousands of mines awaiting removal before large areas can with safety be approached.

REGION V (MARCHE, ABRUZZI E MOLISE)

44. On 31 August Campobasso Province was divorced from Region V and taken under the wing of the newly formed Southern Region. CAMPOBASSO is now Italian Government Territory and according to reports already the old type of intrigue and improper influence are being used in making Provincial appointments. MACERATA was handed over to the Region by AMG EIGHTH Army on 19 August. At the beginning of August the ANCONA team was set up, and at the end of the month the PESARO team was in operation. The last two Provinces are, of course, still under the jurisdiction of EIGHTH Army AMG.

45. The main activity in the Region during the month has been the harvest. This is coming in faster than it can be dealt with. Already over 1,000,000 quintali have been collected and there is every hope of reaching the quota during the next few weeks, always providing that ANCONA - PESARO collections have not been destroyed by the incidence of war.

46. Two Provinces - AQUILA and TERAMO - are deficiency provinces in grain, but these deficiencies are being met from ASCOLI-PICENO and CAMPOBASSO. Very considerable dissatisfaction is expressed at the fact that provinces such as MACERATA should be placed on a lower flour and grain ration than certain deficiency provinces in the South of Italy. It has been quite impossible to enforce this lower ration and it is a source of considerable embarrassment to AMG Officers.

47. In the ASCOLI-PICENO District there is an exportable surplus of approximately 50,000 tons of potatoes. These are sold by the Consorzio at 600 lire per quintal

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47. In the ASCOLI PICENO District there is an exportable surplus of approximately 50,000 tons of potatoes. These are sold by the Consorzio at 600 lire per quintal, but when purchased direct from the farmers, on what appears to be an organised black market from ROME, up to 1800 lire is paid. Strenuous efforts are being made to stop this but the CC.RR are lax and diffident in their dealings with this type of malefactor.

48. Communications, which were bad throughout the Region owing to the fact that for the best part of nine months a battle took place over it, are improving. For instance, in CAMPOBASSO Province up to the time of handing over to Southern Region, 100 bridges have been built since last September. It is imperative that this work should have priority in this mountainous district, the highest in Italy, against the coming of the snows, or else there will be great difficulty in distributing supplies.

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49. In this same area there must be at least half a million mines, and an average of 18 casualties daily are being reported. Two mine disposal companies (Italian), which arrived were so short of equipment and transport that they have been of very little use.

REGION VI (SARDINIA)

50. The High Commissioner has shown himself co-operative. He is faced with a major task of considerable difficulty, as he has to prepare to reduce the ration scales. Sardinia has never conformed to the scales laid down in the rest of Italy and unfortunately, when the basic ration was increased in July from 150 grams of flour daily to 240 grams, the opportunity was not taken to correct the higher Sardinian scales. The already generous Sardinian workers' scales were, in fact, increased. As there were ten food demonstrations in July and seven more in August, the prospects now of reducing the ration scales without trouble, in spite of the good seasonal food outlook, are small.

51. Politically the scene is one of frustration as there are seven parties and they all participate in the Government with a result that the smaller factions are over represented and so there are no majorities in the committees. It is in these circumstances that the value of AMG officers is apparent for they stand disinterested behind this instability.

52. The beneficial effects of the reduction of the Italian Army in the island have been felt but a reservoir of transport will ultimately be missed.

53. After the reasonably satisfactory results of the first treason trial it is hoped that there will be no further procrastination over other important trials which are pending.

54. Health has been satisfactory in spite of a disquieting upward trend of malaria earlier. The figure for the month of July of approximately 500 cases compares with 2,400 for the previous year, which is very satisfactory.

55. A Boy Scout camp has been held, the first for many years, thanks to the enterprise of the Roman Catholic Church.

56. The Island, as is known, has escaped major war damage and its remoteness from operations has left the people ignorant of the immensity of the Allied war effort. Its possibilities are great especially with regard to its mineral wealth. The moment is one of hesitation and the Sards are looking to the Allies for leadership.

REGION VII (CALABRIA)

57. As elsewhere politics are one of the principal subjects discussed, but no noteworthy action occurred. Remarkable certainly were events in the small village of CASTROVILLARI which was declared a republic by the Sindaco. This unusual situation was countered by appointing a new Sindaco, whereupon the republic collapsed.

58. The food situation in this Region is good and stocks on hand will last until 30 October.

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REGION VIII (CALABRIA)

57. As elsewhere politics are one of the principal subjects discussed, but no noteworthy action occurred. Remarkable certainly were events in the small village of CASTROVILLARI which was declared a republic by the Sindaco. This unusual situation was countered by appointing a new Sindaco, whereupon the republic collapsed.

58. The food situation in this Region is good and stocks on hand will last until 10 October.

59. With the virtual termination of the vegetable and fruit season prices show a tendency to rise. As an example meat has increased in price recently from 100 lire per kilo to 120 lire per kilo.

60. A comparison of the ordinary retail price of certain commodities and their corresponding black market price may be interesting:

Commodity	Normal price, lire p.Kg.	Black market price, lire p.Kg.
Bread	L. 5.00	L. 50 - 60
Olive Oil	" 32.50	" 90 - 100
Cheese	" 115 - 135	" 200
Sugar	" 20.00	" 180 - 200
Flour	" 5.00	" 150

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61. Transportation is difficult both for food supplies and miscellaneous traffic, although this Region has the advantage of road, rail and sea transport. Road vehicles are insufficient for requirements and there is a shortage of railway trucks. 550 tons of AMG traffic and 400 tons of Italian civilian traffic was handled by the railway as compared with over 15,000 tons of military supplies. 170 tons of fertiliser at MATERA have now been awaiting transport for over a year.

62. At the end of the month the value of all contracts let for work on military highways, including bridges, amounted to L.31,634,000 of which L.10,000,000 has already been spent. Road maintenance is unsatisfactory due to lack of material and the wherewithal to transport it.

63. The Minister of Public Works visited CALABRIA during the month and directed that national aid for the reconstruction of war damage to dwellings would cease.

64. Public utility projects recommended are to cost L.1,320,612 and include four contracts for the repair of sewers and two for the repair of aqueducts. The electricity supply is being severely curtailed.

65. Public health is good and there is nothing unusual to report.

66. Public safety shows a satisfactory situation and an increase in the efficiency of the police service. Crimes of violence have decreased and the perpetrators of five recent murders were all arrested within a short time.

67. Region VIII was merged into Southern Region on 28 August 1944.

REGION VIII (TOSCANA)

68. Up to the end of August only one of the nine Provinces which make up this Region had passed to Regional control. This was the Province of GROSSETO, which w was handed over by FIFTH Army on 9 August.

69. Public morale is good and while it is not easy to sense the drift of public opinion there appears a general feeling of relief that "the war has passed". If the food problem is successfully solved there is unlikely to be much difficulty in TUSCANY.

70. Within GROSSETO Province every commune with the exception of GIGLIO has a properly constituted Giunta. Provincial Local Government will be complete and working by the first week of September. Strong teams for the Deputazione and the Giunta have been chosen and appear to be generally approved.

71. Armsing is going well.

72. Agitation against the daily wage for unskilled labour of L. 65 a day continues; a demand for at least L.80 a day is supported by the Camera del Lavoro. The usual 70% increase has already been granted.

73. Some Patriots have been returned in GROSSETO to assist the Carabinieri to comb out Fascist bandits in the hills near MONTE AMIATA.

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74. All schools will be ready to function for the regular autumn session. Defascistization is practically completed.

75. Road surfaces are generally good. PONTE MUSSOLINI (Route 1), just South of GROSSETO, is likely to fall in the first flood, while the bridges over the CANALE DIVERSIVO and the ALBEGNA are not well constructed. If any of these bridges become unsafe the only alternative to PONTE MUSSOLINI is the bridge at ISTIA and difficulties in its construction are being encountered. If Route 1 is cut, the shortest way to FOLLONICA and the North would be via Route 74 and via SCANSANO, both narrow hilly detours.

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INTERNEES & DISPLACED PERSONS SUB-COMMISSION.

76. This month 628 Maltese were repatriated to TRIPOLI, about three and a half million lire being converted for their use.

77. There were no evacuations of Yugo Slav refugees to Middle East and only 1397 of them arrived at BARI from Yugo Slavia.

78. Brickfield Camp, TARANTO was lent to SZ Area for the accommodation of 1500 French, mainly from Alsace and Lorraine. Their history is curious; conscripted by Germans they were taken prisoner by the Russians, to be released by the intervention of Gen. De Gaulle. Then repatriated through Persia and marooned in Italy.

79. A detailed survey of the Southern Camps has been made with a view to UNRRA taking them over, with the exception of BARI. If this project is approved UNRRA will provide staff thus releasing Internees and Displaced Persons Sub-Commission personnel for use in the North.

80. Problems of ventilation, inoculation, feeding, water supply and sanitation need careful supervision. With the exception of children's diseases the record of the Sub-Commission is a good one. Dealing with refugees, many of whom have suffered years of hardship, necessitates a standard of hygiene which cannot be relaxed.

81. The Children's Summer Centre, FIUGGI, is operating successfully and has been expanded to 75 beds.

82. Record Bureau: At the present time a total of 48,533 Displaced Persons is recorded, of which the location of 41,161 is known. 63 nationalities are represented.

83. Finance: Relief payments in the form of loans to certain Allied Nationals have commenced. Payments have been made to several hundred Poles and Yugo Slavs and it is expected the same facility will exist for Greeks shortly. The Czechoslovak Mission has expressed a desire to participate. Norwegians continue to receive their payments through the Swiss Legation.

84. Prefects have been notified by the Italian Government that relief payments will be made by them through Ente d'Assistenza to all ex-Internees on the basis of 30 lire to the head of a household and 20 lire for each additional member not living in Allied Camps. Those in Allied Camps receive 25 lire and 15 lire respectively.

ITALIAN REFUGEE BRANCH.

85. Movement of Refugees:

Received in Main Transit Camps	-	13,847.
Dispersed through Main Transit Camps	-	10,196.
To Rome	-	8,717.
Local Communes	-	1,335.
Miscellaneous	-	56.

Received and dispersed through forward camp - 7,544, of which 1,625 were

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To Home	-	8,717.
Local Communes	-	1,383.
Miscellaneous	-	56.

Received and dispersed through forward camp - 7,544, of which 1,625 were absorbed in GROSSETO Province, and 5,919 were dispersed locally.

In addition approximately 25,000 were dispersed by Army Units.

86. Main Camps:

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(a) Aversa Camp. Transferred to Follonica Camp. Thus Aversa Camp becomes entirely a camp for Displaced Persons.

(b) Cesano Camp. This was handed over to Region IV. The camp staff and stores were used to set up two camps in EIGHTH Army area. One for 3,000 at CASTIGLION FIORENTINO and one for 1,000 at S. MARIA DI ANGELO (Near Assisi).

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(c) Sinn Citta Camp. Our section of this camp was handed over to Region IV and the camp stuff and stores used to set up a camp at POLLONICA in Region VIII.

(d) Poggio Camp. This camp was closed and arrangements made through AAI to move it to ANCONA by sea.

87. Dispersal Areas: Refugees in the South are still extremely restless. Many are arriving in NAPLES and other important towns, causing serious congestion. Some of these travellers are authorised by AMG, or Sinhco; some are without authorisation of any kind.

88. The repatriation of refugees, i.e. return to their homes of war refugees and of people who fled from the Allied Armies, is under M. ZANIBONI, Minister for Refugees. The numbers of war refugees, i.e. people who have become homeless because of the war, have shrunk considerably. More than 75% of the persons passing through our hands are repatriation cases, i.e. people wishing to return South to their homes. Of these, some had been moved North by the Germans, but the majority had fled in an attempt to avoid the advance of the Allied Armies.

PATRIOTS FRANCH.

89. To achieve closer contact with the new Northern Regions when they assume control of their territories a forward echelon has been established in FLORENCE.

90. The Italian Government has set up an Italian Patriot Committee under the Chairmanship of the Prime Minister to handle the Patriot problem. The Committee includes representatives of the Ministry of War, the Ministry of Press and Information and the Presidency of the Council.

91. Intelligence Teams for Regions IX, Piemonte, Liguria, XI and XII have been formed for the purpose of collecting and collating information on German occupied Italy. Detailed information is being supplied about industrial works which it is hoped to save, locations of bands and their leaders, and the activities of Patriots.

92. Patriot Representatives of the CLN and Military Centre Groups are carrying out their task of distinguishing between genuine and bogus Patriots in the Army areas and in Regions IV and V. In practice this work is carried out in cooperation with the Communal and Provincial Patriot Committees. Certificates are being awarded and it is hoped that in the rear areas this work will be concluded by the end of September.

93. The work of re-establishing Patriots in civilian occupations has progressed on the whole more slowly than was hoped. However, Communal and Provincial Patriot Committees are everywhere in being and they are being encouraged and exhorted by every means in the power of this HQ. In FLORENCE it was found that the Patriots

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94. Arrangements have been made to establish seven Patriot camps to receive Patriots on their way South to the Italian Army Recruitment Centres or to their homes. In Regions IV and V owing partly to the time which has elapsed since the territory was liberated, very few Patriots have volunteered to join the Italian Armed Forces. Arrangements are being made to make it possible for any Patriot in this area who may desire to volunteer to be given another chance to do so. In FLORENCE, through the courtesy of MMIA, arrangements have been made to make possible recruitment on the spot of up to 1000 Patriots.

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95. Patriot camps, which will be established at suitable roadheads, will be operated by Italian Patriots. Most of the necessary equipment is being provided by the Italians. Rations will be on the refugee scale. The problem of securing motor transport to be used in connection with these camps has presented some difficulty but it is hoped that empty Allied lorries and trucks returning from the forward area can be used to transport these Patriots.

96. The Italian Liaison Section is carrying out its routine activities of daily contacts with the two recognised Patriot organisations, the Italian Home Office, War Office, Air Ministry and High Command.

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PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. Labour relations, laws and regulations:

(a) The Decree Law concerning suppression of the Fascist Syndical Organisations and liquidation of their respective patrimonies is under further consideration.

(b) This Commission has given instructions concerning "what to submit", "when to submit" and "how to submit" to the Italian Ministry in regard to future legislation proposals.

(c) The delegations from the British Trade Unions Congress and the delegation of American Labour Unions are now viewing the Italian Labour Field.

2. Wages, hours and labour conditions:

(a) To bring about uniformity in the industrial family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry.

(b) Much confusion exists among workers and employees as to the dates and payments for National holidays. A formal request has been made to the Italian Government for a clarifying new Decree Law.

(c) Prices have risen so much more rapidly than have wages and there has been much ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

(d) The small Labour Commission staff was again called upon to perform multitudinous Labour duties at Headquarters and in the field, with the Armies moving up and new territories being occupied.

(e) Manpower shortages have been reported and are being investigated wherever complaints are made.

3. Social insurance, benefits and training:

(a) This Commission with the concurrence of the Finance Sub-Commission has agreed to the proposed nominations of Commissioners for various Social Insurance Institutes.

(b) On the matter of "epurazione", Dr. Livio Malfettani, functionary and [illegible] of the "Istituto Nazionale" was suspended pending the outcome of a

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4. Statistics, manpower and registration problems:

(a) The commencement of a Labour Statistical Service has been inaugurated and will provide useful information for the future.

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(b) Tentative plans for an enquiry into unemployment have been prepared. A report was also prepared on cost of living in Italy.

(c) The proposals for the increase of salaries of State employees presented by the Italian Government have been under study, alternative proposals are being prepared.

(d) Several wage agreements, the most important being that of the Sicilian sulphur mines, were examined and reports prepared upon them.

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5. Region I Summary:

(a) A strike occurred at the beginning of the month at the Lmera Group of sulphur mines CALTANISETTA. After a short talk with the workers, work was resumed.

(b) The Labour and Wages Control Committee investigated the question of raising the wage of unskilled labour, a report was submitted to the Allied Forces Local Resources (Sicily) Board and accepted.

6. Region II Summary:

(a) Complaints have been received from all the Provincial Directors that no funds have been provided by the Ministry for salaries and office expenses since the end of June last.

(b) The Communist Party is very active, particularly in the "Camera del Lavoro".

7. Region IV Summary:

(a) Registration and classification of unemployed workers continued (approximately 2511 persons were placed during the month).

(b) Much difficulty has been experienced because of military units leaving the area before paying civilian employees.

(c) The disparity between cost of living and income levels increases. Insufficient supply to serve the demand due to inadequate control of distribution transportation is indicated.

8. Region V Summary:

(a) There are people in this part of Italy who are making money but generally they are the fascist landowners who get a high price for their commodities in the legitimate market and a much higher price in the black market. If wages are to remain fixed, the price of consumers goods must be fixed, and it is of no value to say "our legal price is such" when there is nothing on the legal market to buy.

9. Region VIII Summary:

(a) Reports that the labourers were receiving wages of 80, 90 and 100 lire per day, were reliable and widespread. A few hundred persons are involved at present and they will have to accept the reduction, particularly since in the adjoining province of LIVORNO the Army is trying to get 12,000 labourers at 65 lire per day.

(b) In GROSSETO Province the Trade Union organisation movement is making rapid advances.

FRENCH SUB-COMMISSION

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FINANCE SUB-COMMISSION

10. Direct suspension of Italian personnel by the Finance Sub-Commission terminated in ROME on 15 August when full administrative responsibilities were assumed by the Italian Government. Files and information have been made available to the various ministerial committees which are now charged with defascistization duties. Supervision is exercised over such committees, who render progress reports to the Sub-Commission. No one previously suspended by ACC is to be reinstated without permission.

11. As has been mentioned in earlier monthly reports, commercial bank interest rates are based on the Banca d'Italia 4½% rediscount rate and this combination of rates necessarily is an important factor in maintaining the high interest rate paid on government borrowings. In preparation for floating a new long-term government loan at a rate lower than 5% when substantially all of Italy is liberated, many discussions have taken place looking toward a reduction of the rediscount rate, commercial rates, and B.T.W. rates. Agreement among Treasury representatives, Banca d'Italia representatives and commercial bankers has finally been achieved and

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it has been decided to lower the rediscount rate and the commercial rate one half of one per cent with a similar reduction to follow shortly in B.T.O. rates. A continuing study of the situation will be made in the hope of effecting another decrease of one half of one per cent within another month.

12. In ROME for the period 1 - 31 August, the excess of purchases of Buoni del Tesoro Ordinarii over payments was 3.5 billion lire. The significance of this development may be realised from the fact that the comparable figure for ROME in July was only 312 million lire.. Net investment in BTOs for all liberated Italy south of the 11 May line (roughly south of the northern boundaries of NAPLES - CAMPOBASSO Provinces), was approximately 2 billion lire; ROME city in one month has almost trebled this figure. It is striking evidence of financial confidence.

13. The total gross revenue collections for the 38 liberated Provinces for the year ended 30 June 1944 amounted to 13,105 million lire in in respect of the 27 old liberated Provinces. The equivalent figures for the first month of the fiscal year 1944/45 are 291 and 228 million lire respectively. The collection results of the newly liberated Provinces is naturally poor, due to almost complete lack of communications in the immediate battle area and in some cases to the destruction of tax offices or the evacuation of office staffs. The results for the 27 liberated Provinces indicate that the improvement in revenue is being well maintained.

14. Two further tobacco factories have been liberated, at FLORENCE and at CHIARAVALLE. Both at present are out of production. The former is believed to be undamaged but access is not permitted at present owing to mines. The latter is badly damaged. The one at FLORENCE produced large quantities of handmade cigars. The two factories produced about 2,500 metric tons of cigarettes annually, sufficient to provide 30 cigarettes weekly for 1.5 million smokers. Owing to the expansion of liberated territory total production is insufficient to provide more than a ration of 20 grams of tobacco (20 cigarettes) weekly to the estimated 7.5 million smokers. A national rationing scheme is now being worked out. Production is being stepped up by longer factory working hours.

15. Expenditure of 30 million lire was authorised for urgent public works made necessary by the flooding of the Pontine and Littoria marshes. Provision had already been made for expenditures for anti-malarial measures in these districts. No clear policy has yet been stated by the Italian Government regarding the repair or reconstruction of war damaged properties or the rehabilitation of devastated areas. In AMG territory, financial control is directed to ensure that any work approved is primarily of military necessity. Much additional work is urgent and vital to the resumption of civilian life; and with the approach of winter the situation becomes acute. The problem is one which cannot fairly be considered piecemeal, and the financial aspect of any programme of national reconstruction is only one of other equally important facets, e.g. the availability of essential imports and the rehabilitation of key industries. The settlement of isolated projects tends to unfair discrimination and to become inequitable to all devastated areas. Any programme must therefore be comprehensive, putting into true perspective the needs of each district compatible with, and related to, the national resources and power of recovery.

16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 39,808 million lire for the 22 provinces and

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16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 39,808 million lire for the 22 provinces and 8,485 million lire for the central administration and Rome Province. This latter figure is a revised estimate and shows a considerable reduction in the estimate first submitted. The original budget for the Central Administration and Rome Province was 18,490 million, and after careful examination this was reduced by 10,006 million lire. Thus an economy was effected which almost exactly equals the total estimate revenue receipts for the whole financial years.

17. Preparations are nowwell under way for the operation of the remittance system in Italy by the Banca d'Italia. It is intended that the Banca d'Italia will eventually provide the entire machinery. However, at first the Banca will serve the area north of the Provinces of ROME, FROSINONE and CAMPOBASSO, for dollar remittances, and the whole of Italy for sterling remittances. Meanwhile approval by COS is awaited for the Banco di Napoli to effect remittances in the Provinces of ROME (including ROME City), LITTORIA, FROSINONE and CAMPOBASSO.

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18. In centralising as much as possible in the Banca d'Italia the existing remittance plan, it is intended that the Banca d'Italia, rather than AFA, will provide lire on behalf of the Italian Government to effect remittance disbursements, but the foreign exchange proceeds will be subject to Finance Sub-Commission control. Eventually CCS will be requested to channel all remittances to the Banca d'Italia. Italian banks designated by the Banca d'Italia will act as paying agents throughout Italy.

FOOD SUB-COMMISSION

19. The distribution of rationed foodstuffs throughout liberated Italy has continued through the month as before, but the bread ration of 300 grams authorised in July for territory south of the winter line has been maintained. Olive oil and meats have had to be restricted in their issue to large urban areas due to the relative shortage of stocks. Stocks will last on the present basis to the end of this year. If no more imports come in, rationed items will be reduced to flour, sugar, and milk, by the beginning of 1945.

20. To make the local grain harvest go further experiments in mixing flour with barley meal have been carried out successfully, and milling at 95% extraction has made no appreciable difference in the quality of the bread which is being produced.

21. Dried vegetables were withheld from issue during the month so that they might be conserved for winter issue, when there is normally not a plentiful supply of fresh vegetables.

22. Particular attention was paid to the feeding of ROME. Transport was easier than in previous months so that full ration of bread (200 grams) olive oil, sugar, meat or stew, dried vegetables, soup, and salt was issued. Milk was made available for hospitals, invalids and babies. Some 160,000 meals were provided daily in communal kitchens. In addition to large imports of fruit and vegetables, some 16,000 tons of grain and miscellaneous items were brought into the city. As a further measure of alleviation, steps were taken during the month to relax restrictions and to increase the amount of market produce that could be brought into ROME on cycles and horse drawn vehicles.

23. Hitherto, too much emphasis has been laid on the quantity of local resources available. The heavy demands, authorised and unauthorised, made on local resources by the Armed Forces has been something of a drain on availabilities. The amount of local resources available has fallen considerably short of estimates so that purchases by the Armed Forces and the serious shortage of all forms of transport have mitigated against distribution on a higher scale of the available supplies.

24. The purchase of sheep on hoof for Indian troops is making a serious drain on the animal population.

25. ,Discussions have taken place with the Italian Ministry of Agriculture regarding the form and contents of a Decree for the amassing of the new crop of olive oil. Agreement was reached and the Decree has been issued. Prices are now under discussion and it is hoped to issue these early in September.

26. Recommendations have been made to the Economic Section that sufficient imports of wheat should be made to enable the extension of 240 grams of flour

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26. Recommendations have been made to the Economic Section that sufficient imports of wheat should be made to enable the extension of 240 grams of flour equivalent to all Italy as liberated and to furnish supplementary rations to hospitals, refugees, heavy workers, and religious institutions, and that sufficient imports of sugar, dried vegetables, milk and meat to meet estimates forwarded to AFHQ on 16 July 1944 should be arranged.

TRANSPORTATION SUB-COMMISSION

27. Railways: Owing to less spectacular advances by our troops during the latter part of August the long distance between railhead and forward troops has diminished. The west coast railhead has reached CECINA, south of LEGHORN. Rail line 65 has reached AREZZO, and line 87 has railheads at ASSISI and ASSISI. The branch line from this route, FOLIGNO-ANCONA, entered ANCONA at the beginning of September, and line 86 is being extended to MACERATA. Work on the section ORTONA-ANCONA has commenced.

28. Authority has been given for the Italian Government to increase all fares on State and Private railways and the publication of the Decree is awaited.

29. In Southern Italy the REGGIO CALABRIA Railway Division is entirely operated by Italians under the supervision of one ACC Divisional Superintendent. In NAPLES our officer is waiting to take over.

30. An ACC officer has been posted to ANCONA, and others are being nominated for Northern Divisions.

31. Roads: Sixteen new officers joined the Roads Section during August.

32. The Italian Government Decree standardising Road Haulage rates is operating both in Italian Government Territory and Military Government Territory.

33. E.M.A.C. is being formed, and will shortly be in operation.

34. An Italian Truck Coy is hauling from PIOMBINO to FLORENCE. Permission has been asked to form a Work Battalion of at least three companies.

35. New Regional demands for transport are presenting difficulties.

36. ROME is being fed by the use of civilian trucks only in conjunction with rail transport.

37. A Maintenance Section is being formed, which will be responsible for maintenance of all ACC load carrying vehicles. Spare parts are interchangeable. The Lancia and Super Garages in ROME are now both controlled by this Sub-Commission.

38. Tyres are still a problem, but information has been received that a consignment is on the way. Repair plants are operating on C-3 tyres drawn from P.B.C.

39. Water: Movement for ACC goods by sea is now incorporated in the overall A.F.H.Q. committee, and not limited to what can be moved by schooners. Forecasts are required for movement a month ahead. This is done by the use of a standing allotment of schooner tonnage to ACC - 27,000 tons D.W. - then by additional allotment of further schooner or coaster space.

40. The new system for movement of goods by schooner under which all bids are required to come to ACC Headquarters is not sufficiently established to give a criterion of its operation.

41. Allotments of schooners for voyages are made at a daily meeting by representatives of ACC, MEDITO, and CCOEMA.

42. Coal: During August several Lignite Mines were examined and some will probably be restarted. One mine can produce a fuel which will be able to replace the imported coal used at the ROME Electric Plant.

43. Coal destined for the electricity generating plant was transferred to the gas works, which gave gas to ROME on 28th August, a month earlier than was expected.

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44. The clearing of FIUMICINO as a coal discharging port was discussed.

45. It was decided that a berth at CIVITAVECCHIA, served by rail, should be made for discharging coal to ROME.

46. Negotiations with the Ministry of Communications for the transfer of the "acceptance, discharge, and distribution" of coal and coke to the Italian Government, under ACC control, have been brought to a successful conclusion.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION

47. Time was spent in August in preparing, on special orders, a report stating why the Sub-Commission had not accomplished more, indicating obstacles to progress, and what had been done to surmount them. In amplification, reports were also obtained from 16 Regional Engineers, listing actual experiences over about a year. Vehicles for transport of structural materials, always lacking from the earliest days, so continue at the present time.

48. Relations with the Minister of Public Works are satisfactory. Frequent conferences are held.

49. Some of the matters negotiated with the Minister cover :

Organisation of Genio Civile.
Organisation of Cantonieri Corps.
Contractors with Fascist records.
Excessive cost of works (certain areas).
Defascism (Work of special Commission appointed).
"Bonifica" works.
Financing of projects.
Raising sunken ships in ports.
Establishment of pool of Italian Engineers including electrical specialists, ready to move northwards at short notice.
Careless preparation of projects, and inaccurate estimates, submitted by Genio Civile.

50. The only Public Works officer in SARDINIA is being withdrawn as an experiment, with transfer of responsibility to Italian agency. If successful, the same procedure may be followed in SICILY, or elsewhere in Southern Italy. Schemes costing up to 500,000 lire need no longer be submitted by Italians to Regional Engineers for approval, unless controlled materials are involved.

51. Reports from Region IV show 27 towns with between 25% and 100% houses uninhabitable. Of these 14% are uninhabitable to the extent of more than 60%. A small scheme was approved for re-housing at CASSINO. The Italian Government proposes to set up by Decree a special body to deal with housing (matter still under discussion and negotiation).

52. Following the eruption of Vesuvius (March 1944) a project of over 300 million lire was approved in August; remedial measures to minimise dangers of landslides for the autumn.

53. Officer strength of Sub-Commission as on 31 August was 19 at HQ and 43 in the field (Regional Engineers and their staffs). Since the total establishment should be 74 there is a deficiency of 12.

54. Estimates of war damage to public works and buildings in Italy, recently put at over 2700 million dollars, may have been conservative. A Fund of 600 million lire set up last February (repairs to Military Highways and bridges) was raised to 1,000 million lire.

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49. Some of the matters negotiated with the Minister cover :

Organisation of Genio Civile.
Organisation of Cantonieri Ispra.
Contractors with Fascist records.
Excessive cost of works (certain areas).
Defascism (Work of special Commission appointed).
"Fondifico" works.
Financing of projects.
Raising sunken ships in ports.
Establishment of pool of Italian Engineers including electrical specialists, ready to move northwards at short notice.
Careless preparation of projects, and inaccurate estimates, submitted by Genio Civile.

50. The only Public Works officer in SARDINIA is being withdrawn as an experiment, with transfer of responsibility to Italian agency. If successful, the same procedure may be followed in SICILY, or elsewhere in Southern Italy. Schemes costing up to 500,000 lire need no longer be submitted by Italians to Regional Engineers for approval, unless controlled materials are involved.

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55. Miscellaneous. Considerable information was furnished in August to UNRRA. Position as to ownership of materials of bombed properties is being investigated. If used in the general interest, they would assist greatly in executing adjacent first-aid repairs, without involving transport. Responsibility for raising sunken ships in ports is still under discussion, i.e. Allied Navies, Italian Ministry of Marine, or this Sub-Commission.

56. Electrical: Of the large hydro-electrical stations 50% are totally destroyed and beyond repair. Dissolution of Central Electricity Board in July troubled the work of the Electrical Division of the Sub-Commission. Importation of 60,000 KW generating plant might save up to 90,000 tons of shipping per month, and reduce unemployment if factories can be re-started. Electrical situation at present is "desperate".

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57. Remarks: Mine-clearance problem extremely serious. Reconstruction of public works hindered. Physical reconstruction and rehabilitation may be delayed for years, unless systematic mine-clearance is undertaken. Bonifica works in PONTINE MARSHES started in August, to cost about 48 million lire. Problems far greater than these are likely in the PO VALLEY and north thereof, where cities and whole tracts of country may be flooded. Ministry of Public Works pressed very strongly (under instructions Administrative Section) to expedite work of his Commission, dealing with "Defascism". Applications from Gas, Water and Electricity companies continued to be received, seeking to increase charges to consumers.

58. Highways, Bridges and Public Works: In August 83 new contracts put in hand for roads and bridges, and 33 others for miscellaneous projects. Expenditure was 127 million lire, and 59 million on miscellaneous works. Total expenditure (January to end of August) was nearly 700 million lire. Transport vehicles loaned by Armies and in use in Southern Region (military highways and bridges only) were 172, but due to poor condition never more than 50% were available at any one time. No serious difficulties encountered with labour. New system inaugurated under which bulk POL coupons are available to Regional Engineers, for contractors on military works projects. It is hoped by this means to eliminate confusion and shortages of past months. On 31 August 230 bridges were either completed or under construction. Problem constantly increasing in magnitude as Armies move northwards.

AGRICULTURE SUB-COMMISSION

59. The development of power and drive in the Ministry of Agriculture still proceeds slowly. There is difficulty evidently in finding suitable personnel, and the Commission of Epuration, like those in other Ministries, has not yet passed judgement in the case of any of the suspended officials; difficulty also arises from the fact that the Ministry covers the field of Alimentation, as well as Agriculture, Forestry and Fisheries, and the available energy is used in too many directions.

60. August was a month of many Reports. Overshadowing all others in importance, is the Crop Production Plan for 1944-45. At the end of the month the first rough draft of this was submitted to Economic Section. The Report should be completed and printed in English and Italian about 1st of October, and will contain complete Crop Plans for the whole of Italy, Province by Province; estimated farm requirements (fertilisers, insecticides, etc.) for maximising production from these plans, and estimated minimum required imports. Re-habilitation plans for Forestry and Fisheries are also included.

61. Agriculture: In last month's report, there should have been noted the setting up, by the President of the Council of Ministries, of a Commission on Agricultural Contracts. This was a direct result of pressure brought to bear by this Sub-Commission on the Ministry of Agriculture.

62. Progress of the "Grand del Popolo" scheme running reasonably good, in spite of transportation and other handicaps. Harvest control officers are having to be withdrawn, because transportation is not available for them, and this is bound to have an adverse effect.

63. Good progress was made during the month in the formation of a Bureau to

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63. Good progress was made during the month in the formulation of a Decree to control the collection of olive oil; greater difficulty is being found in arriving at a final price schedule.

64. Forestry: A preliminary distribution plan for charcoal and fuelwood has been circulated in Regions IV, V and VIII; as soon as figures are obtained, a detailed plan will be prepared and submitted.

65. A detailed report, on charcoal production and distribution, was prepared, and covered the charcoal situation in 21 Southern Provinces of Italy, all Sicily and all Sardinia. The report gave recommendations for increasing the production, supplies on hand and the estimated production from July 1944 to April 30, 1945. It is estimated to be 56 of normal consumption.

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66. Fisheries and Hunting: The month of August, saw several important developments in this Division's programme to rehabilitate the Italian Fisheries Industry. With equipment and supplies, requisitioned from U.S. and U.K., arriving at Italian ports, the Division asked the Ministry of Agriculture to form a Government organization which would distribute the supplies in such a way as to exercise a control of fishing and minimise transportation difficulties. The organization has been set up, and will assist to re-furnish Italian fishing, controlling supplies at just prices, and securing financial credits from Banks. Allocation of naptha and other coal products is based now on the quantity of fish unloaded at market.

67. The Ministry has been asked to revise the procedure of granting Hunting Permits; under Fascism Permits were issued by the Questura only after C.O.N.I., the Sports Federation Headquarters, approved the request. This undemocratic system has been changed, and now the Questure only will be responsible for the issuance of the Permit.

INDUSTRY SUB-COMMISSION

68. Foreword: The main objective of the past month's work in this Sub-Commission has been to effect the transference of the executive work from the Sub-Commission to the Italian Ministry of Industry, Commerce and Labour. The following steps have been taken towards this end.

69. Firstly, the representation of the Sub-Commission within the Ministry of Industry, Commerce and Labour has been further strengthened in order that continuous daily liaison may be maintained not only with the Minister himself, but with the various industrial experts working under him in the Ministry.

70. Secondly, regular weekly conferences are now held every Wednesday between the Minister, supported by his experts to advise him on technical matters on the Agenda, and the Acting Director, who has the assistance of the appropriate expert officers of the Sub-Commission. This practice has been found to be very effective both in ironing out difficulties that may arise with the Italian Government and also in accelerating the clearing up of outstanding matters.

71. Thirdly, arrangements have been made by the Italian Government for the selection of individual experts to deal with the more essential key industries - who can work side by side with the officers of this Sub-Commission who may have that particular industry under their control. As yet, however, it has been found impossible in certain situations for this Sub-Commission to hand over all its executive work. An example of this is the cement industry where the military services involved notified ICC that they were prepared to hand over various of the less efficient cement plants. As in some instances the military merely withdrew their control and at the same time stripped the factories of their stocks of coal, clinker, gypsum, sacks and even leather belting, the Sub- Commission had immediately to take on executive responsibility and arrange for an emergency programme for the production of cement for civilian needs.

72. Governmental Decrees: Work during the month has been concentrated mainly on three forthcoming decrees of the Italian Government.

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73. The first, and the most difficult, was the decree for the control of the hemp industry and the manufactured products thereof. Terms were finally agreed between the Hemp Control Division of this Sub-Commission and the Minister, but the decree has not yet received Cabinet sanction, and negotiations are, therefore, continuing. It is satisfactory to note that new prices were established during the month for the forthcoming hemp crop.

74. The second decree deals with the control of the leather industry by means of a rigid control of the flow of tanning materials to the tanners. This decree has now been agreed between the Government and this Sub-Commission and its publication is pending. New prices for leather were finally agreed and approved, and it is considered that the final settlement of prices will have the effect of markedly increasing the availability of this commodity.

75. The third decree to be suitably agreed between this Sub-Commission and the Government was the decree regularising the position of the Ente Zolfi Siciliani.

76. Reports: The main report drafted by this Sub-Commission during the month was the first part of the Emergency Programme for Industrial Rehabilitation. This report, which had to be completed within a very short space of time, taxed the energies of all the officers of the Sub-Commission to the utmost. It covered six key industries and outlined the Sub-Commission's programme for the rehabilitation and maintenance of these industries during the calendar year 1945.

77. The second in importance of the reports prepared by this Sub-Commission during the past month was that which was compiled for the representative of UNRRA. This report gives a brief history of the activities of the Sub-Commission since the beginning of the campaign up to date, and enumerated at some length the difficulties which confronted it and the steps taken to overcome them. It also embodied on broad lines the Sub-Commission's proposals for the future.

78. Surveys: Amongst the many surveys compiled by the officers of this Sub-Commission during the past month the two most important are that of the C.I.E.A. Viscose Factory at ROME, where it is hoped that next year both rayon and fibocc can be produced, and of the Soda Solvay Works at ROSIGNANO where the production of caustic soda will be eventually possible on a large scale. The problem of the manufacture locally of carbon bisulphide has been actively studied and a programme evolved for its production, which is in course of implementation.

79. Industrial activities: During the month under review the battle area has remained substantially unchanged, no new centres of industry or important plants have been liberated, and attention has largely been directed to amplifying action already initiated or to completing information previously available only in part.

ALLIED COMMISSION

Materials Division.

80. Owing to greatly reduced personnel, especially in Southern Region, great difficulty is being experienced in dealing with current work. It is hoped to assign Italian officials to act as co-ordinating agents in the Provinces.

(a) Leather: Considerable belting has been produced by four factories operating in Regions III and IV. Prof. Enrico Simonini was appointed Commissioner for leather for all Italy, being responsible for leather operations and control.

(b) Tobacco: No cog movements of tobacco were made during August. The ship "Senio" was procured through efforts of Caserta Sub-Commission to carry a three months supply of tobacco to CATANIA and PALERMO during first week of September.

(c) Matches: Arrangements have been completed for the distribution of matches throughout Italy by the national organisation of Consorzio Industrie Fiammifere (C.I.F.) including all those domestically produced and imported from abroad.

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COMMERCE SUB-COMMISSION

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(c) Matches: Arrangements have been completed for the distribution of matches throughout Italy by the national organisation of Consorzio Industrie Fiammiferi (C.I.F.) including all those domestically produced and imported from abroad.

(d) Paper: An AMLR (I) board meeting, held on 21 August decided to remove from the list of controlled items about and rolled paper of all kinds, except printing paper. Newsprint situation continues to be acute. No imports have been received during the period under review.

(e) Textiles, Clothing and Shoes: Jurisdiction over textiles owned by various merchants and held on the premises of the Consorzio Italiano Manufatti was turned over to the Italian Ministry of Industry, Commerce and Labour. Repair rate of salvaged shoes has been increased to 6000 pairs per week during the month. The Pirelli plant has started manufacture of rubber soles and heels.

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Resources Section:

81. A method of procedure is in course of preparation whereby the discovery of controlled materials will become the responsibility of the Italian Government in AMG territory.

Requirements and Release Section.

82. Important materials such as cement, milk and commercial gases remain in critically short supply. It may prove expedient, after approaching the Director of Works and PRS, to indent for imports to fill essential civilian requirements.

Fuel Section.

83. Owing to the move to ROME it was necessary to invent a modification whereby the existing circulation permits and petrol ration cards could be extended until the end of September. It proved impossible to get permits and ration cards printed in time to issue for 1 September.

Foreign Trade Section.

84. There has been difficulty in obtaining shipping. Quantities of goods are awaiting shipment, but lack of an Export Officer on the East coast of Italy retards all exports considerably. The first consignment of silk cocoons from Turkey has now arrived and will be distributed to filatures for reeling.

Price Section.

85. There is increasing interest on the part of the Government towards standardizing procedures relating to prices. The situation with respect to landed costs of imported supplies is still confused owing to AFHQ being unable to notify us as to landed costs of many items, forcing us to make our own estimates. An inter-ministerial committee has been set up by the Government and it is hoped that this will form a nucleus for more extensive price work in months to come.

SHIPPING SUB-COMMISSION.

86. During the month of August the chief subjects with which the Shipping Sub-Commission was concerned were : .

(a) The alteration in the operation of schooners.
(b) The planning of ACC requirements.

87. (a) As an initial step towards the operation of schooners a meeting was held at which it was mutually agreed that of the total of approximately 60,000 tons of schooners 25,000 tons would be allocated to the RISC and Water Transport Companies for Services requirements.

(b) All schooners over 500 tons to be allocated to P.S.T.O. Med. for operation as an addition to the coaster fleet for Services requirements, and small schooners presently utilised by the Navy for harbour craft to be continued in that service.

(c) This left a total of some 27,000 tons dr. of schooners available for civil requirements, under the direction of the Allied Control Commission. In order that a complete control could be maintained as to the cargoes these vessels carried, a Schooner Control Committee was set up comprising a representative of [illegible], a representative of ACC and a representative of the Mediterranean Shipping

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(c) This left a total of some 37,000 tons dw. of schooners available for civil requirements, under the direction of the Allied Control Commission. In order that a complete control could be maintained as to the cargoes these vessels carried, a Schooner Control Committee was set up comprising a representative of COMMZ., a representative of AOC and a representative of the Mediterranean Shipping Board. This Control commenced functioning on 17 August, and up to date has allocated 124 schooners approximating a total of 5,000 tons dw. cargo, these cargoes being approved by the AOC representative.

68. So far as the planning of requirements is concerned, this has now been presented and is under examination at AFHQ. It totals some 90,000 tons for the month of September, but gives priorities which will probably reduce the quantity considerably below that figure. On examination the Ministry of War Transport has agreed that it will be responsible for the tonnage under its own control for the carriage of timber from Southern Italy to Sicily to make boxes and orange boxes for shipment to the UK. A representative of the Ministry of War Transport will proceed shortly to co-ordinate these shipments.

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89. It is obvious, however, that this programme as presented by AOC will not be possible of fulfilment by ordinary schooner traffic, and a complete examination, therefore, is being made as to what contribution can be made towards it by a reduction in the military traffic or the allocation of outside shipping at the expense of other programmes. It will be several days before clarity on this subject is achieved. The main items, however, continue to be coal from SARDINIA and phosphates from TUNISIA. The Ministry of War Transport in LONDON, under pressure from the Mediterranean Shipping Board, has agreed to allocate five vessels approximately 5000 tons dr. each, which vessels will be utilised for these commodities.

90. As a matter of general interest on the shipping situation, ten Italian steamers have now arrived in GIBRALTAR from SPAIN, and one in CASABLANCA from PORTUGAL. These are being put into a fit state at GIBRALTAR to proceed to South Italy, but it is likely that extensive repairs will be necessary before they are fit for service.

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PART III

ADMINISTRATIVE SECTION.

1. Defascism: The Italian Government has expressed itself as not dissatisfied with the progress that it is making in two spheres of defascism, the punishment of those who have lent themselves to breaches of the old constitution or have obtained benefits improperly, and those who have corruptly obtained material benefits.

2. It has, however, expressed its dissatisfaction with the present method of purging the administration which is based on the individual consideration of each case. It is a lengthy process and includes the suspension of the person whose case is being investigated. An alternative method therefore is being considered to ensure the quick purging of officials.

3. Proposals for dealing with private firms and companies under Fascist control are under discussion.

4. Mine Clearance: A programme for the instruction of civilians in this work has been drawn up by the Ministry of War and approved in principle by this Section. These instructional squads of soldiers will be available on 15 September and will form centres of instruction in areas situated close to the more heavily mined areas. On completion of the instruction at the end of September the students are to be formed into working parties for mine clearance work. Some difficulty is being encountered in procuring the necessary equipment and transportation.

INTERIOR SUB-COMMISSION.

5. Local Government: A summary has been prepared and issued to AFC Armies showing the primary steps necessary to reorganise local government. Italian official appointed to take charge of the Administration of AMGOT.

6. Prefects and Officials: Arrangements were continued for maintaining supply of Prefects and other officials who may be required for forward Provinces, including planning for the 45 Provinces still in enemy hands. To meet shortage of Prefects the Ministry has been urged to promote efficient Vice-Prefects and suggestions have been made for transfer of Prefects. New Prefects and other officials sent to ASCOLI, ANCONA, FLORENCE and LIVORNO.

PUBLIC SAFETY SUB-COMMISSION.

7. Policing Forward Areas: Mobile CC.RR attached to Armies have continued their good work in policing newly occupied territory. As they move forward their places are taken by those supplied from replacement centres. A new centre has now been established in FLORENCE to hold 2200 and arrangements are in hand to form another centre at ANCONA. The SCAOs of FIFTH and EIGHTH Armies have expressed their satisfaction at the excellent services rendered by CC.RR under difficult conditions.

8. Patriots: A good deal of the time of Public Safety Officers in forward areas has been occupied in dealing with patriots. The difficulty has been to distinguish

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8. Patriots: A good deal of the time of Public Safety Officers in forward areas has been occupied in dealing with patriots. The difficulty has been to distinguish between genuine partisans and undesirable characters who seize the opportunity to form themselves into armed bands, robbing and plundering the country side. By constituting the CC.RR as the law enforcing authority and withdrawing weapons from the patriots, the situation has been kept well in hand.

9. Public Security: Questori have been sent from a reserve pool in ROME to Provinces at the request of Army SCAOs or RCs. Inspectors from the Ministry of the Interior have been despatched to report on public security conditions in SICILY, SARDINIA and SIENA.

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10. Rations, Uniform and Equipment: Complaints that the rations allotted to Finance Guards and Agents of Public Security are inadequate are being sympathetically examined with the Sub-Commissions concerned. The uniform and equipment of all police agencies is still unsatisfactory, especially as regards transport. In spite of these conditions the police carry out their duties loyally.

11. Epuration: Commissions have been set up to carry out the epuration of all Police, Fire Brigade and Prison officials. As yet these Commissions have made little progress. All CVRA officials and agents will be suspended from duty until their cases have been examined by the Public Security Epuration Commission.

12. Prisons: The problem of Italian Military prisoners which threatened to create acute overcrowding in civil jails has been solved. Although Italian Military prisoners will become a civilian responsibility after 30 days imprisonment, they will be kept in military jails. In many districts the prison population is decreasing owing to the expiration of sentences imposed by AMG in 1943. In SICILY as a result of the special drive on grain collection, overcrowding has increased. The repair work on four damaged prisons is being speeded up. If necessary, stockade prisons will be constructed in SICILY.

13. Control of Civilian Movement: In consequence of the handing over of new territory to the Italian Government, the instructions regarding civilian movement have been revised and consolidated in Executive Memorandum No.77. Civil Affairs Officers, Italian officials and the Italian public have been notified of the existing restrictions.

PUBLIC HEALTH SUB-COMMISSION.

14. General: The Italian Government has undertaken the rehabilitation of hospitals.

15. Supplies: Glass tubing is urgently required for the packing of biologicals produced locally.

16. Disease:

(a) Typhoid epidemic at BENEVENTO is being investigated and prophylactic measures have been instituted.
(b) V.D. the campaign continues.
(c) Typhus. The Typhus Control Unit will, during the autumn, instruct local teams throughout Central and Southern Italy in typhus control measures.
(d) Smallpox figures in NAPLES City and NAPLES Province show a definite decrease.
(e) Malaria. The work of the Malaria Control branch has been outstanding and has resulted, almost everywhere, in a marked reduction of cases as compared with 1945.

17. Veterinary: Foot and Mouth Disease and Swine Fever are both wide spread and steps to combat them have been taken. Supplies of veterinary biologicals have been distributed.

18. Welfare: The Ministry of Interior has increased the rated of assistance to

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12. Prisons: The problem of Italian Military prisoners which threatened to create acute overcrowding in civil jails has been solved. Although Italian Military prisoners will become a civilian responsibility after 30 days imprisonment, they will be kept in military jails. In many districts the prison population is decreasing owing to the expiration of sentences imposed by AMG in 1943. In SICILY as a result of the special drive on grain collection, overcrowding has increased. The repair work on four damaged prisons is being speeded up. If necessary, stockade prisons will be constructed in SICILY.

13. Control of Civilian Movement: In consequence of the handing over of new territory to the Italian Government, the instructions regarding civilian movement have been revised and consolidated in Executive Memorandum No.77. Civil Affairs Officers, Italian officials and the Italian public have been notified of the existing restrictions.

PUBLIC HEALTH SUB-COMMISSION.

14. General: The Italian Government has undertaken the rehabilitation of hospitals.

15. Supplies: Glass tubing is urgently required for the packing of biologicals produced locally.

16. Disease:

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18. Welfare: The Ministry of Interior has increased the rates of assistance to political ex-internees.

19. Health: Infant mortality figures in ROME are high but it is anticipated that the distribution of powdered milk will result in a decrease in these figures.

LEGAL SUB-COMMISSION.

The following is a summary of activities during the month :

20. Office of Chief Legal Officer: Handling of all legal matters connected with restoration of territory on 15 August. Consideration of "Sanctions against Fascism". Examination has been given to the attitude of Italian Military Tribunals at BARI toward trial of cases involving Allied interests. Consideration of duties and functions of Property Control.

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21. Office of Chief Counsel: Preparation of revised proclamations 1, 2 and 4. Revised General Order No.2 and General Order No.32 (agricultural rents). Examination proposed decree for restoration of property and other rights taken away by Fascists legislation on racial or political grounds.

22. Italian Branch: Supervision of the "Epuration" of the Magistracy under the provisions of DLL 159 of 27 July. Contacts with ROME Jewish and Intergovernmental Refugee Committees on draft law to repeal racial legislation. Settling text of draft decree of marriage of members of Allied Forces in Italian territory. Determining the functions of Property Control in relation to the evolution of Italian administration. Extension of Italian Armistice decree to territories restored to Italian Administration.

23. Office of Chief Judicial Officer: AMG court in Region II condemned Gaudio Martiere to 25 years imprisonment for murder of an Allied soldier and De Birado Michelo to 20 years imprisonment for sabotage.

EDUCATION SUB-COMMISSION.

24. Italian Government Territory: This territory has required recently little attention. We are having to help in regard to the large new printing of textbooks (375,000 in PALERMO; 1,120,000 in NAPLES).

25. Region IV: LITTORIA, FROSINONE and ROME Provinces were handed over to Italian Control on 15 August. School lunches were served to 8,757 school children and plans are under way for increasing this number; 346 school administrative officials have been examined for fascism, of whom 175 were suspended. The printing of 1,039,000 elementary school textbooks for Region IV and V was launched. VITERBO, RIETI and TERNI Provinces are on their way to being in as favourable a situation. All school departments are functioning vigorously; many communes opened summer sessions. PERUGIA was visited and preliminary steps taken toward getting the educational machinery to function. Epuration proceeded at the University of ROME and examinations were held. Preliminary work was started at the two Universities in PERUGIA.

26. Region V: Eight Provinces are organized for the reopening of schools. School heads appointed; vetting under way; budgets prepared; directives issued; Sindaci are getting school quarters in shape; Fascist books are being confiscated. Conditions at the two Universities in MACERATA Province were investigated.

27. Region VIII: GROSSETO and SIENA Provinces were organized, defascisation proceeding, plans are completed for re-opening of schools. Preliminary arrangements are under way for the printing of 1,039,000 elementary school textbooks for Regions VIII and IX. The University of SIENA was the victim of an Army requisition.

28. Regions in General: A meeting of Regional Education Officers and the HQ Staff was held early in August. The two most urgent problems now before schools in both Italian Government Territory and Military Government Territory, are the printing and distributing of the millions of elementary school textbooks, and the making of buildings available and weather-tight for the winter.

PROPERTY CONTROL SUB-COMMISSION.

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PROPERTY CONTROL SUB-COMMISSION.

29. General: On 8 August Insurance Section, Finance Sub-Commission, assumed full responsibility for all Insurance Companies in Italy and PC was relieved of this responsibility.

30. Regions: Reconsignment of properties to owners is going forward at an increasing tempo. Property Control officer in Regions II and VII were closed and records and files moved to office of PCP, Southern Region. In Region IV, PCP took into protective custody properties of numerous Fascist Organisations. The work of examining and completing records of United Nations' properties is nearing completion. In the FLORENCE area some difficulty was encountered because of operational activities. Much evidence of pilfering and looting was found.

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

31. Region IV: Inspections of the damaged sites in LITTORIA and FROSINONE Provinces, and VITERBO. In most of these cases repair projects have been difficult to initiate because of shortage of material and labour, both of which are needed by other claims in the devastated regions.

32. Deposits of Works of Art in the vicinity of FLORENCE: Steps have been taken to guard and check over the works of art placed in the deposits in the country South of FLORENCE. There are 23 such deposits around FLORENCE. Eight of these were accessible, the rest were in enemy territory. In FLORENCE, steps have been taken to salvage valuable records from the ruins of buildings mined by the Germans. Italian Superintendents have been organised to assist.

33. Region III: Final arrangements for the handing over of this Region's work to Italian Authorities have been made.

34. Art Exhibition: An exhibition of masterpieces of European Painting was opened in the Palazzo Venezia, ROME.

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PART IV

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND DEPENDENT SUB-COMMISSIONS

POLITICAL SECTION.

1. On the 15 August the Provinces of LITTORIA, FROSINONE and ROME (including the capital) were handed back to the Italian Government. On the occasion Bonomi issued a statement, rather sober in nature, in which he asked the Italian people not to expect miracles but assured them that the Government was well aware of the task confronting it and willing to tackle it. It may be said that the Government has indeed worked very hard during the month. The Council of Ministers has met frequently and dealt with some major matters. It has set up a committee for national reconstruction, realising fully that at the moment emergency measures must take precedence over long range planning. It has sanctioned the nomination of special commissioners for "concessionary enterprises affecting the public services or engaged in activities recognised to be of general interest" and on 31 August announced its intention of complying with the request of the CGIL delegates (presented 9 August) to take some action, in cooperation with the Allies, to protect the workers against the rising cost of living. And, in the meeting of 31 August, it avowed its intention to attack the Sicilian question laying plans for "strengthening the administrative apparatus" of the island with a view to combating the Separatist movement and to proceed to "concrete and organic resolution of the latifundia problem". These are only the principal activities; there were the usual routine and administrative matters. Epuration has proceeded with vigor, the most sensational event being the suspension of 309 out of the 420 senators.

2. Party life has also been full and in general events of the month have clarified the aims of the various elements. Noteworthy was the "alliance" of the Socialists and Communists (8 August) who announced a common programme for more active participation in the war, intensification of application of anti-fascist sanctions and protection of the workers against their difficult economic straits and dangers from reactionary forces. Their avowed hope is to bring the Christian Democrats (with whom they are already working in harmony on the labour front) into the pact but the latter have so far not given their assent. The Liberals followed suit, announcing on 13 August their fusion with the old Democratic Liberal party, an old pre-war group of some strength particularly in the South. This fusion is particularly interesting as it brings into the Government representation from a group outside the Committee of Liberation; an action which the Leftist parties view with some suspicion, Nenni calling the Liberal Democrats "a Trojan horse within the citadel of democracy". The young and hopeful Catholic Communists received another blow when it was categorically stated by Cardinal Salotti that the terms Catholic and Communists were mutually contradictory.

3. In the matter of foreign affairs the month has seen a crescendo in Italy's anxiety about her future. Demands have been repeated that the Allies should clarify their policy and at various times specific requests have been made in the press for Allied status, Lend Lease, UNRRA and permission to put more Italian troops in the field. It was widely understood that Signor Bonomi took advantage of Mr. Churchill's visit, which was followed with intense interest, to put at least some of these demands directly to him. Interest has been kept high by a series of speeches or gestures from the Anglo-Saxon world. Mr. Churchill's visit was of

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4. On 25 August Signor Soleri, Minister for Treasury, gave a press conference in which he discussed with some frankness the financial situation of the country, pointing out among other things that Italian finance could not be established on any solid basis until the currency situation was clarified and for that the cooperation of the Allies was essential. This was taken up by the press and a statement

on our currency policy may now be added to the list of things that the Italians would like to have. Their increasing frankness in stating what they want has had some justification - in Italian eyes at least - in the deeds of the patriot bands who distinguished themselves particularly in the fighting around FLORENCE and have thus been a factor in resuscitating national pride. To such a point indeed that Count Sforza, speaking on 21 August, did not hesitate to touch on territorial matters, affirming the "Italianita" of TRIESTE and suggesting that FIUME might well become a free city, the seat of a new league of nations. And the deeds of the Patriots as well as the kind words spoken about the Armed Forces by Allied officers at the last ACC Regional Commissioners' Conference have also served to bring to the fore the plight of war prisoners on which Italians would like action from us.

5. The Regional Commissioners Conference held on 22 and 23 August was for the first time open to the Italian press. Particular attention was given to the reports of the Economic Section and, as said above, the Services Sub-Commissions. Allowing the Italian press to be present may well have had some political value; it was clear from the articles that followed that many Italians had not realised the scope of the work of ACC. Further, the Acting Chief Commissioner's statement that ACC supported the Bonomi Government in the same spirit as that indicated in the statement of the Ministers without Portfolio (issued to express their solidarity at the time of the handover of ROME) was undoubtedly a factor in giving the Government stability and putting an end to any lingering rumours of its approaching dissolution under Allied disfavour.

PUBLIC RELATIONS BRANCH.

6. News Production: Regular press releases were issued to the Italian Press, PWB, Allied correspondents and neutral correspondents on all aspects of ACC activities including UNRRA liaison.

7. Press Conference: The Italian Press was admitted for the first time to the Regional Commissioner's Conference with excellent results. The Branch arranged two press Conferences between Brig. Gen. O'Dwyer and Allied and Italian correspondents, respectively. The former covered the Italian Economic situation and the latter the ROME food conditions and general economic plans. Both Conferences were well received.

8. Journalists:

(a) Italian: Contact with editors of ROME newspapers was maintained to explain ACC policies and to request assistance on problems needing public co-operation. The first ACC/PWB accrediting cards were issued to Italian journalists. Curfew passes were issued to newspaper workers, journalists automobile problems were adjusted, and two Italian photographers were issued with permits to photograph non-military subjects.

(b) Allied: Interviews arranged and information given to some twenty British and American correspondents.

(c) Allied Political Correspondents: The first four arrived and became an ACC responsibility. They represented The Times, Daily Express, and Daily Telegraph,

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(d) Neutral Correspondents: Weekly background briefings were held.

9. Relations with Italian Government: Publicity was arranged and put into effect for the Italian Armed Forces including the first Allied recognition of Italian war correspondents. Epuration of the Italian Press was carried out in collaboration with the Italian Government Committee, the Federazione Stampa, and Security Branch. Long term arrangements for radio and cinema were discussed with the Sottosegretariato della Stampa and the PWB.

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10. Miscellaneous: The Allied Publication Board, with concurring PRB vote, froze further issues of newsprint because of shortage of imports. Extensive scheduling of story possibilities made for the March of Time film unit photographing ACC help to Italy. Publishing arrangements made for 75,000 copies of Art Guide to FLORENCE for use of the troops. Plans started to make films of Italian Army, Navy and Air Force. Contacts maintained with Prime Minister Bonomi and Cabinet members. Regular services of Weekly Bulletin, Daily News Digest and Trend of Correspondents' copy continued. Material gathered for history of ACC.

WAR MATERIALS DISPOSAL AND ITALIAN PW SUB-COMMISSION.

War Materials Disposal.

11. The work of this Sub-Commission was for the most part of an administrative nature and the small staff was inundated with requests by individuals and representatives of firms for authority to collect derelict vehicles from the surrounding countryside and roads. A few permits were issued, in the most part, to collect parts from derelict vehicles, and in every case the parts were required so that the work on a certain vehicle could be completed and the vehicle put back on the road to do duty under ACC direction.

12. A reconnaissance was made of the RIETI and ALBANO area. In RIETI an inspection was made of the weapons which had been collected into a small Armament Shop, where an excellent job of cleaning and servicing weapons was being done by Italian labour. The weapons are held at the disposal of the Italian War Ministry.

13. In ALBANO a considerable quantity of water pipe and 30 litre tanks were found and put at the disposal of the Public Works and Utilities Sub-Commission.

14. Workshops in ROME and the immediate vicinity were visited and a check made of salvaged vehicles with a view to ascertaining their ultimate destination.

Italian Prisoners of War.

15. The repatriation of Italian Prisoners of War was increased and the release from PW status of approximately 65,000 guarded PW in SICILY was completed. The number of military PW returned for the month was 1030.

16. Prime Minister Bonomi accepted an invitation to send representatives to visit localities in Italy, and to inspect the conditions under which PW cooperators are employed.

17. Requests for repatriation for specialists, required for Allied Control Commission and Italian Government activities, and a few individual cases justified for compassionate reasons, were submitted for consideration.

18. Plans for expediting certain repatriations were made and a policy of active cooperation with the Italian Red Cross was initiated.

COMMUNICATIONS SUB-COMMISSION.

19. Telecommunications:

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COMMUNICATIONS SUB-COMMISSION.

19. Telecommunications:

(a) Telephone: Two additional NAPLES-ROME circuits have been made available, permitting the opening of a restricted service to civil use of this important channel. Many urban telephone services have been restored, including the towns of CAMPOBASSO, ISERNIA, VENAFRO, TERMOLI, LANCIANO, ORTONA, AVEZZANO, AQUILA, TERAMO, ASCOLI, FLORENCE, SIENA, GROSSETO, etc. Inter-urban service limited to intra-provincial calls has been authorised in the Provinces of FOGGIA, CHIETI, PESCARA, AQUILA, TERAMO, AVELLINO, BENEVENTO, CAMPOBASSO, FROSINONE, LITTORIA and ROME: inter-urban circuits are approaching completion in many areas. Full inter-provincial service is authorised and available in all Provinces south of the above.

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(b) Telegraph: Telegraph service has been authorised in all Provinces listed above; in few cases are circuits available, but they are also now approaching completion in many districts. The telegraph service from ROME to the South has been improved, but is still inadequate, and many telegrams from NAPLES and BARI are still arriving by post. Arrangements to effect improvement, which include transfer of equipment from SICILY, are in hand. Submarine telegraph cables to SICILY and SARDINIA have been handed over to the Italian authorities; so far only the SICILY circuit is restored to operation. The Italian Foreign Office has been authorised to resume cablegram communications, in clear or in cipher, with all Italian Missions, etc., abroad, except that in ARGENTINA. (This service was previously restricted to the Embassies at MADRID, LISBON and TANGIERS).

20. Postal:

(a) Internal and foreign mail services have been restored in the additional Provinces of FOGGIA, CHIETI, PESCARA, AQUILA and TERAMO.

(b) PALERMO and BARI were closed as foreign mail transfer ports, leaving only NAPLES, and a few transfers through CATANIA.

(c) Some 17,000,000 letters (about 70 tons), including about 12,000,000 PW letters, have been dealt with in the foreign mail service since the opening of services early this year.

ARMY SUB-COMMISSION.

21. The planning, organisation and initial training of the Italian Combat Groups has gone according to the time programme. The limiting factor has been the provision of equipment. The training scale of arms and vehicles for the first two groups has now been issued.

22. On 10 August, GOC attended a conference at Public Relations for the Italian Army and observer reporters. GOC put forward the urgent necessity for more publicity to be given the Italian Army, not only in its combattant role but in its work behind the lines, providing labour on docks, engineer units, L of C signals, muleteers etc. It was decided that every effort would be made to get the Italian people Army-minded and several interesting articles have since appeared in the ROME newspapers on the achievements and activities of the Italian Army.

23. In an order of the day to the Italian Army, Count Casati, War Minister, reproduced part of GOC's report at the last Regional Commissioners' Conference in which due recognition and praise is given to the Italian Army and urges all ranks to make greater efforts to drive the enemy out of the country.

24. Arrangements are being made for the division of responsibility for rationing the Italian Armed Forces between the British and American Governments. This constitutes an amendment to the last sentence of this Sub-Commission's report for the month of July.

NAVY SUB-COMMISSION

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NAVY SUB-COMMISSION

25. During the month of August the active cruisers of the Italian Fleet carried out the normal programme of ferrying troops and civilians in the Western Mediterranean. Destroyers and smaller vessels were employed in escort work. The three older battleships returned from Malta and have been reduced to reserve in Italian ports. The work of the TARANTO dockyard proceeded satisfactorily. Supplies of food and medical stores for the fleet were adequate and the introduction of a single ration scale for combat and non-combat troops has simplified administration. As far as possible the Italian Navy utilises its own stocks of Naval Stores and every assistance is given to them to obtain materials from local resources. Essential items not available from these sources are supplied mainly from British Naval stocks. The clothing situation was unsatisfactory and will remain so until the arrival of materials ordered from the United Kingdom, when the Italians will manufacture their uniforms in their own factories.

26. Steps are being taken to obtain favourable publicity for the work of the Italian Navy, and details which are being worked out in conjunction with the Public Relations Branch include the production of a short film, shewing the work of the Italian ships during the past year.

AIR FORCE SUB-COMMISSION

27. The Italian Air Force continued to support the Allied Air Forces actively. The Fighter Wing has been carrying out fighter sweeps over enemy territory and has a good record. The Bomber/Transport Wing continued to drop supplies. The Seaplane Wing continued to work as part of the Mediterranean Coastal Air Force.

28. The Operational Control of the Italian Air Force has now passed out of the hands of the Air Force Sub-Commission. While this loss of operational control is regretted, there is no doubt that it is a sound move, as it ensures complete co-ordination of the effort of the Air Forces as a whole.

29. Under the new Government, General Piacentini has been appointed Air Minister and Chief of Staff of the Italian Air Force.

30. Among many other problems there have been two outstanding ones. Firstly, the ceiling of manpower in the Italian Air Force, and secondly the question of rations. A somewhat arbitrary decision was made to reduce the ceiling from 32,000 to 22,000. This would have had serious repercussions in respect of Italian Air Force personnel on loan to the Allied Forces in substitution for Allied manpower. The ceiling, however, has now been permanently fixed at 31,000.

HILARY W. STONE
Captain, USNR
Acting Chief Commissioner

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Sequane Wing continued to work as part of the Mediterrmean Coastal Air Force.

28. The Operational Control of the Italian Air Force has now passed out of the hands of the Air Force Sub-Commission. While this loss of operational control in regretted, there is no doubt that it is a sound move, as it ensures complete co-ordination of the effort of the Air Forces as a whole.

29. Under the new Government, General Piacentini has been appointed Air Minister and Chief of Staff of the Italian Air Force.

30. Among many other problems there have been two outstanding ones. Firstly, the ceiling of manpower in the Italian Air Force, and secondly the question of rations. A somewhat arbitrary decision was made to reduce the ceiling from 32,000 to 22,000. This would have had serious repercussions in respect of Italian Air Force personnel on loan to the Allied Forces in substitution for Allied manpower. The ceiling, however, has now been permanently fixed at 31,000.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

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

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HEAD HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
ADMINISTRATIVE SECTION

2/11.1/AS

6 Jul 44

SUBJECT : Chief Commissioner's Monthly Report.

TO : PO & MI Section.

May a second copy of the Chief Commissioner's monthly report be supplied please. You will remember that the VP was promised a copy for his personal use apart from the official copy for Admin files and that back numbers of this report were promised.

S.H. WHITE, Lt Col
for CSO Admin Sec.

48.4

2/11.1/AS

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.

REPORT FOR APRIL 1944.

1. The major change in organisation has been the division of the stretch of Italian Government territory hitherto administered as Region II into two distinct Regions. Road, rail and telephone communications are poor and confronted with the difficult problems of supply and refugee disposal, Calabria, Apulia, and Lucania had become unwieldy. Region VII was therefore constituted by splitting off Calabria from Region II. The HQ of the new Region was established under Colonel KIRKWOOD at CATANZARO. The staff of the Provinces of Cosenza, Catanzaro continued at their posts.

2. Most of the initial difficulties of the change over from Government to control have now been surmounted. The more frequent visits of HQ officers to the Regions have proved welcome in the Regions and helpful to all parties. At the same time, visits of field officers to Headquarters have become more numerous to the benefit of all concerned.

3. The Regional Commissioners and Sub-Commissions conference occupied three days, 14th, 15th and 16th April. The full discussion of common problems of Regional Commissioners, SCAO's Army AMG and the Directors and members of the Sub-Commissions was the means of arriving at solutions in many cases and lines of future action in others. Particularly was this observed in the consideration given to the problem of the harvest and the effect which it will undoubtedly have on the future of the Italian people. More exact details of the results will appear later in this report.

4. Throughout the whole of liberated Italy there is more political activity, generally of an orderly and quiet kind directed towards organisation and definition of objectives. The political inexperience of people, who have been compulsorily inarticulate for so long has had some strange effect. It is hoped that the growth of local administrations now possible under the schemes for re-organising local government from communes to provinces may create a greater sense of civic responsibility and consequently an increase in political sense.

5. In general popular opinion expresses more confidence in the newly constructed Government of Marshal Badoglio. The tendency everywhere is towards moderation, though there are still many signs of apathy. The broken morale of the Italians is by no means restored but a hopeful sign is the reception given to schemes for municipal and communal cleanliness, anti-malarial measures and measures adopted for the control of diseases that might become epidemic.

6. There are incipient labour troubles in all Regions. Nearly all these are concerned with food; demands for increased wages relate to the cost of living. It is the policy of the Commission to relieve these local troubles by methods that do not involve increases in the wage rates or embarrassing increases

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7. With the departure of Lieut.Colonel McCaffrey from Region II for another sphere, Colonel J.T. Zellars took command of the Region.

8. Two main topics occupy the minds of all officers of the Commission - the probable extension of Military Government activities as a result of military operations and the forthcoming harvest and collection of commodities.

POLITICAL.

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9. The political crisis which began with the unanimous resolution of the Communist Party on 1st April, and proceeded to the King's request on 17th April

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to the Marshal to form a new Government, was finally resolved on 21st April when Badoglio succeeded in forming a Government in which all the six recognised opposition parties were represented. The new Government is as follows:-

Prime Minister and Minister of Foreign Affairs		- Badoglio
Ministers without Portfolio:		
	ACTION PARTY	- Sforza
	LIBERAL PARTY	- Croce
	COMMUNIST PARTY	- Togliatti
	SOCIALIST	- Marcini
	CHRISTIAN DEMOCRAT	- Rodino
Minister of the Interior	CHRISTIAN DEMOCRAT	- Aldisio
Under-Secretaries	SOCIALIST	- Salerno
	ACTION PARTY	- Caracciolo
Minister of Finance	NON-PARTY	- Quintieri
Under-Secretary	COMMUNIST	- Pesenti
Minister of Communications	LABOUR DEMOCRAT	- Cerabona
Under-Secretaries	NON-PARTY	- di Raimondi
	NON-PARTY	- Fano
Minister of Public Works	ACTION PARTY	- Tarchiani
Under-Secretary	LABOUR DEMOCRAT	- Cilento
Minister of Agriculture	COMMUNIST	- Gull[illegible]
Under-Secretary	LIBERAL	- Bergami
Minister of Justice	LIBERAL	- Arangio Ruiz
Under-Secretary	LABOUR DEMOCRAT	- Lombardo
Minister of Education	ACTION PARTY	- Omodeo
Under-Secretary	CHRISTIAN DEMOCRAT	- Jervolino
Minister of Industry	SOCIALIST	- di Napoli
Under-Secretary	CHRISTIAN DEMOCRAT	- Sansonetti
Minister of War	NON-PARTY	- Orlando
Under-Secretary	COMMUNIST	- Palermo
Minister of the Navy	NON-PARTY	- de Courten
Under-Secretary	SOCIALIST	- Albergo
Air Minister	NON-PARTY	- Sandalli
Under-Secretary to the Presidency	LIBERAL	- Morelli

The Party division of the whole Government, including Under-Secretaries, gives the following picture:

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	SOCIALIST	- Togliatti
	CHRISTIAN DEMOCRAT	- Mancini
		- Rodino
Minister of the Interior	CHRISTIAN DEMOCRAT	- Aldisio
Under-Secretaries	SOCIALIST	- Salerno
	ACTION PARTY	- Carocciolo
Minister of Finance	NON-PARTY	- Quintieri
Under-Secretary	COMMUNIST	- Pesenti
Minister of Communications	LABOUR DEMOCRAT	- Cerabona
Under-Secretaries	NON-PARTY	- di Raimondi
	NON-PARTY	- Fano
Minister of Public Works	ACTION PARTY	- Terchiani
Under-Secretary	LABOUR DEMOCRAT	- Cilento
Minister of Agriculture	COMMUNIST	- Gullo
Under-Secretary	LIBERAL	- Bergami
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Under-Secretary	SOCIALIST	- Albergo
Air Minister	NON-PARTY	- Sandalli
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The Party division of the whole Government, including Under-Secretaries, gives the following picture:

Left	Action Party	- 4
	Communists	- 4
	Socialists	- 4
Moderate	Labour Democrats	- 3
	Christian Democrats	- 4
	Liberals	- 4
Non-Party (including Badoglio)		- 7

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10. The first formal meeting of the new Government took place on 27th April. The official declaration of policy made after the meeting may be summarised as follows:-

(a) The Government is formed from representatives of anti-fascist parties no longer opposed to one another, but united in the effort to solve the vital problems of the moment.

(b) Other problems, not of immediate urgency, will be set aside, including the institutional one, which can only be decided by a constituent assembly elected by universal suffrage.

(c) All the parties, according to their beliefs, are prepared for the fundamental reforms necessitated by two world-wars; but such reforms cannot be initiated or completed while Italy is cut in half and still at war.

(d) The renewal of democratic government provides a new spirit, lacking under Fascism, for the prosecution of the war at the side of the Allies, and for the heroic endeavours of partisans of every party now united in the defence of Italy and the conquest of Hitler's Germany.

(e) The necessity of war involves the severest measures against all traitors and the freedom of Italians from all those who, having served Fascism, still cling to its habits, hopes or aims.

(f) Such work must not be actuated by a spirit of revenge, but by a determination that Fascism shall never recur. The work has been put in hand and will be carried energetically to a swift conclusion.

(g) Government action will be based on the urgent necessity of improving conditions of life by increasing industrial and agricultural activity, fighting speculation, smoothing internal exchange of products, obtaining essential supplies from abroad, and hastening the construction of public buildings, roads and bridges. For such tasks the Government counts upon the co-operation of all professional organisations.

(h) Administration, despite difficulties of archives, accommodation and personnel, must be regularised and it is proposed to re-establish the State Accounting Office and the Accounting Court. It is proposed also, in co-operation with the Committees of Liberation, to establish a small Consultative Body, symbol of Parliament, to which periodic reports of progress will be made.

FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt the need for additional supplies of currency. Such estimates are not expenditure estimates but solely estimates of cash disbursements. The failure of the former Minister of Finance to initiate the preparation of a budget for the remainder of the current year means that Regions I, II, VI and VII are now operating without any form of budgetary control.

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12. A proposed procedure for exercising control over Government expenditures submitted to the Italian Government during the month, is now being considered. The draft of a war profits tax decree to include farming profits and a memorandum detailing the long-term changes required in the Italian tax system have been prepared.

13. Since July 1943 the Italian Government and its agencies have disbursed about 28 billion lire of which only 4 billion was offset by gross revenues. In March the excess of Government expenditures over revenue was approximately 3 billion lire. During April the separate pools of currency reserves held at the various branches of the Banca d'Italia were brought under central control. The currency needs of deficit Regions are now met [illegible] by transferring currency from Regions with surplus currency.

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14. Though there has been an increase in the black market prices of bread, potatoes and meat during the month, the black market price of fish fell from 250 to 125 lire per kilo as a result of the ACC development of fish supplies and the establishment of a fish marketing programme. Olive oil also declined in price due to rations issued at the end of the months of March and April. Supplies of spring vegetables also helped to reduce the cost of living in Naples at the end of the month to a figure lower than at any time since February.

ECONOMICS, RESOURCES & SUPPLY.

15. Food. Over half a million tons of civilian supplies have now been received, 106,000 tons being handled this month. The proportion of grain to flour is increasing. The scale of distribution of bread and miscellaneous foodstuffs was maintained.

16. Olive oil is now being supplied in sufficient quantities to make a universal ration available. Considerable quantities of unrefined oil exist in Southern Italy and the arrangements in hand for supplies of caustic soda for refining should make it possible to keep up the present ration for several months.

17. The check on ration cards in Naples has been continued and extended to all Regions. The indications are that an appreciable measure of success in the proper distribution of food supplies will be attained.

18. Mining. Shipments of Sardinian coal during April were:-

To Southern Italy	-	10,170 metric tons.
To Sicily	-	14,500 metric tons.

By the end of the month the 10,000 tons of sulphur asked for by the Ministry of Supply was ready for shipment and loading was in progress.

19. Exports. Shipments:-

To United Kingdom:	Hemp	-	400 tons
	Rope	-	9½ tons
To United States:	Wine	-	278 barrels
	Lemon Oil	-	100,000 lbs.

20. Hemp. Production figures compare favourably with those of the previous month:-

Hemp and tow	-	1,418 tons	decrease 52 tons
Canvas	-	70,150 metres	increase 5239 metres
Sacks	-	140,225	increase 37905
Ropes	-	3,923 tons	decrease 452 tons
Binder Twine	-	1,960 quintals	increase 1880 quintals.

Considerable quantities of hemp products were supplied to the Services. The present heavy demands for canvas will be more adequately met when the several small factories that have been rehabilitated during the month came into production in May

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To United Kingdom:	Hemp	-	400 tons
	Rope	-	9½ tons
To United States:	Wire	-	278 barrels
	Lemon Oil	-	100,000 lbs.

20. Hemp. Production figures compare favourably with those of the previous month:-

Hemp and tow	-	1,418 tons	decrease 52 tons
Canvas	-	70,150 metres	increase 5239 metres
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21. The project for the repair of salvaged footwear is now in operation though only on a small scale pending the arrival of grinders and the increased production of leather. Output is now 500 pairs per day. This can be increased to 1000 pairs per day.

AGRICULTURE, FORESTS & FISHERIES.

22. Agreement was reached with the new Italian Government for a co-ordinated control of agriculture at all levels, Communal to Provincial, Compartmental and Ministerial. The necessary decrees for the collection of wheat and barley have been drawn up and details of the organisation of the committees that will give effect to the decrees have been published.

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23. Retentions of grain for seed will again be permitted but on a reduced scale. Retentions on a production-worker basis have been drastically cut. Both these measures are designed to obtain as large a collection of these vital commodities as possible.

24. To divorce the old associations of AMASSI and FASCISM from the minds of people and farmers and to focus the attention of the Italian people on the efforts that they must make to satisfy their own needs for food, the term "Il granai del Popolo" (The people's grain) is being used instead of "amassi" in all harvest publicity and references to "amassing" will be avoided in favour of "contributing" and "collecting".

25. The price to be paid to the farmer for wheat has been the subject of much discussion. Recommendations varied from 640 lire per quintal to 1800 lire per quintal. The price has been fixed at 1000 lire per quintal for hard wheat, and 900 lire per quintal for soft.

26. Forestry. 500 tons of fuelwood have been provided for 5th Army. Other plans for the provision of timber are in hand in consultation with the Italian Royal Forest Corps.

27. Fisheries. Fish production continues to increase. Materials have been furnished to enable new nets to be made and old ones repaired. The industry can now make a useful contribution to the food supply. Fishermen have been moved from areas where night fishing is prohibited to unrestricted areas.

LABOUR.

28. Negotiations are started in connection with manpower mobilisation, pensions, establishment of Trade Unions, Labour Offices, and the governance of Labour Relations. It is hoped that the Italian Government will produce legislation covering these subjects.

29. The actual labour situation has been especially tense in Public Utilities. Many disputes proved to be complaints about food rather than wages. Wage studies have been instituted in Public Administrative Services, printing trades, sulphur mines, leather goods trade, as well as Public Utilities.

PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. In Southern Italy about 330 miles of military priority highways are being resurfaced, or completely reconstructed. Numerous bridges are being rebuilt, generally involving wholly new designs. The armies are providing 200 trucks, on loan, until the 4000 tons of transport and other heavy engineering equipment arrive from U.S.A. Operating in stone quarries and crushing plants are increasing.

31. Electrical Division. The Italian Decree rationing electricity came into force on 5th April. Public Works officers are enforcing observance in conjunction with various electrical supply companies. This rationing is of vital importance to conserve energy for Rome, and north thereof. Arrangements were completed for the reconstruction of a transmission line from north of the Garigliano River to Rome, involving probable employment of 300 to 400 civilian

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32. Public Works. Very good progress has been made in clearing Messina and Cagliari. Arrangements have been made with Malarial Control Branch for execution of necessary engineering projects, e.g., pumping operations, etc. The eruption of Vesuvius necessitated remedial measures, including retaining walls on the mountain, which are expected to cost 370 million lire.

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TRANSPORTATION.

33. No major difficulties were experienced in the first full month's operation of the Sicilian railways under ACC supervision. Some war-damaged lines have been re-opened, train services have been increased, some damaged locomotives are being repaired, and plans are in preparation for sending scrap to U.S.

34. Approximately 70,000 tons of civilian freight were carried on the mainland railways. 45% of this total was arranged through ACC officers in the field and the rest was accepted through the "bilding" system. Though the basic schedule of civilian freight trains has been reduced at military request, ACC are notified daily of available space for civilian freight on military trains. Movement has improved.

35. 512 military trucks with civilian drivers and 120 Italian Army trucks are now being used for the transport of civilian supplies. (An additional 104 military trucks will be in operation during May).

36. Shipping. A scheme for the closer control of all Italian schooners has been submitted to MEDBO with the request that this be issued as a AFHQ directive. Another 225 Italian schooners have been registered making a total of 375 vessels, with a deadweight tonnage of 30,000 tons, the employment of which is directed by MEDBO. Schooners are not now allowed to sail between Sardinia and the Italian mainland and Sicily.

INTERIOR.

37. A Royal Decree reconstituting Local Government has now been published. Its effect is to continue the arrangements in regard to local administration introduced in AMG areas before the restoration. Steps are being taken to secure uniformity by applying when practicable the provisions of the Decree to Military Government territory.

LEGAL.

38. The work of consolidating the original fifteen AMG proclamations into four, with new translations of each, was completed. The machanisation of the implementation of Italian Government decrees in Allied Military Government territory has been in operation since the beginning of the month and is working satisfactorily.

39. Allied Military Courts continue to function satisfactorily. Arrears are being overcome in the Naples area; there was a reduction in the number of cases compared with the previous month.

40. A handbook "Consolidated Instructions for Allied Military Courts", containing in addition to the Instructions, specimen Legal Forms and Rules for Procedure together with Italian translations of the latter, has been prepared. This translation is for limited distribution amongst Italian authorities and Avvocati appearing in Allied Military Courts.

41. The figures for April in respect of espionage cases are as follows:-

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41. The figures for April in respect of espionage cases are as follows:- 7 death sentences were confirmed; 7 death sentences were commuted to terms of imprisonment; 6 cases were submitted for confirmation; 2 sentences each of 20 years imprisonment were affirmed on review; 2 accused were acquitted. Proceedings were commenced against a Director and two Managers of the Manifatture Cotoniere Meridionali on charges relating to black market offences. The trial attracted much attention and publicity as the three accused were formerly influential Fascists. All three accused were convicted and each sentenced to 5 years imprisonment.

42. The first trial by an Allied Military Court in Unoccupied Territory took place during the month at Salerno. The two accused were charged in respect of a series of thefts from a British Army Post Office. They were both convicted and sentenced to 10 years imprisonment.

PUBLIC SAFETY.

43. Police. Law and order has been well maintained with the exception of one serious incident between civilian and French troops which occurred in Trapani Province, Sicily. This is the subject of a full inquiry which is now proceeding. The situation is now quiet. The civil police have rendered excellent service in dealing with refugees, clearing military roads and controlling civilian movement.

44. Fire and Civil Defence. The Minister of the Interior has issued instructions for the civil defence organisation in Italian Government territory to be absorbed into the fire service. This will mean a large reduction in civil defence personnel.

45. Prisons. The overcrowding of civilian prisons has become more acute. The latest available figures show that throughout the Regions there are prisoners detained in prisons, the normal capacity of which is 19,963 and some prisons are filled to over twice their capacity. There are many contributory factors, the chief being the requisitioning of civilian prisons by Allied Forces (1860 places), the detention of Italian Military prisoners (1784 places) and war damage to jails (1891 places). A committee has been set up with instructions to find a solution to this problem and has already achieved results.

PUBLIC HEALTH.

46. A few cases of smallpox have been reported. Measures have been taken to prevent epidemic.

Venereal Disease. The setting up of hospitals for the treatment of infected women is retarded owing to the difficulty in obtaining beds and bed furniture. Statistics show a diminution in the number of cases amongst troops stationed in Naples.

Typhus. This is now so well under control that no reason remains for reporting the case incidence.

Veterinary. Four diseases have become marked in different parts of Italy, Rabies, Glanders, Epizootic Lymphangitis and Swine Fever. The Italian Minister of the Interior immediately issued instructions concerning the proper counter measures to be adopted in the territory under its control. Similar instructions have been issued for the Military Government area.

EDUCATION.

47. A number of the decrees issued by Allied Military Government providing for the decentralisation of the control of schools have been confirmed by the Minister of Education, and will therefore continue to apply in the territory administered by the Italian Government. The defascistisation of schools is not yet completed, though a plan has been evolved which will authorise Superintendents to suspend undesirable officials.

The publication and distribution of the revised elementary school text books was continued. The new books have met with widespread approval and are to be re-printed by the M.E. Command for use in North Africa.

PROPERTY CONTROL.

48. The Minister of Finance prepared a decree revoking the application of the provisions contained in the War Law to the property of United Nations and French Nationals, and the Minister has sent out an instruction to all Prefects and [illegible]

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requisitioning of civilian prisons by Allied Forces (1860 places), the detention of Italian Military prisoners (1784 places) and war damage to jails (1891 places). A committee has been set up with instructions to find a solution to this problem and has already achieved results.

PUBLIC HEALTH.

46. A few cases of smallpox have been reported. Measures have been taken to prevent epidemic.

Venereal Disease. The setting up of hospitals for the treatment of infected women is retarded owing to the difficulty in obtaining beds and bed furniture. Statistics show a diminution in the number of cases amongst troops stationed in Naples.

Typhus. This is now so well under control that no reason remains for reporting the case incidence.

Veterinary. Four diseases have become marked in different parts of Italy, Rabies, Glanders, Epizootic Lymphangitis and Swine Fever. The Italian Minister of the Interior immediately issued instructions concerning the proper counter measures to be adopted in the territory under its control. Similar instructions have been issued for the Military Government area.

EDUCATION.

47. A number of the decrees issued by Allied Military Government providing for the decentralization of the control of schools have been confirmed by the Minister of Education, and will therefore continue to apply in the territory administered by the Italian Government. The defascistisation of schools is not yet completed, though a plan has been evolved which will authorise Superintendents to suspend undesirable officials.

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49. In Region I, most of the property of the Italian Government (including that of semi-statal institutions) taken into custody by AMG has been formally handed back. Fascist funds standing in the name of the CP have been or are being transferred to the Commissario Straordinario appointed by the Italian Government.

45 U

50. In Region III estates of 80 Allied and French owners and 35 commercial and industrial concerns have been taken into custody.

MONUMENTS, FINE ARTS AND ARCHIVES.

51. List of Protected Monuments No.3 (Lazio and Abruzzi-Molise) is in the press. Work on the preparation of the remaining lists continues.

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COMMUNICATIONS.

Telecommunications.

52. Telegraph. The extension of the internal telegraph service has been authorised to include Avellino Province and Naples Province up to the R. Volturno. Service with Naples City has been inaugurated; by the end of the month about 850 messages a day have been passing through Naples post office. The internal telegraph service is now restored to about 65% of the communes in Italian Government Territory which previously had such service, and includes all provincial capitals and large towns.

53. Telephones. The civil telephone service, previously limited to urban calls, has been authorised for calls within provincial boundaries. Within Italian Government Territory about 12% of the communes now have telephone communications to their provincial capitals and a further 9% to the local large town not a provincial capital. The repair of the main Salerno - Reggio cable has been completed, making many additional long-distance telephone circuits available to the Italian Government. Direct telephone service for official use is now available from Salerno to all provincial capitals on the mainland in Italian Government territory, and to Palermo, Messina and Catania in Sicily.

Plans have been completed as far as practicable for the restoration of telecommunications in enemy occupied Italy. Available equipment in Southern Italy has been inspected and suitable items earmarked for future use; details of additional equipment needed have been forwarded to AFHQ for supply from US or UK.

54. Posts. Arrangements were completed for restoration within the postal zone of internal service for the following classes of mail:

Registered letters
Insured letters
Express letters
Newspaper post
Airmail (Italy - Sicily - Sardinia)

Maximum weight allowed was raised from 90 grams to 210 grams per letter.

Foreign Mail. The first inward foreign civil mails arrived during April, and included consignments from the UK, USA, North Africa, Egypt, India and Australia. The first New York consignment to reach Naples arrived on 21 April and comprised some 200,000 items.

55. Censorship. The Civil Censorship Group, Italy, formerly operating under ENC, AFHQ, was transferred to ACC towards the end of April. The Headquarters personnel was moved from Palermo to Salerno and the group now forms part of the Sub-Commission, the title of which has been changed to the more inclusive one of the Communications Sub-Commission.

INTERNEES & DISPLACED PERSONS.

56. General. Refugees this month from Yugoslavia were as in March, composed of children, women encumbered with large families, old men and old women. The orphans' homes at Di LEUCA and Di PAGNI are doing good work and have had a very satisfactory beginning. That at Di Leuca is now in full running order. The school, gardening and games are organised and a large quantity of toys have been made by the RED CROSS representative at No.1 Camp, BARI and distributed to the children. A large number of Jews were moved from BARI to Di PAGNI Camp, only those remaining who had employment

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57. Medical. A general all round improvement may be recorded for April. One sign of progress was evident when nearly 2,000 refugees were received on one day and were all disinfested, vaccinated and inoculated before passage to Holding Camps. The entire British Staff at Di LEUCA Refugee Hospital was withdrawn on 24 April and the hospital is now staffed by Yugoslavs who are working as well as can be expected, bearing in mind their lack of experience. One case of typhus occurred during the month. Seven members of a Hospital Unit of the Society of Friends are working at two hospitals of this Sub-Commission and giving invaluable service. Red Cross personnel at Hospitals and Camps have contributed very largely in assuring the welfare of the inmates.

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58. Records Bureau. To the 30 April, 24,400 persons have been recorded, of whom 13,950 have been evacuated, 3,000 present whereabouts unknown, the remainder in camps or residents at known addresses (own or employers), 300 in hospital, 42 dead. 31 nationalities are involved. About 600 RED CROSS messages have been sent out, but as the International Red Cross are now established and have made their services available through Italian post offices in Southern Italy, it has been advocated that this service should be used wherever possible. If it is impossible for the individual to use this service, messages can be sent through the Records Bureau.

59. Repatriation. Work on the selection of Jewish principals to send to PALESTINE within the limits of certificates authorised has been dealt with and it is expected that some 600 immigrants will leave for PALESTINE at the end of May.

60. Statistics. As at 1st May (unless otherwise stated):-

Refugee population in Camps and Hospitals	-	7458 +
Reception during April (by ship)	-	7708 =
Reception by means other than ship	-	12
Shipped to Middle East	-	3571

\+ includes 676 Partisan trainees
= of which 2601 were women, 3796 were children under 16 years.

Gross total shipped to Mideast to date - 19820

REFUGEES (ITALIAN).

61. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased from 58 to 85 officers and from 381 to 767 Other Ranks.

Movement during the month:-

From ANZIO by sea	-	8539
From 5 Army by road/rail	-	1403
From 8 Army by rail	-	656

To dispersal areas southwards.

To Region I (Sicily)	-	5496
To Region II (Bari Province)	-	628
To Region III (Avellino Prov)	-	1336
(Naples Province)	-	2411
(Salerno Province)	-	1469

62. Whilst there is some improvement in the settlement of refugees by the Italian authorities there is still not enough. Efforts to stimulate the local authorities continue to be made by ACC assisted by officers of the Red Cross Organisation. Establishment of feeding points on route has greatly ameliorated the rigours of the train journeys.

63. An additional camp was opened at CAPUA and is operating successfully. A camp is in process of construction in the BOCCIA area and should be ready to

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PUBLIC RELATIONS.

64. The relationship between PRB, HQ and the Regions was more clearly defined and a weekly bulletin was started.

65. Assistance of various kinds was offered to newsmen; precis and trends of copy concerning ACC affairs were prepared, press conferences were arranged - notably one for Mr. Murphy and Mr. MacMillan, which was attended by 28 correspondents - and facilities of transport and liaison offered to reporters covering the change in

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Italian Government and Cabinet meetings. PWB also assisted in organising Italian Ufficio Stampa in Salerno, with a branch in Naples. Photographs were taken of activities of interest: delivery of bread in Naples, work of Education and Fine Arts Sub-Commissions, and personalities of Italian Government.

66. With PWB arrangements were made for publication of a soldier's guide to Rome; this has been printed with a foreword by General Sir H. Alexander. Work was continued with Central and Local Allied Publications Boards. Pre-censorship has been abolished but a reminder on the procedure for military censorship was sent to Italian Government. A scheme for a new Press decree has been discussed with Chief Legal Officer and is in preparation.

NOEL MASON MACFARLANE,
Lieutenant General,
Chief Commissioner.

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