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MONTHLY REPORT, FINANCE S/C
DEC. 1943 - AUG. 1944

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SECRET

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

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12 September 1944

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REPORT OF THE FINANCE SUB-COMMISSION
HQ ACC FOR AUGUST, 1944

Col. A.P. Grafftey-Smith - Joint Director

Lieut-Comdr. J.J. Lawler, USNCR, Acting Joint Director (in place of Col. D.M. Foley, Jr. now in U.S. on temporary duty).

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E. Allied Financial Agency Report
F. Banking Statistics
G. Treatment of Suspended Public Employees


## I. DEFASCISTIZATION

A. Progress made by Italian Government

1. Direct supervision of Italian personnel by the Finance Sub-Commission terminated

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## I. DEFASCISTIZATION

A. Progress made by Italian Government

1. Direct suspension of Italian personnel by the Finance Sub-Commission terminated in Rome on 15th 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.

2. It was first proposed that the Ministry of the Treasury should have three "Commissioni di Epurazione" and the Ministry of Finance one. The first of the Treasury Commissions was for the Administrative Staff, Central and Provincial, the second for Ragioneria dello Stato, Central and Provincial, and the third to deal with Banks, Enti, and miscellaneous financial institutions. After the Treasury was asked to state which of the Institutes it thought were dependent on it, it became clear that it would be advisable to make the third Commission serve both Finance and Treasury.


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3. On 16th August, a letter was addressed by Finance Sub-Commission to both Ministers, calling for a weekly statement under the following heads:

(a) List of names of officials against whom allegations have been made.
(b) List of names of officials whose cases have been decided with an indication of the Commission's decisions.
(c) List of names of officials whom the Commission has reported for judicial action to the courts.

On 17th August, the Commissions were handed 210 separate dossiers containing charges against individual officials which had been brought by employees of the Ministries on various grounds.

4. No weekly progress reports have as yet been received as the staffs of the Commissions are said to have been fully occupied in the work of preliminary organisation. The composition of the Commissions is shown in Appendix A.

B. Plans for North Italy

1. Teams of Guardia di Finanza personnel are being trained to make preliminary surveys, for defascistization purposes, with respect to the financial centers of Northern Italy when this area comes under AMG control.

C. Further Implementation of the Sanctions Against Fascism

1. Sequestration of Fascist profits

(a) The Finance Sub-Commission is currently taking an active interest in the implementation of Part III of the decree of 27 July 1944 providing for sanctions against Fascism. This Section provides for the sequestration of profits derived from "participation in or adherence to the Fascist regime". The basic date for purposes of calculation has been fixed as 28 October 1922. References were made in this connection to the text of the decree which was attached to the monthly report of the Finance Sub-Commission for July 1944 as Appendix A. There is considerable confusion at the present time owing to the lack of clear directives as to what shall constitute unjust enrichment and the relationship of this to political Fascism as well as war profits.

(b) This Sub-Commission is presently engaged in assisting the High Commissioner charged with the administration of Part III of the decree in question to establish precise objectives and methods of procedure. The decree conflicts with the new tax bill providing for extraordinary levies on war profits and also with the proposed new war profits bill of the Ministry of Finance.

2. Commissioners for private enterprises

The Italian Government is prepared to issue a decree giving it the power to appoint commissioners to administer private enterprises the personnel of which are suspected of fascist activity. If drafted, the decree would allow too much opportunity for innocent enterprises to be looted by political interests. The Finance Sub-Commission is preparing an alternative proposal embodying [illegible] supervision both of the

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## II. GOVERNMENT FINANCE

A. The Italian Government Deficit and Government Financial Operations

1. Reduction in interest rates

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 rate lower than 5% when substantially all of Italy is liberated, many discussions have

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taken place looking toward a reduction of the rediscount rate, commercial rates, and B.T.O. rates. Agreement among Treasury representatives, Banca d'Italia representatives and commercial bankers has finally been achieved and 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.

2. The deficit for July

The data available indicate that the Government deficit for July was approximately 4.5 billion lire, a substantial increase over the 3.4 billion lire figure registered for June. The total deficit for the period 1 July, 1943 through 31 July, 1944, is approximately 38 billion lire.

3. Investment in Buoni del Tesoro Ordinari

For the reasons explained in paragraph 4 below, statistics for the whole area of liberated Italy on the net investment in Buoni del Tesoro Ordinari (Treasury bills) are not available. However, the complete figures for the city of Rome have been furnished and are of great interest. For the period 1 - 31 August, the excess of purchases over payments was 2.5 billion lire. The significance of this development may be realized from the fact that the comparable figure for Rome in July was only 312 million lire. Net investment in BTOs for all of liberated Italy south of the 11 May, 1944 line (roughly south of the northern boundries of Naples - Campobasso Provinces) was approximately 2 billion lire; Rome city in one month has almost tripled this figure. It is striking evidence of financial confidence.

4. Current financial statistics for liberated Italy

(a) The July Report of Finance Sub-Commission described the considerable disruption that occurred in the Banca d'Italia's reporting mechanism when the Italian Government moved from Salerno to Rome. The forecast was made, too optimistically, that detailed financial information would soon be available for all of liberated Italy. However, the Banca d'Italia states that it is receiving only a scattering of reports from its branches, often quite delayed. There can be no doubt that the very great transport and communication difficulties (which are increasing rather than lessening) are largely to blame for the lag in reports. A further factor is the withdrawal of our finance officers from the southern areas of Italy; as of this date there are only five finance officers for the entire area of the mainland south of Naples, Sicily, and Sardinia. The constant contact of finance officers in the field with the various branches of the Banca d'Italia emphasized the necessity for prompt reports; this stimulant is now lacking.

(b) The preparation of the banking statistics regularly carried in this Report was under the supervision of a Finance Sub-Commission officer who is now on full-time temporary duty in the office of the Vice-President, Economic Section. Since his transfer to the new work, such statistics as have been presented by the Banca d'Italia have been poorly organized and in some cases so full of obvious errors as to preclude publication. The available reliable figures are presented in Appendix F.

(c) The failure of the Banca d'Italia to establish promptly an efficient statistical service is being made a matter of immediate investigation by this Sub-Commission and aid is being given to Banca d'Italia by field finance officers in forwarding reports through official channels.

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B. Taxation

1. Tax revision

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(a) At the suggestion of this Sub-Commission, a letter was addressed to the President of the Council by the Acting Chief Commissioner of ACC, urging that measures relating to tax revision should receive early attention. This letter is reproduced in Appendix F.

(b) It was reported last month that the Cabinet had approved in decree amending the war profits tax and that at our request the Minister of Finance agreed to postpone its registration until we had had an opportunity of studying it. The points raised and

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the counter arguments advanced by the Minister were as follows:

(1) Coverage: Profits from sale of grain exempted. The Minister said that the Government was unanimous that at this time of urgent national need nothing should be done which might lead to a smaller quantity of grain being turned over to the Granai del Popolo. He proposed in his general tax revision scheme to increase the tax on farm profits. (In the draft received the tax on farm profits has been raised from 10% to 20%.) The Minister insisted that the black market profit clause should remain because assessing officers were often able to prove increased income but unable to prove the source. Provision for this contingency already exists in their taxation laws. The impression was gained that the clause was inserted in order to satisfy public demand that black market profits should not escape taxation.

(2) Rates and exemptions: no increase in rates. The Minister claims that a very considerable increase in revenue will accrue from the increased assessments resulting from the enforcement of the heavy penalties for failure to make returns or making incorrect returns, also from the repeal of certain sections of the existing decree under which Companies making large profits have been able to evade tax. (The sections repealed allowed an addition to the profits of 1938, which is the standard year on which the ascertainment of "war profits" is based, of a proportion of profits made in subsequent years from contracts for governmental supplies. Under our conception of a war profits tax, these are precisely the the profits at which the tax is aimed.)

(3) Penalties: The clause covering penalties for incorrect declaration of income contains no provision making it compulsory for proper accounts to be kept. The Minister thought this unnecessary as the Appeal Commissions had the power to call for accounts. This is not a satisfactory answer because all cases do not go to appeal. It is interesting to note here that the need for such provision has been suggested many times to three successive Finance Ministers without a sign of success.

(4) Assessment time: The period of limitation of action for assessing the tax, i.e., 31 December of the year subsequent to the one when the application of the tax shall finish, is too short. Six years was asked for; the Minister agreed to amend it from one to three years.

It is our conclusion that this tax contains many much needed amendments which will tighten up the machinery of assessment. A point in its favor is that it is the first step in educating the taxpayer to make returns of income. Though he may still avoid making a return by concluding a "concordato", there is a penalty attached to this amounting to a quarter as much again of the tax payable. The most serious objection to it is that it does not provide for an increase in rates. As regards the Minister's statement that without increased rates the amendments will result in a very considerable increase of revenue, there is no doubt that there will be an increase, but its extent on an unknown factor, the rapidity with which local officials apply the penalty provisions. The decree has now become law through final registration.

(a) The special Committee formed to make a study of state and local taxation has met frequently throughout the month. After completing the work on the War Profits Tax, reported above, it decided to delegate to one decree amendments of the following terms:

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(a) The special Committee formed to make a study of state and local taxation has met frequently throughout the month. After completing the work on the War Profits Tax, reported above, it decided to amalgamate in one decree amendments of the following taxes:

(1) Imposta di Ricchezza Mobile
(2) Sovraimposte alle Famiglie Numerose
(3) Imposta sui Celibi
(4) Imposta ordinaria sul Patrimonio
(5) Imposta sui Terreni
(6) Imposta Complementare

The draft decree was received on the 31st August, and is in course of being translated and studied.

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(d) Ente Nazionale per la Distillazione: The Minister has been reminded throughout the month that the vexed question as to whether the distillery industry should continue to be subsidised by the tax on wine is still unsettled. He has endeavored without success to arrange a meeting between the Ministers of Agriculture, Industry and Commerce, and himself. The point will continue to be pressed.

2. Ministries of Treasury and Finance

(a) Security. The signature of the Ministers to a certificate that they were prepared to accept responsibility for the security of the buildings occupied by the various departments of the Ministries was obtained on the 2nd August, to take effect at 0900 hours, 4th August. The special security guards were duly relieved at that hour by the normal Guardia di Finanza. Up to the evening of 3rd August, the total number of passes issued, authorizing admission to Ministry buildings, was 1775. As from 4th August, no control has been exercised by AOC in this respect.

(b) Staff. At 31 August, the staff situation was as follows:

| | In Service on 8th September 1944 | | | |
|---|---|---|---|---|
| | Sent to North or Dismissed | Left in Rome | Resumed Service In Rome | Available but not yet taken into service |
| Ministry of Treasury: | | | | |
| Administrative Departments | 871 | 851 | 697 | 154 |
| Regioncria Gen. dello Stato | 351 | 963 | 810 | 152 |
| Ministry of Finance | 81 | 628 | 407 | 221 |
| | 1,303 | 2,441 | 1,914 | 527 |

(c) Division of responsibilities as between the Ministers of Finance and Treasury. As has been reported, the formation of the Bonomi Government brought with it the revival of the Ministry of the Treasury, which last functioned separately in pre-Fascist days. On the 24th August, 1944, a Decree was enacted, determining in part which departments should fall under the Ministry of Finance and which under the Treasury. Extracts from the decree are reproduced in Appendix C.

3. Revenue Stimulation

(a) During the month, six officers of the Revenue Sub-Section have visited or have been attached to 5th Army and Regions IV, V, VI and VIII. In the forward areas and badly damaged zones, activity has been directed mainly at rehabilitation of destroyed and evacuated offices, granting of "tolleranza" applicable to June and August bimestrial collections, vesting of provincial and district officials with authority to deal with abnormal situations which experience has taught result in tax collection delays, authorizing inter-office staff transfers, assisting movement of supplies of all types of revenue forms and stamps, and, in general, cajoling, encouraging, and where necessary, ordering revenue officials back to their normal duties.

(b) The importance attached to the re-activation of central, provincial,

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(b) The importance attached to the re-activation of central, provincial, and district commissions for the settlement of appeals against tax assessments has been mentioned in previous reports. Under the Decree of March 1944, the setting up of the District Commissions is done at Provincial level. Nominations for the Provincial Commissions have to be approved by the Minister of Finance. The Central Commission is the responsibility of the Minister and has to be the subject of a Decree. Every Italian tax official is aware of the large amounts of tax remaining unpaid as a result of the non-functioning of these Commissions and yet it is true of all levels, from the Minister down, that until Finance Sub-Commission officers have brought pressure to bear, little has been done to re-activate them. Taxpayers in increasing number are taking advantage of the position by entering appeals for no reason other than as an excuse to withhold payment of tax. CFO's Arezzo and RFO's forward Regions have been asked to keep the Provincial and District Commissions functioning as constituted at the time of liberation until such time as the Commissions under the provisions of the March 1944 decree can be set up. The Minister has been asked to prepare a decree setting up the Central Commission.

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It is proposed to maintain this drive and in order that progress may be recorded, a statement has been prepared showing the position as at 31 August, 1944 (See Appendix D).

(c) The compilation of information concerning the state of industries affected by manufacturing taxes with a view to re-activation of those not working is still proceeding. Factors affecting re-activation of such industries are shortage of fuel, power, and raw materials.

4. Revenue Collections

(a) The detailed records of State Revenue from which the State Accounts are compiled by the Ministry of the Treasury were examined. These records are very incomplete, not only for the south of Italy, but also for the central and northern provinces with which the Ministry was in recent contact. No real effect to maintain a centralized record of Italian State Revenue has been made since June 1943 and it will be some time before a current and detailed picture of the State Accounts can be obtained. It was impressed upon the Ministerial Officials responsible that their records should be brought up to date as soon as possible.

(b) As a result of the letter of instruction regarding the forwarding of State Revenue from the Provincial Centers (see July Report of Finance Sub-Commission), returns for July 1944 were received from 36 of the 45 liberated Provinces. These returns were made available to the Ministry of the Treasury and the Bank of Italy. Statements have been prepared by this Sub-Commission as follows:

(i) Total revenue collections for the 38 Provinces from which returns were received, for the 1943/44 fiscal year to 30 June 1944 and for the first month of the 1944/45 fiscal year.

(ii) The data contained in (i) above analysed over the main revenue heads.

(iii) An analysis of the main revenue collections for the year 1943/44 of the 27 liberated Provinces which have been under AOC/AMG control for some time.

(c) The total gross revenue collections for the 38 liberated Provinces for the year ended 30 June 1944 amounted to 13,105 million lire. Of this sum 5,435 million lire is 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 result of the newly liberated Provinces are 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. The following tables on pages 7, 9 and 12 refer to the above sub-paras (i), (ii) and (iii) respectively.

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ITALIAN STATE REVENUE

Schedule showing gross cash collections for the fiscal year 1943-1944 (to 30 June, 1944), and gross cash collections for the first month of the fiscal year 1944-45 (July, 1944), analysed over Provinces from which returns have been received. (38 Provinces, of which 27 are "Old" and 11 "New").

(in millions of lire)

| Administrative District (Compartimenti) | Province | Fiscal Year 1943-44 (to June 30, 1944) On Account of Current Revenue | On Account of Former Years' Arrears | Total Collections 1943-44 | Fiscal Yr. 44/45 1st Mon. July 44. On Account of Current Revenue |
|---|---|---|---|---|---|
| Sicilia | Agrigento | 60.0 | 2.5 | 62.5 | 3.8 |
| | Caltanissetta | 53.8 | 1.7 | 55.5 | 2.7 |
| | Catania | 199.0 | 5.6 | 204.6 | 19.2 |
| | Enna | 52.7 | 1.5 | 54.2 | .9 |
| | Messina | 98.4 | 1.6 | 100.0 | 5.6 |
| | Palermo | 469.4 | 12.6 | 482.0 | 19.9 |
| | Ragusa | 55.2 | .8 | 56.0 | 1.7 |
| | Siracusa | 66.2 | .6 | 68.8 | 5.8 |
| | Trapani | 110.3 | - | 110.3 | 3.8 |
| | | 1,167.0 | 26.9 | 1,193.9 | 63.4 |
| Sardegna | Cagliari | 305.0 | 26.6 | 331.6 | 6.1 |
| | Nuoro | 48.0 | 1.2 | 49.2 | .4 |
| | Sassari | 173.5 | 2.5 | 176.0 | 2.3 |
| | | 526.5 | 30.3 | 556.8 | 8.8 |
| Puglie | Bari | 1,366.1 | 29.5 | 1,395.6 | 39.3 |
| | Brindisi | 94.6 | 22.0 | 116.6 | 2.5 |
| | Foggia | 160.2 | 1.1 | 161.3 | 3.6 |
| | Taranto | 171.0 | 7.2 | 178.2 | 6.0 |
| | Lecce | 152.0 | 3.2 | 155.2 | 10.0 |
| | | 1,943.9 | 63.0 | 2,006.9 | 61.4 |
| Lucania | Matera | 34.5 | .8 | 35.3 | .7 |
| | Potenza | 42.0 | 1.0 | 43.0 | 1.0 |
| | | 76.5 | 1.8 | 78.3 | 1.7 |
| Calabria | Catanzaro | 101.5 | 2.9 | 104.8 | 3.6 |
| | Cosenza | 89.9 | 2.5 | 92.4 | 2.3 |
| | R. Calabria | 73.5 | 8.0 | 81.5 | 1.5 |
| | | 265.3 | 13.4 | 278.7 | 7.4 |
| Campania | Avellino | 58.5 | 1.1 | 59.6 | 1.5 |
| | Benevento | 46.0 | .3 | 46.3 | 3.2 |
| | Napoli | 1,037.9 | 19.4 | 1,057.3 | 73.0 |
| | Salerno | 115.3 | 2.4 | 117.7 | 6.1 |
| | | 1,257.7 | 23.2 | 1,280.9 | 83.8 |

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| District (Compartimenti) | Province | On Account of Current Revenue | On Account of Former Years' Arrears | Total Collections 1943-44 | On Account of Current Revenue |
|---|---|---|---|---|---|
| Sicilia | Agrigento | 60.0 | 2.5 | 62.5 | 3.8 |
| | Caltanissetta | 53.8 | 1.7 | 55.5 | 2.7 |
| | Catania | 199.0 | 5.6 | 204.6 | 19.2 |
| | Enna | 52.7 | 1.5 | 54.2 | .9 |
| | Messina | 98.4 | 1.6 | 100.0 | 5.6 |
| | Palermo | 469.4 | 12.6 | 482.0 | 19.9 |
| | Ragusa | 55.2 | .8 | 56.0 | 1.7 |
| | Siracusa | 68.2 | .6 | 68.8 | 5.8 |
| | Trapani | 110.3 | - | 110.3 | 1.6 |
| | | 1,167.0 | 26.9 | 1,193.9 | 63.4 |
| Sardegna | Cagliari | 305.0 | 26.6 | 331.6 | 6.1 |
| | Nuoro | 48.0 | 1.2 | 49.2 | .4 |
| | Sassari | 173.5 | 2.5 | 176.0 | 2.3 |
| | | 526.5 | 30.3 | 556.8 | 8.8 |
| Puglie | Bari | 1,366.1 | 29.5 | 1,395.6 | 39.3 |
| | Brindisi | 94.6 | 22.0 | 116.6 | 2.5 |
| | Foggia | 160.2 | 1.1 | 161.3 | 3.6 |
| | Taranto | 171.0 | 7.2 | 178.2 | 6.0 |
| | Lecce | 152.0 | 3.2 | 155.2 | 10.0 |
| | | 1,943.9 | 63.0 | 2,006.2 | 61.4 |
| Lucania | Matera | 34.5 | .8 | 35.3 | .7 |
| | Potenza | 42.0 | 1.0 | 43.0 | 1.0 |
| | | 76.5 | 1.8 | 78.3 | 1.7 |
| Calabria | Catanzaro | 101.9 | 2.9 | 104.8 | 3.6 |
| | Cosenza | 88.9 | 2.5 | 92.4 | 2.3 |
| | R. Calabria | 73.5 | 8.0 | 81.5 | 1.5 |
| | | 265.3 | 13.4 | 278.7 | 7.4 |
| Campania | Avellino | 58.5 | 1.1 | 59.6 | 1.5 |
| | Benevento | 46.0 | .3 | 46.3 | 3.2 |
| | Napoli | 1,037.9 | 19.4 | 1,057.3 | 73.0 |
| | Salerno | 115.3 | 2.4 | 117.7 | 6.1 |
| | | 1,257.7 | 23.2 | 1,280.9 | 83.8 |
| | Forward | 5,236.9 | 158.6 | 5,395.5 | 226.5 |

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(ITALIAN STATE REVENUE, Con't.)

| Administrative District (Compartimenti) | Province | Fiscal Year 1943/44 (to June 30, 1944) On Account of Current Revenue | On Account of Former Years' Arrears | Total Collections 1943-44 | Fiscal Yr. 44/45 1st Mon. July 44. On Account of Current Revenue |
|---|---|---|---|---|---|
| Forward | | 5,236.9 | 158.6 | 5,395.5 | 226.5 |
| Abbruzzi e Molise | Aquila | 76.8 | 1.2 | 78.0 | .2 |
| | Campobasso | 39.3 | .4 | 39.7 | 1.1 |
| | Chieti | 19.5 | 2.7 | 22.2 | .1 |
| | Pescara | - | (No returns) | - | - |
| | Teramo | 29.8 | .7 | 30.5 | .7 |
| | | 165.4 | 5.0 | 170.4 | 2.1 |
| Lazio | Frosinone | 11.1 | 1.1 | 12.2 | - |
| | Littoria | - | (No returns) | - | - |
| | Rieti | 34.0 | 1.1 | 35.1 | .4 |
| | Roma | 4,890.3 | 642.4 | 5,532.7 | 46.7 |
| | Viterbo | 35.7 | 1.2 | 36.9 | .3 |
| | | 4,971.1 | 645.8 | 5,615.9 | 47.6 |
| Umbria | Perugia | - | (No returns) | - | - |
| | Terni | - | (No returns) | - | - |
| | | - | - | - | - |
| Marche | Ancona | 261.7 | 1.8 | 263.5 | - |
| | Ascoli Piceno | - | (No returns) | - | - |
| | Macerata | 61.5 | 1.7 | 63.2 | .4 |
| | Pesaro | - | (No returns) | - | - |
| | | 323.2 | 3.5 | 326.7 | .4 |
| Toscana | Arezzo | - | (No returns) | - | - |
| | Firenze | 1,219.3 | 19.4 | 1,238.7 | 12.9 |
| | Grosseto | - | (No returns) | - | - |
| | Livorno | - | (No returns) | - | - |
| | Lucca | - | (No returns) | - | - |
| | Massa Carrara | - | (No returns) | - | - |
| | Pisa | - | (No returns) | - | - |
| | Pistoia | - | (No returns) | - | - |
| | Siena | 354.5 | 2.6 | 357.1 | 1.6 |
| | | 1,573.8 | 22.0 | 1,595.8 | 14.5 |
| | Grand Total | 12,270.4 | 834.9 | 13,105.3 | 291.1 |

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| | | | | | |
|---|---|---|---|---|---|
| | Pescara | - | (No returns) | - | - |
| | Teramo | 29.8 | .7 | 30.5 | .7 |
| | | 165.4 | 5.0 | 170.4 | 2.1 |
| Lazio | Frosinone | 11.1 | 1.1 | 12.2 | - |
| | Littoria | - | (No returns) | - | - |
| | Rieti | 34.0 | 1.1 | 35.1 | .4 |
| | Roma | 4,890.3 | 642.4 | 5,532.7 | 46.7 |
| | Viterbo | 35.7 | 1.2 | 36.9 | .2 |
| | | 4,971.1 | 645.8 | 5,616.9 | 47.6 |
| Umbria | Perugia | - | (No returns) | - | - |
| | Terni | - | (No returns) | - | - |
| | | - | - | - | - |
| Marche | Ancona | 261.7 | 1.8 | 263.5 | - |
| | Ascoli Piceno | - | (No returns) | - | - |
| | Macerata | 61.5 | 1.7 | 63.2 | .4 |
| | Pesaro | - | (No returns) | - | - |
| | | 323.2 | 3.5 | 326.7 | .4 |
| Toscana | Arezzo | - | (No returns) | - | - |
| | Firenze | 1,219.3 | 19.4 | 1,238.7 | 12.9 |
| | Grosseto | - | (No returns) | - | - |
| | Livorno | - | (No returns) | - | - |
| | Lucca | - | (No returns) | - | - |
| | Massa Carrara | - | (No returns) | - | - |
| | Pisa | - | (No returns) | - | - |
| | Pistoia | - | (No returns) | - | - |
| | Siena | 354.5 | 2.6 | 357.1 | 1.6 |
| | | 1,573.8 | 22.0 | 1,595.8 | 14.5 |
| Grand Total | | 12,270.4 | 834.9 | 13,105.3 | 891.1 |

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ITALIAN STATE REVENUE

Schedule showing Revenue Cash Collections for the fiscal year 1943/44 (to 30 June, 1944) and for the first month of the fiscal year 1944/45 (July 1944) analysed over the Main Revenue Heads.

(Million lire)

GRAND SUMMARY OF 38 PROVINCES

| | | Fiscal Year 1943/44 (to June 30, 1944) | | | Fiscal Year 1944/45 (July, 1944) |
|---|---|---|---|---|---|
| | | On Account of Current Revenue | On Account of Former Years' Arrears | Total Collections 1943/44 | On Account of Current Revenue |
| Capo I | Manuf. Taxes | 395.3 | 21.7 | 417.0 | 19.6 |
| " II | Customs & Harbourage | 176.7 | 31.1 | 207.8 | 26.8 |
| " IV | Monopolies | 2,875.0 | 23.0 | 2,898.0 | 60.3 |
| " V | Lotteries | 105.9 | 12.6 | 118.5 | 4.8 |
| " VI | Direct Taxes | 3,145.4 | 66.0 | 3,211.4 | 15.6 |
| " VIII | Indirect Taxes | 3,696.3 | 65.9 | 3,762.2 | 148.4 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 1,875.7 | 614.8 | 2,490.5 | 14.7 |
| | Total | 12,270.5 | 835.1 | 13,105.4 | 291.2 |

1. Summary for Sicily (All nine Provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 43.4 | .2 | 43.6 | 3.0 |
| " II | Customs & Harbourage | 74.2 | 2.2 | 76.4 | 16.0 |
| " IV | Monopolies | 181.5 | 1.2 | 182.7 | 4.9 |
| " V | Lotteries | 16.0 | .0 | 16.0 | 1.7 |
| " VI | Direct Taxes | 376.8 | 9.1 | 385.9 | 2.9 |
| " VIII | Indirect Taxes | 400.7 | 12.1 | 412.8 | 34.7 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 74.3 | 2.0 | 76.3 | .3 |
| | Total | 1,166.9 | 26.8 | 1,193.7 | 63.5 |

2. Summary for Sardinia (All three Provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 13.6 | .2 | 13.8 | .8 |
| " II | Customs & Harbourage | 8.8 | .2 | 9.0 | 2.0 |

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| | | Fiscal Year 1943/44 (to June 30, 1944) | | | Fiscal Year 1944/45 (July, 1944) |
|---|---|---|---|---|---|
| | | On Account of Current Revenue | On Account of Former Years' Arrears | Total Collections 1943/44 | On Account of Current Revenue |
| Capo I | Manuf. Taxes | 395.3 | 21.7 | 417.0 | 19.6 |
| " II | Customs & Harbourage | 176.1 | 31.1 | 207.6 | 26.8 |
| " IV | Monopolies | 2,875.0 | 23.0 | 2,898.0 | 68.3 |
| " V | Lotteries | 105.9 | 12.6 | 118.5 | 4.8 |
| " VI | Direct Taxes | 3,145.4 | 66.0 | 3,211.4 | 16.6 |
| " VIII | Indirect Taxes | 3,696.3 | 65.9 | 3,762.2 | 148.4 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 1,875.7 | 614.8 | 2,490.5 | 14.7 |
| | Total | 12,270.3 | 835.1 | 13,105.4 | 294.2 |

1. Summary for Sicily (All nine Provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 43.4 | .2 | 43.6 | 3.0 |
| " II | Customs & Harbourage | 74.2 | 2.2 | 76.4 | 16.0 |
| " IV | Monopolies | 181.5 | 1.2 | 182.7 | 4.9 |
| " V | Lotteries | 16.0 | .9 | 16.9 | 1.7 |
| " VI | Direct Taxes | 376.8 | 9.1 | 385.9 | 2.9 |
| " VIII | Indirect Taxes | 400.7 | 12.1 | 412.8 | 34.7 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 74.3 | 2.0 | 76.3 | .3 |
| | Total | 1,166.9 | 26.8 | 1,193.7 | 63.5 |

2. Summary for Sardinia (All three Provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 13.6 | .2 | 13.8 | .8 |
| " II | Customs & Harbourage | 8.8 | .2 | 9.0 | 2.0 |
| " IV | Monopolies | 150.4 | 21.7 | 172.1 | - |
| " V | Lotteries | .2 | .0 | .2 | .0 |
| " VI | Direct Taxes | 73.0 | 3.2 | 76.2 | .1 |
| " VIII | Indirect Taxes | 115.3 | 1.4 | 116.7 | 4.6 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 165.0 | 3.5 | 168.5 | 1.2 |
| | Total | 526.3 | 30.2 | 556.5 | 8.7 |
| | Forward | 1,693.2 | 57.0 | 1,750.2 | 72.2 |

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| | | | | | |
|---|---|---|---|---|---|
| B/Forward | | 1,693.2 | 57.0 | 1,750.2 | 72.2 |

3. Summary for Puglie (All five Provinces)

| | | Fiscal Year 1943/44 (to June 30, 1944) | | | Fiscal Year 1944/45 (July, 1944) |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 89.7 | 10.9 | 100.6 | 10.8 |
| " II | Customs & Harbourage | 35.1 | 11.1 | 46.2 | 4.4 |
| " IV | Monopolies | 875.7 | - | 875.7 | 14.5 |
| " V | Lotteries | 10.2 | 2.0 | 12.2 | .1 |
| " VI | Direct Taxes | 429.8 | 12.3 | 442.1 | 5.4 |
| " VIII | Indirect Taxes | 301.7 | 5.6 | 307.2 | 21.0 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 201.7 | 21.2 | 222.9 | 5.3 |
| | Total | 1,943.9 | 63.0 | 2,006.9 | 51.5 |

4. Summary for Lucania (Both Provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 2.0 | - | 2.0 | .1 |
| " II | Customs & Harbourage | - | - | - | - |
| " IV | Monopolies | .7 | - | .7 | - |
| " V | Lotteries | .1 | - | .1 | - |
| " VI | Direct Taxes | 34.2 | 1.2 | 35.4 | .1 |
| " VII | Indirect Taxes | 32.1 | .3 | 32.4 | 1.3 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 7.4 | .2 | 7.6 | .1 |
| | Total | 76.5 | 1.7 | 78.2 | 1.6 |

5. Summary for Calabria (All three provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 8.2 | .2 | 8.4 | .4 |
| " II | Customs & Harbourage | .4 | - | .4 | - |
| " IV | Monopolies | 42.1 | - | 42.1 | 2.2 |
| " V | Lotteries | .3 | - | .3 | - |
| " VI | Direct Taxes | 109.1 | 9.6 | 118.7 | .6 |
| " VIII | Indirect Taxes | 93.9 | 3.1 | 97.0 | 4.1 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 11.4 | .1 | 11.5 | - |
| | Total | 265.4 | 13.3 | 278.7 | 7.3 |

6. Summary for Campania (All four provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 37.9 | - | 37.9 | 3.0 |
| " II | Customs & Harbourage | 27.9 | - | 27.9 | 4.4 |
| " IV | Monopolies | 275.7 | - | 275.7 | 39.3 |
| " V | Lotteries | 54.1 | - | 54.1 | 3.0 |
| " VI | Direct Taxes | 417.1 | 11.9 | 429.0 | 3.7 |
| " VIII | Indirect Taxes | 372.5 | 8.3 | 380.8 | 36.6 |
| OTHER REVENUE, Including | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| | [illegible], Including | | | | |
| Capo X, (Treasury). | | 201.7 | 21.2 | 222.9 | 5.3 |
| | Total | 1,943.9 | 63.0 | 2,006.9 | 61.5 |

4. Summary for Lucania (Both Provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 2.0 | - | 2.0 | .1 |
| " II | Customs & Harbourage | - | - | - | - |
| " IV | Monopolies | .7 | - | .7 | - |
| " V | Lotteries | .1 | - | .1 | - |
| " VI | Direct Taxes | 34.2 | 1.2 | 35.4 | .1 |
| " VII | Indirect Taxes | 32.1 | .3 | 32.4 | 1.3 |
| OTHER REVENUE, Including | | | | | |
| Capo X, (Treasury). | | 7.4 | .2 | 7.6 | .1 |
| | Total | 76.5 | 1.7 | 76.2 | 1.6 |

5. Summary for Calabria (All three provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 8.2 | .2 | 8.4 | .4 |
| " II | Customs & Harbourage | .4 | - | .4 | - |
| " IV | Monopolies | 42.1 | - | 42.1 | 2.2 |
| " V | Lotteries | .3 | - | .3 | - |
| " VI | Direct Taxes | 109.1 | 9.6 | 118.7 | .6 |
| " VIII | Indirect Taxes | 93.9 | 3.1 | 97.0 | 4.1 |
| OTHER REVENUE, Including | | | | | |
| Capo X, (Treasury). | | 11.4 | .4 | 11.8 | - |
| | Total | 265.4 | 13.3 | 278.7 | 7.3 |

6. Summary for Campania (All four provinces)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 37.9 | - | 37.9 | 3.0 |
| " II | Customs & Harbourage | 27.9 | - | 27.9 | 4.4 |
| " IV | Monopolies | 275.7 | - | 275.7 | 29.3 |
| " V | Lotteries | 54.1 | - | 54.1 | 3.0 |
| " VI | Direct Taxes | 417.1 | 11.9 | 429.0 | 3.7 |
| " VIII | Indirect Taxes | 372.5 | 8.3 | 380.8 | 36.6 |
| OTHER REVENUE, Including | | | | | |
| Capo X, (Treasury). | | 72.5 | 2.9 | 75.4 | 4.0 |
| | Total | 1,257.7 | 23.1 | 1,280.8 | 84.0 |

7. Summary for Abbruzzi & Molise (Aquila, Campobasso, Chieti & Teramo)

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 9.6 | 1.2 | 10.8 | - |
| Capo II | Customs & Harbourage | - | .1 | .1 | - |
| " IV | Monopolies | - | - | - | - |
| " V | Lotteries | .3 | - | .3 | - |
| " VI | Direct Taxes | 51.6 | 2.5 | 54.1 | - |
| " VIII | Indirect Taxes | 51.9 | .7 | 52.6 | 1.9 |
| OTHER REVENUE, Including | | | | | |
| Capo X, (Treasury). | | 52.0 | .5 | 52.5 | - |
| | | 165.4 | 5.0 | 170.4 | 1.9 |
| | Forward | 5,402.1 | 163.1 | 5,565.2 | 228.5 |

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(ITALIAN STATE REVENUE, Cont'd.)

| | | | | | |
|---|---|---|---|---|---|
| B/Forward | | 5,442.1 | 163.1 | 5,565.2 | 228.5 |

8. Summary for Lazio (Frosinone, Rieti, Rome, Viterbo).

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf Taxes | 91.9 | 8.9 | 100.8 | .2 |
| " II | Customs & Harbourage | 19.5 | 17.6 | 37.1 | - |
| " IV | Monopolies | 681.6 | - | 681.6 | 9.6 |
| " V | Lotteries | 15.2 | 4.3 | 20.5 | - |
| " VI | Direct Taxes | 1,201.9 | 2.5 | 1,203.4 | 1.8 |
| " VIII | Indirect Taxes | 1,759.6 | 29.7 | 1,789.3 | 33.9 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 1,201.4 | 582.8 | 1,784.2 | 2.2 |
| | Total | 4,971.1 | 645.8 | 5,616.9 | 47.6 |

9. Summary for Umbria (No returns received)

10. Summary for Marche (Ancona & Macerata).

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 14.3 | - | 14.3 | - |
| " II | Customs & Harbourage | .9 | - | .9 | - |
| " IV | Monopolies | 155.3 | - | 155.3 | - |
| " V | Lotteries | .3 | - | .3 | - |
| " VI | Direct Taxes | 71.9 | 2.5 | 74.4 | .1 |
| " VII | Indirect Taxes | 71.6 | .6 | 72.2 | .3 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 8.9 | .3 | 9.2 | - |
| | Total | 323.2 | 3.4 | 326.6 | .4 |

11. Summary for Tuscany (Firenze, Siena).

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 84.6 | - | 84.6 | 1.2 |
| " II | Customs & Harbourage | 9.9 | - | 9.9 | - |
| " IV | Monopolies | 511.9 | - | 511.9 | - |
| " V | Lotteries | 8.2 | 6.2 | 14.4 | - |
| " VI | Direct Taxes | 381.1 | 11.0 | 392.1 | 1.8 |
| " VIII | Indirect Taxes | 497.1 | 4.0 | 501.1 | 10.0 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 81.1 | .8 | 81.9 | 1.5 |
| | Total | 1,573.3 | 22.0 | 1,595.3 | 14.5 |

| | | | | |
|---|---|---|---|---|
| GRAND TOTAL | 12,270.3 | 834.3 | 13,104.6 | 291.0 |

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| | | | | | |
|---|---|---|---|---|---|
| | [illegible] Direct Taxes | 1,20[illegible].9 | 2.5 | 1,203.4 | 1.8 |
| " | VIII Indirect Taxes | 1,75[illegible].6 | 29.7 | 1,789.3 | 33.9 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 1,201.4 | 582.8 | 1,784.2 | 3.2 |
| | Total | 4,971.1 | 645.8 | 5,616.9 | 47.6 |

9. Summary for Umbria (No returns received)

10. Summary for Marche (Ancona & Macerata).

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 14.3 | - | 14.3 | - |
| " II | Customs & Harbourage | .9 | - | .9 | - |
| " IV | Monopolies | 155.3 | - | 155.3 | - |
| " V | Lotteries | .3 | - | .2 | - |
| " VI | Direct Taxes | 71.9 | 2.5 | 74.4 | .1 |
| " VII | Indirect Taxes | 71.5 | .6 | 72.2 | .3 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 8.9 | .3 | 9.2 | - |
| | Total | 323.2 | 3.4 | 326.9 | .4 |

11. Summary for Tuscana (Firenze, Siena).

| | | | | | |
|---|---|---|---|---|---|
| Capo I | Manuf. Taxes | 84.6 | - | 84.6 | 1.2 |
| " II | Customs & Harbourage | 9.9 | - | 9.9 | - |
| " IV | Monopolies | 511.9 | - | 511.9 | - |
| " V | Lotteries | 8.2 | 6.2 | 14.4 | - |
| " VI | Direct Taxes | 381.1 | 11.0 | 392.1 | 1.8 |
| " VIII | Indirect Taxes | 497.1 | 4.0 | 501.1 | 10.0 |
| OTHER REVENUE, Including Capo X, (Treasury). | | 81.1 | .8 | 81.9 | 1.5 |
| | Total | 1,473.9 | 22.0 | 1,585.9 | 14.5 |

| | | | | | |
|---|---|---|---|---|---|
| | GRAND TOTAL | 12,270.3 | 834.3 | 13,104.6 | 291.0 |

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Declassified E.O. 12356 Section 3.3/NND No. 785017

Two-monthly Comparative Statement of State Revenue Collections for the "27 old Liberated Provinces" for the 1943/44 Fiscal Year ending 30 June. 1944, analysed over the Main Revenue Heads

(millions of lire)

| Revenue Head | Collections 6 mos. to 31 December 1943 | Collections Jan.& Feb. 1944 | Collections Mar.& Apr. 1944 | Collections May & June 1944 | Total for Fiscal Year 1943/1944 |
|---|---|---|---|---|---|
| Direct Taxes | 596.2 | 226.6 | 323.1 | 361.8 | 1,507.7 |
| Indirect Taxes | 323.6 | 209.0 | 321.7 | 508.6 | 1,362.9 |
| Manufacturing Taxes | 63.0 | 27.9 | 52.4 | 63.8 | 207.1 |
| Lotteries | 14.5 | 12.3 | 17.9 | 30.4 | 63.1 |
| Monopolies | 426.6 | 186.1 | 449.4 | 487.0 | 1,549.1 |
| Customs and Harbourage | 15.0 | 7.1 | 38.4 | 99.4 | 259.9 |
| | 1,438.9 | 669.0 | 1,202.9 | 1,559.0 | 4,869.8 |

5. Customs

In a previous report reference was made to draft instructions for the restoration of customs control and the suspension of duties on imports and exports. As, however, the liberation of all Italy and the resumption of commercial traffic over the land boundaries, and possibly in the Mediterranean, appear now to be very near, fresh draft instructions, restricting the temporary suspension of duties to Allied imports and exports, have been prepared for submission to the Economic Section. Practically all ACC/AMG imports for civilian use are sold below landed cost. The immediate revenue benefits which would accrue from the imposition of the normal import duties would be counterbalanced by an increase in the subsidies chargeable to the State. This is the principle argument for temporary suspension. Imports are, however, being kept under review individually and, if and when it can be justified in respect of particular goods, reimposition will be recommended. A study is being made of Italian tariffs, commercial treaties, trade agreements and of the changes made during the Fascist regime, for purpose of defascistization and revision. G-5 Section, AFHQ, are studying future trade and customs policy and will be advised of our conclusions and recommendations.

6. Lottery (Lotto)

(a) As communications improve, the Lotto is being extended to fresh areas. A proposal by the Lotto chief to introduce a "lottery" for National Reconstruction, etc." with our comments thereon, is now being considered by the Ministry of Finance.

(b) A suggestion was made by a Press representative that the Lotto should be "boosted" in the "Union Jack", a British Army publication. He was advised that while a brief history of the Lotto in Italy might find interested readers, any direct encouragement to readers to participate would be contrary to our declared policy to discourage troops from spending in Italy, would have an adverse effect on war savings, and could be objected to on moral grounds.

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| | | | | | |
|---|---|---|---|---|---|
| | 323.6 | 209.0 | 321.7 | 508.6 | 1,362.9 |
| Manufacturing Taxes | 63.0 | 27.9 | 52.4 | 63.8 | 207.1 |
| Lotteries | 14.5 | 12.3 | 17.9 | 38.4 | 83.1 |
| Monopolies | 426.6 | 186.1 | 449.4 | 487.0 | 1,549.1 |
| Customs and Harbourage | 15.0 | 7.1 | 38.1 | 99.4 | 259.9 |
| | 1,438.9 | 669.0 | 1,202.9 | 1,559.0 | 4,869.8 |

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7. Monopolies

(a) Tobacco. Two further 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 headrade 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.

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(b) A requisition has been sent to the U.S. for supplies of cigarette machine fabric belting to be flown over, as local production cannot keep pace with increasing needs. Additional cigarette machines are to be requested from U.S. or U.K. They would pay for themselves in a very short time as the Government takes 80% of gross proceeds of sales. Four times the present production could be absorbed with a corresponding increase of revenue.

(c) Salt. Shortage of transport prevents adequate distribution of the huge stocks now lying at the salt pans and mines. The large modern salt plant at Volterra has been completely destroyed. The position, however, is improving.

C. Budgets and Expenditure Control

1. General

(a) State expenditure in Rome Region

The Special Account - Intendente di Finanza - which was opened in June was closed except for payments chargeable to June and July accounts. August payments for the Central Administration were made by the Tesoreria Centrale, and State disbursements for Rome province were made against credits authorized at the Provincial State Treasury by the Regional Finance Officer, Region IV, on the basis of approved budgets on form S.B. A statement of the position of the Special Account - Intendente di Finanza, Rome as of 31 August 1944 is given in the following table.

(b) Transfer of provinces from AMG to Italian Government

On August 15th the provinces of Rome, Frosinone and Littoria were transferred to the jurisdiction of the Italian Government. The financial control of these provinces was, like that of the five provinces transferred in July, retained by Allied Military Government under 31 August 1944, at the request of the Italian Government. Accordingly budget figures for State agencies for these provinces are shown as under Allied Military Government.

(c) Budget estimates for state agencies in AMG territory

The new budget procedure continued to demonstrate the improved expenditure control effected by the S.B. forms. The following table shows in summary form the credits requested by State agencies for the quarter 1 July to 30 September 1944, the credits authorized on the approved budgets, and the economies effected. Although all State agencies are not included in this table, the budgets received represent the principal offices in each province; and, for the recently transferred provinces, these budgets have provided adequate data to enable the Italian Government to adjust the State Budget accordingly.

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. General

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Special Account - Intendenza di Finanza

| Ministry | Credits Authorized for the period 1 June 20 July | 21 July 31 August | Total | Amounts disbursed for the period 1 June 20 July | 21 July 31 August | Total | Unexpended Balance for the period 1 June 20 July | 21 July 31 August |
|---|---|---|---|---|---|---|---|---|
| Finance | 46.0 | 59.3 | 105.3 | 18.1 | 23.0 | 41.1 | 27.9 | 36.3 |
| Justice | 12.6 | 6.4 | 19.0 | 1.0 | 3.5 | 4.5 | 11.6 | 2.9 |
| Foreign Affairs | 7.1 | 7.3 | 14.4 | 2.5 | .5 | 3.0 | 4.6 | 6.8 |
| Education | 18.7 | 58.3 | 77.0 | 3.4 | 6.6 | 10.0 | 15.3 | 51.7 |
| Interior | 22.1 | 40.0 | 62.1 | 4.6 | 25.6 | 30.2 | 17.5 | 14.4 |
| Public Works | 7.8 | 9.8 | 17.6 | 2.6 | 1.1 | 3.7 | 5.2 | 8.7 |
| Communications | 3.4 | 1.9 | 5.3 | 2.6 | 2 | 2.8 | 8 | 1.7 |
| War | 50.1 | 2.4 | 52.5 | 43.0 | 11.5 | 54.6 | 7.1 | -9.1 |
| Navy | 2.2 | 4.5 | 6.7 | 2.1 | 2.2 | 4.3 | 1 | 2.3 |
| Air Force | 4.9 | 3.5 | 8.4 | 3.7 | 8 | 4.5 | 1.2 | 2.7 |
| Agriculture | 5.4 | 13.1 | 18.5 | 1.9 | 4.4 | 6.3 | 3.5 | 8.7 |
| Industry & Commerce | 4.2 | 6.2 | 10.4 | 1.8 | 2 | 2.0 | 2.4 | 6.0 |
| Monopolies | 6.7 | 4.9 | 11.6 | 3.3 | 3 | 3.6 | 3.4 | 4.6 |
| Post & Telegraph | 30.0 | --- | 30.0 | --- | --- | --- | 30.0 | --- |
| Telephones | 2.7 | 2.2 | 4.9 | 1.5 | --- | 1.5 | 1.2 | 2.2 |
| Roads | 14.8 | 3 | 15.1 | 5 | 1 | 6 | 14.3 | 2 |
| Total | [2]38.7 | 220.1 | 458.6 | 92.6 | 80.0 | 172.6 | 148.1 | 190.1 |

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Special Account - Intendenza di Finanza

| ...ts Authorized for the period | | | Amounts disbursed for the period | | | Unexpended balance for the period | | |
|---|---|---|---|---|---|---|---|---|
| ...e ...ly | 21 July 31 August | Total | 1 June 20 July | 21 July 31 August | Total | 1 June 20 July | 21 July 31 August | Total |
| 0 | 59.3 | 106.3 | 18.1 | 23.0 | 41.1 | 27.9 | 36.3 | 64.3 |
| 6 | 8.4 | 19.0 | 1.0 | 3.5 | 4.5 | 11.6 | 2.9 | 14.5 |
| 1 | 7.3 | 14.4 | 2.5 | .5 | 3.0 | 4.6 | 6.8 | 11.4 |
| 7 | 58.3 | 77.0 | 3.4 | 6.6 | 10.0 | 15.3 | 51.7 | 67.0 |
| 1 | 40.0 | 62.1 | 4.6 | 25.6 | 30.2 | 17.5 | 14.4 | 31.9 |
| 8 | 9.8 | 17.6 | 2.6 | 1.1 | 3.7 | 6.2 | 8.7 | 13.9 |
| 4 | 1.9 | 5.3 | 2.6 | 2 | 2.8 | 6 | 1.7 | 2.5 |
| 1 | 2.4 | 52.5 | 43.0 | 11.5 | 54.5 | 7.1 | -9.1 | -2 |
| 2 | 4.5 | 6.7 | 2.1 | 2.2 | 4.3 | 1 | 2.3 | 2.4 |
| 9 | 3.5 | 8.4 | 3.7 | 8 | 4.5 | 1.2 | 2.7 | 3.9 |
| 4 | 13.1 | 18.5 | 1.9 | 4.4 | 2.3 | 3.5 | 8.7 | 12.2 |
| 2 | 6.2 | 10.4 | 1.5 | 2 | 2.0 | 2.4 | 6.0 | 8.4 |
| | 4.9 | 11.6 | 3.3 | 3 | 3.6 | 3.4 | 4.6 | 8.0 |
| | --- | 30.0 | --- | --- | --- | 30.0 | --- | 30.0 |
| | 3.2 | 4.9 | 1.5 | --- | 1.5 | 1.2 | 2.2 | 3.4 |
| | 3 | 15.1 | 5 | 1 | 6 | 14.3 | 2 | 14.5 |
| | 220.1 | 466.6 | 92.6 | 80.0 | 172.6 | 146.1 | 150.1 | 296.2 |

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Budgets of State Agencies in Allied Military Government Territory
for Quarter 1st July to 30th September 1944

(in thousands of lire)

| Province | No. of State Offices | Total credits requested by Agencies | Credits Authorized | Economies Effected |
|---|---|---|---|---|
| Benevento | 41 | 265.056 | 179.345 | 85.711 |
| Avellino | 41 | 274.699 | 274.699 | = = |
| Roma | 12 | 511.530 | 465.992 | 45.538 |
| Littoria | 13 | 772.102 | 666.865 | 105.236 |
| Frosinone | 12 | 426.673 | 422.425 | 4.248 |
| Foggia | 8 | 84.890 | 60.303 | 24.587 |
| Perugia | 10 | 136.292 | 76.510 | 51.782 |
| L'Aquila | 16 | 78.791 | 51.578 | 27.213 |
| Rieti | 9 | 19.518 | 11.455 | 8.063 |
| Viterbo | 9 | 37.903 | 27.303 | 10.600 |
| Terni | 9 | 33.059 | 22.190 | 10.869 |
| Total | 180 | 2,642.373 | 2,258.625 | 383.747 |

(f) Blocked funds of suppressed Fascist organizations

As it was frequently found that suppressed Fascist organizations had no funds that could be blocked by AMG Finance Officers, on entry into newly occupied territory, an Investigating Committee is being set up by the Corte dei Conti with the object of tracing and recovering for the State any such funds irregularly dispersed.

(g) Governatorate of Rome

A proposed new Decree abrogating Titolo 8 of RDL 3 March 1934 n. 383 (T.U. of Provincial and Communal Administrative Law) was objected to by the Finance Sub-Commission as the proposed draft did not retain for the Governo of Rome the existing power to levy taxation, or provide for the continuance of the essential control functions exercised over the communal budget by the Central Commission for Local Finance.

(h) Repair of electrical generating plants

A plan has been agreed with Public Works and Utilities Sub-Commissions to facilitate the monthly payment of bills for approved contracts of work. In outline, the scheme provides that each project shall be approved by the Italian Ministry of Public Works and by the Public Works and Utilities Sub-Commission. The Italian Ministry will then issue an "ordine di accreditamento" providing for the whole estimated expenditure and process it through the regular control channels - the Ufficio Registrazione Controllo and the Corte dei Conti. One copy of the ordine di accreditamento will be sent to the issued Tesoreria Provinciale and notification sent to the Genio Civile of the same province. Adequate funds will thus be available at each provincial State treasury as they become due. The provincial office of the Genio Civile will be responsible for the validity of all accounts paid, and will furnish each month progress reports showing the work performed, and details of the disbursements made.

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| | | | | |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | 422.445 | [illegible] |
| Frosinone | 12 | 426.673 | 60.303 | 24.987 |
| Foggia | 8 | 84.890 | 76.510 | 61.782 |
| Perugia | 10 | 138.292 | 51.576 | 27.213 |
| L'Aquila | 16 | 76.791 | 11.455 | 8.063 |
| Rieti | 9 | 19.518 | 27.303 | 10.500 |
| Viterbo | 9 | 37.807 | 22.190 | 10.869 |
| Terni | 9 | 33.059 | | |
| Total | 180 | 2,642.373 | 2,250.626 | 383.747 |

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(g) Payment of salaries of public employees.

With the publication of RDL 27 July 1944, n. 159, some confusion existed as to the treatment that should be accorded to public employees who had been suspended, dismissed or absent themselves from work. The present agreed policy may be summarized as follows:

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(i) The payment of salaries of former employees dismissed by the Fascist Republican government is provided for in Executive Memorandum No. 71, Parts III and IV. This Memorandum is based on the policy that former employees dismissed by the Fascist Republican government were not legally dismissed and therefore are entitled to all back salary. A provision is made to the effect that the sum due for arrears shall not be paid in one lump sum if the arrears exceed two months' salary, in which case it is paid in instalments. This provision has a counter-inflationary purpose.

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(ii) All administrations of the Italian government have been notified of the treatment to be extended to former employees through a ministerial letter of the Minister of the Treasury dated Rome 31 July 1944, which letter contains the same provisions as Executive Memorandum No. 75, Parts III and IV.

(iii) Temporary employees ("avventizi") dismissed by the Fascist Republican government since September 8, 1943 will be paid a sum equal to one months earnings and thereafter will be considered as dismissed. Agreement to this solution of the problem was given by Ministers Bonomi, Soleri and Rubini at a conference held on 12th August 1944 but evidently has not been presented to the Council of Ministers. The basis of this solution is that temporary employees are not paid under Italian law for periods in which they do not work, so that the payment of one month's salary must be regarded as a bonus.

(iv) The payment of salaries to employees suspended pursuant to the provisions of MDL 159, dated 27 July 1944 will be paid in accordance with Article 22, with the exception that the payment of salaries to employees falling within the categories mentioned in Article 14 is held up pending negotiations with the Italian government suggesting an amendment to Article 22 making no salary payable to such persons.

(v) Salaries of employees dismissed while under AMG jurisdiction will be paid according to the provision of the basic Italian law, RDL of 30 December 1923, No. 2960 dealing with dismissals from service. The sum to be paid depends on the decisions of the administration, the most severe of which is removal of the employee from the payroll, and forfeiture of all rights including pensions. This punishment may be mitigated by granting an allowance for food to the family of the dismissed employee. An extended statement on this subject is provided in Appendix C.

(k) Bonifiche - Pontine and Littoria

Expenditure of 50 million lire was authorized 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 program 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 program 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.

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(i) Anti-malarial measures

The following table gives a list of all approved projects for anti-malaria measures in Italian Government Territory. Only incomplete data has yet been received of approved projects in AMG territory.

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Approved Anti-Malaria Projects

(in thousands of lire)

(1) Italian Government Territory

| Province | Number of Projects | Budget Estimate | Credits Authorised | Credits to be Authorised |
|---|---|---|---|---|
| Bari | 6,651<br>13,284<br>16,340 | 170<br>347<br>67 | 477 | 107 |
| Brindisi | 917 | 800 | 400 | 400 |
| Catanzaro | 917 | 635 | 420 | 215 |
| Cosenza | 6,537 | 774 | 380 | 394 |
| Lecce | 837 | 200 | 155 | 45 |
| Matera | 1,899)<br>3,230) | 821)<br>909) | 580 | 1,150 |
| Potenza | 400)<br>5,265) | 140)<br>300) | 220 | 220 |
| Reg. Calabria | 10,000 | 1,256 | 600 | 656 |
| Salerno | 10,790 | 2,460 | 700 | 1,760 |
| Taranto | 1,073)<br>5,296) | 185)<br>265) | 95 | 355 |
| Cagliari | 52,006 | 6,667 | 2,335 | 4,332 |
| Nuoro | 3,706 | 2,750 | 2,395 | 2,355 |
| Sassari | 30,726 | 2,193 | 1,105 | 1,088 |

(2) Military Government Territory

Region VIII.

| | | | | |
|---|---|---|---|---|
| Grosseto | --- | 1,385 | 400 | 400 |

Region IV.

| | | | | |
|---|---|---|---|---|
| Littoria | --- | 2,703 | 2,703 | --- |

(4) State Railways

The Italian State Railways formerly were controlled on a compartimento basis, centrally directed from Rome. As it is manifestly desirable to have one complete budget for all such autonomous State organizations, arrangements are in progress to re-institute the former central control. At the same time, it is necessary to provide some flexible arrangement whereby the State Railways can take over the financial needs of new sections of line as soon as territory is liberated, thus relieving AMG Finance Officers in the

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| | | | | |
|---|---|---|---|---|
| | | | 400 | 400 |
| Brindisi | 917 | 800 | 420 | 215 |
| Taranto | 917 | 655 | 380 | 394 |
| Cosenza | 6,537 | 774 | 155 | 45 |
| Lecce | 837 | 200 | | |
| Matera | 1,899) | 821) | 580 | 1,150 |
| | 3,230) | 909) | | |
| | 400) | 140) | 220 | 220 |
| Potenza | 5,265) | 300) | | |
| | | | 600 | 656 |
| Reg. Calabria | 10,000 | 1,256 | 700 | 1,760 |
| Salerno | 10,790 | 2,460 | | |
| | 1,073) | 185) | 95 | 355 |
| Taranto | 5,296) | 265) | | |
| | | | 2,335 | 4,332 |
| Cagliari | 52,006 | 6,667 | 2,395 | 2,355 |
| Nuoro | 3,706 | 2,750 | 1,105 | 1,088 |
| Sassari | 30,726 | 2,193 | | |

(2) Military Occupant Territory

| | | | | |
|---|---|---|---|---|
| Region VIII. | | | | |
| Grosseto | --- | 1,385 | 400 | 400 |
| Region IV. | | | | |
| Littoria | --- | 2,703 | 2,703 | --- |

(1) State Railways

The Italian State Railways formerly were controlled on a compartimento basis, centrally directed from Rome. As it is manifestly desirable to have one complete budget for all such autonomous State organizations, arrangements are in progress to re-institute the former central control. At the same time, it is necessary to provide some flexible arrangement whereby the State Railways can take over the financial needs of new sections of line as soon as territory is liberated, thus relieving AMG Finance Officers in the field of this work. A budget estimate for the whole of the area served by the Rome Compartimentale of Rome has been approved for the quarter ending 30th September 1944, and credits authorised for 200 million lire - representing an economy of 199 million lire on the estimates.

(1) Special appropriations

The appropriation that was made to enable a special power line to be established between Naples and Rome, was not found to be required, and the account has been closed. The work of clearing volcanic ash from the Vesuvius eruption was estimated to cost 140 million lire and an appropriation for this amount was made. It was considered that this estimate was excessive and accounts have been presented showing how the total sum was to be spent. After careful review it is considered that a sum of 100 million lire should be adequate, and Public Works Sub-Commission has been notified accordingly.

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2. Government expenditures

(a)

(i) Revised budget estimates for that part of liberated Italy under Italian Government jurisdiction are summarised in the following table. These estimates cover 23 provinces and include Rome central administration and Rome province. All "per memoria" appropriations have been excluded. As explained in last month's report, the State budget can in future be extended as, and when, new provinces are brought under Italian Government jurisdiction; the existence of approved budgets for such provinces on forms S.B., provide all essential data to enable such adjustment to be readily made. The expansion of the estimates is now being made to include the recently transferred provinces of Frosinone, Littoria, Benevento, Avellino, Naples (except the commune of Naples), and Foggia.

(ii) (In the State budget estimates for financial year 1st July 1944 to 30th July 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 estimated revenue receipts for the whole financial year.)

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Estimate of Revenues and Expenditures for Financial Year 1 July 1941 to 30 June 1942

(Millions of lire)

(23 provinces and Central Administration)

| Ministry | Ordinary Effective Revenues and Expenditures | Extraordinary Effective Revenues and Expenditures | Extraordinary Movements of capitali | Extraordinary Total | Together Effective Revenues and Expenditures | Together Movements of Capital |
|---|---|---|---|---|---|---|
| Finance | 1.043 | 57 | - | 57 | 1.100 | - |
| Justice | 397 | 1 | - | 1 | 398 | - |
| Foreign Affairs | 384 | 200 | 200 | 400 | 884 | 200 |
| Italian Africa | 50 | 370 | - | 370 | 420 | - |
| Education | 1.874 | 77 | 77 | 1.651 | - | - |
| Interior | 1.066 | 7.007 | - | 7.027 | 8.073 | - |
| Public Works | 224 | 615 | - | 615 | 839 | - |
| Communications | 286 | 139 | - | 139 | 425 | - |
| Agriculture | 131 | 974 | 24 | 998 | 1,105 | 24 |
| Industry & Commerce | 112 | 54 | - | 54 | 166 | - |
| Treasury | 8.123 | 8.596 | 2.225 | 10.821 | 16.719 | 2.225 |
| Army | 4.156 | 10.390 | 31 | 9.621 | 13.776 | 31 |
| Navy | 2.952 | 3.888 | 100 | 4.040 | 6.840 | 100 |
| Air Force | 2.030 | 707 | 20 | 727 | 2.737 | 20 |
| Total Expenditures | 22.550 | 33.081 | 2.660 | 35.741 | 56.639 | 2.660 |
| Total Revenues | 9.349 | 80 | 1.109 | 1.189 | 9.429 | 1.109 |
| Difference | 13.200 | 33.001 | 1.551 | 34.552 | 46.210 | 1.551 |

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...te of Revenues and Expenditures for Financial Year 1 July 1944 to 30 June 1945 (as requested)

(Millions of lire)

(23 provinces and Central Administration)

28828

| Effective ...es and ...itures | Extraordinary: Effective Revenues and Expenditures | Extraordinary: Movimento di Capitali | Extraordinary: Total | Together: Effective Revenues and Expenditures | Together: Movimento di Capitali | Together: Net Total |
|---|---|---|---|---|---|---|
| ...43 | 57 | - | 57 | 1.100 | - | 1.100 |
| ...97 | 1 | - | 1 | 396 | - | 396 |
| ...84 | 200 | 200 | 400 | 504 | 200 | 704 |
| ...50 | 376 | - | 376 | 425 | - | 425 |
| ...74 | 77 | 77 | 1.651 | - | - | 1.651 |
| ...66 | 7.007 | - | 7.077 | 8.074 | - | 8.074 |
| ...24 | 615 | - | 615 | 839 | - | 839 |
| ...86 | 139 | - | 139 | 425 | - | 1.129 |
| ...31 | 974 | 24 | 998 | 1,105 | 24 | 1.129 |
| ...12 | 54 | - | 54 | 166 | - | 166 |
| ...23 | 8.596 | 2.225 | 10.821 | 10.719 | 2.225 | 12.944 |
| ...16 | 10.390 | 31 | 9.421 | 13.776 | 31 | 13.807 |
| ...52 | 3.988 | 180 | 4.048 | 6.840 | 160 | 7.000 |
| ...30 | 707 | 20 | 727 | 2.737 | 20 | 2.757 |
| ...59 | 33.081 | 2.660 | 35.741 | 55.639 | 2.660 | 58.299 |
| ...49 | 80 | 1.109 | 1.189 | 8.429 | 1.109 | 10.539 |
| ...09 | 33.161 | 1.651 | 34.852 | 46.210 | 1.651 | 47.761 |

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Estimate of Revenues and Expenditures for Financial Year 1 July 1964 to 30 June 19

| Ministry | Ordinary effective revenues | Extraordinary Effective expenditures | Extraordinary Movements of Capital | Extraordinary Total | Together Effective Revenues | Together Movements of Capital |
|---|---|---|---|---|---|---|
| Finance | 635 | 38 | --- | 38 | 673 | --- |
| Justice | 387 | 1 | --- | 1 | 388 | --- |
| Foreign Affairs | 165 | 9 | --- | 9 | 174 | --- |
| Italian Africa | 44 | 376 | --- | 376 | 320 | --- |
| Education | 1,608 | 23 | --- | 23 | 1,631 | --- |
| Interior | 1,652 | 5,331 | --- | 5,331 | 6,983 | --- |
| Public Works | 540 | 210 | --- | 210 | 750 | --- |
| Communication | 231 | 84 | --- | 84 | 316 | --- |
| Agriculture | 612 | 166 | 25 | 191 | 778 | 25 |
| Industry & Commerce | 108 | 28 | --- | 28 | 136 | --- |
| Treasury | 7,693 | 4,627 | 1,299 | 5,316 | 11,020 | 1,299 |
| Army | 4,298 | 9,589 | 27 | 9,616 | 13,887 | 27 |
| Navy | 3,110 | 3,725 | 166 | 3,865 | 6,835 | 166 |
| Air Force | 1,576 | 597 | 20 | 617 | 2,173 | 20 |
| Totall | 22,868 | 24,204 | 1,521 | 25,725 | 46,772 | 1,521 |
| Revenue | 9,229 | 80 | 1,109 | 1,189 | 9,309 | 1,109 |
| Difference | 13,339 | 24,124 | 412 | 24,534 | 36,463 | 412 |

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imate of Revenues and Expenditures for Financial Year 1 July 1945 to 30 June 1946 (as approved)

| mary ctive ues | Extraordinary Effective expenditures | Extraordinary Movements of capital | Total | Together Effective Revenue | Together Movements of Capital | Net Total |
|---|---|---|---|---|---|---|
| 635 | 38 | --- | 38 | 673 | --- | 673 |
| 387 | 1 | --- | 1 | 388 | --- | 388 |
| 165 | 9 | --- | 9 | 174 | --- | 174 |
| 44 | 376 | --- | 376 | 820 | --- | 820 |
| ,608 | 23 | --- | 23 | 1,631 | --- | 1,631 |
| ,652 | 5,331 | --- | 5,331 | 6,983 | --- | 6,983 |
| 549 | 210 | --- | 210 | 759 | --- | 759 |
| 231 | 84 | --- | 84 | 315 | --- | 315 |
| 612 | 166 | 25 | 191 | 778 | 25 | 803 |
| 108 | 28 | --- | 28 | 136 | --- | 136 |
| ,593 | 4,027 | 1,289 | 5,316 | 11,620 | 1,289 | 12,909 |
| ,298 | 9,588 | 27 | 9,616 | 13,067 | 27 | 13,914 |
| ,110 | 3,729 | 166 | 3,895 | 5,838 | 166 | 6,004 |
| 1,576 | 597 | 20 | 617 | 2,173 | 20 | 2,193 |
| ,569 | 24,204 | 1,521 | 25,725 | 46,772 | 1,521 | 48,293 |
| ,229 | 90 | 1,109 | 1,199 | 9,309 | 1,109 | 10,418 |
| ,339 | 24,124 | 412 | 24,534 | 36,483 | 412 | 37,076 |

(iii) With the approval of this budget an extended system of reporting expenditures has been inaugurated. This will provide detailed information, month by month, of all expenditures charged to each capitolo of the State budget, giving inter alia the following detailed figures: appropriation in the budget, credits authorized, balance remaining to be authorized, mandati issued, disbursements, balance of unexpended credits. In normal times no "rendiconto" was struck until the end of the financial year, but now, for the first time, it will be possible to know the extent of actual Government spending, month by month. The financial situation called for the adoption of this expedient in view of the effect of government expenditure on the inflationary trend. The figures will be reported one month in arrear.

(b) Estimated disbursements for August

From now on the State administration will be controlled on the basis of a comprehensive approved budget for the current financial year. The table formerly given under this heading is no longer necessary and will therefore be discontinued. In The following table are given the estimated expenditures for the Ministries of Air, War and Marine for the months of July and August. As previously reported all military expenditures are controlled from the central office of the ministry in Rome and cover all liberated Italy, whether under Italian jurisdiction or Allied Military Government. The increases noted are fairly uniform throughout all sections of expenditure and reflect the overall increase due to the extension of the territory covered.

Outstanding Increases in Estimates for August
(millions of lire)
Ministry of Marine

| Capitolo No. | Denominazione | July | August | Increase |
|---|---|---|---|---|
| 25 | Salaries and allowances for officers | 6.4 | 18.8 | 12.4 |
| 28 | Salaries and wages for NCO's and personnel of C.R.E.M. | 17.4 | 20.6 | 3.2 |
| 64/2 | Subsidies, bonuses, etc. | 12.1 | 13.9 | 1.8 |
| 64/5 | " " " | -- | 1.0 | 1.0 |
| 31 | C.R.E.M. Subsistence | 19.2 | 29.1 | 9.9 |
| 60/2 | Marinarsi - Arsenals | -- | 4.0 | 4.0 |
| 113 | Coastal defences, munition dumps repair and maintenance | 5 | 2.4 | 1.9 |
| 116 | Extraordinary allowance dependent on the State of war - Marinarsi | 23.1 | 34.9 | 11.0 |
| 116/4 | " " " " - Mariccord | 48.6 | 69.7 | 21.1 |
| 116/4 | " " " " - Marigenadi | 9.9 | 36.6 | 26.7 |
| 116/7 | " " " " - Marinaff | [illegible] | 1.8 | 1.0 |
| 43/1 | Marine Institutions (Naval Academy, etc) | -- | 2.0 | 2.0 |
| 51 | Water Rates and Rentals | -- | 1.2 | 1.2 |
| | Total | 138.8 | 236.0 | 97.2 |
| | Total estimates | 398.5 | 458.9 | 60.4 |

Ministry of Air

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(b) Estimated disbursements for August

From now on the State administration will be controlled on the basis of a comprehensive approved budget for the current financial year. The table formerly given under this heading is no longer necessary and will therefore be discontinued. In the following table are given the estimated expenditures for the Ministries of Air, War and Marine for the months of July and August. As previously reported all military expenditures are controlled from the central office of the Ministry in Rome and cover all liberated Italy, whether under Italian jurisdiction or Allied Military Government. The increases noted are fairly uniform throughout all sections of expenditure and reflect the overall increase due to the extension of the territory covered.

Outstanding Increases in Estimates for August
(millions of lire)
Ministry of Marine

| Capitolo No. | Denominazione | July | August | Increase |
|---|---|---|---|---|
| 25 | Salaries and allowances for officers | 6.4 | 18.8 | 12.4 |
| 28 | Salaries and wages for NCO's and personnel of C.R.E.M. | 17.4 | 20.6 | 3.2 |
| 64/2 | Subsidies, bonuses, etc. | 12.1 | 13.9 | 1.8 |
| 64/5 | " " " | -- | 1.9 | 1.9 |
| 31 | C.R.E.M. Subsistence | 19.2 | 29.1 | 9.9 |
| 60/2 | Marinarsd - Arsenals | -- | 4.0 | 4.0 |
| 113 | Coastal defenses, munition dumps repair and maintenance | 5 | 2.4 | 1.9 |
| 116 | Extraordinary allowance dependent on the State of war - Marinarsd | 33.1 | 44.9 | 11.0 |
| 116/4 | " " " " - Maricostad | 48.6 | 69.7 | 21.1 |
| 114/4 | " " " " - Marigenodi | 9.9 | 36.6 | 26.7 |
| 116/7 | " " " " - Marinaff | 8 | 1.8 | 1.0 |
| 43/1 | Marine Institutions (Naval Academy,etc) | -- | 2.8 | 2.8 |
| 51 | Water Rates and Rentals | -- | 1.2 | 1.2 |
| | Total | 130.8 | 236.0 | 27.2 |
| | Total estimates | 396.5 | 468.9 | 60.4 |

Ministry of Air

| | | | | |
|---|---|---|---|---|
| 40 | Subsistence Allowance | 31.6 | 34.2 | 2.6 |
| 37 | Fuel, Lubricants, etc. | 2.7 | 4.5 | 2.8 |
| | Total | 34.3 | 38.7 | 5.4 |
| | Total estimates | 166.5 | 127.4 | 39.1 |

Ministry of War

No figures available for July.
The total estimates for August are 1,040

(c) Actual disbursements for June

The next table shows the actual cash disbursements for the 22 provinces under Italian Government by regions, as reported by the Tesorerie of the Bank of Italy, and a comparison is made by Ministry of the May and June figures. The figures do not show any notable features except the reduction in the Suspension Account from 2,664 to 854 million lire. The July figures are not yet available.

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Cash Disbursements for liberated Italy for June 1944

| Ministry | Sardegna | Sicilia | Calabria | Lucania | Puglie | Campania | Foggia |
|---|---|---|---|---|---|---|---|
| Finance | 97.9 | 72.6 | 16.5 | 6.2 | 40.2 | 50.3 | 8.4 |
| Justice | 5.6 | 16.9 | 4.8 | 1.0 | 5.8 | 8.8 | 1.1 |
| Foreign Affairs | | | | | | 5.8 | |
| Italian Africa | | | | | | .1 | |
| Education | 13.6 | 31.0 | 10.3 | .7 | 5.6 | 26.9 | 1.9 |
| Interior | 1.3 | 140.0 | 133.5 | 1.2 | 229.7 | 91.4 | .2 |
| Public Works | 12.2 | 14.5 | 7.6 | .4 | 9.2 | 29.9 | 2.7 |
| Communications | .3 | 80.9 | 6.1 | | 22.6 | 76.8 | |
| Agriculture | 1.7 | 9.7 | .5 | .6 | 1.6 | 4.9 | 1.0 |
| Industry & Commerce | .2 | 1.0 | .1 | .2 | .1 | 8.9 | |
| Popular Culture | | | | | | | |
| Foreign Exchange | | | | | | | |
| Total Civil | 132.8 | 366.6 | 178.4 | 10.3 | 314.7 | 301.9 | 16.3 |
| Army | 158.0 | 31.3 | 1.3 | .3 | 884.0 | 2.3 | .2 |
| Navy | 34.7 | 1.8 | .3 | | 492.7 | 2.9 | .1 |
| Air Force | 18.3 | | | | 190.4 | | |
| Total Military | 311.0 | 33.1 | 1.6 | .3 | 1,207.1 | 5.2 | .3 |
| Total Budget Disbursements | 343.8 | 399.7 | 181.0 | 10.6 | 1,521.8 | 307.1 | 16.6 |
| Disbursements outside Budget | 2.5 | 615.7 | 11.0 | 6.9 | 54.9 | 92.6 | 3.2 |
| Transfer of Funds | 67.0 | 256.1 | 245.2 | 74.9 | 459.5 | 170.7 | 9.1 |
| Autonomous Administrations | 413.3 | 1,271.5 | 437.2 | 91.8 | 2,036.2 | 570.4 | 28.9 |
| Total | -11.7 | 174.1 | 4.9 | .8 | -44.6 | 522.3 | 140.1 |
| Payment in Suspense | 401.6 | 1,446.6 | 442.1 | 92.3 | 1,991.6 | 1,092.7 | 168.9 |
| Total General Payments | 340.0 | 573.0 | 107.8 | 26.5 | 1,268.4 | 675.3 | 118.1 |
| Special Accounts | .3 | 221.0 | .2 | .3 | 2.0 | 1.0 | |
| Temporary Cash Deposits | 741.9 | 2,240.6 | 549.8 | 119.1 | 3,262.0 | 1,769.0 | 287.0 |
| Total | | | | | | | |

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Cash Disbursements for Liberated Italy for June 1944

| Sardegna | Sicilia | Calabria | Lucania | Puglia | Campania | Foggia | Campobasso | Totals |
|---|---|---|---|---|---|---|---|---|
| 27.9 | 72.6 | 16.5 | 6.2 | 40.2 | 50.3 | 8.4 | 2.0 | 294.1 |
| 5.6 | 16.9 | 4.8 | 1.0 | 5.9 | 9.8 | 1.1 | .4 | 66.4 |
| | | | | | 5.9 | | | 8.9 |
| | | | | | .1 | | | .1 |
| 13.6 | 31.0 | 10.3 | .7 | 5.6 | 16.9 | 1.9 | .3 | 90.3 |
| 1.3 | 140.0 | 133.5 | 1.2 | 229.7 | 91.4 | .2 | .2 | 597.5 |
| 12.2 | 14.5 | 7.6 | .4 | 9.2 | 29.9 | 2.7 | | 76.5 |
| .3 | 80.3 | 6.1 | | 22.5 | 78.8 | | | 188.6 |
| 1.7 | 9.7 | .5 | .6 | 1.6 | 4.9 | 1.0 | | 20.0 |
| .2 | 1.0 | .1 | .2 | .1 | 3.9 | | | 5.6 |
| 132.8 | 366.6 | 179.4 | 10.3 | 314.7 | 301.9 | 15.3 | 2.9 | 1,323.9 |
| 156.0 | 31.3 | 1.3 | .3 | 524.0 | 2.3 | .2 | .2 | 717.6 |
| 34.7 | 1.8 | .3 | | 132.7 | 2.9 | .1 | | 632.5 |
| 18.3 | | | | 190.4 | | | | 206.7 |
| 211.0 | 33.1 | 1.6 | .3 | 1,207.1 | 9.2 | .3 | .2 | 1,458.8 |
| 343.6 | 399.7 | 181.0 | 10.6 | 1,521.8 | 307.1 | 15.6 | 3.1 | 2,782.7 |
| 2.5 | 615.7 | 11.0 | 6.9 | 54.9 | 92.6 | 3.2 | 1.3 | 788.1 |
| 67.0 | 256.1 | 245.2 | 74.0 | 459.5 | 170.7 | 9.7 | 1.0 | 1,283.2 |
| 413.3 | 1,271.5 | 437.2 | 91.8 | 2,036.2 | 570.4 | 28.5 | 5.4 | 4,854.0 |
| -11.7 | 174.1 | 4.9 | .8 | -44.6 | 522.3 | 140.4 | 67.8 | 854.0 |
| 401.6 | 1,445.6 | 432.1 | 92.3 | 1,991.6 | 1,092.7 | 168.9 | 73.2 | 5,708.0 |
| 340.0 | 673.0 | 107.8 | 26.5 | 1,268.4 | 675.3 | 118.8 | 23.2 | 3,134.4 |
| .3 | 225.0 | .2 | .3 | 2.0 | 1.0 | | | 228.8 |
| 741.9 | 2,343.6 | 549.8 | 119.1 | 3,262.0 | 1,769.0 | 287.4 | 96.2 | 9,071.2 |

Comparison of Cash Disbursements for Liberated Italy, May - June, 1944
(millions of lire)

| Ministry | May | June |
|---|---|---|
| Finance | 258.7 | 294.1 |
| Justice | 38.9 | 45.4 |
| Foreign Affairs | 8 | 5.9 |
| Italian Africa | 6 | 1 |
| Education | 101.6 | 90.3 |
| Interior | 496.4 | 597.8 |
| Public Works | 61.2 | 76.5 |
| Communications | 199.3 | 168.6 |
| Agriculture | 19.5 | 20.0 |
| Industry & Commerce | 3.6 | 5.5 |
| Popular Culture | | |
| Total | 1,190.5 | 1,323.2 |
| Military | | |
| War | 889.4 | 717.6 |
| Navy | 325.5 | 532.5 |
| Air Force | 84.4 | 208.7 |
| Total military | 1,299.3 | 1,458.8 |
| Total Budget Disbursements | 2,445.9 | 2,782.7 |
| Disbursements outside Budget | 968.5 | 786.1 |
| Transfer of Funds | 31.7 | |
| Autonomous Administrations | 954.4 | 1,283.2 |
| Total | 4,400.5 | 4,854.9 |
| Payments in Suspense | 2,664.8 | 954.0 |
| Total General Payments | 7,065.3 | 5,706.0 |
| Special Account | 2,953.6 | 3,134.4 |
| Temporary cash deposits | 12.7 | 226.8 |
| | 10,031.6 | 9,071.2 |

(d) Authorizations to spend issued by the Italian Government

The following table gives by ministry the ordini di accreditamenti issued during the months of June and July. No fruitful comparison can be made of these figures as the data are too fragmentary and the month of June is the last month of the old financial year. Moreover, consequent on the change in the seat of government from Salerno to Rome during July the several Ministries did not begin to function fully until the middle of August.

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| | | |
|---|---|---|
| Industry & Commerce | 19.5 | 20.0 |
| Popular Culture | 3.6 | 5.5 |
| Total | 1,150.6 | 1,323.8 |
| Military | | |
| War | 885.4 | 717.6 |
| Navy | 325.5 | 532.5 |
| Air Force | 84.4 | 208.7 |
| Total military | 1,295.3 | 1,458.8 |
| Total Budget Disbursements | 2,445.9 | 2,782.7 |
| Disbursements outside Budget | 968.5 | 788.1 |
| Transfer of Funds | 31.7 | |
| Autonomous Administrations | 954.4 | 1,283.2 |
| Total | 4,400.5 | 4,854.9 |
| Payments in Suspense | 2,664.8 | 954.0 |
| Total General Payments | 7,065.3 | 5,708.0 |
| Special Account | 2,953.6 | 3,134.4 |
| Temporary cash deposits | 12.7 | 228.8 |
| | 10.031.6 | 9,071.2 |

(d) Authorizations to spend issued by the Italian Government

The following table gives by ministry the ordini di accreditamento issued during the months of June and July. No fruitful comparison can be made of these figures as the data are too fragmentary and the month of June is the last month of the old financial year. Moreover, consequent on the change in the seat of government from Salerno to Rome during July the several Ministries did not begin to function fully until the middle of August.



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Comparison of Accreditamenti Issued by the Italian State Government
(millions of lire)
June - July 1944

| Ministry | June | July |
|---|---|---|
| Treasury | — | 1 |
| Finance | 46.5 | 1 |
| Monopolies | 7.8 | 33.0 |
| Justice | 12.3 | 2 |
| Foreign Affairs | 6.4 | 2.0 |
| Italian Africa | - | |
| Education | 12.5 | 2.1 |
| Interior | 272.5 | |
| Public Works | 1.0 | 23.8 |
| Communications | 81.8 | |
| Agriculture | 5.7 | |
| Industry & Commerce | 2.1 | 4 |
| Total Civil | 448.2 | 61.7 |
| Military | | |
| Army | — | — |
| Navy | — | 71.2 |
| Air Force | — | 100.4 |
| Total Military | — | 171.6 |
| Total Government | 448.2 | 233.3 |

3. Provinces and Communes

(a) Italian Government Territory

(i) The Ministry of Interior has now received 463 budgets of provinces and communes for the current calendar year; 106 of which have been examined and recommendations made to the Central Commission for Local Finance. The economies effected by the Ministry are shown hereunder:

Provincial and Communal Budgets
Year 1944
(in thousands of lire)

| Number of budgets | Funds requested | Recommended to C.C.L.F. | Economies effected |
|---|---|---|---|
| 106 | 93,234 | 60,156 | 33,668 |

Information is still incomplete as to the provisional grants made by Prefects. The following table gives the latest available figures.

(ii) Two new draft decrees were approved during the month: the first

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| | | |
|---|---|---|
| Education | 12.5 | 2.1 |
| Interior | 272.5 | |
| Public Works | 1.0 | 25.8 |
| Communications | 81.8 | |
| Agriculture | 5.7 | |
| Industry & Commerce | 1.1 | .4 |
| Total Civil | 348.2 | 61.7 |
| Military | | |
| Army | -- | -- |
| Navy | -- | 71.2 |
| Air Force | -- | 100.4 |
| Total Military | -- | 171.6 |
| Total Government | 448.2 | 233.3 |

3. Provinces and Communes

(a) Italian Government Territory

(i) The Ministry of Interior has now received 463 budgets of provinces and communes for the current calendar year; 106 of which have been examined and recommendations made to the Central Commission for Local Finance. The economies effected by the Ministry are shown hereunder:

Provincial and Communal Budgets
Year 1944
(in thousands of lire)

| Number of budgets | Funds requested | Recommended to C.C.L.F. | Economies effected |
|---|---|---|---|
| 106 | 93,284 | 60,156 | 33,668 |

Information is still incomplete as to the provisional grants made by Prefects. The following table gives the latest available figures.

(ii) Two new draft decrees were approved during the month: the first naming the officials constituting the Central Commission for Local Finance; and the second providing for the integration of communal and provincial budget deficits. The principal provisions of the latter measure are: direct grants may be made by the State; debt service repayments on authorized new loans will be guaranteed by the State; payment by the State of 50% of debt service repayments of former loans; the suspension of debt repayments due to the State.

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Communal and Provincial Budgets
Calendar Year 1944 Italian Government Territory

Summary of budgets received at Prefetture and provisional grants made
(in thousands of lire)

| | Number of Communes | Credits requested | Credits Authorized | Reconcdos effected |
|---|---|---|---|---|
| Province of Bari | | | | |
| Provincial Administration | -- | -- | 700 | -- |
| Capital of Province | -- | -- | 5,150 | -- |
| Communes | 28 | -- | 8,624 | -- |
| Province of Brindisi | | | | |
| Provincial Administration | -- | 3,890 | 450 | 3,440 |
| Capital of Province | -- | 1,770 | -- | -- |
| Communes | 16 | 6,873 | 100 | -- |
| Province of Taranto | | | | |
| Provincial Administration | -- | 11,299 | -- | -- |
| Capital of Province | -- | 28,650 | -- | -- |
| Communes | 21 | 3,209 | -- | -- |
| Province of Potenza | | | | |
| Provincial Administration | -- | 5,535 | 3,003 | 2,532 |
| Capital of Province | -- | 2,340 | 820 | 1,520 |
| Communes | 70 | 8,430 | 726 | 7,704 |
| Province of Matera | | | | |
| Provincial Administration | -- | 1,839 | 1,414 | 425 |
| Capital of Province | -- | 2,380 | -- | -- |
| Communes | 31 | 7,495 | 1,155 | 6,340 |
| Province of Reggio Calabria | | | | |
| Provincial Administration | -- | 21,741 | 5,987 | 15,754 |
| Capital of Province | -- | 25,347 | 11,265 | 14,082 |
| Communes | 80 | 15,618 | 7,008 | 8,610 |
| Province of Cosenza | | | | |
| Provincial Administration | -- | -- | 1,560 | -- |
| Capital of Province | -- | -- | 700 | -- |
| Communes | 96 | -- | 6,516 | -- |
| Province of Catanzaro | | | | |
| Provincial Administration | -- | -- | -- | -- |
| Capital of Province | -- | -- | -- | -- |
| Communes | 116 | 15,314 | 7,353 | 6,061 |
| Province of Agrigento | | | | |
| Provincial Administration | -- | 13,719 | 4,048 | 9,771 |
| Capital of Province | -- | 7,999 | 2,489 | 5,510 |
| Communes | 39 | 34,855 | 9,588 | 25,267 |

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| | | | | |
|---|---|---|---|---|
| Province of Brindisi | | | | |
| Provincial Administration | -- | 3,890 | 450 | 3,440 |
| Capital of Province | -- | 1,770 | -- | -- |
| Communes | 16 | 6,873 | 100 | -- |
| Province of Taranto | | | | |
| Provincial Administration | -- | 11,299 | -- | -- |
| Capital of Province | -- | 28,650 | -- | -- |
| Communes | 21 | 3,209 | -- | -- |
| Province of Potenza | | | | |
| Provincial Administration | -- | 5,535 | 3,003 | 2,532 |
| Capital of Province | -- | 2,340 | 820 | 1,520 |
| Communes | 70 | 8,430 | 726 | 7,704 |
| Province of Matera | | | | |
| Provincial Administration | -- | 1,839 | 1,414 | 425 |
| Capital of Province | -- | 2,380 | -- | -- |
| Communes | 31 | 7,495 | 1,155 | 6,340 |
| Province of Reggio Calabria | | | | |
| Provincial Administration | -- | 21,741 | 5,987 | 15,754 |
| Capital of Province | -- | 25,347 | 11,265 | 14,082 |
| Communes | 80 | 25,618 | 7,008 | 8,610 |
| Province of Cosenza | | | | |
| Provincial Administration | -- | -- | 1,560 | -- |
| Capital of Province | -- | -- | 700 | -- |
| Communes | 96 | -- | 6,516 | -- |
| Province of Catanzaro | | | | |
| Provincial Administration | -- | -- | -- | -- |
| Capital of Province | -- | -- | -- | -- |
| Communes | 116 | 13,314 | 7,353 | 6,061 |
| Province of Agrigento | | | | |
| Provincial Administration | -- | 13,729 | 4,048 | 9,771 |
| Capital of Province | -- | 7,999 | 2,489 | 5,510 |
| Communes | 39 | 34,855 | 9,588 | 25,267 |
| Province of Caltanissetta | | | | |
| Provincial Administration | -- | 15,800 | 6,238 | 9,562 |
| Capital of Province | -- | 29,970 | 8,760 | 21,210 |
| Communes | 21 | 15,279 | 7,286 | 7,993 |
| Province of Enna | | | | |
| Provincial Administration | -- | 11,772 | 2,744 | [illegible] |
| Capital of Province | -- | 4,151 | 1,172 | 2,979 |
| Communes | 19 | 15,618 | 7,007 | 8,611 |
| Province of Messina | | | | |
| Provincial Administration | -- | -- | 13,500 | -- |
| Capital of Province | -- | -- | 30,749 | -- |
| Communes | 61 | -- | 2,719 | -- |

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| | Number of Communes | Credits requested | Credits Authorized | Economies Effected |
|---|---|---|---|---|
| Province of Siracusa | | | | |
| Provincial Administration | -- | 14,170 | 10,247 | 3,923 |
| Capital of Province | -- | 18,700 | 4,435 | 14,265 |
| Communes | 18 | 15,279 | 7,286 | 7,993 |
| Province of Ragusa | | | | |
| Provincial Administration | -- | 6,100 | -- | -- |
| Capital of Province | -- | 6,900 | -- | -- |
| Communes | 11 | 8,430 | 7,262 | 1,168 |
| Province of Trapani | | | | |
| Provincial Administration | -- | 8,510 | 9,076 | -- |
| Capital of Province | -- | 26,065 | 10,538 | 15,527 |
| Commune | 17 | 18,720 | 19,586 | -- |
| Province of Cagliari | | | | |
| Provincial Administration | -- | -- | -- | -- |
| Capital of Province | -- | -- | 10,000 | -- |
| Communes | 1 | -- | 1,500 | -- |
| Province of Sassari | | | | |
| Provincial Administration | -- | -- | -- | -- |
| Capital of Province | -- | -- | 900 | -- |
| Communes | 1 | -- | 100 | -- |

Allied Military Government
Quarter 1 July to 30 September, 1944

Provincial and Communal Budgets
(in thousands of lire)

1. Provincial Administration

| Name of Province | Credits Requested | Credits Approved | Economies effected |
|---|---|---|---|
| Benevento | 2,946 | 2,800 | 146 |
| Littoria | 18,087 | 11,487 | 6,600 |
| Viterbo | 13,677 | 6,249 | 7,428 |
| Rieti | 8,531.6 | 8,531 | .6 |
| Perugia | 5,678 | 1,816 | 3,862 |
| Ancona | 7,497 | 3,297 | 4,200 |
| Totals | 56,417 | 34,180 | 22,237 |

2. Provincial Capitals

| Name of Commune | Credits requested | Credits approved | Economies effected |
|---|---|---|---|

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| | | | | |
|---|---|---|---|---|
| Province of Pregani | | | | |
| Provincial Administration | -- | 8,518 | 9,076 | -- |
| Capital of Province | -- | 26,065 | 10,538 | 15,527 |
| Communo | 17 | 18,720 | 19,986 | -- |
| Province of Cagliari | | | | |
| Provincial Administration | -- | -- | -- | -- |
| Capital of Province | -- | -- | 10,000 | -- |
| Communes | 1 | -- | 1,500 | -- |
| Province of Sassari | | | | |
| Provincial Administration | -- | -- | -- | -- |
| Capital of Province | -- | -- | 900 | -- |
| Communes | 1 | -- | 100 | -- |

Allied Military Government
Quarter 1 July to 30 September, 1944

Provincial and Communal Budgets
(in thousands of lire)

1. Provincial Administration

| Name of Province | Credits Requested | Credits Approved | Economies effected |
|---|---|---|---|
| Benevento | 2,946 | 2,800 | 146 |
| Littoria | 18,087 | 11,487 | 6,600 |
| Viterbo | 13,677 | 6,249 | 7,428 |
| Rieti | 8,531.6 | 8,531 | .6 |
| Perugia | 5,678 | 1,816 | 3,862 |
| Ancona | 7,497 | 3,297 | 4,200 |
| Totals | 56,417 | 34,180 | 22,237 |

2. Provincial Capitals

| Name of Commune | Credits requested | Credits approval | Economies effected |
|---|---|---|---|
| Avellino | 1,266 | 1,266 | -- |
| Benevento | 6,281 | 3,530 | 2,751 |
| Perugia | 11,232 | 2,672 | 8,560 |
| Viterbo | 9,976 | 4,976 | 5,000 |
| Littoria | 4,327 | 3,389 | 937 |
| Frosinone | 5,704 | 2,734 | 2,970 |
| Totals | 38,787 | 18,568 | 20,219 |

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3. Other Communes

| Province | Number of Communes | Credits requested | Credits Authorized | Reconcdes effected |
|---|---|---|---|---|
| Benevento | 43 | 9,562 | 6,845 | 2,717 |
| Frosinone | 41 | 44,984 | 10,747 | 34,197 |
| Rome | 42 | 80,470 | 21,786 | 58,684 |
| Littoria | 11 | 11,952 | 4,307 | 7,644 |
| Viterbo | 7 | 5,020 | 1,743 | 3,277 |
| Perugia | 10 | 4,557 | 764 | 3,792 |
| Pescara | 10 | 933 | 777 | 156 |
| Totals | 163 | 157,440 | 46,970 | 110,470 |

Recapitulation

| | | | |
|---|---|---|---|
| Provinces | 56,417 | 34,180 | 22,237 |
| Capitals of Provinces | 38,787 | 18,568 | 20,219 |
| Other Communes | 157,440 | 46,970 | 110,470 |
| Grand Total | 252,644 | 99,970 | 152,926 |

(b) Allied Military Government

Relatively speaking there is more available information on the financial condition of provinces and communes in territory under Allied Military Government than under Italian Government. This is primarily due to the requirement that no authorizations of credit shall be made except on the basis of properly approved budgets. The effective use of the new procedure is evident in the economies effected. The preceding table relates to provincial and communal budgets for the quarter 1 July to 30 September, 1944. Some of these provinces have, since 1 September, been transferred to the jurisdiction of the Italian Government.

## III. OPERATIONS OF ALLIED FINANCIAL AGENCY & CURRENCY AND EXCHANGE PROBLEMS

A. Remittances from the United States and United Kingdom

1. Preparations are now well under way for the operation of the remittance system in Italy by the Banco d'Italia. It is intended that the Banco d'Italia will eventually provide the entire machinery. However, at first the Banco will serve the area north of the provinces of Rome, Frosinone and Carpobasso, for dollar remittances, and the whole of Italy for sterling remittances. Meanwhile approval by CCS is awaited for the Banco di Napoli to effect remittances in the provinces of Rome (including Rome City), Littoria, Frosinone and Carpobasso.

2. In centralizing as much as possible in the Banco d'Italia the entire remittance plan, it is intended that the Banco 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 Banco d'Italia. Italian banks designated by the Banco d'Italia will act as

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Recapitulation

| | | | |
|---|---|---|---|
| Provinces | 56,417 | 34,180 | 22,237 |
| Capitals of Provinces | 38,787 | 18,568 | 20,219 |
| Other Communes | 157,440 | 46,970 | 110,470 |
| Grand Total | 252,644 | 99,970 | 152,926 |

(b) Allied Military Government

Relatively speaking there is more available information on the financial condition of provinces and communes in territory under Allied Military Government than under Italian Government. This is primarily due to the requirement that no authorizations of credit shall be made except on the basis of properly approved budgets. The effectiveness of the new procedure is evident in the economies effected. The preceeding table relates to provincial and communal budgets for the quarter 1 July to 30 September, 1944. Some of these provinces have, since 1 September, been transferred to the jurisdiction of the Italian Government.

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2. In centralizing as much as possible in the Banco d'Italia the entire remittance plan, it is intended that the Banco d'Italia, rather than AFA, will provided 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 Banco d'Italia. Italian banks designated by the Banco d'Italia will act as paying agents throughout Italy.

3. Correspondent banks in the United States and United Kingdom have been chosen by the Banco d'Italia, which is presently engaged in assembling the necessary letters and relevant documents to be forwarded to the selected correspondents. Requests for remittances be authorized to residents in newly-liberated provinces will be made from time to time as and when the Italian civilian postal service is restored, after the approval of CCS has been given to the proposed agreement with the Banco d'Italia.

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4. Upon the confirmation by COS of the proposed agreement with the Banco d'Italia, it has been suggested that remittances for all areas of liberated Italy open to remittances from the sterling area should be channelled only through the correspondent banks in the United Kingdom of the Banco d'Italia. This arrangement would conform to the views of the Bank of England that the service should be handled by commercial banks, to which the British Treasury is prepared to issue a permit to open post-liberation blocked accounts. In this way the Bank of England would be relieved of the detailed work of transmitting remittance orders.

6. With respect to payments in excess of the limitations on dollar amounts as set forth in General License No. 32 A as amended, both the Banco di Sicilia and the Banco di Napoli have been notified to effect such payments without definitive instructions, placing the responsibility for compliance on the remitting bank. It has been suggested, however, that, all special payments and special remittances for any part of liberated Italy which are in excess of the general limitations authorized, be channelled through the correspondent banks of the Banco d'Italia, as soon as possible.

7. The following is the text of the agreement reached with the Banca d'Italia concerning dollars, sterling and other foreign exchange proceeds accruing to Italy as a result of remittances to Italy, or of exports from Italy or other foreign transactions. This agreement must be approved by COS before any remittances are paid into the correspondents of the Banco d'Italia:

(a) "It is agreed that all dollars, sterling and other proceeds, which have accrued or will accrue after 1 July, 1943 in our accounts in foreign countries as a result of remittances to Italy or of exports from Italy or other foreign transactions, will be held by the Banca d'Italia for account of the Italian Government, subject to the conditions given in para (b) below.

(b) "It is understood that, without prejudice to eventual agreements which might take place between the Allied Governments and the Italian Government, the utilization of the balances of the accounts must be subject to the approval and direction of the Finance Sub-Commission, ACC. The Banca d'Italia agrees to effect promptly all such payments from the dollars, sterling or other foreign accounts as specified in the previous paragraph, by means of payment orders to its correspondents abroad, as shall be directed from time to time, by the Finance Sub-Commission, ACC. No payments from these dollars, sterling or other foreign accounts will be effected without the prior approval of the Finance Sub-Commission.

(c) "The Banca d'Italia undertakes to supply from its own funds the lire required to effect payments to the beneficiaries of remittances received from the United States and the United Kingdom and for the payment of exports from Italy. It is understood that responsibility for payment of normal remittances may be delegated by the Banca d'Italia to such other Italian banks, as are approved by the Finance Sub-Commission. The Banca d'Italia will exercise such control as may be deemed necessary by the Finance Sub-Commission, to carry out the general instructions as to policy, which are transmitted to it from time to time by the Finance Sub-Commission, with respect to the maximum allowed to be received by any one beneficiary, the area in which the funds

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(d) "The Banca d'Italia undertakes to effect payments of remittances in excess of the normal limits, transmitted under specific approval of the United States or United Kingdom treasuries, which will, in most cases, be effected directly through branches of the Banca d'Italia. Furthermore, the Bank will prevent the payment of any remittance whatsoever to any personal or corporate beneficiary in the territory under its supervision, who is acting on behalf of an enemy of the United Nations or whose past connections with the Fascist Government of Italy or with enemy governments is such as would warrant any economic penalty such as blocking of lire accounts, suspension of employment, or similar action.

(e) "The Banca d'Italia will maintain such records of all transactions appertaining to its dollar, sterling and other foreign currency accounts, as may be required from time to time by the Finance Sub-Commission and will render to that Sub-Commission all reports and details of transactions, which may be requested by the Finance Sub-Commission.

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(f) "All expenses in Italy, including postage, related to financial transactions resulting from exports, remittances or other sources of foreign currency will be borne by the Banca d'Italia. To the beneficiary of a remittance from the United States or the United Kingdom may be charged a total commission, which does not exceed one per cent of the remittance or 100 lire, whichever is the lower of the two figures, with a minimum of 25 lire."

B. Emergency Financial Assistance to British and American Nationals

1. Since the inception of the plan to aid needy British and American nationals, funds have been distributed to those claiming citizenship. In some cases this has been done without definitive proof, as it was our intention to avoid hardship to American and British citizens.

2. However, in order to systematize the practice of assisting British and American nationals, the Allied Financial Agency prepared Executive Memorandum No. 38 in February, which was issued after much delay on the EC and EP Section in May 1944. This contained the regulations that guide finance officers in the field in making payment to nationals based upon presentation of passports, consular letters and/or other official documents. In those situations where citizenship cannot be clearly established, Executive Memorandum No. 38 provides for the submission of the application for assistance to AFA, HQ., for onward transmission to the American Consul-General or the British High Commissioner for a ruling.

3. This arrangement has continued in effect despite the inherent delay as consular officials must frequently communicate with Washington or London to determine citizenship status. However, with the reduction in ACC personnel and establishments throughout liberated Italy, the difficulties involved in handling requests for assistance are apparent. In-as-much as the major part of such requests involves determination of citizenship status - a consular responsibility - negotiations are under way with a view to having the consular services handle all applications for advances.

4. With respect to release of assets in the United Kingdom to British subjects in liberated Italy, Executive Memorandum No. 74 was issued on 14 August, 1944. It is intended that applicants for advances shall apply to the appropriate Regional Finance Officer for the release of their property and/or assets now held under the Custodian of Enemy Property in Great Britain. Applications are received and inquiries made to determine whether applicants are found to be free association during war with activities disloyal to the Allied cause. Upon approval of such applications, the assets are returned to the bank in the U.K., which originally acted for the British subject, and this bank will be the agent for exercising exchange control and for seeing that remittances to Italy are made within the prescribed limits.

C. Mutilated and Worn All Lira Notes

1. In order to obtain more uniform rules and regulations governing worn and mutilated All Lira notes, it has been recommended that:

(a) [illegible] Airgram 3, dated 3 February, 1944, be amended so as to make worn and mutilated All Lira notes redeemable when more than ½ of a note is presented instead of the presently prescribed requirements; (b) that para 2b of [illegible] Airgram 3, which provided for exchange of notes where area equalled less than three-fifths of the whole, be completely deleted. It is noted that the Bank of [illegible]

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nationals, the Allied Financial Agency prepared Executive Memorandum No. 38 in February, which was issued after much delay on the PC and MP Section in May 1944. This contained the regulations that guide Finance Officers in the field in making payment to nationals based upon presentation of passports, consular letters and/or other official documents. In those situations where citizenship cannot be clearly established, Executive Memorandum No. 38 provides for the submission of the application for assistance to AFA, G., for onward transmission to the American Consul-General or the British High Commissioner for a ruling.

3. This arrangement has continued in effect despite the inherent delay as consular officials must frequently communicate with Washington or London to determine citizenship status. However, with the reduction in AGO personnel and establishments throughout liberated Italy, the difficulties involved in handling requests for assistance are apparent. In-as-much as the major part of such requests involves determination of citizenship status - a consular responsibility - negotiations are under way with a view to having the consular services handle all applications for advances.

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C. Mutilated and Worn All Lire Notes

1. In order to obtain more uniform rules and regulations governing worn and mutilated All Lire notes, it has been recommended that:

(a) TAM Airgram 3, dated 3 February, 1944, be amended so as to make worn and mutilated All lire notes redeemable when more than ½ of a note is presented instead of the presently prescribed requirements: (b) that para 2b of TAM Airgram 3, which provided for exchange of notes whose area equalled less than three-fifths of the whole, be completely deleted. It is noted that the Banca d'Italia exchanges for face value only when the note equals more than ½ the original and when the serial numbers are decipherable. No exchange is permitted when the note is equal in area to less than half, with the exception of those notes belonging to the Allied forces, which are accompanied by an affidavit.

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2. In May the authority contained in the regulations for destruction of All Lire notes was extended to include medical officers in all areas where British Paymasters were not available, so that accumulated sums of unsanitary currency could be disposed of. However, upon the advice of the British War Office, which has pointed out that since a medical officer is not borne on the establishment of each Graves Registration and Concentration Unit and that a medical officer may not therefore be available in the vicinity of operations, authority is now given in the absence of a medical officer to any British Officer, provided he is independent of the Graves Registration Unit carrying out the operation.

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3. The Bonca d'Italia has extended the rules and regulations regarding the exchange of worn and mutilated currency to include all new areas of liberated Italy.

D. Foreign Exchange Data

1. The gold position remains unchanged, pending information from Brescia and Italian Banks in northern Italy. However, detailed data has now become available regarding the following:

(a) Assets: gold, foreign currency holdings, bank balances and other evidence of credit and ownership.

(b) Liabilities: bank credits and other debts.

(c) Clearing Accounts: a statement regarding the most recent data on the position of the various clearing accounts with each of the European countries.

(d) A description of the nature of the various clearing accounts.

(e) A statement regarding the clearing and compensation agreements in effect with the various European countries.

(f) A statement of various transfers effected through the clearing agreements since January 1943, showing the name of the account, the type of merchandise and the amount involved.

2. The National Foreign Exchange Control Institute (Istcambi) has completed a detailed report on the foreign exchange position of Italy as of 31 December 1943. More recent information will not be available until Brescia, the capital of the Republican Fascists, is liberated.

It will be remembered that an attempt was made in the Rome Report of the Finance Sub-Commission, to provide the best available data on Italian foreign exchange assets. Material was included showing gold movements for the past year. Concurrently, the Institute was requested to prepare a more elaborate study. Owing to the necessity of editing and reorganizing this report, some time must elapse before it becomes available. It is anticipated that within a short period of time distribution to London and Washington will be possible.

3. For some time the Government has discussed with the Finance Sub-Commission the problem of which institution shall be charged with foreign exchange control in Italy. This has involved the decision as to the future role of the Fascist National Foreign Exchange Institute (Istcambi). It is believed that any new institution will have to include Istcambi's functions since the pre-armistice and pre-war relations between Italy and the particular countries involved will have to form part of the new position, e.g., the liquidation of clearing balances and other financial debits and credits. It is hoped that this matter can be resolved as soon as possible.

E. Production of New Currency for Italy

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(b) Liabilities: bank credits and other debts.

(c) Clearing Accounts: a statement regarding the most recent data on the position of the various clearing accounts with each of the European countries.

(d) A description of the nature of the various clearing accounts.

(e) A statement regarding the clearing and compensation agreements in effect with the various European countries.

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E. Production of New Currency for Italy

1. Due to the excellent cooperation of the Transportation Sub-Commission, NOB, the machinery of the Banca d'Italia paper mill located in l'Aquila is being moved to Rome on schedule. It is believed that the entire machinery for paper making will be completely transported to Rome by the 15th September.

2. It is estimated that a period of 4 or 5 weeks will be required for the assembly, installation and preparation of the machinery so that the manufacture of the first paper may be expected about 30 of October. The expected production of the paper mill is estimated to be from 20 to 25 quintals of bank note paper per day.

3. The paper mill of Sordini & Sons, Pale di Foligno, expects to begin producing currency paper about 15 October. They are at present awaiting the completion of certain water-mark metallic plates by Banca d'Italia, which are scheduled for completion in 3 weeks. They have experienced difficulty in securing transportation necessary for collection of raw materials and in having part of the output of their hydraulic electric generating plant requisitioned by the prefectural authorities in Perugia.

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Steps have been taken however to clear these difficulties. A conference was held in Rome on 6 September, 1944 attended by Signor Sorvini, his local representative Signor Maggioli, and by representatives of the Bank of Italy and the Finance Sub-Commission and a full discussion was had of the progress being made to get the Sorvini paper mill into production again. Attention is again called to the fact that the condition of facilities formerly used by Banca d'Italia in northern Italy, in such cities as Novara, Milan, Bergamo, and Como, as well as in Fabriano, are still obscure. If these currency producing plants are not damaged too badly, it may be possible to better the present production schedule of the new currency.

4. The Istituto Poligrafico dello Stato has completed the designs for the 1, 2, 5 and 10 lire Bank of Italy notes and these designs are presently awaiting approval.

5. The full use of the Stadarini currency printing facilities in Rome has been assured to the Bank of Italy by the Psychological Warfare Board which has agreed to release this equipment within a week or two.

F. Transfers of Metropolitan Lire

1. In order to transfer surplus amounts of Metropolitan lire notes from Sicily to the mainland, the Banca d'Italia arranged in July for the concentration of 300 million lire in Palermo for transmission via Messina and Catanzaro to Bari. However, upon further examination of the currency position of the Island, it was determined that only 90 million could be transferred without endangering the reserve position of the Banca d'Italia in Sicily. This amount was transferred.

G. Currency Exchange for Refugees

1. Analysis of figures compiled on the currencies exchanged for refugees travelling to Palestine and the United States disclose that 787 receipts were issued among 1,551 refugees, an average of L. 16,247 per receipt and L. 8,244 per refugee.

2. The largest percentage of receipts (36%) are for quantities of lire from between 3,000 - 10,000, and the smallest(½ of 1%) are for receipts in excess of 200,000 lire.

3. The total represented by these receipts amounts to 12,786,394 lire.

4. Other currencies involved are: U.S. Dollars, Canadian dollars, Sterling, Sterling (South Africa), Egyptian pounds, Swiss francs, Yugoslav dinars, Palestine pounds, French francs, Algerian francs, Syrian pounds, Belgian francs, Dutch florens, Albanian francs, Serbian dinars, Yugoslav kunas, Reichmarks.

H. AFA Branch Organization

1. The officer formerly in charge of the Palermo Branch, AFA., was transferred in late July to Headquarters in order to prepare the organization of the Forward Area Branch. Due to military operations, the establishment of this branch at Florence has been delayed. However, much preliminary work was done at Headquarters.

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full use of the Staderini currency printing facilities in Rome has been assured to the Bank of Italy by the Psychological Warfare Board which has agreed to release this equipment within a week or two.

F. Transfers of Metropolitan Lire

1. In order to transfer surplus amounts of Metropolitan lire notes from Sicily to the mainland, the Banca d'Italia arranged in July for the concentration of 300 million lire in Palermo for transmission via Messina and Catanzaro to Bari. However, upon further examination of the currency position of the Island, it was determined that only 90 million could be transferred without endangering the reserve position of the Banca d'Italia in Sicily. This amount was transferred.

G. Currency Exchange for Refugees

1. Analysis of figures compiled on the currencies exchanged for refugees travelling to Palestine and the United States disclose that 787 receipts were issued among 1,591 refugees, an average of L. 16,247 per receipt and L. 8,244 per refugee.

2. The largest percentage of receipts (36½%) are for quantities of lire from between 3,000 - 10,000, and the smallest(½ of 1%) are for receipts in excess of 200,000 lire.

3. The total represented by these receipts amounts to 12,786,394 lire.

4. Other currencies involved are: U.S. Dollars, Canadian dollars, Sterling, Sterling (South Africa), Egyptian pounds, Swiss francs, Yugoslav dinars, Palestine pounds, French francs, Algerian francs, Syrian pounds, Belgian francs, Dutch florens, Albanian francs, Serbian dinars, Yugoslav kunas, Reichsmarks.

H. AFA Branch Organization

1. The officer formerly in charge of the Palermo Branch, AFA, was transferred in late July to Headquarters in order to prepare the organization of the Forward Area Branch. Due to military operations, the establishment of this branch at Florence has been delayed. However, much preliminary work was done at Headquarters.

2. Two officers and one enlisted man departed on 29 August with a quantity of 2880 lire to set up the new office in Florence; while on this mission in the forward area it is intended that the large consignment of AM Lire recently arrived at Piombino be stored in Siena, or in Florence if adequate facilities can be found.

3. During the first week in August, Branch Managers were afforded the opportunity of visiting Headquarters in order to present their local problems personally and become acquainted with the over-all activities of AFA. The principal item of the agenda concerned the new central accounting system which was recently installed.

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J. Expenditures of U.S. Government Civilian Agencies in Italy

1. It has been suggested by the U.S. Department of State that the procedure for handling salary and allowances for American Foreign Service establishments and certain other civilian agencies of the United States Government be effected by means of U.S. Treasury checks or State Department drafts, which would be cashed by Italian banks and forwarded to the United States for collection of the proceeds in post-liberation accounts. Similar arrangements would be made for other items not chargeable to occupation costs from time to time, while expenses chargeable to occupation costs would continue to be made from lire drawn from U.S. Finance Officers. If this is to be done, it is hoped that the technical regulations of the U.S. Treasury regarding endorsements, maximum time interval outstanding, and similar matters affecting Treasurers' checks and State Department drafts will be so interpreted as not to involve the Italian banks in losses and excessive correspondence.

K. Supply of AM Lire Currency

1. Disbursements of AM lire to paymasters of Allied military forces in July were very much larger than monthly disbursements in the first five months of 1944. Moreover, of the 9.8 billions so disbursed, preliminary estimates suggest that 5.3 billions may have been in turn paid out by the paymasters to the troops and to the civilians. Advance reports from AFA branches indicate further calls on AFT by the paymasters in the amount of 4.2 billion lire in August despite the fact that the U.S. forces did not make their usual monthly drawing during August.

2. As a result of the July disbursements, the total amount of AM lire held in unopened boxes in Italy, by AFT and the Italian banks, was reduced to 16,081 million lire at the end of July. An additional amount of 10,304 million lire was expected to arrive in August and September. Therefore the total supply of lire in unopened boxes at the end of September may be estimated at about 16 billion lire. However, large denominations will make up only about 10 billion lire of this total.

3. The first shipments by water of large denominations are not expected in Italy, from the new order of 30 billion lire, until the end of October, at which time the reserve of large notes might be reduced to 6 or 7 billion lire, solely by reason of military demands. Recently it has become apparent that the cash reserves of the Banca d'Italia, after remaining stable since March, are declining rather rapidly. During the last ten days of August the reserves of the Banca d'Italia fell from 6.2 billion lire to 5.8 billion lire. Apparently the demand for notes in rural areas is greater than the return to the banks of notes spent by Allied troops in urban areas. Moreover, the current practice of redeeming existing deposits and existing assegni and vaglia in areas newly liberated results in a substantial outflow of currency to such newly-liberated town. Should a large area be taken over quickly in the Po valley, this drain would prove very severe. There is as yet no reason to believe that any banks in this area will be found in possession of appreciable reserves of currency.

4. As evidence of this trend in the reserves of the Banca d'Italia, it proved necessary at the end of August to make an emergency deposit of AM lire in a branch of the Banca d'Italia to alleviate a shortage of currency, for the first time in many months. The sum of 128 millions was deposited at Foggia, by the U.S. Army Finance Officer there, for AFT account, as there was not time to organize a shipment of funds from any other

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3. The first shipments by water of large denominations are not expected in Italy, from the new order of 30 billion lire, until the end of October, at which time the reserve of large notes might be reduced to 6 or 7 billion lire, solely by reason of military demands. Recently it has become apparent that the cash reserves of the Banca d'Italia, after remaining stable since March, are declining rather rapidly. During the last ten days of August the reserves of the Banca d'Italia fell from 6.2 billion lire to 5.8 billion lire. Apparently the demand for notes in rural areas is greater than the return to the banks of notes spent by Allied troops in urban areas. Moreover, the current practice of redeeming existing deposits and existing assegni and vaglia in areas newly liberated results in a substantial outflow of currency to each newly-liberated town. Should a large area be taken over quickly in the Po valley, this drain would prove very severe. There is as yet no reason to believe that any banks in this area will be found in possession of appreciable reserves of currency.

4. As evidence of this trend in the reserves of the Banca d'Italia, it proved necessary at the end of August to make an emergency deposit of AM lire in a branch of the Banca d'Italia to alleviate a shortage of currency, for the first time in many months. The sum of 126 millions was deposited at Foggia, by the U.S. Army Finance Officer there, for AFA account, as there was not time to organize a shipment of funds from any other city.

5. In view of the possibility that current procedures may require the release of substantial amounts of AM lire to the Banca d'Italia, especially in large denominations, and in view of the uncertain dates and places of arrival of water shipments which may even be diverted to French ports, it was suggested to COS that one shipment of larger denominations might be sent to Italy by air, to arrive in the month of October.

6. At longer range, the supply of AM lire, including the new order of 30 billion lire, should cover disbursements of the two large denominations at the July rate until May 1945. While this seems at first glance an ample supply, it must suffice to replace all worn and mutilated notes in Italy, and to cover all military and banking requirements, until such time as the new lire currency has been produced, transported, stored and then actually exchanged for all outstanding notes, under the proposed conversion program.

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none of the new currency can be used until the conversion has actually been completed.

L. Review of Reserve Position of Banca d'Italia

1. The total currency holdings of the Banca d'Italia in liberated Italy amounted to 6,301 million lire on 10 August, 1944, as compared to 6,330 million lire held on 10 July.

2. Despite the very large flow of AM lire from AFA to Allied troops, the reserve holdings of the Banca d'Italia showed a decrease of approximately 29 million lire.

M. Accounting

1. Statement of Receipts and Disbursements for the period ending 31 July 1944

This statement, together with the detailed supporting schedules, was prepared for the first time from the new machine - posted records. It should be noted that the Schedules contain full details concerning "Receipts in Respect of AM/AOC Revenue" and "Disbursements in Respect of AM/AOC Expenditure" which were formerly reported separately by the Office of the Chief Accountant. It is planned to continue this procedure, so that the Allied Financial Agency Statements from now on will be complete in themselves. The July AFA Report is contained in Appendix E.

2. Drafts drawn under Travelers Letters of Credit

Instructions for the accounting treatment of transactions involving the encashment of drafts drawn under certain Travelers Letters of Credit issued by U.S. banks were issued to AFA branches. The Dollar proceeds will be credited to post-liberation blocked AF accounts in the name of Banco di Napoli, and AFA will provide the lire for the encashment of such drafts in Italy. Separate accounts have been opened on AFA's books to record these transactions.

3. Funds of the Controller of Property

In order to clarify several pending matters, a conference was arranged with the Controller of Property at which the following agreements were reached:

(a) Enemy Funds. The Ministry of the Treasury has been instructed to collect all blocked enemy state funds and hand them over to AFA. Private enemy funds will be kept by the CP and will not be reflected in AFA's books. Enemy statal or parastatal funds (including Army Funds and any doubtful categories, such as accounts of banks) will be credited on AFA's books to a new Head "Sequestrated Enemy State and Army Funds", with a Sub-Head for each enemy Nation. This means that the amount of lire 2,163,690 recently received from HFC Region IV and credited to "Receipts in Respect of AM/AOC Revenue - Confiscated and Captured Supplies - Cash" will now be transferred to the new Head under appropriate sub-heads. Likewise the amount of lire 1,248,527 shown in the July accounts under "Deposits by Others - Enemy Unit Funds" will be similarly transferred.

(b) Allied Funds. These will be held by the Controller of Property in bank accounts in his name, and in no event will they be shown on AFA's books (except temporarily in a few isolated instances, until they can be paid over to the Controller of Property).

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(b) Allied Funds. These will be held by the Controller of Property in bank accounts in his name, and in no event will they be shown on AFA's books (except temporarily in a few isolated instances, until they can be paid over to the Controller of Property). Therefore, we shall immediately transfer to "Deposits by Others - AGIF" the present balance of lire 10,000,000 in "Deposits by Others - Controller of Property - AGIF", as we understand that the Controller has relinquished his custody of this concern's property. Furthermore, the remaining balance in "Deposits by Others - Controller of Property" will be cleared as soon as possible.

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4. Deposits by AMG/ACC Divisions

Revised instructions for securing details in respect of such deposits were sent to AFA branches, and in the interests of simplification the branch managers were requested to encourage the use of intermediate bank accounts on the part of Economics and Supply Division and Public Health Division officers, as permitted by Executive Memorandum No. 59.

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5. Non-legal tender currencies deposited by Jewish refugees departing for Palestine and the United States

Accounting instructions covering the recording of these currencies of AFN's books were issued to our Rome branch which received these funds from the Internees and Displaced Persons Sub-Commission.

6. Depreciation on ACC vehicles made available to certain Italian road haulage organizations

The Italian companies to which these trucks have been made available for the purpose of transporting civilian supplies under ACC direction are required to pay to AFN Lire 2.02 per vehicle kilometer to cover the estimated depreciation. Because of the fact that these funds will be used to reduce the price paid for the trucks in case they are not returned, it has been decided to credit these payments to "Deposits by Others" and to maintain a separate subsidiary account for each company in AFN's books.

N. Italian Funds held by Controllers of Enemy Property in Occupied African Territories

1. Many Italians having funds and property in the custody of the Controller of Enemy Property in Eritrea and Ethopia have approached Finance Sub-Commission to request release of such assets and their transfer to Italy. The question was put to the War Office as a matter of policy and a ruling was received that no such transfers would be allowed at the present time.

O. Finance of Relief Activities

1. The representatives in Italy of the American Jewish Joint Distribution Committee have raised with Finance Sub-Commission the terms and conditions on which they might borrow funds locally for relief operations. Before the liberation of Rome a local committee had borrowed large sums of lire from individuals against promises to repay in dollars. We have provisionally advised J.D.C. here that no such dollar repayments may be effected until the whole problem has been reviewed by CCS and a directive laid down. We understand that J.D.C. is attempting to repay as large a proportion as possible of such loans with lire funds received through remittances from the United States. In view of a telegram received by the local committee in May through the British Foreign Office stating that authority was given to borrow against dollar credits, CCS has been requested to indicate whether it is to be our policy to require that funds for relief be transferred to Italy through the remittance system, or whether additional funds may be borrowed locally against dollar reimbursement. CCS was reminded that if the latter procedure is allowed, it would constitute a departure from our present policy of centralizing the foreign exchange accruals of Italy for such eventual disposition as the British and American Governments may direct.

## IV. BANKING, POSTAL SAVINGS, AND OTHER FINANCIAL DEVELOPMENTS

A. Banking and Stock Exchanges

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## IV. BANKING, POSTAL SAVINGS, AND OTHER FINANCIAL DEVELOPMENTS

A. Banking and Stock Exchanges

1. Stock Exchanges

The Stock Exchange of Rome opened on 1 August, 1944, for cash transactions in government and parastatal issues only. On 4 August, 1944, the exchange closed for its usual August vacation. Prices those first four days were up half a point from the prior prices on private sales as reported by the banks. Prices since resumption of trading have held steady on a very thin market.

The Stock Exchange of Naples did not open until 21 August 1944 the delay having been occasioned first by communication difficulties and then by the usual August vacation. It has had a very slight volume of trading and prices have held steady.

On the Rome exchange a moratorium of one month on future transactions maturing on and prior to 22 May 1944, the last trading day prior to the fall of the city, was extended for one month.

Requests have been received from the brokers of Rome and the Italian Treasury to open the exchange to all normal types of trading. The press has demanded the restoration of normal trading, regarding the present restrictions as an imputation on Italian

integrity. The requests have been refused and the demands [illegible]ced since the present volume of trade does not indicate the existence of a widespread need for trading facilities and such prices as have come to our attention in non-governmental securities on the Milan exchange indicate that no useful purpose would be served by removing the present restrictions on trading.

B. Postal Savings

1. Because of the failure of the Banca d'Italia's reporting mechanism to produce adequate figures for July, it is impossible to draw any useful general conclusions regarding movements in postal savings accounts and bonds during the month. Such data as are available appear in Table 4 of Appendix F. The net investment trend noted in June appears to have continued in July.

2. Supply of postal bonds

Prior to our entry into Rome, one of the principal difficulties encountered by Finance Officers was the shortage or complete absence of postal bonds. A temporary certificate had to be provided to meet this situation.

Facilities are now available in Rome for printing further bonds, and it has been possible to resume the supply of these, through the Ministry of Posts and Telecommunications of the Italian Government.

As the provinces now being opened up will have been cut off from supplies at Rome for progressively longer periods, will no doubt find that stocks on hand in these provinces require replenishment before, or soon after, the service is restored. In such cases, printing of an estimated 2 - 3 months supply, based on statistics available in Rome, can be furnished at short notice if the Communications Sub-Commission is furnished, through Finance Sub-Commission, simply with the names of the Post Offices for which bonds are required. Supplies will then be printed and transmitted to PBOs by AMG courier service for distribution by such means as they have at their disposal. This arrangement applies only to the period prior to the operation of the normal mail services. As soon as such services become available they will, as before, be used for the submission of requisitions for bonds by the Provincial Directors to their Headquarters, and for the dispatch of stocks direct to each office, in normal course.

C. Other Financial Developments

1. Implementation of Administrative Memorandum No. 95.

(a) In the Finance Sub-Commission's Report for June, 1944, it was mentioned that AFHQ had objected to the voucher system under which the Italian Government would pay suppliers for goods and services furnished to the Allied forces, and were preparing instructions for the institution of a lire account on the same lines as the franc account set up in North Africa. Early in August these instructions were received in the form of Administrative Memorandum No. 31. In this Memorandum the Allied Control Commission was allotted two tasks:

(i) To cause to be set up within the Italian Ministry of Finance an Agency to accept and fill those requests for supplies, facilities and services passed to it by the Allied forces.



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(i) To cause to be set up within the Italian Ministry of Finance an Agency to accept and fill those requests for supplies, facilities and services passed to it by the Allied forces.

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(ii) To require the Italian Government to establish a lire account. It has been strongly represented to AFHQ that there are objections to both proposals. In the first case the Ministry of Finance, which is designed to superintend the collection of revenue, is entirely unable to provide any staff to perform the highly specialised functions of procuring goods and sources for the Allied forces. Enquiries were then made with a view to ascertaining if the Italian Army Commissariato could handle this work. A categorical reply was received that the Italian Army was unable to undertake such a commitment owing to a lack of competent staff; and that if this method were adopted the Allied forces would not receive what they required. In the second case it has been indicated to AFHQ that the working of the franc account in North Africa cannot be regarded as a precedent for the institution of a lire account in Italy. In North Africa both the

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procurement agency and the frane account were interlocked with Reciprocal Aid with the result that the French were gaining dollars and sterling pro tanto, an incentive which was sufficient to ensure the success of the scheme. In Italy the circumstances are entirely different. The Allies are dealing with a dispirited nation which has not the status of an ally. The procurement of goods and services are on a vastly greater scale than in North Africa; and the Italian Government considers that the country is being despoiled by its conquerors.

(b) The establishment of an Italian procuring agency and the institution of a lira account postulate that the Italian Government will be kept informed of the amount spent on the payment of goods and services. The Chief Commissioner referred the proposal to the British High Commissioner and the American Delegate to the Advisory Council who agreed that the information which would be thus made available to the Italian Government, might be used to the detriment of the Allies to demonstrate the severe treatment accorded to Italy; and that it was likely that the Italians would raise countless queries on the propriety and price of purchases. They also consider that there are obvious disadvantages in furnishing information to the Italian Government at a time when the granting of Reciprocal Aid to Italy is under consideration. It was therefore recommended to AFHQ that (i) no attempt should be made to establish an Italian procuring agency, (ii) the existing procedure whereby funds are drawn by the paymasters and finance officers from the Allied Financial Agency should be maintained, and (iii) Administrative Memorandum No. 31 should be withdrawn and the proposals re-examined if and when Reciprocal Aid facilities are granted to Italy. A reply is awaited to this recommendation.

2. Blocking program

(a) Responsibility for all matters pertaining to blocked accounts and blocked checks, except those in the category of "Governments or nationals of the United Nations, including the French Government and French nationals", in that part of Italy comprising Region I, Southern Region, Region VI and the provinces of Rome, Frosinone and Littoria in Region IV, has been transferred to the Italian Ministry of the Treasury. Henceforth all pending applications for unblocking, except as noted, will be addressed to the Direttore Generale del Tesoro or his duly authorized Provincial representative.

(b) Conferences have been held with representatives of the Italian Treasury who are charged with the above responsibility. Suggested instructions by the Italian Treasury to their provincial representatives, to the banks through the Bank of Italy and its branches to the Post Offices through the Ministry of Communications, have been prepared by this Sub-Commission and transmitted to the Treasury. These include instructions for the unblocking of personal accounts under 10,000 lire, withdrawals from blocked accounts for personal living expenses up to 6,000 lire per month and instructions for handling blocked assegni circolari, assegni bancari , vaglia bancari, vaglia postali & bonifichi. There are an estimated 10,000 blocked accounts remaining in Rome city alone, and an indeterminate number of blocked checks. The matter of personnel required to handle this responsibility has been discussed at length with the Treasury but little progress appears to have been made yet by the Italian Treasury in this respect.

(c) Instruction No. 1 (Control of Financial Institutions), in English, has been circulated to all R.F.C.'s in that part of liberated Italy not yet returned to the Italian Government. It sets forth the procedure to be followed in handling blocked assegni bancari, vaglia bancari, vaglia postali and Bonifichi.

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(d) Instruction No. 2 (Control of Financial Institutions) has been circulated to all RFCs concerned setting forth the policy to be followed in handling blocked checks (assegni circolari, assegni bancari, etc.) which require prior AMG authority before they may be paid. Further instructions designed to simplify the handling of blocking matters under a uniform policy will be issued from time to time. "Control of Financial Institutions Instruction No. 3" will constitute a recapitulation of all blocked account policies and instructions. The part that comprises instructions to financial institutions will be reproduced in Italian in sufficient number to permit direct distribution to all banks, etc. There also will be provided for distribution forms to be used in applying for authority to make a specific withdrawal from a blocked account.

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3 3. Safe deposit boxes

Responsibility for the initial opening of presently blocked safe deposit boxes and sealed packages in that part of Italy comprising Region I, Southern Region, Region VI and the provinces of Rome, Frosinone and Littoria in Region IV has been transferred to the Italian Treasury and by it delegated to the Bank of Italy. All pending and future applications and inquiries in this field will be directed to the appropriate branch of the Banca d'Italia except for the province and city of Rome where they will be directed to the Amministrazione Centrale, Banca d'Italia, Rome. The Bank of Italy has not yet made complete a procedure for handling this work.

4. Economic Warfare program

The occupation of Rome brought under our control a substantial number of head offices of Italian banks and offered the possibility to the Italian Government of bringing foreign branches of Italian banks under control. Accordingly, to remind the Government of its obligation and to tighten the foreign exchange control in liberated Italy, the following letter was addressed by the Joint Director of the Finance Sub-Commission to the Minister of the Treasury:

"The Governments of the United States and Great Britain have for some time been conducting an increasingly successful economic warfare campaign against Germany and German-occupied countries. As part of this campaign, the Ministry of Economic Warfare and the Foreign Economic Administration have recently suggested a number of measures which they desire to see taken by your Government.

"In that part of Italy now liberated are located the head offices of a number of Italian banks having foreign branches in the European and Latin American neutral countries. The Allied Governments have reason to be concerned about the activities of these branches, as evidence has come to hand that some of these branches are engaging in financial and economic activities which aid the enemy. In some cases the foreign branches were placed on the British Statutory List and the US Proclaimed List for trading with the enemy. Examples are the Banco Nazionale del Lavoro, Madrid, and the Banco di Napoli, Buenos Aires. Likewise, the position and activities of the Banco di Roma and the B.C.I., Istanbul are regarded as unsatisfactory by the Allied Governments, as the managers of these branches are still acting on instructions coming from German-occupied Italy.

"I suggest, therefore, that your Government direct the head offices of banks in liberated Italy to advise their foreign branches substantially along the following lines:

(a) that instructions received from purported head offices located outside liberated Italy are to be ignored and no action taken thereon, and,

(b) that the managers of such branches are to communicate as soon as possible with the American and British Embassies or legations accredited to the countries in which the branches are located. Each American and British mission has attached to it foreign service officers in charge of economic warfare. These officers will be in a position to advise the foreign branches of Italian banks as to those types of financial transactions which aid the enemy and warn of consequences ensue at once.



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"Requests for deletion from the British and American lists cannot of course even be considered by the two Governments until they are assured beyond all doubt that any foreign branch that can be controlled from liberated territory has met the requirements of Allied economic warfare policy. I would suggest that foreign branches and officials be warned of all the sanctions and penalties that may be applied to them under Italian law if they continue to aid the enemy. As for those branches of banks whose head offices are still in German-occupied Italy, I feel that the Italian Government itself should give the instructions set out in (a) and (b) above to such branches, calling on the staffs as loyal Italians to sever all connections with the enemies of their country. I should be glad to receive through you statements from the various banks, detailing the measures they have taken to render secure their control over their foreign branches, and the responses received.

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"We have also been informed of numerous violations by banks in liberated Italy of the prohibitions against foreign exchange transactions and communications relating thereto. As an example, the B.C.I., Catania, recently instructed a Swedish bank to pay certain funds to the B.C.I., Milan. The Allied Governments take a most serious view of such transactions. I would suggest that your Government address a circular to all branches and agencies in liberated Italy, regardless of the location of their head offices, instructing them that no foreign exchange transaction or communication relative thereto may be effected or despatched without a specific authorization from your Government or the Allied Control Commission, as the case may be. Such circulars should except from the prohibition communications to banks in the U.S. or the sterling area in connection with the remittance system already established. Similarly, banks should be instructed to disregard communications received from abroad, except when received through your Government or Allied military channel. We are arranging for evidence of future violations, if any, to be furnished to the Finance Sub-Commission and it will be brought to your attention for appropriate action.

"London and Washington have been requested to put forward further measures that could usefully be taken by your Government in the field of economic warfare. In the meantime, I suggest, if you are in accord, that the program embodied in this letter should be executed without delay."

The Minister has issued appropriate instructions embodying our suggestions to the banks.

## V. PRICES AND THE COST OF LIVING

### A. Preparation of Cost-of-Living Index by the Instituto Centrale di Statistica

1. The July Report of Finance Sub-Commission contained the first comprehensive cost-of-living study for liberated Italy, prepared by the Italian Government's central statistical office. It has been decided to transfer at this time to the Instituto Centrale di Statistica responsibility for the compilation and maintenance of the cost-of-living index. This transfer is in line with ACC's policy of shifting operating functions to the Italian Government, and is necessitated by the depletion of finance staffs in the southern regions of liberated Italy. Formerly the price returns were received through ACC finance officers.

2. The Instituto Centrale di Statistica has arranged to receive price data through its own channels and has sent out comprehensive instructions. The changeover prevents our presenting cost-of-living data in this Report; it is hoped that next month a series of complete studies can be inaugurated.

### B. The Price of Wheat

1. The price to be fixed for wheat when north Italy is occupied has been the subject of further consideration by the interested Sub-Commissions in the Economic Section. The Finance Sub-Commission remains firmly of the opinion that the price of wheat is too high and that the consequent effect upon the Italian Government's deficit and upon the general level of prices and income in Italy is serious. It therefore wish[illegible] Inasmuch as the present price

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## VI. INSURANCE

### A. Italian Government

1. On 23 August, Finance Sub-Commission was notified (not officially) of the formation on 8 August, by a Ministerial Order, of a Direzione Generale for both social and commercial insurance in the Ministry of Industry, Commerce and Labor. The Direzione Generale is composed of four divisions for social insurance and one for commercial insurance. It was learned that approval of the Decree had been given on 21 August by the Labor Sub-Commission without reference to the Finance Sub-Commission. For the reasons given below, steps were at once taken to place before the Italian Government our objection to the proposed organization of a combined Direzione for both Social and Commercial Insurance. It is hoped to be able, if not to stop the Decree, to delete this particular Section of it, pending reconsideration.

2. The organization of the Direzione itself is considered unsatisfactory. The scheme places both social and commercial insurance, with their widely differing problems, under one general direction, which is in sharp contradistinction to all previous arrangements. The case for a strong independent section directly under the Minister, to deal exclusively with commercial insurance (and the Instituto Nazionale delle Assicurazioni) is indisputable. This is made the more imperative as the proposed section heads have had no technical experience in commercial insurance, both having been connected with Labor and Social Insurance matters in previous administrations under the former Ministry of Corporations.

3. The appointment of one Michele d'Addezio as head of the proposed commercial insurance Division is most unsatisfactory. He was for some years head of the old Servizio for commercial insurance directly under the former Minister of Corporations. He was one of the directors of the Instituto Nazionale delle Assicurazioni not reappointed by Marshal Badoglio in 1943 (see Appendix to Report for July 1944), and was a member of the Italo-German Insurance Commission in 1941. He is also an "aderente" member of the Italian Institute of Actuaries, that is, he is not qualified by internationally recognized standards.

### B. Commercial Insurance

#### 1. General

With the opening up of Regions in Northern Italy, and the apparent approach of access to the Head offices of the majority of companies, the need of a CCS policy on insurance generally, and on the international aspect of Italian reinsurance particularly, becomes a matter of urgency.

Tentative plans have been made for handling insurance in the north in the same way as was done in Rome, but the number of head offices involved (there are fifty-three in Milan alone), the possibility of entry of Allied troops from other directions, and the technical problems that will arise, complicate matters and will make the presence of a headquarters officer essential in the north. It will be vitally necessary to do all possible to tie the northern head offices to their southern branches, and vice-versa, but if present communication difficulties still prevail, this will be a physical impossi-

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2. Communications

(a) It cannot be too strongly emphasized that the absence of communications, especially for transmission of heavy commercial mail, essential in insurance administration, continues to prevent the proper functioning of head offices and temporary head offices in Rome. Formation of the courier service proposed by the Istituto Nazionale delle Assicurazioni (see Report for July) has not been possible up to the end of August since, although possessing vehicles, the Institute has not been able to obtain the necessary permits and fuel.

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(b) Taking the Institute itself as an example, it has had no accounting documents from Sicily and most of Italy south of Rome since June 1943, or from Italy north of Rome since January 1944 (from Milan, since May 1943). The Commissioner of the Institute has used the word "disaster" in this connection, and it is difficult not to agree. For lack of information on policy status and the relative accounting documents, the Institute has been unable to complete its valuation of policy reserves at 31 December 1943, and it is estimated that arrears of work for lack of proper documents already involve the punching alone of two million tabulating machine cards. It was learned at the end of the month that 1 October has been fixed for reopening of postal services for commercial mails. The Communications Sub-Commission have just authorized the Ministry of Communications to accept the Institute's mails at once, but even so, it will probably be several weeks before the mass arrives in Rome. Several tons weight are involved.

3. Non Italian companies

By agreement with the Property Control Sub-Commission, supervision of all non-Italian insurance companies was transferred to the Insurance Department during August. An expression of policy has been requested from London on the handling of British companies, for which there are blocked accounts, to be released when authorized representation is met in Milan.

4. "Screening" of insurance personnel

(a) A little progress has been made on the screening of directorates and management. Some 140 "schede personali" are in the hands of the Security Branch, ACC, but only 4 reports had been received to the end of August.

(b) The following personnel reported in the Finance Sub-Commission's Report for July as having been removed from Banks, are also Insurance directors:

| | |
|---|---|
| Giuseppe Toroi | Consigliere, Assicurazioni Generali |
| Ignazio Thaon de Revel | " " " |
| Nestore Carosio-Martinozzi | Consigliere M.I.A.B. |

(c) The arrest, by order of the High Commissioner for Epuration, was announced in the Italian press on 18 August of:

| | |
|---|---|
| Fulvio de Suvich | (President, Riunione Adriatica.<br>(President, Assicuratrice Italiana.<br>(Vice President, Compagnia di Roma. |

A report received from the Security Branch confirms the necessity for his removal from these appointments. On 28 August, the Italian press announced the suspension from office in the Societa' Romana di Elettricita' , by order of the High Commissioner for Epuration, of:

| | |
|---|---|
| Alberto Pirulli | (Vice President, Riunione Adriatica.<br>(Consigliere, Assicuratrice Italiana. |
| Enrico Parisi | (Vice President, Riunione Adriatica. |

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(b) The following personnel reported in the Finance Sub-Commission's Report for July as having been removed from Banks, are also Insurance directors:

| | |
|---|---|
| Giuseppe Verdi | Consigliere, Assicurazioni Generali |
| Ignazio Thaon de Revel | " " " |
| Nestore Carosio-Martinengi | Consigliere M.I.A.B. |

(c) The arrest, by order of the High Commissioner for Epuration, was announced in the Italian press on 16 August of:

| | |
|---|---|
| Fulvio de Suvich | (President, Riunione Adriatica.<br>(President, Assicuratrice Italiana.<br>(Vice President, Compagnia di Roma. |

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| Alberto Pirelli | (Vice President, Riunione Adriatica.<br>(Consigliere, Assicuratrice Italiana. |
| Enrico Parisi | (Vice President, Riunione Adriatica.<br>(Consigliere, Europea. |
| Filippo Pennavaria | (Consigliere, Riunione Adriatica. |

Security reports have been received on the following, and confirm that their dismissal will be necessary:

| | |
|---|---|
| Ignazio Giordani | (Ex-Direttore Generale, Istituto Nazionale delle Assicurazioni.<br>(Consigliere, Compagnia di Roma.<br>(Vice President, Fiore.<br>(Consigliere, Soc.Italiana di Assicurazioni Credito.<br>(ex-Vice President, Assicurazioni d'Italia<br>(ex-Consigliere, Previdentia.<br>(Consigliere, Consorzio Rischi Garati.<br>("Aderente" (unqualified) member, Italian<br>(Institute of Actuaries. |

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Luigi Barzini (Direttore Generale, Allenza Securitas Esperia.

Security report on the following is sufficiently unfavorable to warrant dismissal:

Michele Sulfina (Direttore Generale, Assicurazioni Generali.

The taking of direct action to effect dismissal passed from the hands of Fianow Sub-Commission on 19 August and these reports were received after that date. Steps will be taken to contact the appropriate Italian Epuration committee as soon as it is functioning.

6. Reopening of insurance offices

Satisfaction was obtained on the Rome organization of the following companies, which were therefore authorized to reopen on an all-Liberated Italy basis on the same terms and conditions as those opened in July.

Savoia (under Government Commissioner)
Societa' Assicuratrice Industriale
Ausonia
Tirrena.

The same satisfaction was given after 15 August in the cases of Europa and Levante, and action was taken by the Italian Government.

7. Italian Insurance Offices Association

Towards the end of August, announcement was made of the formation of an Italian Insurance Offices Association (Associazione Nazionale fra Imprese Assicuratrici), to come into effect at once. A copy of the articles of association has been received, which sets out the purposes of this body as:

(a) To protect the interests of member companies before any public administration, public Authority or other association. (Reference to the Italian Ministry and Committee is clearly meant.)

(b) To supervise, in the interests of member companies, relations with employees, trade unions, associations, etc., and to negotiate in disputes.

(c) To undertake the study of questions of technical, financial, administrative, legal and social character affecting the insurance industry, and to promote collaboration thereon between member companies.

(d) To collate information and data of common interest, and to publish it in a journal.

(e) Generally to promote collaboration between member companies.

All Commercial Insurance Companies authorized to operate in Italy may apply for membership of the Association, the latter being, however,

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Satisfaction was obtained on the Bari organization of the following companies, which were therefore authorized to reopen on an all-liberated Italy basis on the same terms and conditions as those opened in July.

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Società Assicuratrice Industriale
Aurora
Fiume.

The same satisfaction was given after 15 August in the cases of Europa and Levante, and action was taken by the Italian Government.

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(c) To undertake the study of questions of technical, financial, administrative, legal and social character affecting the insurance industry, and to promote collaboration through between member companies.

(d) To collate information and data of current interest, and to publish it in a journal.

(e) Generally to promote collaboration between member companies.

All Commercial Insurance Companies authorized to operate in Italy may apply for membership, as may the State or Parastatal institutions, the latter being, however, excluded from labor questions. Member companies may only be represented in the Association by a legal representative, a General Manager (Direttore Generale), or by their immediate understudies. The Association is intended to be non-political.

There appears to be nothing in the Articles of Association to which exception can be taken. In fact, the Association may, if properly conducted, become a valuable one to the Companies. The Companies are in need of collaboration in order to present agreement in the Government Committee, while the formation of such an Association may enable certain problems not needing Government action to be settled mutually outside the Government Committee.

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B. Italian Institute of Actuaries

According to the Secretary-General of the Institute, the Institute has not been immune from political pressure, and was in fact closed by its own professional and non-political elements as from 1 January 1943 for this reason. Members were admitted up to 1931 without attaining the internationally recognized standards, only three having been admitted through proper examination. Two sets of the Journal of the Italian Institute of Actuaries for the period January 1940 to the last issue in 1942 prior to cessation of publication have been obtained and forwarded to Washington and London. They contain reports on insurance developments decrees, etc. in Italy and occupied countries during the war, some of which may be of interest to London and Washington.

C. Social Insurance

1. Progress of negotiations

A new plan has been prepared for insurance of Europ employees of the Allied forces covering all civilians directly employed by Allied forces. This was approved by the Wages Sub-Committee of AAI at their meeting in Naples on 16 August and by the Wages and Labor Control Committee of AAI at their meeting in Rome on 25 August. It now goes to the Local Resources Board for final action by Allied Forces. Meanwhile it has been cleared by the Ministry of Industry, Commerce and Labor on technical grounds, and has been submitted to the Ministry of the Treasury for consideration on financial grounds.

2. Commissioners

In conjunction with Labor Sub-Commission approval was given to the following appointments and changes made by the Bonomi Ministry in Commissioners for liberated Italy of Social Insurance institutions:

Istituto Nazionale della Previdenza Sociale
Avv. Vincenzo Bernardi (no change)

Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro
Prof. Mario Orlandelli (vice Avv. Leopoldo Ramacci)

Ente della Mutualità - Istituto Nazionale per l'Assistenza di Malattia ai Lavoratori
On. Achille Grandi (vice Dott. Livio Malfettani)

Ente di previdenza per i Dipendenti da Enti di Diritto Pubblico
Dott. Vincenzo Scognamiglio

Ente Nazionale di Previdenza e Assistenza per i Dipendenti Statali
Avv. Ferdinando Corbino

Istituto Nazionale di Previdenza per i Dipendenti dell'Azienda del Gas
Ing. Giulio Marchesi

3. 60 day limit relaxed for unemployed in formerly

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Dott. Vincenzo Scognamiglio

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Avv. Ferdinando Cordero

Istituto Nazionale di Previdenza per i Dipendenti dell'Azienda del Gas
Ing. Giulio Marchesi

3. 60 day limit relaxed for unemployed in forward areas

(a) Under Articles 77 and 129 of RDL No. 1927 of 4 October 1935, insured persons must apply for unemployment benefit within 60 days from the date on which they become eligible (the 9th day after dismissal). Strict application of those articles has worked great hardship in areas recently liberated owing to activities of the German secret police and compulsory recruiting for work in German-operated factories. Our declared intention to assure payment of benefits due to those who have withheld cooperation from the enemy (see July Report, p. 25, para 2(a) ), has accordingly been implemented by issuance on 29 August with our approval, of an instruction to provincial offices of Previdenza together with a letter to Piazza Offices.

(b) The provincial offices of Istituto Previdenza Sociale are authorized to honor claims of unemployed workers who failed to register during German occupation for 30 days following publication of the instruction, provided proper documentation is furnished. Applicants must meet the following specifications, among others:

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(i) became legally entitled to claim unemployment indemnity subsequent to 3 July 1943, but failed to do so for fear of detection by German police or deportation for forced labor;

(ii) possess a social security card, a work book, and a dismissal notice;

(iii) sign a statement that he knows penalties for false declarations and that he must reimburse Previdenza if they are shown to be false.

The exceptional character of this concession is shown in that it does not apply in Sardinia, Sicily, Calabria, Lucania, Puglie or Campania, but only in recently liberated territory. Provincial offices are directed to investigate doubtful cases through the Inspectorates of Industry and Labor, the Public Safety Authority and the Carabinieri. Finance officers are urged to confer with Labor officers regarding assistance in effecting this new policy which has been jointly agreed upon by the Finance and Labor Sub-Commissions.

4. Pension increase for Previdenza employees

Istituto Previdenza Sociale, through its National Commissioner, applied to ACC for authorization to grant the graduated percentages of increase (70%, 50%, 30%) to monthly pensions due to retired employees of the Instituto. This was granted in a letter of 26 August. Authorization was based on Article 8 of RDL No. 89 of 13 March: "The auxiliary bodies of the State, the public institutions for assistance and beneficence, the parastatal bodies and in general the bodies and institutes of public rights, are authorized to extend to their pensioners, following consideration by the competent organs, the provisions of the preceding articles, with power to grant smaller concessions than those fixed in the aforesaid provisions". RDL No. 85 was extended to military government territory by action of the Executive Commissioner on 29 July. It is accordingly now in effect wherever the National Commissioner of the Institute has authority.

5. Unblocking of social insurance funds

Recent communications to this Headquarters have indicated some confusion with regard to the policy of Finance Sub-Commission regarding unblocking of accounts of social insurance institutions. At a regional or provincial level, accounts have, in some cases, only partially unblocked as of some such date as 5 June. A related decision by a provincial sede of Previdenza has resulted in blocking payments of benefits in respect of claims prior to 31 March. Basis for this action was a sentence in the Instruction of 4 July concerning payments to dependents of persons called to arms: "Payments provided by law will be resumed immediately, retroactive to 31 March 1944, for dependents of men whose last known status was that of a member of the Italian Armed Forces in liberated territory and whose families were deprived of further benefits by the Fascist Republican Government on 31 March 1944."

Regarding this sentence, the stipulation refers only to those who were cut off from benefit on 31 March 1944, and in no sense was it intended to establish a date as of which claims should be split and subsequent payments due permitted while prior payments due were denied. The governing policy of Finance Sub-Commission has been stated (see July Report, p. 25, para 2(a) ) in the revised section 4 of Proclamation No. 4. The relevant portions call for payments to be made where due or payable under regulations legally in force prior to 8 September 1943 excepting only payments of family allowances and military benefits to dependents of persons in Germany or other enemy or enemy occupied territory, known to be cooperating with the enemy. It is desirable that bank accounts for the Provincial Funds of the following three Social Insurance Institutions

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[illegible] new policy which has been jointly agreed upon by the Finance and Labor Sub-Commissions.

4. Pension Increase for Previdenza employees

Istituto Previdenza Sociale, through its National Commissioner, applied to ACC for authorization to grant the graduated percentages of increase (70%, 60%, 30%) to monthly pensions due to retired employees of the Institute. This was granted in a letter of 26 August. Authorization was based on Article 8 of RDL No. 85 of 19 March: "The auxiliary bodies of the State, the public institutions for assistance and beneficence, the parastatal bodies and in general the bodies and institutes of public rights, are authorized to extend to their pensioners, following consideration by the competent organs, the provisions of the preceding articles, with power to grant smaller concessions than those fixed in the aforesaid provisions". RDL No. 85 was extended to military government territory by action of the Executive Commissioner on 29 July. It is accordingly now in effect wherever the National Commissioner of the Institute has authority.

5. Unblocking of social insurance funds

Recent communications to this Headquarters have indicated some confusion with regard to the policy of Finance Sub-Commission regarding unblocking of accounts of social insurance institutions. At a regional or provincial level, accounts have, in some cases, only partially unblocked as of some such date as 5 June. A related decision by a provincial sede of Previdenza has resulted in blocking payments of benefits in respect of claims prior to 31 March. Basis for this action was a sentence in the Instruction of 4 July concerning payments to dependents of persons called to arms: "Payments provided by law will be resumed immediately, retroactive to 31 March 1944, for dependents of men whose last known status was that of a member of the Italian Armed Forces in liberated territory and whose families were deprived of further benefits by the Fascist Republican Government on 31 March 1944."

Regarding this sentence, the stipulation refers only to those who were cut off from benefit on 31 March 1944, and in no sense was it intended to establish a date as of which claims should be split and subsequent payments due permitted while prior payments due were denied. The governing policy of Finance Sub-Commission has been stated (see July Report, p. 25, para 2(b) ) in the revised section 4 of Proclamation No. 4. The relevant portions call for payments to be made where due or payable under regulations legally in force prior to 8 September 1943 excepting only payments of family allowances and military benefits to dependents of persons in Germany or other enemy or enemy occupied territory, known to be cooperating with the enemy. It is desirable that bank accounts for the Provincial Funds of the following three Social Insurance Institutions should, if at present blocked, be unblocked as soon as possible:

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(a) Istituto Nazionale della Previdenza Sociale;

(b) Istituto Nazionale per l'Assicurazione contro gl'Infortuni sul Lavoro;

(c) Istituto per l'Assistenza di Malattia ai Lavoratori.

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6. Wage policy regarding banks

(a) Pressure for wage adjustments for bank employees has recently taken three principal forms: (i) "equalisation" of emergency payments authorized under contracts or directives as among their several branches; (ii) authorization of additional payments provided in Italian law for workers who do not take the vacations to which they are entitled, and (iii) authorization of a mess allowance (indennita' mensa) to compensate for higher living costs.

(b) Emergency payments taking the form of additional "sensilita'" were ordered by collective agreement or by the Directions of several banks of national interest, including the Banca d'Italia and the Banca Commerciale Italiana. The latter, for example, arranged by contract of 1 April 1944 at Milan for payment of three sensilita'. They have asked "equal treatment" for employees at Naples where this was not effectuated. Obviously the contract concerned has no legal force in Naples since actions under the Fascist Republican Government are not recognized in liberated areas. Since the Bari and Palermo branches had paid a single sensilita' equal treatment in this sense was accorded the Naples employees. Beyond this point the equalisation principle would be so far reaching as to have dangerous inflationary implications.

(c) Earlier action of the Direction General of the Banca d'Italia (13 September 1943) has been upheld, partly because this was before the influence of the Fascist Republican Government had been exerted, and partly because in any case the equalization effected only branches in early liberated areas, some of which had, while others had not, acted under the directive. In some cases the authorized payments had been exceeded, in some cases not fully made. Repayment was ordered in the former situation, and payment up to the limit allowed was authorized in the latter situation.

(d) After studying the Italian law on vacations and payments, it has been concluded that there is no reason for upsetting the prevailing practice. Accordingly banks have been authorized to make payments provided by law to employees who have refrained from taking vacations to which they are legally entitled.

(e) A decision on the mess allowance is still pending. The proposal is to pay L. 15 daily to each employee or L. 25 to a family head. It is clearly a wage increase, however it is paid, for the ultimate effect is to increase the funds in each employee's possession which he devotes to expenditures outside of the bank's "food store" or "mess". The differential for family responsibilities would better be handled by authorising the increase in family allowances currently receiving consideration. The whole question should be considered a part of the pressure for wage increases, especially as regards non-manual workers. It seems wiser to grant a definite wage increase in the form of an increase in the temporary war indemnity than to create an additional indemnity for the already complicated Italian wage structure.

7. L'Istituto per l'Assistenza Sociale nell'Africa Italiana

This Institute was established by a decree of the Chief of the Government on 27 December 1941 to replace the "Fondo per l'Assistenza Malattie nell'Africa Italiana", formerly the "Fondo per l'Assistenza Malattie nell'Africa Orientale" which was instituted by decree of the Ministry of the Colonies on 7 May 1936. Activities were suspended in East Africa in 1940 and in Libya in 1942. The position of this institute has been brought to the notice of the Minister of Industry, Commerce & Labor and is being studied by his Department. Meanwhile the office of the institute in Tripolitania has, in common with other social insurance institutions been placed under the control of the British Military Authority and is being operated as a separate entity and under different laws.

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8. Contributi Unificati in Agricoltura

(a) Collection of Contributi Unificati in Agricoltura in the regions north of Rome has been complicated by the publication of a Republican Fascist Decree dated 26 February which increased all rates of contributions for 1944 by approximately 50%. This was notified by the Confederazioni Fasciste degli Agricoltori e dei Lavoratori dell'Agricoltura in a Circular No. 12 dated 1 March 1944 and addressed to all Uffici Provinciali Contributi Agricoli Unificati for the information of all Unioni Provinciali Fasciste degli Agricoltori and Unioni Provinciali Fasciste dei Lavoratori dell'Agricoltura.

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(b) As the preparation of the 1944 Ruoli are known to be well advanced the abrogation of this decree from the date of occupation would present many administrative difficulties. It has, therefore, been decided that all contributions for 1944 will be based on the instructions contained in Circular No. 12 as amended by the provisions of General Order No. 2. No definite decision has been made regarding the basis of contributions for the 1945 rolls as the Italian Government is of the opinion that new rates of contribution will be approved before the 1945 rolls are due to be issued. The Finance Sub-Commission does not share this optimism as any revision of social insurance contributions would have to be considered in relation to the whole social insurance problem which is the subject of investigation by a Royal Commission. Detailed instructions are being prepared setting out, inter alia, method of elimination of contributi sindacali, collection of arrears due to date of Allied occupation and remission of contributi sindacali as a result of successful appeals to the provincial commissions.

(c) The Ufficio Centrale Contributi Unificati in Rome is in the process of being reorganized. In December the head office was transferred to Venice by the Fascist Government but very little equipment was got away due to obstructionist tactics by loyal members of the staff. Complete summaries exist in Rome for all the communes in Italy. Out of a total staff of 103 only 10 employees went north; the remaining staff has been further depleted by evacuations from Rome, epuration, and separations for other reasons. The office is without funds and the Ministry of Industry, Commerce and Labor is actively interested in the reorganization being carried out.

## VII. ACCOUNTING

### A. Supply Accounting

1. (Supply accounts for the month of June are now being reviewed and prepared for consolidation at Headquarters. Reports for June have been forwarded by all Regions, except Region V. The delay in this instance has been caused by difficulty in compiling records in the field for receipts and sales of supplies by the AMG 5th Army, whose activities were widely extended during June. The progress report of the supply accountant handling these transactions indicates the report thereon will be submitted during the first week in September. In view of the advance of the 5th and 8th Armies, and the activation of Regions VIII and IX, covering large areas of occupied territory, the status of supply accounting is considered satisfactory.) After the close of each month the Regional supply accountant in the field must consolidate the provincial supply reports on commodities and verify the proceeds of sales. With the difficulties encountered in respect of communication and transportation, especially in those areas where the Armies are moving forward, the verification of transactions in the Regional office and the submission of reports, even under optimistic estimates, will require from 30 to 60 days. At present reports for four areas are being submitted within 30 days, while those for the forward areas ordinarily take a somewhat longer time. It is hoped that through changes in the procedure for handling supplies much of the accounting work now performed by ACC/AMG personnel can be transferred to Italian Governmental agencies. If so, summary reports can be prepared shortly after the close of each month.

2. One difficulty encountered in supply accounting is the large volume of trans-

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2. One difficulty encountered in supply accounting is the large volume of transactions to be processed in connection with sales of foodstuffs and other supplies. In many instances numerous sales to communes, consorzii, alimentazioni, and other consignees are made in relatively small quantities, considering the magnitude of supply activities in Italy. As the result of this condition, an inordinate volume of work has been thrown on the supply officers and supply accountants. Due to the limited number of officers and EM/ORs available in the field, the pressure of work has been exceedingly heavy. This is evidenced by repeated requests for additional assignment of personnel, which have been corroborated by reports of the field supervisor operating from Headquarters. In recognition of conditions to be faced, Finance Sub-Commission early initiated recommendations looking to arrangements whereby imported foodstuffs would be turned over at dockside to the Italian Government or a national agency controlled by and accountable to the Italian Government. Almost without exception AMG/ACC officials handling supplies have endorsed the project. Nevertheless, little progress was made for some time, primarily because the Italian Government during the formative period had no departmental organization and no staff in the field. Faced with this condition Italian officials were reluctant to undertake the responsibility. As the Government became stronger the prospects of an ultimate arrangement increased. Within the past month negotiations were

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concluded whereby the Italian Government in the area comprising the large Southern Region (formerly Regions II, III, VII, Foggia and Campobasso) will receive and distribute foodstuffs through the Direzione Generale dell'Alimentazione.

3. Under the arrangements consummated, this agency will coordinate and control all phases of the supply of essential foodstuffs. Plans and policies of the Direzione Generale dell'Alimentazione will be put into execution by a new national body to be called UNRRA (Ufficio Approvvigionamento Distribuzione Alimentari). Working through this agency the Direzione Generale will assume control of, and accounting and financial responsibility for, all imported foodstuffs. The Italian Government or its agent will accept delivery of imports at the ports of arrival on the basis of the ships' manifests, and will thereafter bear any loss between the ship and the wholesaler. It is not intended that the Italian Government will make any interim settlements in lire in respect of imported foodstuffs. Accounts for all such supplies are maintained in London and Washington in sterling and dollars, the question of settlement being deferred till a later date.

4. The Direzione Generale has appointed the Federazione Italiana dei Consorzii Agrari to be the distributing and controlling agent throughout Italy. This organization will assume the accounting and financial responsibilities effective from 1 September 1944 in the Southern Region and it is hoped to extend the scheme to other Regions in the immediate future. ACC supervision of food distribution will continue exactly as before. No change whatever will be made in the channels of physical distribution. Under this arrangement the Federazione dei Consorzii Agrari now has the responsibility of accounting to the Italian Government for the collection on sales of foodstuffs. The shifting of this responsibility will have a material effect in reducing the work of the ACC/AMG Regional supply officers and accountants.

5. It is hoped that in the near future similar arrangements can be placed in effect for other supplies which are now increasing. A satisfactory working plan has already been placed into operation in respect to petroleum, oil and lubricants, which are distributed in rear areas by the Comitato Italiano Petroli. Under this arrangement CIP issues POL products to the Italian armed forces, public utilities, and essential civilian consumers. Petroleum Section, AFHQ, notifies the Chief Accountant of the quantities turned over to CIP each month, confirmation is thereupon required from CIP who make payment in lire. Complete accounting on these commodities has been effected through 31 May 1944. As the work involved for ACC under this plan is relatively light, the arrangement is considered satisfactory.

6. Accounting for coal, of which large quantities are used by public utilities, war industries, other minor consumers such as hospitals, bakeries, etc., has involved considerable work, primarily because of lack of records maintained by supply officers. Statements have been received from the Coal Section, ACC, as to the amounts of coal allocated and issued by the Armies, but the matter of effecting collection thereon has been a burdensome task. Through assignment from headquarters of staff accountants on this work accounting for issues of coal has been effected through 31 May, consignees have been billed and collections made on the major portion of the issues. Consideration is now being given to utilizing a single agency, the Italian State Railways, to distribute coal as agent for the Italian Government. Some complications remain to be resolved, so that the plan is still in the formative stage.

7. In previous Reports of this Sub-Commission reference was made to difficulties encountered in securing an accounting for medical supplies. The situation arose partly [illegible] delay in issuing instructions and price lists, but more particularly because of

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5. It is hoped that in the near future similar arrangements can be placed in effect for other supplies which are now increasing. A satisfactory working plan has already been placed into operation in respect to petroleum, oil and lubricants, which are distributed in rear areas by the Comitato Italiano Petroli. Under this arrangement CIP issues POL products to the Italian armed forces, public utilities, and essential civilian consumers. Petroleum Section, AFHQ, notifies the Chief Accountant of the quantities turned over to CIP each month, confirmation is thereupon required from CIP who make payment in lire. Complete accounting on these commodities has been effected through 31 May 1944. As the work involved for ACC under this plan is relatively light, the arrangement is considered satisfactory.

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7. In previous Reports of this Sub-Commission reference was made to difficulties encountered in securing an accounting for medical supplies. The situation arose partly from a delay in issuing instructions and price lists, but more particularly because of the inadequacy of the accounting personnel in the provincial medical units. A tentative report has been submitted by a staff officer of Finance Sub-Commission through 31 May. The data furnished the officer was fragmentary in some Regions. From the available records, however, an accounting was developed for medical imports and supplies drawn from Allied Armies, sales, other issues, and the inventory on hand at 31 May 1944.

8. The handling of medical supplies during the spearhead operations was performed by various units including other Army services, many of which left no records. Later the situation was partially corrected. Since 31 March, 1944, the field records show improvement, but much is left to be desired. During the past month the Public Health Sub-Commission considered plans whereby medical supplies would be turned over to the Italian Government for distribution. Here again, the Italian Government has no agency organized and staffed to handle this activity. As an alternate arrangement, consideration is now being given to a plan to sell imported medical supplies (except those required in forward areas) to a syndicate formed of wholesalers. If and when the plan is placed in execution that agency will take over all inventories of medical supplies on hand in the

central depot (except a few items required for forward areas). Thereafter it will receive medical supplies as unloaded at dockside.

9. The accounting for supplies issued to the Italian armed forces both for ship deliveries and issues from depots is current through 31 May 1944. The present procedure under which the Army Sub-Commission, ACC, makes an administrative review of issue vouchers before entry in the accounts of this office has tended to reduce much of the detail necessitated in the earlier accounting. There is however some doubt as to whether the earlier reports of the several depots completely covered all issues. In as much as depot issues have substantially declined during the past several months, the earlier problem in this respect is not considered serious.

10. The accounting for issues to Italian internees and displaced persons is satisfactory. The issues by both the British and American Armies have been consolidated through 31 May, 1944. All commodities have been priced, in the case of British issues at landed cost values, and in the case of American issues at base U.S. prices (such items to be subject to additions for transportation and handling expenses).

11. During the month an Executive Memorandum was issued prescribing the accounting procedure for issues of supplies to ACC/AMG from Army depots. The Memorandum requires that all ACC/AMG officers requisitioning supplies from Army depots must show whether such items are for the use of ACC/AMG (e.g. rations, quartermaster stores for messes, etc.), or whether the items are for issue to Italian civilians. Shipping tickets and issue vouchers must be receipted by the officer drawing the supplies. In the case of commodities received for civilian use, the officer transmits the copy of the shipping ticket to the Regional supply accountant, who uses the same as a supporting document for his monthly stock movement reports.

12. The extension of territory covered by the supply operations of the AMG 5th & 8th Armies and the activation of Regions VIII, IX, and XII has necessitated the reassignment of more than half of the supply accounting officer personnel to forward areas. In addition to this personnel, many enlisted men and other ranks have been moved forward to assist in handling the increased volume of work. This action has necessarily resulted in the thinning out of the accounting personnel to where little more than skeleton organizations remain in the Southern Region, Sicily and Sardinia. Although imports have dropped off in these areas, the accounting for the months of July and August must be performed by greatly reduced staffs. Foreseeing this contingency the central office made an intensive review of supply operations in every Region. The force has been redistributed so as to ensure against a repetition of the conditions encountered in the early supply operations in Sicily and Southern Italy. Fortunately procedures and records have been established in the older sections and the backlog of accumulated work has been brought to a reasonably current basis. The situation faced in carrying on the work in rear areas will be acute for some time. The position is by no means critical, but it is considered such that possible delays in reports may arise. The clearing of this work will place the supply accounting on practically a current basis.

B. Financial Accounting Reorganization

1. The centralization of the Regional financial accounting at ACC Headquarters has worked out even better than expected, in spite of one officer having to be detailed entirely to auditing and recasting the accounts for one region which, on investigation, [illegible] The centralization has resulted in the [illegible]

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B. Financial Accounting Reorganization

1. The centralization of the Regional financial accounting at ACC Headquarters has worked out even better than expected, in spite of one officer having to be detailed entirely to auditing and recasting the accounts for one region which, on investigation, proved to be in an unsatisfactory condition. The centralization has resulted in two officers and one NCO being liberated for other work and in four officers being made available for new regions. Region IV has now been wholly brought into the centralized system and Regions V and VIII will be included in the immediate future.

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C. Financial Accounting Directives and Instructions

1. During the month Sub-Accountants' Instruction No. 2, reducing the number of certain accounting forms previously considered necessary, was issued.

2. In view of the proposal that all civilian employees in requisitioned hotels and all hotels running expenses should be paid by the Italian Comando Genio, all regions were instructed to obtain lists of payments made by the managements of such hotels so that a refund may be obtained from the Comando Genio.

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VIII. PERSONNEL

A. During August Colonel E.H. Foley, Jr., Joint Director, went to the United States on temporary duty in connection with the preparation of a new Italian currency and other matters.

B. Operations of Finance Sub-Commission Headquarters have been affected adversely by the temporary attachment to the office of the Vice President of the Economic Section for duty of Captain Andrew Kamrok, Lieut. J.E. Hicks, USCGR and Lieut. G.H. Willis, USNR, three of the four Joint Editors of these Reports. During August the Finance Sub-Commission was called upon to prepare an unusually large number of special studies. These included a report for the Vice-President, Economic Section, on the progress and achievements of the Sub-Commission covering the period July 1943 - August 1944; an extensive memorandum of comment on the report of the U.S. War Department Accounting Mission, which visited the theatre in March, 1944; a report on all decrees passed by the Italian Government in which Finance Sub-Commission had an interest; a redefinition of the functions of this Sub-Commission; and a revision of all Executive Memoranda affecting financial operations.

D P Bradley Jr. M
Colonel

Joint Director,
Finance Sub-Commission.

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APPENDIX " A."

Composition of Defascistisation Commissions -Ministries of Treasury and Finance.

1. Ministry of the Treasury.

(a) - Uffici Amministrativi Centrali e provinciali :

S.E. Avv. Armando Assisi, Presidente di Sezione Onorario della Corte di Cassazione - Presidente ;

S.E. Avv. Achille De Martino - Prefetto a riposo - Delegato dall'Alto Commissario per le sanzioni contro il fascismo e

Comm. Dott. Francesco Pallottino - Direttore Capo Divisione reggente l'Ufficio centrale del Personale - Membro.

(b) - Uffici centrali e provinciali della Ragioneria Generale dello Stato :

S.E. Avv. Armando Assisi, - Presidente;

S.E. Avv. Achille De Martino e

Comm. Dott. Benvenuto Ricci, Ispettore Generale della Ragioneria Generale dello Stato - Membro.

(c) - Per gli Enti ed Istituti dipendenti o vigilati :

Comm. Avv. Pietro Traina - Sostituto Procuratore Generale presso la Corte di Cassazione - Presidente ;

S.E. Avv. Achille De Martino e

Cav. Attilio Milanesi, Ispettore Superiore della Banca d'Italia - Membro.

2. Ministry of Finance.

(a) - Per il personale del Ministero :

S.E. Gr. Cr. Dott. Andrea Ferrara - Presidente di Sezione della Suprema Corte di Cassazione - Presidente ;

Comm. Dott. Dante Crudele - Direttore Capo Divisione nel Ministero delle Finanze - Membro;

Cav Uff. Francesco Maffei - Direttore Superiore nella Amministrazione delle Dogane - Membro - in rappresentanza dell'Alto Commissariato per

S.E. Avv. Achille De Martino - Prefetto a riposo - Delegato dall'Alto Commissario per le sanzioni contro il fascismo ;

Comm. Dott. Francesco Pallottino - Direttore Capo Divisione reggente l'Ufficio centrale del Personale - Membro.

(b) - Uffici centrali e provinciali della Ragioneria Generale dello Stato :

S.E. Avv. Armando Agnini, - Presidente;

S.E. Avv. Achille De Martino e

Comm. Dott. Benvenuto Ricci, Ispettore Generale della Ragioneria Generale dello Stato - Membro.

(c) - Per gli Enti ed Istituti dipendenti o vigilati :

Comm. Avv. Pietro Traina - Sostituto Procuratore Generale presso la Corte di Cassazione - Presidente ;

S.E. Avv. Achille De Martino e

Cav. Attilio Milanesi, Ispettore Superiore della Banca d'Italia - Membro.

2. Ministry of Finance.

(a) - Per il personale del Ministero :

S.E. Gr. Cr. Dott. Andrea Ferrara - Presidente di Sezione della Suprema Corte di Cassazione - Presidente ;

Comm. Dott. Dante Cruciani - Direttore Capo Divisione nel Ministero delle Finanze - Membro;

Cav Uff. Francesco Maffei - Direttore Superiore nella Amministrazione delle Dogane - Membro - in rappresentanza dell'Alto Commissariato per l'Epurazione . -

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APPENDIX B

TAX REVISION - COPY OF LETTER TO PRESIDENT OF THE COUNCIL.

31 August, 1944

My dear Mr.Prime Minister:

I am much concerned at the fact that the Italian Government has not yet issued any Decree having the effect of materially decreasing the discrepancy which exists between the income and the expenditure of the State.

Whilst I am aware that the Ministry of Finance has set up a special Committee to deal with the drafts of proposed decrees of tax revision, I ask that such drafts may now receive the urgent attention of the Government in order that the revisions in question may take effect as from the 1st July, 1944, the beginning of the fiscal year.

I suggest therefore, that within as short a time as possible, the drafts of the following Decrees, in the order shown, may be brought before the Cabinet for consideration:

1. Imposta sugli Utili di Guerra.
2. Imposta di Ricchezza Mobile.
3. Abolizione delle Esenzioni alle Famiglie Numerose.
4. Abolizione delle Imposte sui Celibi.
5. Imposta sul Reddito Agrario.
6. Imposta Ordinaria sul Patrimonio.
7. Imposta sui Terreni.
8. Imposta Complementare.
9. Tasse sulle concessioni e Donazioni.
10. Imposta di Consumo.

I am sure that you will agree that it is essential that the whole problem of governmental revenue be tackled realistically and energetically.

Yours very truly,

2870

I am much concerned at the fact that the Italian Government has not yet issued any Decree having the effect of materially decreasing the discrepancy which exists between the income and the expenditure of the State.

Whilst I am aware that the Ministry of Finance has set up a special Committee to deal with the drafts of proposed decrees of tax revision, I ask that such drafts may now receive the urgent attention of the Government in order that the revisions in question may take effect as from the 1st July, 1944, the beginning of the fiscal year.

I suggest therefore, that within as short a time as possible, the drafts of the following Decrees, in the order shown, may be brought before the Cabinet for consideration:

1. Imposta sugli Utili di Guerra.
2. Imposta di Ricchezza Mobile.
3. Abolizione delle Esenzioni alle Famiglie Numerose.
4. Abolizione delle Imposte sui Celibi.
5. Imposta sul Reddito Agrario.
6. Imposta Ordinaria sul Patrimonio.
7. Imposta sui Terreni.
8. Imposta Complementare.
9. Tasse sulle concessioni e Donazioni.
10. Imposta di Consumo.

I am sure that you will agree that it is essential that the whole problem of governmental revenue be tackled realistically and energetically.

Yours very truly,

2873

(signed) ELLERY W. STONE,
Captain, USNR
Acting Chief Commissioner

His Excellency IVANOE BONOMI
The President of Council of Ministers
Italian Government

Declassified E.O. 12356 Section 3.3/NND No. 785017

APPENDIX "C"

DIVISION OF RESPONSIBILITIES BETWEEN MINISTRIES
OF FINANCE AND TREASURY.

(Extracts from Decree dated 24 August 1944).

I. Ministry of Finance.

A. The following General Directions and General Inspectorate are part of the Ministry of Finance:

1. General Direction of Affairs and Personnel
2. General Direction of Catasto and Technical State services
3. General Direction of "Demanio" except for Demanio Mobiliare, which is provided for in last paragraph of this section
4. General Direction of Taxes and Indirect Taxes on Business
5. General Direction of Customs and Indirect Taxes
6. General Direction of Direct Taxes
7. General Direction for Local Finance
8. General Inspector of Lotteries
9. Office of Fiscal Co-ordination, Legislation, Studies dependent upon the Minister

A forthcoming decree will be issued determining the sphere of activity of Demanio Mobiliare; until such time as the decree is issued, all decisions relating to the functioning of the services of Demanio Mobiliare will be undertaken in agreement between the two Ministries of Finance and Treasury. ( Note: The point at issue here is the control of IRI). The following departments form part of the Ministry of Finance :

10. State Monopolies
11. Corps of the Guardia di Finanza

B. The following General Directions, General Inspectorate and Offices are dependent on the Treasury :

1. General Direction for Personnel, Ordinary Pensions and General Filing Office
2. General Direction of the Treasury and Provincial Offices of the Treasury
3. State Accountancy Office, including dependent Accountancy offices of the Intendenze di Finanza and other accountancy offices
4. General Direction of Public Debt, including Sinking Fund Office
5. General Direction of Deposit, Loan Banks and Insurance Companies
6. General State Provveditorato with relative powers concerning the Istituto Poligrafico dello State, excluding Servizio Patrimoniale, Clerical Funds and related accounting service, which are entrusted to the General Direction of Demanio
7. General Direction for War Pensions
8. General Inspectorate for extension of Credit to State Employees

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1. General Direction of Affairs and Personnel
2. General Direction of Catasto and Technical State services
3. General Direction of "Demanio" except for Demanio Mobiliare, which is provided for in last paragraph of this section
4. General Direction of Taxes and Indirect Taxes on Business
5. General Direction of Customs and Indirect Taxes
6. General Direction of Direct Taxes
7. General Direction for Local Finance
8. General Inspector of Lotteries
9. Office of Fiscal Co-ordination, Legislation, Studies dependent upon the Minister

A forthcoming decree will be issued determining the sphere of activity of Demanio Mobiliare; until such time as the decree is issued,all decisions relating to the functioning of the services of Demanio Mobiliare will be undertaken in agreement between the two Ministries of Finance and Treasury. ( Note: The point at issue here is the control of IRI). The following departments form part of the Ministry of Finance :

10. State Monopolies
11. Corps of the Guardia di Finanza

B. The following General Directions, General Inspectorate and Offices are dependent on the Treasury :

1. General Direction for Personnel, Ordinary Pensions and General Filing Office
2. General Direction of the Treasury and Provincial Offices of the Treasury
3. State Accountancy Office,including dependent Accountancy offices of the Intendenze di Finanza and other Accountancy offices
4. General Direction of Public Debt, including Sinking Fund Office
5. General Direction of Deposit, Loan Banks and Insurance Companies
6. General State Provveditorato with relative powers concerning the Istituto Poligrafico dello Stato, excluding Servizio Patrimoniale,Clerical Funds and related accounting service,which are entrusted to the General Direction of Demanio
7. General Direction for War Pensions
8. General Inspectorate for extension of Credit to State Employees

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C. The Ente Nazionale di Previdenza ed Assistenza per i dipendenti statali (Insurance and loan Company for assistance to civil servants) are placed under the supervision of the Treasury.

All powers of the Ministry of Finance with respect to national institutions concerned with houses for civil servants are transferred to the Ministry of Treasury.

D. The library situated in the buildings housing the two Ministries is a service of the Provveditorato Generale dello Stato and belongs to both Ministries. A Commission of three members appointed by agreement between the two Ministers will supervise the library, purchase books and reviews and handle all other details which will ensure the perfect functioning of the library. The same Commission will choose the personnel dependent on the Provveditorato Generale dello Stato who is to work in the library.

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E. Until such time as the two Ministries are divided, the personnel who formed part of the Ministry of Finance at the moment this decree went into effect and was working for the Ministry of the Treasury at the time, will be administered by the same Ministry so far as their pay is concerned while all others will be administered by the Ministry of Finance.

F. Organically, the Intendenza di Finanza depend on the Ministry of Finance. Nevertheless, for all services which come under the Ministry of Treasury, they are dependent upon the Treasury.

G. All powers, which, on the basis of existing rules are part of the Ministry of Finance, are transferred over to the Treasury when they concern matters which are the competence of the latter Ministry, in accordance with orders contained in the preceding articles.

SECRET

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ANNEXURE D

Position with regard to Provincial Tax Appeal Commissions.

A. Commissions formed.

| | |
|---|---|
| Agrigento | Lecce |
| Avellino | Messina |
| Bari | Nuoro |
| Cagliari | Palermo |
| Caltanisetta | Potenza |
| Catania | Ragusa |
| Catanzaro | Reggio Calabria |
| Cosenza | Salerno |
| Enna | Taranto |
| Foggia | Trapani |

B. Under correspondence

| | |
|---|---|
| Benevento | Campobasso |
| Brindisi | Matera |
| | Siracusa |

C. Nominations not yet received

| | |
|---|---|
| Ancona | Macerata |
| Aquila | Naples |
| Arezzo | Perugia |
| Ascoli | Pescara |
| Chieti | Rieti |
| Frosinone | Rome |
| Grosseto | Terano |

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| | |
|---|---|
| Bari | Nuoro |
| Cagliari | Palermo |
| Caltanissetta | Potenza |
| Catania | Ragusa |
| Catanzaro | Reggio Calabria |
| Cosenza | Salerno |
| Enna | Taranto |
| Foggia | Trapani |

B. Under correspondence

| | |
|---|---|
| Benevento | Campobasso |
| Brindisi | Matera |
| | Siracusa |

C. Nominations not yet received

| | |
|---|---|
| Ancona | Macerata |
| Aquila | Naples |
| Arezzo | Perugia |
| Ascoli | Pescara |
| Chieti | Rieti |
| Frosinone | Rome |
| Grosseto | Teramo |
| Littoria | Terni |
| Livorno | Viterbo |

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D. The Commissions formed are shown because it does not necessarily follow that they are functioning and Finance Officers in the field may wish to enquire into this point.

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APPENDIX "E"

ALLIED FINANCIAL AGENCY

CONSOLIDATED

STATEMENT OF RECEIPTS AND DISBURSEMENTS
for Period to 31 July 1944
( Expressed in Lire )

| ITEM No. | SCHEDULE No. | | Total to 30 June 19 |
|---|---|---|---|
| 1 | - | CASH ON HAND IN BANKS AT BEGINNING OF PERIOD (Including Mutilated and Debit AM Lire notes on hand) | N I L |
| - | - | RECEIPTS DURING PERIOD | |
| 2 | I | NEW A.M. LIRA NOTES RECEIVED | 53,335,674, |
| 3 | - | NEW A.M. STAMPS RECEIVED | 169,336, |
| 4 | II | DEPOSITS BY AMG/ACC DIVISIONS (pending allocation to revenue or other accounts) | 792,943, |
| 5 | III | FUNDS OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING OFFICERS IN THE FIELD | 10, |
| 6 | IV | DEPOSITS | 189,445, |
| 7 | - | CURRENCY OF ITALIAN GOVERNMENT PLACED TO CREDIT OF AFA (under agreed program to sterilize surplus currency) | 2,100,000, |
| 8 | V | PROCEEDS OF SALES IN ITALY OF SUPPLIES | 1,592,170, |
| 9 | VI | RECEIPTS IN RESPECT OF AMG/ACC REVENUE | 150,863, |
| 10 | - | METROPOLITAN LIRE NOTES IMPORTED BY BRITISH FORCES | 66,174, |
| 11 | VII | | |
| 12 | VIII | | |
| 13 | - | | 58,407,026, |
| 14 | IX | CONTRA ACCOUNTS | 143,867, |
| 15 | - | TOTAL RECEIPTS DURING PERIOD | 58,550,894, |
| 16 | - | TOTAL FUNDS AVAILABLE LIRE | 58,550,894, |

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APPENDIX "E"

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page 1.

ALLIED FINANCIAL AGENCY

CONSOLIDATED

STATEMENT OF RECEIPTS AND DISBURSEMENTS
for Period to 31 July 1944
( Expressed in Lire )

| | Total to 30 June 1944 | Current month | Total to 31 July 1944 |
|---|---|---|---|
| AND IN BANKS AT BEGINNING OF PERIOD | | | |
| cing MUTILATED AND UNFIT AM LIRE notes on hand) | N I L | 16,589,963,115 | N I L |
| DURING PERIOD | | | |
| . LIRA NOTES RECEIVED | 53,330,074,139 | 8,980,745,456 | 62,328,819,589 |
| . STAMPS RECEIVED | 169,336,000 | - | 169,336,000 |
| S BY AMG/ACC DIVISIONS | 792,943,095 | 897,420,874 | 1,690,363,969 |
| ing allocation to revenue or other accounts) | | | |
| OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING | | | |
| FICERS IN THE FIELD | 10,500 | (10,500) | - |
| S | 189,445,772 | 31,046,570 | 220,492,342 |
| Y OF ITALIAN GOVERNMENT PLACED TO CREDIT OF AFA | | | |
| or spread program to sterilize surplus currency) | 2,100,000,000 | - | 2,100,000,000 |
| S OF SALES IN ITALY OF SUPPLIES | 1,592,178,821 | 180,777,590 | 1,772,956,411 |
| S IN RESPECT OF AMG/ACC REVENUE | 156,863,793 | 13,962,447 | 172,826,240 |
| LITAN LIRE NOTES IMPORTED BY BRITISH FORCES | 66,174,450 | - | 66,174,450 |
| | 58,407,026,570 | 10,111,942,431 | 68,518,969,001 |
| ACCOUNTS | 143,867,896 | 127,953,842 | 271,821,738 |
| AL RECEIPTS DURING PERIOD | 58,550,894,466 | 10,239,896,273 | 68,790,790,739 |
| DS AVAILABLE LIRE | 58,550,894,466 | 26,829,859,388 | 68,790,790,739 |

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| | | | | |
|---|---|---|---|---|
| - | - | DISBURSEMENTS DURING PERIOD | | 16,626,521 |
| 20 | - | MUTILATED AM LIRA CURRENCY DESTROYED | | 614,304,876 |
| 21 | - | * FUNDS HELD BY ACCOUNTING OFFICERS IN THE FIELD (Pending allocation to expenditure or other accounts) | | 169,336,000 |
| 22 | XII | AM STAMPS ISSUED TO POST OFFICE AND ON HAND | | 669,983,387 |
| 23 | XIII | PURCHASES IN ITALY OF SUPPLIES | | |
| 24 | XIV | STORAGE, HANDLING AND SHIPPING EXPENSES IN CONNECTION WITH IMPORTS, EXPORTS AND LOCAL SUPPLIES. | | 38,236,069 |
| 25 | XV | ADVANCES (Including advances to Italian State, Provinces & Communes) | | 6,280,347,659 |
| 26 | XVI | LOANS (Maturity dates or interest rate fixed in advance | | 2,400,280 |
| 27 | XVII | PAYMENTS TO PERSONS IN ITALY ON ACCOUNT OF REMITTANCES FROM ALLIED COUNTRIES | | 33,756,500 |
| 28 | XVIII | PAYMENTS IN RESPECT OF SUBJECTS OF ALLIED NATIONS | | 9,356,641 |
| 29 | XIX | PAYMENTS CHARGEABLE TO ITALIAN STATE IN RESPECT OF ITALIAN REFUGEES, ETC. | | 3,644,393 |
| 30 | XX | ADVANCES TO ALLIED ARMED FORCES | | 33,813,777,640 |
| 31 | XXI | DISBURSEMENTS IN RESPECT OF AMG/ACC EXPENDITURE | | 66,150,011 |
| 32 | - | METROPOLITAN LIRE ADVANCED TO BRITISH PAYMASTERS | | 66,174,450 |
| 33 | XXII | DISBURSEMENTS OF ADVISORY COUNCIL FOR ITALY | | 1,[illegible],420 |
| 34 | XXIII | | | |
| 35 | XXIV | | | |
| 36 | XXV | | | |
| 37 | XXVI | | | 41,817,083,455 |
| 38 | - | | | 143,867,896 |
| 39 | XXVII | CONTRA ACCOUNTS | | 41,960,951,351 |
| 40 | - | TOTAL DISBURSEMENTS DURING PERIOD | | 16,[illegible],963,115 |
| 41 | XXVIII | CASH ON HAND AND IN BANKS AT END OF PERIOD (Including Mutilated and Unfit AM Lira Notes on hand) | | |
| 42 | - | TOTAL DISBURSEMENTS AND CASH BALANCES | | [illegible],[illegible],[illegible],466 |

( ) - Red Figures

* Note: There is a lag of at least one month between (1) the time transactions of Accounting Offic[illegible] tion of such transactions in this Statement; however, advances made by Allied Financial Agen[illegible] by them to Allied Financial Agency are reflected in this account currently.

/s/ H. G. Crawshaw
/t/ H. H. CRAWSHAW
Colonel
Chief Accountant

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| | | | |
|---|---|---|---|
| DURING PERIOD | 18,626,521 | 7,848,643 | 26,475,164 |
| LIRA CURRENCY DESTROYED | 614,384,676 | (119,785,507) | 494,599,369 |
| BY ACCOUNTING OFFICERS IN THE FIELD | | | |
| allocation to expenditure or other accounts) | 169,336,000 | - | 169,336,000 |
| SUED TO POST OFFICE AND ON HAND | 669,983,387 | 190,059,554 | 860,042,941 |
| ITALY OF SUPPLIES | 38,236,669 | 17,034,368 | 55,271,037 |
| DLING AND SHIPPING EXPENSES IN CONNECTION WITH | | | |
| EXPORTS AND LOCAL SUPPLIES. | 6,289,347,669 | 46,697,848 | 6,336,045,517 |
| cluding advances to Italian State, Provinces & Communes) | 2,400,280 | (1,300,280) | 1,100,000 |
| ity date or interest rate fixed in advance | | | |
| PERSONS IN ITALY ON ACCOUNT OF REMITTANCES FROM ALLIED | 33,756,500 | 30,755,045 | 64,511,545 |
| COUNTRIES | 9,356,641 | 1,963,845 | 11,320,486 |
| RESPECT OF SUBJECTS OF ALLIED NATIONS | 3,544,393 | 2,583,012 | 6,127,405 |
| RGEABLE TO ITALIAN STATE IN RESPECT OF ITALIAN REFUGEES, ETC. | 33,813,777,648 | 5,725,770,973 | 39,539,548,621 |
| ALLIED ARMED FORCES | 86,150,011 | 17,538,603 | 103,688,619 |
| TS IN RESPECT OF AMG/ACC EXPENDITURE | 66,174,450 | - | 66,174,450 |
| AN LIRE ADVANCED TO BRITISH PAYMASTERS | 1,908,420 | 5,505,505 | 7,393,925 |
| TS OF ADVISORY COUNCIL FOR ITALY | | | |
| | 41,617,063,455 | 5,924,671,625 | 47,741,735,080 |
| | 143,867,890 | 127,953,842 | 271,821,730 |
| UNTS | 41,960,931,351 | 6,052,625,467 | 48,013,556,810 |
| BURSEMENTS DURING PERIOD | 16,589,963,115 | 20,777,233,921 | 20,777,233,921 |
| D AND IN BANKS AT END OF PERIOD | | | |
| ING Withheld and Until AM Lira notes on hand) | 58,550,894,466 | 26,829,859,388 | 68,790,790,731 |
| RSEMENTS AND CASH BALANCES | | | |

lag of at least one month between (1) the time transactions of Accounting Officers take place and (11) in the allocat
transactions in this Sta tement; however, advances made by Allied Financial Agency to such Officers and refunds made
llied Financial Agency a re reflected in this account currently.

/s/ James H. Penick
JAMES H. PENICK
Major
Chief of A.F.A.

. Crawshaw
. CRAWSHAW
nel
f Accountant

Declassified E.O. 12356 Section 3.3/NND No. 785017

ALLIED FINANCIAL AGENCY

SCHEDULES TO STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 31 JUL

(EXPRESSED IN LIRE)

| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MO |
|---|---|---|---|
| I | NEW A.M.LIRA NOTES RECEIVED | | |
| | (a) As Notified to Washington | 53,338,528,000 | 8,988,800, |
| | (b) Overages Revealed on Opening Boxes | - | |
| | (c) Shortages Revealed on Opening Boxes | (1,130) | - |
| | (d) Defective A.M.Lira Notes Returned to Washington | (452,731) | (54 |
| | Lire | 53,338,074,139 | 8,988,745 |
| II | DEPOSITS BY AMG/ACC DIVISIONS | | |
| | (a) Economic and Supply Division - Supplies | 691,653,497 | 895,419 |
| | (b) " " " " - Deposits on Returnable Containers | 30,394,275 | (9,631 |
| | (c) Public Health Division | 61,205,173 | 11,305 |
| | (d) Legal Division | 9,752,450 | 327 |
| | (f) Other Division | 77,700 | - |
| | Lire | 792,243,095 | 897,420 |
| III | FUNDS OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING OFFICERS IN THE FIELD | | |
| | (a) From Others | 10,500 | (10 |

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ALLIED FINANCIAL AGENCY

E/F 81

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 31 JULY 1944



(EXPRESSED IN LIRE)

| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| IVED | | | |
| shington | 53,338,528,000 | 8,988,800,000 | 62,327,328,000 |
| on Opening Boxes | - | 400 | 400 |
| on Opening Boxes | (1,130) | - | (1,130) |
| Notes Returned to Washington | (452,731) | (54,950) | (507,681) |
| Lire | 53,338,074,139 | 8,988,745,450 | 62,326,819,289 |
| SIONS | | | |
| y Division - Supplies | 691,653,497 | 895,419,071 | 1,587,072,568 |
| " - Deposits on Returnable Containers | 30,304,275 | (9,631,184) | 20,673,091 |
| | 61,205,173 | 11,305,037 | 72,510,210 |
| ion | 9,752,450 | 327,950 | 10,080,400 |
| | 27,700 | - | 27,700 |
| Lire | 792,943,095 | 897,420,874 | 1,690,363,969 |
| E AND OTHERS BY E FIELD | 10,500 | (10,500) | - |

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| SCHEDULE No. IV | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MON |
|---|---|---|---|
| | DEPOSITS | | |
| | (a) Controller of Property | 10,000,000 | - |
| | (1) Region I - A.G.I.F. | 1,744,473 | 4,209,10 |
| | (2) Region III - Miscellaneous | 11,744,473 | 4,209,10 |
| | | 74,340,097 | 5,820,19 |
| | (b) By U.S. Army Units | | |
| | (c) By Others . | 935,500 | (1,374,5 |
| | (1) "A" Force | 108,600 | - |
| | (2) Pasquale Esposito | 95,479,750 | 18,019,7 |
| | (3) Comitato Italiano Petroli | 1,948,527 | - |
| | (4) Enemy Unit Funds | 4,373,893 | (84,7 |
| | (5) Jewish Refugees Departing for Palestine | | |
| | (6) Italian Road Haulage Organisations (Depreciation on A.C.C. Vehicles) | 260,471 | 978,9 |
| | (7) Post Office, Vasto Marina, Chieti Province (Pending Receipt of Additional Information) | - | 173,0 |
| | (8) Provincial Finance Officer, Viterbo, Region IV (Pending Receipt of Additional Information) | - | 1,891,0 |
| | (9) Supply Officer, Messina (Pending Receipt of Additional Information) | - | 1,248,6 |
| | (10) Various (Under Lire 100,000 each) | 257,461 | 165,3 |
| | Lire | 189,448,772 | 31,046,1 |

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| f Property | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| A.G.I.F. | 10,000,000 | - | 10,000,000 |
| - Miscellaneous | 1,744,473 | 4,209,102 | 5,953,575 |
| | 11,744,473 | 4,209,102 | 15,953,575 |
| Units | 74,340,097 | 5,820,193 | 80,160,290 |
| posito | 936,500 | (1,374,583) | (438,083) |
| aliano Petroli | 108,600 | - | 108,600 |
| Funds | 95,475,790 | 18,019,773 | 113,495,563 |
| gees Departing for Palestine | 1,948,527 | - | 1,948,527 |
| d Haulage Organisations | 4,373,893 | (84,779) | 4,289,114 |
| on on A.C.C. Vehicles) | 260,471 | 978,960 | 1,239,431 |
| , Vasto Marina, Chieti Province | | | |
| ceipt of Additional Information) | - | 173,000 | 173,000 |
| Finance Officer, Viterbo, Region IV | | | |
| ceipt of Additional Information) | - | 1,891,000 | 1,891,000 |
| er, Messina | | | |
| ceipt of Additional Information) | - | 1,248,697 | 1,248,697 |
| er Lire 100,000 each) | 257,461 | 165,207 | 422,668 |
| Lire | 189,445,772 | 31,046,570 | 220,492,342 |

| ITALY OF SUPPLIES | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|
| pply Division | | | | |
| rted or Drawn from Armies | | 1,561,391,422 | 121,864,470 | 1,683,255,392 |
| hased Locally | | 16,354,919 | 463,864 | 16,818,783 |
| ivision | | | | |
| rted or Drawn from Armies | | 14,427,980 | 58,449,256 | 72,877,236 |
| hased Locally | | 4,500 | - | 4,500 |
| | Lire | 1,592,178,821 | 180,777,590 | 1,772,956,411 |

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| SCHEDULE No. V | PROCEEDS OF SALES IN ITALY OF SUPPLIES | | TOTAL TO CLOSE OF PREVIOUS MONTH | CU |
|---|---|---|---|---|
| | (a) Economic and Supply Division | | | |
| | (1) Supplies Imported or Drawn from Armies | | 1,561,391,422 | 1 |
| | (2) Supplies Purchased Locally | | 16,354,919 | |
| | (b) Public Health Division | | | |
| | (1) Supplies Imported or Drawn from Armies | | 14,427,980 | |
| | (2) Supplies Purchased Locally | | 4,500 | |
| | | Lire | 1,592,178,821 | 1 |

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| N ITALY OF SUPPLIES | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|
| Supply Division | | | | |
| nported or Drawn from Armies | | 1,561,391,422 | 121,864,470 | 1,683,255,392 |
| urchased Locally | | 16,354,919 | 463,864 | 16,818,783 |
| n Division | | 14,427,980 | 58,449,256 | 72,877,236 |
| nported or Drawn from Armies | | 4,500 | - | 4,500 |
| urchased Locally | | | | |
| | Lire | 1,592,178,821 | 180,777,590 | 1,772,956,411 |

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ALLIED FINANCIAL AGENCY

SCHEDULE VI TO STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 31 JULY 1944.

(EXPRESSED IN LIRE)

| | TOTAL A.M.G. | TO CLOSE A.C.C. | OF PREVIOUS A.F.A. | MONTH NOTE 1 | TOTAL |
|---|---|---|---|---|---|
| RECEIPTS IN RESPECT OF AMG/ACC REVENUE: | | | | | |
| SALE OF CONFISCATED OR CAPTURED SUPPLIES: | | | | | |
| Foodstuffs | 12,889,572 | 465,765 | - | 50,879 | 13,406,216 |
| Fuels: Petrol, Oil & Lubricants | 13,709,408 | 1,514,064 | - | - | 15,223,472 |
| Fuel: Coal, etc. | 1,653,479 | 159,882 | - | - | 1,813,361 |
| Motor Parts & Tires | 1,513,625 | (206,950) | - | - | 1,306,675 |
| Medical Supplies | 196,013 | 87,632 | - | - | 282,645 |
| Livestock | 34,145,336 | 887,903 | - | - | 35,033,239 |
| Building Material | 4,455,585 | 93,933 | - | - | 4,549,518 |
| War Material | 4,009,103 | (146,500) | - | - | 3,862,603 |
| Tobacco | 1,133,109 | 31,461 | - | - | 1,164,570 |
| Wines, etc. | 3,232,363 | - | - | [illegible] | 3,232,363 |
| Coal | 1,189,106 | 175,620 | - | [illegible] | 1,364,626 |
| Sundries | 5,455,974 | 516,255 | - | 67,200 | 6,019,429 |
| | 83,661,673 | 3,578,945 | | 118,079 | 87,258,697 |
| FINES IMPOSED BY ALLIED MILITARY COURTS | 50,887,140 | 2,351,235 | - | - | 53,241,375 |
| OTHER RECEIPTS: | | | | | |
| Hire of Vehicles | 11,279,007 | 2,048,736 | - | - | 13,327,743 |
| Office Fees (Motor Vehicle Permits) | 506,575 | 200,900 | - | - | 707,475 |
| Bank Interest Received | 9,277 | 17,951 | 3,481,568 | - | 3,509,096 |
| Sundries | 689,057 | 47,005 | 545 | - | 737,407 |
| | 12,486,716 | 2,314,592 | 3,482,413 | | 18,383,721 |
| TOTALS LIRE | 146,935,529 | 8,327,772 | 3,482,413 | 118,079 | 158,883,793 |

NOTES: (1) Items described on Schedule VI of AFA Accounts at 30 June 1944 as "AMG/ACC Revenue Received by AFA Henceforth, no attempt will be made to segregate transactions in the Accounts as between AMG, ACC and this note will not appear in future Accounts

August 31, 1944

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AILIED FINANCIAL AGENCY

CHEDULE VI TO STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 31 JULY 1944.
(EXPRESSED IN LIRE)

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| | TOTAL A.M.G. | TO CLOSE A.C.C. | OF PREVIOUS A.F.A. | MONTH NOTE 1 | TOTAL | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|---|---|---|
| C REVENUE: | | | | | | | |
| URET SUPPLIES: | | | | | | | |
| | 12,809,572 | 465,765 | - | 50,879 | 13,406,216 | 224,167 | 13,630,383 |
| ricants | 13,705,400 | 1,514,064 | - | - | 15,223,472 | 69,710 | 15,292,182 |
| | 1,653,479 | 159,882 | - | - | 1,813,361 | - | 1,813,361 |
| | 1,513,625 | (206,950) | - | - | 1,306,675 | (192,900) | 1,113,775 |
| | 195,013 | 87,632 | - | - | 282,645 | 208,363 | 491,008 |
| | 34,145,336 | 887,903 | - | - | 35,033,239 | 19,000 | 35,052,039 |
| | 4,455,565 | 93,933 | - | - | 4,549,518 | 265,670 | 4,815,196 |
| | 4,009,103 | (146,500) | - | - | 3,862,603 | - | 3,862,603 |
| | 1,133,109 | 31,441 | - | - | 1,164,550 | 36,062 | 1,200,612 |
| | 3,232,363 | - | - | [illegible] | 3,232,363 | [illegible]2,822 | 3,231,985 |
| | 1,189,186 | 175,620 | - | [illegible] | 1,364,626 | 325,702 | 1,690,328 |
| | 6,435,974 | 516,255 | - | 67,200 | 6,019,429 | 112,161 | 6,131,590 |
| | 83,561,673 | 3,578,945 | | 118,079 | 87,258,697 | 1,070,163 | 88,328,860 |
| Y COURTS | 50,887,140 | 2,354,238 | - | - | 53,241,378 | 12,257,637 | 65,499,012 |
| | 11,273,007 | 2,048,736 | - | - | 13,327,743 | 75,454 | 13,403,197 |
| o Forsite) | 508,575 | 280,900 | - | - | 789,475 | 43,050 | 832,525 |
| | 9,277 | 17,951 | 3,481,868 | - | 3,509,096 | 346,065 | 3,855,161 |
| | 689,857 | 47,005 | 545 | - | 737,407 | 170,070 | 907,476 |
| | 12,486,716 | 2,394,592 | 3,482,413 | | 18,363,721 | 634,647 | 18,998,368 |
| E | 146,935,529 | 8,327,772 | 3,482,413 | 118,079 | 158,863,793 | 13,962,447 | 172,826,240 |

chedule VI of AFA Accounts at 30 June 1944 as "AMG/ACC Revenue Received by AFA direct in Current Month".
t will be made to segregate transactions in the Accounts as between AMG, ACC and AFA and, consequently,
ppear in future Accounts

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT |
|---|---|---|---|
| IX | CONTRA ACCOUNTS | | |
| | + Deposits for Remittances (A.F. Accounts) | | |
| | (a) U.S. Dollars ($ 2,609,471.77) | 137,188,040 | 123,7 |
| | (b) Sterling (£ 27,186 . 0 . 0) | 6,679,856 | 4,1 |
| | Lire | 143,867,896 | 127,9 |
| | + The amount of Deposits for Remittances is equal to the total of Payments to P Remittances from Allied Countries (see Item No. 27) plus "Funds Deposited wit Payments (see Schedule XXVIII (c) 3) | | |
| XII | A.M. STAMPS ISSUED TO POST OFFICE AND ON HAND | | |
| | (a) Issued to Post Office | 25,514,000 | 3,1 |
| | (b) A.M. Stamps on Hand | 143,822,000 | (3,1 |
| | Lire | 169,336,000 | - |
| XIII | PURCHASES IN ITALY OF SUPPLIES | | |
| | (a) For Export to | | |
| | (1) United States of America | 50,798,150 | 2 |
| | (2) Great Britain | 373,769,848 | 111,0 |
| | (3) North Africa | 27,970,815 | 3,2 |
| | (4) Corsica | 644,778 | - |
| | (5) Malta | 172,025,349 | 40,2 |
| | | 625,228,940 | 154,7 |
| | (b) For Stockpiling Pending Export | - | 22,5 |
| | (c) For Re-sale in Italy | 44,754,447 | 12,7 |
| | Lire | 669,983,387 | 190,0 |

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| | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|
| mittences (A.F. Accounts) | | | | |
| ers ($ 2,609,471.77) | | 137,188,040 | 123,759,137 | 260,947,177 |
| (£ 27,186 . 8 . 0) | | 6,679,856 | 4,194,705 | 10,874,561 |
| | Lire | 143,867,896 | 127,953,842 | 271,821,738 |

eposits for Remittances is equal to the total of Payments to Persons in Italy on Account of m Allied Countries (see Item No. 27) plus "Funds Deposited with Italian Banks for Remittance chedule XXVIII (e) 3)

| TO POST OFFICE AND ON HAND | | | | |
|---|---|---|---|---|
| Post Office | | 25,514,000 | 3,120,000 | 28,634,000 |
| ps on Hand | | 143,822,000 | (3,120,000) | 140,702,000 |
| | Lire | 169,336,000 | - | 169,336,000 |

| OF SUPPLIES | | | |
|---|---|---|---|
| t to | | | |
| States of America | 50,798,150 | 210,758 | 51,008,908 |
| ritain | 373,769,848 | 111,078,163 | 484,868,011 |
| frica | 27,970,815 | 3,218,824 | 31,189,639 |
| | 644,778 | - | 644,778 |
| | 172,025,349 | 40,241,186 | 212,266,535 |
| | 625,228,940 | 154,748,931 | 779,977,871 |
| ilding Pending Export | - | 22,567,415 | 22,567,415 |
| in Italy | 44,754,447 | 12,743,208 | 57,497,655 |
| Lire | 669,983,387 | 190,059,554 | 860,042,941 |

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| SCHED-ULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT |
|---|---|---|---|
| XIV | STORAGE, HANDLING AND SHIPPING EXPENSES IN CONNECTION WITH IMPORTS, EXPORTS AND LOCAL SUPPLIES | | |
| | (a) Emoluments of Civilian Personnel | 16,072,808 | 4, |
| | (b) Repairs to Warehouses and Approach Roads | 1,501,885 | |
| | (c) Rent of Warehouses | 2,764 | |
| | (d) Transport and Shipping Charges | 16,670,956 | 8, |
| | (e) Other Expenses | 1,988,256 | 3, |
| | Lire | 36,236,669 | 17, |
| XV | ADVANCES | | |
| | (a) To Italian State Treasury, Armed Forces, and State Institutions | 4,583,412,717 | 17, |
| | (b) To Provinces | 488,275,595 | 1, |
| | (c) To Communes | 1,205,895,088 | 25, |
| | | 6,277,583,400 | 45, |
| | (d) To Others: | | |
| | (1) Items included on Sub-Accountants' Reports, not yet allocated, pending receipt of proper vouchers or more complete information | 4,519,867 | (1, |
| | (2) Advisory Council for Italy | 1,761,580 | (1, |
| | (3) Societe Acquedotto, Napoli | 3,000,000 | |
| | (4) Sanotodo Caputa | 1,000,000 | |
| | (5) Villa Rosa Mental Hospital | 1,000,000 | |
| | (6) Casa delle Madre e del Bambino Principessa Maria Gabriella - Ischia | 100,000 | |
| | (7) Cost of Forms printed for Ministry of Agriculture, pending acknowledgement of indebtedness | - | 6 3 |
| | (8) Intergovernmental Committee for Refugees (pending return of receipts for deposits-see Sch IV(c)5) | - | 33 |
| | (9) Miscellaneous (Under Lire 100,000 each) | 382,812 | |
| | Lire | 6,289,347,659 | 46 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| LING AND SHIPPING EXPENSES IN CONNECTION EXPORTS AND LOCAL SUPPLIES | | | |
| nts of Civilian Personnel | 16,672,808 | 4,519,043 | 26,591,851 |
| to Warehouses and Approach Roads | 1,501,885 | 85,449 | 1,587,334 |
| Warehouses | 2,764 | - | 2,764 |
| rt and Shipping Charges | 16,670,956 | 8,912,246 | 25,583,202 |
| penses | 3,988,256 | 3,517,630 | 7,505,886 |
| Lire | 38,236,669 | 17,034,368 | 55,271,037 |
| n State Treasury, Armed Forces, e Institutions | 4,583,412,717 | 17,801,753 | 4,601,214,470 |
| nces | 488,275,595 | 1,965,196 | 190,240,791 |
| ngs | 1,205,895,088 | 25,768,870 | 1,231,663,958 |
| | 6,277,583,400 | 45,535,819 | 6,323,119,219 |
| s included on Sub-Accountants' Reports, not located, pending receipt of proper voucher more complete information | 4,519,867 | (1,696,497) | 2,823,370 |
| ry Council for Italy | 1,761,580 | (1,761,580) | - |
| Acquedotto, Napoli | 3,000,000 | - | 3,000,000 |
| a Caputa | 1,000,000 | - | 1,000,000 |
| ess Mental Hospital | 1,000,000 | - | 1,000,000 |
| lle Madre e del Bambino | | | |
| ipease Maria Gabriella - Ischia | 100,000 | - | 100,000 |
| Forms printed for Ministry of Agriculture nding acknowledgement of indebtedness | - | 3,980,400 | 3,980,400 |
| vernmental Committee for Refugees (pending rm of receipts for deposits-see Sch IV(a)5) | - | 600,000 | 600,000 |
| neous (Under Lire 100,000 each) | 382,812 | 39,716 | 422,528 |
| Lire | 6,289,347,699 | 46,697,858 | 6,336,045,517 |

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH |
|---|---|---|---|
| XXVIII | CASH ON HAND AND IN BANKS AT END OF PERIOD (Including Mutilated and Unfit A.M.Lire Notes on Hand) | | |
| | (a) Current Cash - Lire | 242,267 | 84,979 |
| | (b) Reserve Cash - A.M. Lire | 12,299,472,000 | 3,967,584,000 |
| | (c) Bank Current Accounts - Lire | | |
| | (1) Banca d'Italia | 1,359,084,718 | 230,508,517 |
| | (2) Banco di Napoli | 45,063,887 | 34,750,065 |
| | (3) Banco di Sicilia | 348,265,867 | 291,062,211 |
| | (4) Credito Italiano | 2,776,600 | - |
| | (5) Banca Commerciale Italiana | 7,118,010 | - |
| | Total Bank Current Accounts | 1,762,309,002 | 556,321,593 |
| | Total Lire Funds | 14,062,023,269 | 4,123,990,572 |
| | (d) Non-Lire Currency on Hand or in Banks | | |
| | (1) Yellow Seal Dollars ($ 1,303,231.84) | 136,166,443 | (5,843,259 |
| | (2) B.M.A. Pounds (£ 420,682.13. 2) | 205,390,459 | (37,117,393 |
| | (3) Francs (Frs. 35,000) | - | 70,000 |
| | Total Non-Lire Currency | 341,556,902 | (42,890,652 |
| | (e) Other Balances with Banks | | |
| | (1) Banca d'Italia No.2 Account | 1,600,000,000 | - |
| | (2) AFA Rome Letter of Credit Account | 400,000,000 | - |
| | (3) Funds Deposited with Italian Banks for Remittance Payments | 110,111,396 | 97,198,797 |
| | (4) Funds Deposited by U.S.Army Units(See Sch. XVb) | 74,340,097 | 5,920,197 |
| | Total Other Balances with Banks | 2,184,451,493 | 103,118,994 |
| | | 16,588,031,664 | 4,184,218,914 |
| | MUTILATED AND UNFIT A.M.LIRA NOTES ON HAND | 1,931,451 | 3,151,891 |
| | Lire | 16,589,963,115 | 4,187,370,805 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| N BANKS AT END OF PERIOD | | | |
| ed and Unfit A.M.Lire Notes on Hand) | 242,267 | 84,979 | 327,246 |
| - Lire | 12,299,472,000 | 3,567,584,000 | 15,867,056,000 |
| - A.M. Lire | | | |
| Accounts - Lire | | | |
| dlia | 1,359,084,718 | 230,508,517 | 1,589,593,235 |
| Spoli | 45,063,807 | 34,750,865 | 79,814,672 |
| ilella | 348,265,867 | 291,062,211 | 639,328,078 |
| ollino | 2,776,600 | - | 2,776,600 |
| ercials Italiana | 7,118,010 | - | 7,118,010 |
| otal Bank Current Accounts | 1,762,309,002 | 556,321,593 | 2,318,630,595 |
| otal Lire Funds | 14,062,023,269 | 1,123,990,572 | 16,186,013,841 |
| rency on Hand or in Banks | | | |
| l Dollars ($ 1,303,231.84) | 136,166,443 | (5,843,259) | 130,323,184 |
| nds (£ 420,682.13. 2) | 205,390,459 | (37,117,395) | 168,273,064 |
| (Frs. 35,000) | - | 70,000 | 70,000 |
| otal Non-Lira Currency | 341,556,902 | (42,890,654) | 298,666,248 |
| es with Banks | | | |
| ilia No.2 Account | 1,600,000,000 | - | 1,600,000,000 |
| etter of Credit Account | 400,000,000 | - | 400,000,000 |
| osited with Italian Banks | 110,111,396 | 97,198,797 | 207,310,193 |
| tenance Payments | | 5,820,193 | 80,160,290 |
| sited by U.S.Army Units(See Sch. IVb) | 74,340,097 | | |
| otal Other Balances with Banks | 2,184,451,493 | 103,018,990 | 2,287,470,483 |
| | 16,588,031,664 | 4,184,118,908 | 20,772,150,572 |
| A.M.LIRA NOTES ON HAND | 1,931,451 | 3,151,868 | 5,083,319 |
| Lire | 16,589,963,115 | 4,187,270,806 | 20,777,233,921 |

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| SCHED-ULE No. | LOANS | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH |
|---|---|---|---|
| XVI | (a) To Banks | 2,400,000 | (1,300,000 |
| | (b) To Others | 280 | (280 |
| | Lire | 2,400,280 | (1,300,280 |
| XVII | PAYMENTS TO PERSONS IN ITALY ON ACCOUNT OF REMITTANCES FROM ALLIED COUNTRIES | | |
| | (a) Remittances from United States of America | 33,692,300 | 30,588,745 |
| | (b) Remittances from Gt. Britain & the Sterling Area | 64,200 | 166,300 |
| | Lire | 33,756,500 | 30,755,045 |
| XVIII | PAYMENTS IN RESPECT OF SUBJECTS OF ALLIED NATIONS | | |
| | (a) Emergency Financial Assistance to | | |
| | (1) U.S.Nationals | 3,451,800 | 559,500 |
| | (2) British " | 1,760,655 | 456,800 |
| | (3) Canadian " | 8,000 | 13,000 |
| | (4) Belgian " | 17,930 | - |
| | (5) Brazilian" | 18,000 | - |
| | (6) Columbian" | 1,800 | - |
| | (7) Czechoslovak " | 27,535 | - |
| | (8) French " | 97,080 | - |
| | (9) Greek " | 49,300 | - |
| | (10) Icelandic " | 7,100 | - |
| | (11) Dutch " | 9,700 | - |
| | (12) Norwegian " | 3,000 | - |
| | (13) Polish " | 99,075 | - |
| | (14) Russian " | 11,200 | - |
| | (15) Yugoslav " | 175,005 | - |
| | Lire | 5,737,160 | 1,029,300 |
| | (b) Expenses in Connection with Refugee Camps | 1,243,681 | 725,545 |
| | (c) Payments to Allied Nations Missions(Belgian) | 13,000 | - |
| | (2) Czechoslovak Military Mission | 210,000 | 45,000 |
| | (3) Netherlands " | 569,000 | 500,000 |
| | (4) Norwegian Military Mission | 164,000 | 42,000 |
| | (5) Polish " " | 994,000 | - |
| | (6) Royal Yugoslav " " | 400,000 | (400,000 |
| | Lire | 9,356,841 | 1,963,845 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| | 2,400,000 | (1,300,000) | 1,100,000 |
| | 280 | (280) | - |
| Lire | 2,400,280 | (1,300,280) | 1,100,000 |
| SONS IN ITALY ON ACCOUNT | | | |
| FROM ALLIED COUNTRIES | | | |
| es from United States of America | 33,692,300 | 30,588,745 | 64,281,045 |
| es from Gt. Britain & the Ster.Area | 64,200 | 166,300 | 230,500 |
| Lire | 33,756,500 | 30,755,045 | 64,511,545 |
| SPECT OF SUBJECTS OF ALLIED NATIONS | | | |
| Financial Assistance to | | | |
| ionals | 3,451,800 | 559,500 | 4,011,300 |
| " | 1,760,655 | 456,800 | 2,217,455 |
| " | 8,000 | 13,000 | 21,000 |
| an " | 17,930 | - | 17,930 |
| " | 18,000 | - | 18,000 |
| fan" | 1,800 | - | 1,800 |
| lan" | 27,535 | - | 27,535 |
| slovak " | 97,060 | - | 97,060 |
| " | 49,300 | - | 49,300 |
| " | 7,100 | - | 7,100 |
| dic " | 9,700 | - | 9,700 |
| " | 3,000 | - | 3,000 |
| ian " | 99,075 | - | 99,075 |
| " | 11,200 | - | 11,200 |
| " | 175,005 | - | 175,005 |
| v " | 5,737,160 | 1,029,300 | 6,766,460 |
| Lire | 1,243,481 | 745,545 | 1,989,026 |
| in Connection with Refugee Camps | 13,000 | - | 13,000 |
| to Allied Nations Missions(Belgian) | 240,000 | 45,000 | 285,000 |
| lovak Military Mission | 565,000 | 500,000 | 1,065,000 |
| " | 154,000 | 44,000 | 208,000 |
| ndo | 994,000 | - | 994,000 |
| an Military Mission | 400,000 | (400,000) | - |
| " " | 9,356,641 | 1,963,845 | 11,320,485 |
| " " | | | |
| Lire | | | |

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH |
|---|---|---|---|
| XIX | PAYMENTS CHARGEABLE TO ITALIAN STATE IN RESPECT OF ITALIAN REFUGEES ETC. | | |
| | (a) Maintenance of Internees + | - | 1,046,212 |
| | (b) Payments in Respect of Italian Refugees + | 3,396,755 | 1,536,800 |
| | (c) Emergency Financial Assistance Payments to Other than Allied Nationals | | |
| | (1) Albanian Nationals | 16,833 | - |
| | (2) Egyptian | 5,200 | - |
| | (3) Italian ex Yugoslav | 4,000 | - |
| | (4) Lettonian | 5,700 | - |
| | (5) Paraguayan | 4,500 | - |
| | (6) Peruvian | 2,000 | - |
| | (7) Swedish | 1,200 | - |
| | (8) Swiss | 600 | - |
| | (9) Austrian Jewish | 18,200 | - |
| | (10) German Jewish | 19,320 | - |
| | (11) Stateless Persons | 29,400 | - |
| | (12) Unknown | 40,605 | - |
| | Lire | 3,544,393 | 2,583,012 |

+ A substantial portion of the amounts charged to these Sub-Heads will be transfe
State Treasury, Armed Forces and State Institutions", on receipt of the appropr

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| ABLE TO ITALIAN STATE | | | |
| TALIAN REFUGEES ETC. | | | |
| ce of Interests + | - | 1,046,212 | 1,046,212 |
| in Respect of Italian Refugees + | 3,396,755 | 1,536,800 | 4,933,555 |
| Financial Assistance Payments to | | | |
| n Allied Nationals | 16,833 | - | 16,833 |
| n Nationals | 5,200 | - | 5,200 |
| n | 4,000 | - | 4,000 |
| ex Yugoslav | 5,700 | - | 5,700 |
| on | 4,500 | - | 4,500 |
| yan | 2,000 | - | 2,000 |
| n | 1,200 | - | 1,200 |
| | 600 | - | 600 |
| | 18,200 | - | 18,200 |
| n Jewish | 19,320 | - | 19,320 |
| Jewish | 29,400 | - | 29,400 |
| an Persons | 40,685 | - | 40,685 |
| Lire | 3,544,393 | 2,583,012 | 6,127,405 |

portion of the amounts charged to these Sub-Heads will be transferred to "Advances to Italian
y, Armed Forces and State Institutions", on receipt of the appropriate vouchers.

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | | | | |
|---|---|---|---|---|---|
| | A.M.G. | A.C.C. | A. F. A. | NOTE 1 | TOTAL |
| SPECIAL EXPENDITURES: | | | | | |
| Purchase of Office Furniture & Equipment | 2,207,986 | 2,467,597 | 95,699 | | 4,771,281 |
| Purchase of Furniture & Equipment for Billets & Messes | 49,576 | 339,586 | | | 389,162 |
| Reconditioning of Offices, Billets & Messes | 894,237 | 1,142,872 | 60,015 | | 2,097,124 |
| Army Services & Works | 195,316 | - | | | 195,316 |
| Navy Services & Works | 4,766 | - | | | 4,766 |
| Purchase of Cash Boxes & Safes | 30,285 | 25,200 | | | 55,485 |
| | 3,382,165 | 3,975,255 | 155,714 | | 7,513,134 |
| TOTAL EXPENDITURE LIRE | 50,064,675 | 30,781,370 | 5,209,538 | 14,620 | 86,150,011 |

NOTES (1) Items described on Schedule XXI of AFA Accounts at 30 June 1944 as "AMG/ACC Disbursements made by A
Henceforth, no attempt will be made to segregate transactions in the Accounts as between AMG, ACC a
note will not appear in future Accounts.

(2) The amount of Lire 10,881,390 to 30 June 1941 for "Printing and Stationary" includes cost of print
Ministry of Agriculture, which will be refunded by or charged to the Ministry when the Precise amou

August 30, 1944

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | | | NOTE I | TOTAL | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|---|---|---|
| | A.M.G. | A.C.C. | A.F.A. | | | | |
| | | | | | 4,771,281 | 254,893 | 5,026,174 |
| Equipment | 2,207,905 | 2,467,697 | 95,699 | | 389,162 | 18,920 | 408,082 |
| ment for | 49,576 | 339,586 | | | 2,097,124 | 2,042,143 | 4,139,267 |
| ts & Messes | 894,237 | 1,142,872 | 60,015 | | 195,316 | 101,890 | 297,206 |
| | 195,316 | - | | | 4,766 | - | 4,766 |
| | 4,766 | - | | | 55,465 | 4,630 | 60,115 |
| | 30,265 | 25,200 | | | 7,513,134 | 2,422,476 | 9,935,610 |
| | 3,382,165 | 3,975,255 | 155,714 | | | | |
| LIRE | 50,064,675 | 30,781,370 | 5,269,338 | 147,628 | 86,150,011 | 17,538,600 | 102,688,619 |

Schedule XXI of AFA Accounts at 30 June 1944 as "AMG/ACC Disbursements made by AFA direct in current month". mpt will be made to segregate transactions in the Accounts as between AMG, ACC and AFA and, consequently, this r in future Accounts.

10,881,390 to 30 June 1941 for "Printing and Stationery" includes cost of printing certain forms for the Italian ture, which will be refunded by or charged to the Ministry when the Precise amount thereof has been established.

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MON |
|---|---|---|---|
| XXII | DISBURSEMENTS OF ADVISORY COUNCIL FOR ITALY | | |
| | (a) U.S. Delegation | 263,700 | 106,672 |
| | (b) British Delegation | 153,241 | 223,987 |
| | (c) Russian Delegation | 1,164,617 | 3,437,771 |
| | (d) Yugoslav Delegation | 164,717 | 677,300 |
| | (e) Greek Delegation | 169,893 | 982,910 |
| | (f) French Delegation | 72,252 | 76,833 |
| | Lire | 1,988,420 | + 5,505,506 |
| | + The "Current Month" disbursements include June and July expenditures | | |
| XXVII | CONTRA ACCOUNTS | | |
| | (a) Foreign Exchange Due from Banco di Sicilia | | |
| | (1) U.S. Dollars ($ 1,091,040.82) | 66,060,108 | 43,023,974 |
| | (2) Sterling (£ 27,106. 0. 0) | 6,679,856 | 4,194,705 |
| | (b) Foreign Exchange Due from Banco di Napoli | | |
| | (1) U.S. Dollars ($ 1,510,430.95) | 71,107,932 | 80,735,163 |
| | Lire | 143,867,896 | 127,953,842 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| ADVISORY COUNCIL FOR ITALY | | | |
| ation | 263,700 | 106,672 | 370,372 |
| legation | 153,241 | 223,987 | 377,228 |
| legation | 1,164,617 | 3,437,771 | 4,602,388 |
| elegation | 164,717 | 677,300 | 842,017 |
| gation | 169,893 | 982,918 | 1,152,811 |
| egation | 72,252 | 76,858 | 149,110 |
| Lire | 1,988,420 | + 5,505,506 | 7,493,926 |
| onth" disbursements include June and July expenditures | | | |
| change Due from Banco di Sicilia | | | |
| ara ($ 1,091,040.82) | 66,080,108 | 43,023,974 | 109,104,082 |
| (£ 27,186. 8. 0) | 6,679,856 | 4,194,705 | 10,874,561 |
| hange Due from Banco di Napoli | | | |
| ara ($ 1,510,430.95) | 71,107,932 | 80,735,163 | 151,843,095 |
| Lire | 143,867,896 | 127,953,842 | 271,821,738 |

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SCHED-
ULE
No.
XX

| ADVANCES TO ALLIED ARMED FORCES | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH |
|---|---|---|
| (a) To American Army | | |
| (1) Paid in Lire | 15,913,128,000 | 2,753,920,000 |
| (2) Paid in Yellow Seal Dollars ($ 1,505,300) | 150,530,000 | - |
| (b) To American Navy | | |
| (1) Paid in Lire | 231,064,000 | - |
| (2) Paid in Yellow Seal Dollars ($ 788,000) | 63,300,000 | 15,500,000 |
| (c) To British Army | | |
| (1) Paid in Lire | 12,995,507,830 | 1,652,528,000 |
| (2) Paid in B.M.A. Pounds (£ 2,508,896. 5. 0) | 869,576,500 | 113,982,000 |
| (d) To British Navy | | |
| (1) Paid in Lire | 26,032,800 | 1,820,000 |
| (2) Paid in Francs (Frs. 15,915) | 31,830 | - |
| (e) To Royal Air Force | | |
| (1) Paid in Lire | 18,035,000 | - |
| (2) Paid in Francs (Frs. 1,319,844) | 2,639,688 | - |
| (f) To French Armed Forces | | |
| (1) Paid in Lire | 3,521,832,000 | 1,170,432,000 |
| (g) To Brazilian Armed Forces | | |
| (1) Paid in Lire | - | 14,589,977 |
| Lire | 33,013,777,648 | 5,725,770,977 |

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| ARMED FORCES | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| RMY | | | |
| e | 15,913,128,000 | 2,753,920,000 | 18,667,048,000 |
| low Seal Dollars ($ 1,505,300) | 150,530,000 | - | 150,530,000 |
| IRFORCE | | | |
| e | 231,064,000 | - | 231,064,000 |
| low Seal Dollars ($ 788,000) | 63,300,000 | 15,500,000 | 78,800,000 |
| AVY | | | |
| e | 12,955,607,830 | 1,652,528,000 | 14,608,135,830 |
| .A. Pounds (£ 2,508,896. 5. 0) | 889,576,500 | 113,982,000 | 1,003,558,500 |
| ARMY | | | |
| e | 28,032,800 | 4,820,000 | 32,852,800 |
| ions (Frs. 15,915) | 31,830 | - | 31,830 |
| Forces | | | |
| | 18,035,000 | - | 18,035,000 |
| ces (Frs. 1,319,844) | 2,639,688 | - | 2,639,688 |
| d Forces | | | |
| | 3,521,832,000 | 1,170,432,000 | 4,692,264,000 |
| rmed Forces | | | |
| | - | 14,588,973 | 14,588,973 |
| Lire | 33,813,777,646 | 5,725,770,973 | 39,539,548,621 |

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# ALLIED FINANCIAL AGENCY

SCHEDULE XXI TO STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 31 JULY 1944.

(Expressed in lire)

| | TOTAL TO CLOSE OF PREVIOUS MONTH | | | | |
|---|---|---|---|---|---|
| | A. M. G. | A. C. C. | A. F. A. | NOTE 1 | T |
| DISBURSEMENTS IN RESPECT OF AMG/ACC EXPENDITURE | | | | | |
| EMOLUMENTS OF CIVILIAN PERSONNEL (Excluding Storage and handling Charges & Mess Servants): | | | | | |
| Postal Section (Re-Constr'ship) | 261,928 | 1,642,830 | | | 1 |
| Traffic Control in conjunction with Field Security Section | 1,916,590 | - | | | 1 |
| All Other Divisions | 26,057,641 | 13,180,451 | 114,906 | | 39 |
| | 28,236,159 | 14,823,281 | 114,906 | | 41 |
| STORAGE AND HANDLING OF CONFISCATED OR CAPTURED SUPPLIES: | | | | | |
| Emoluments of Civilian Personnel | 880,659 | 85,414 | | | |
| Salvage Expenses | 1,152,082 | 40,014 | | | 1 |
| Other Expenses | 669,045 | 54,932 | | | |
| | 2,702,656 | 180,360 | | | 2 |
| MOTOR TRANSPORT (All Divisions) | | | | | |
| Hire of Vehicles | 1,132,233 | 104,675 | | | 1 |
| Maintenance of Vehicles | 3,875,441 | 1,592,405 | 1,035 | | 5 |
| | 5,007,674 | 1,697,080 | 1,035 | | 6 |
| OTHER ADMINISTRATIVE EXPENSES (All Divisions) | | | | | |
| Printing & Stationary (Note 2) | 6,620,041 | 4,221,513 | 39,636 | | 10 |
| Rent of Offices and Billets | 119,658 | 122,428 | - | | |
| Maintenance of Offices & Billets | 1,195,002 | 1,651,437 | 4,410 | | 2 |
| Maintenance of Office Equipment | 273,563 | 88,265 | 1,985 | | |
| Messing & Out-of-pocket Expenses(Including Emoluments of Civilian Personnel) | 1,569,891 | 3,667,686 | | | 5 |
| Transport & Travelling(Civil. Person.) | 98,558 | 81,374 | | | |
| Presents & Rewards | 173,736 | 82,800 | | | |
| Compensation | 25,165 | - | | | |
| Witness Fees and Expenses | 12,334 | 8,185 | | | |
| Bank Interests & Expenses | 336 | 336 | 4,970,168 | | 4 |
| Entertain. of Officials of Allied Mission & of the Italian Government | 49,200 | 32,070 | | | |
| Sundries | 606,520 | 149,696 | 1,284 | 14,620 | |
| | 10,735,998 | 10,105,394 | 5,017,483 | 14,620 | 25 |

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# A L L I E D  F I N A N C I A L  A G E N C Y

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 31 JULY 1944.

(Expressed in lire)

| | TOTAL TO CLOSE OF PREVIOUS MONTH | | | | | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|---|---|---|
| | A. M. G. | A. C. C. | A. F. A. | NOTE 1 | TOTAL | | |
| AMG/ACC EXPENDITURE | | | | | | | |
| PERSONNEL (Excluding Charges & Mess Servants): | | | | | | | |
| (Censorship) | 261,921 | 1,642,830 | | | 1,904,751 | 565,322 | 2,491,073 |
| conjunction with Section | 1,916,500 | - | | | 1,916,890 | 1,165,170 | 3,1[illegible] |
| s | 26,057,641 | 13,180,451 | 114,906 | | 39,352,998 | 7,602,557 | 46,9[illegible] |
| | 28,236,162 | 14,823,281 | 114,906 | | 43,174,339 | 9,354,049 | 52,520,388 |
| CONFISCATED | | | | | | | |
| ilian Personnel | 880,659 | 85,414 | | | 966,073 | 25,770 | 991,843 |
| | 1,152,992 | 40,014 | | | 1,192,996 | - | 1,192,996 |
| | 669,045 | 54,932 | | | 723,977 | - | 723,977 |
| | 2,702,696 | 180,360 | | | 2,883,046 | 25,770 | 2,908,816 |
| sions) | | | | | | | |
| | 1,132,233 | 104,676 | | | 1,236,908 | 155,127 | 1,392,035 |
| cles | 3,875,441 | 1,592,405 | 1,035 | | 5,468,881 | 936,159 | 6,405,040 |
| | 5,007,674 | 1,697,080 | 1,035 | | 6,705,789 | 1091,286 | 7,797,075 |
| (All Divisions) | | | | | | | |
| te 2) | 6,620,041 | 4,221,513 | 39,036 | | 10,881,390 | 2,600,309 | 13,48[illegible] |
| ts | 119,658 | 122,420 | - | | 242,086 | - | 242,086 |
| Billets | 1,195,002 | 1,651,437 | 4,410 | | 2,850,849 | 600,818 | 3,451,667 |
| ipment | 273,553 | 88,265 | 1,965 | | 363,803 | 105,645 | 469,448 |
| xpenses(Includ- | | | | | | | |
| ian Personnel) | 1,559,891 | 3,667,586 | | | 5,227,477 | 1,112,102 | 6,339,579 |
| vil. Person.) | 98,550 | 81,374 | | | 179,932 | 39,842 | 219,774 |
| | 173,738 | 82,000 | | | 256,538 | 2,000 | 258,538 |
| | 25,165 | - | | | 25,165 | - | 25,165 |
| | 12,334 | 8,185 | | | 20,619 | 2,050 | 22,669 |
| | 330 | 330 | 4,970,168 | | 4,970,844 | 110 | 4,970,954 |
| Allied Mission<br>ian Government | 49,200 | 32,870 | | | 82,070 | 7,000 | [illegible] 89,070 |
| | 608,520 | 149,599 | 1,284 | 14,628 | 773,030 | 175,281 | 948,311 |
| | 10,735,228 | 10,105,304 | 5,017,883 | 14,628 | 25,873,703 | 4,646,027 | 30,519,730 |

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## ALLIED FINANCIAL AGENCY
## REMITTANCE LISTS HANDED TO ITALIAN BANKS
## TO 31 JULY, 1944

(a) BANCO DI SICILIA

(1) DOLLAR REMITTANCE LISTS

| | No. of Items. | Amount $ |
|---|---|---|
| Bank of America, San Francisco | 1791 | 81,274.- |
| Bank of the Manhattan Company, New York | 89 | 2,888.- |
| Central National Bank in Chicago | 410 | 8,344.- |
| Central National Bank of Cleveland | 93 | 2,873.- |
| Continental Illinois Nat. Bank & Trust Co. of Chicago | 989 | 10,639.- |
| Chase National Bank of the City of New York | 767 | 53,052.32 |
| First National Bank of Boston, Boston | 957 | 27,909.- |
| First National Bank of Chicago, Chicago | 331 | 9,591.50 |
| Irving Trust Company, New York | 17114 | 504,070.25 |
| Manufacturers Trust Company, New York | 7062 | 235,236.50 |
| Merchantile Commerce B. & T. Co. St. Louis, Mo. | 33 | 667.- |
| National Bank of Detroit | 947 | 31,460.50 |
| National Shawmut Bank of Boston | 240 | 11,537.- |
| National City Bank of New York | 2008 | 64,655.75 |
| National City Bank of Cleveland, O. | 33 | 1,173.- |
| Philadelphia National Bank, Philadelphia | 409 | 14,480.50 |
| Union Trust Co. of Maryland | 4 | 130.- |
| Whitney National Bank of New Orleans | 66 | 2,963.50 |
| | 33343 | 1091,040.82 |

(2) STERLING REMITTANCE LISTS

| | | |
|---|---|---|
| Bank of England | 2270 | 27,186-8-1 |

Note: In addition to the British Isles, Bank of England payment schedules include remittances from Canada, New Zealand, Australia, Peru, Argentine, Venezuela, Uruguay, Switzerland, Malta, Palestine, Tripolitania and the Vatican City.

Note: Figures do not include $286[illegible]5.18 and £14,389-2-0 put through as of 1 Aug. 44.

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(b) BANCO DI NAPOLI

(1) DOLLAR REMITTANCE LISTS

Amalgamated Bank of N. Y.
American Express Co.
Bank of America, San Francis
Bank of Manhattan - N.Y.
Central Hanover Bank of N.Y.
Chase National Bank
Central Bank of Chicago
Central National Bank of Cl
Cleveland Trust
Columbus National Bank of P
Continental Illinois Trust
Corn Exchange Bank, Phila.
Corn Exchange Bank of N. Y.
First National of Boston
First National of Chicago
Industrial Trust Co of Provi
Irving Trust Co of N. Y.
Liberty Title & Trust, Phila
Linares & Henriquez, Peterson
Manufacturers National of B
Manufacturers Trust Co.
Marine Midland Trust
Mellon National Bank of Pitt
Merchants Bank of N. Y.
National Bank of Commerce, S
National Bank & Trust Co. N.
National City Bank of Cleve
National Bank of Detroit
National City Bank of New Yo
National Shawmut Bank of Bos
New York Trust Co.

Carried forwa

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ALLIED FINANCIAL AGENCY
REMITTANCE LISTS HANDED TO ITALIAN BANKS
TO 31 JULY, 1944

ANNEX I.

| TS | No. of Items. | Amount £ |
|---|---|---|
| cisco | 1791 | 81,274.- |
| pany, New York | 89 | 2,888.- |
| Chicago | 410 | 8,314.- |
| Cleveland | 93 | 2,873.- |
| Bank & Trust Co. of Chicago | 989 | 10,639.- |
| City of New York | 767 | 53,052.32 |
| ton, Boston | 957 | 27,905.- |
| cago, Chicago | 331 | 9,591.50 |
| York | 17114 | 504,070.25 |
| y, New York | 7062 | 235,236.50 |
| T.Co.St.Louis,Mo. | 33 | 667.- |
| | 947 | 31,460.50 |
| Boston | 240 | 11,637.- |
| York | 2008 | 84,555.75 |
| eland, O. | 33 | 1,173.- |
| , Philadelphia | 409 | 14,480.50 |
| d | 4 | 130.- |
| w Orleans | 66 | 2,963.50 |
| | 33343 | 1091,040.82 |

TS

| | | |
|---|---|---|
| | 2270 | 27,186-8-1 |

lish Isles, Bank of England payment
tmcan from Canada, New Zealand,
ine, Venezuela, Uruguay, Switzerland,
ltenia and the Vatican City.

286 55.18 and £14,389-2-0 put

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(b) BANCO DI NAPOLI

| (1) DOLLAR REMITTANCE LISTS | No. of Items. | Amount $ |
|---|---|---|
| Amalgamated Bank of N. Y. | 38 | 1,185.- |
| American Express Co. | 7662 | 331,764.10 |
| Bank of America, San Francisco | 725 | 31,969.- |
| Bank of Manhatten - N.Y. | 160 | 5,373.- |
| Central Hanover Bank of N.Y. | 27 | 1,196. |
| Chase National Bank | 378 | 53,580. |
| Central Bank of Chicago | 1621 | 49,647.- |
| Central National Bank of Cleveland | 28 | 663.50 |
| Cleveland Trust | 47 | 1,631.- |
| Columbus National Bank of Providence | 47 | 1,713.- |
| Continental Illinois Trust Co. | 273 | 13,343.- |
| Corn Exchange Bank, Phila. | 8 | 455.- |
| Corn Exchange Bank of N. Y. | 109 | 4,536.50 |
| First National of Boston | 347 | 11,073.- |
| First National of Chicago | 572 | 21,222.- |
| Industrial Trust Co of Providence | 40 | 1,433.- |
| Irving Trust Co of N. Y. | 215 | 9,597.- |
| Liberty Title & Trust, Phila. | 293 | 12,295.50 |
| Linares & Rusoigno, Paterson, N. J. | 238 | 6,127.- |
| Manufacturers National of Detroit | 76 | 4,127.- |
| Manufacturers Trust Co. | 2590 | 661,331.13 |
| Marine Midland Trust | 179 | 6,596.- |
| Mellon National Bank of Pittsburgh | 353 | 17,276.50 |
| Merchants Bank of N. Y. | 446 | 16,883.- |
| National Bank of Commerce, Seattle | 51 | 1,272.- |
| National Bank & Trust Co. N. Y. | 700 | 30,817.50 |
| National City Bank of Cleveland | 6 | 310.- |
| National Bank of Detroit | 303 | 13,211.- |
| National City Bank of New York | 1066 | 55,714.59 |
| National Shawmut Bank of Boston | 50 | 3,127.10 |
| New York Trust Co. | 6 | 155.- |
| Carried forward | 18632 | 1371,890.45 |

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ANNEX I (a).

(b) BANCO DI NAPOLI

| (1) DOLLAR REMITTANCE LISTS | Number of Items | Amount |
|---|---|---|
| Brought Forward | 18,632 | 1,371,090.[illegible] |
| Pan American Trust Co. | 326 | 11,709.[illegible] |
| Perara Bank | 608 | 30,461.[illegible] |
| Phil. National Bank | 328 | 17,277.- |
| Stabile Bank of Boston | 501 | 12,700.[illegible] |
| Sterling National Bank | 233 | 9,012.[illegible] |
| United States Lines | 1949 | 65,379.[illegible] |
| | 22,577 | 1,518,430.[illegible] |

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SECRET

ALLIED FINANCIAL AGENCY
SUPPLY OF A.M. LIRE BY DENOMINATIONS 31 JULY 1944
(In millions of Lire)

| | 1000 LIRE | 500 LIRE | 100 LIRE | 50 LIRE | 10 LIR |
|---|---|---|---|---|---|
| 1. AVAILABLE IN RESERVE CASH | 7152 | 4362 | 1600 | 1992 | 338 |
| 2. HELD BY ITALIAN BANKS IN UNOPENED BOXES | - | - | 10 | 104 | 12 |
| 3. TOTAL UNUSED SUPPLY IN UNOPENED BOXES | 7152 | 4362 | 1610 | 2096 | 350 |
| 4. DISBURSEMENTS TO 31 JULY 1944 | 23468 | 10820 | 8694 | 2907 | 406 |
| 5. TOTAL AMOUNT RECEIVED FROM WASHINGTON | 30620 | 15182 | 10304 | 4603 | 756 |
| 6. AMOUNT IN WASHINGTON OR IN TRANSIT TO ITALY | 2040 | 2716 | 3060 | 546 | 600 |
| 7. TOTAL AMOUNT PRINTED TO DATE ++ | 32660 | 18898 | 13364 | 5149 | 1356 |
| 8. AMOUNT ORDERED FROM WASHINGTON-MAT.6 JY 44. | 20100 | 6000 | 2100 | 1800 | - |
| 9. TOTAL AMOUNT ORDERED AND PRINTED (7+8) | 52760 | 24898 | 15464 | 6949 | 1356 |
| 10. AMOUNT DISBURSED IN JULY 1944 | 3248 | 1300 | 736 | 90 | 29 |
| 11. RATIO OF DISBURSEMENTS TO AMOUNT RECEIVED IN ITALY | 76.6 | 71.2 | 84.3 | 54.5 | 53.7 |
| 12. " " " TO AMOUNT PRINTED (7) | 71.8 | 57.2 | 64.3 | 48.7 | 29.9 |
| 13. " " " TO AMOUNT ORDERED & PRINTED (9) | 44.5 | 43.5 | 56.2 | 36.1 | 29.9 |
| 14. NUMBER OF MONTHS SUPPLY AVAILABLE IN ITALY + | 2.2 | 3.4 | 2.2 | 23.3 | 12.1 |
| 15. DITTO, IN TRANSIT & IN WASHINGTON-NOT INC.MAT 6, (8) + | 2.8 | 6.2 | 6.2 | 29.4 | 32.8 |
| 16. " , DITTO, INCL. ORDER OF 6 JULY MAT 6 (9)+ | 9.0 | 10.8 | 9.2 | 49.3 | 32.8 |

+ BASED ON JULY 44 DISBURSEMENTS
++ EXCLUDING AMOUNT LOST

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ALLIED FINANCIAL AGENCY

A N N E X N.

SUPPLY OF A.M. LIRE BY DENOMINATIONS 31 JULY 1944
(In millions of Lire)

| | 1000 LIRE | 500 LIRE | 100 LIRE | 50 LIRE | 10 LIRE | 5 LIRE | 2 AND 1 LIRE | TOTAL |
|---|---|---|---|---|---|---|---|---|
| CASH | 7152 | 4362 | 1600 | 1992 | 338 | 373 | 50 | 15867 |
| IN UNOPENED BOXES | - | - | 10 | 104 | 12 | 47 | 41 | 214 |
| IN UNOPENED BOXES | 7152 | 4362 | 1610 | 2096 | 350 | 420 | 91 | 16081 |
| ULY 1944 | 23468 | 10820 | 8694 | 2507 | 406 | 239 | 116 | 45248 |
| ED FROM WASHINGTON | 30620 | 15182 | 10304 | 4603 | 756 | 659 | 205 | 62329 |
| OR IN TRANSIT TO ITALY | 2040 | 1716 | 3060 | 546 | 600 | 299 | 43 | 10304 |
| D TO DATE ++ | 32660 | 16898 | 13364 | 5149 | 1356 | 958 | 248 | 72633 |
| ASHINGTON-MAT.6 JY 44. | 20100 | 6000 | 2100 | 1800 | - | - | - | 30000 |
| D AND PRINTED (7+8) | 52760 | 24898 | 15464 | 6949 | 1356 | 958 | 248 | 103533 |
| LY 1944 | 3248 | 1300 | 736 | 90 | 29 | 12 | 6 | 5421 |
| TO AMOUNT RECEIVED IN ITALY | 76.6 | 71.2 | 84.3 | 54.5 | 53.7 | 36.3 | 55.6 | 74.2 |
| TO AMOUNT PRINTED (7) | 71.8 | 57.2 | 64.3 | 48.7 | 29.9 | 24.9 | 46.0 | 63.7 |
| NT ORDERED & PRINTED (9) | 44.5 | 43.5 | 56.2 | 36.1 | 29.9 | 24.9 | 46.0 | 45.1 |
| Y AVAILABLE IN ITALY + | 2.2 | 1.4 | 2.2 | 23.3 | 12.1 | 35.0 | 15.0 | 3.1 |
| WASHINGTON-NOT INC.MAT 6, (8) + | 2.8 | 5.2 | 6.2 | 29.4 | 32.8 | 59.9 | 22.3 | 4.1 |
| ER OF 6 JULY MAT 6 (9)+ | 9.0 | 10.8 | 9.2 | 49.3 | 32.8 | 59.9 | 22.3 | 10.1 |
| BURSEMENTS | | | | | | | | |
| T | | | | | | | | |

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SECRET

ESTIMATED DISBURSEMENTS OF ALLIED ARMED FORCES TO CIVILIANS

(Including unreported items)

| Estimated Totals, including unreported items | British Forces | U.S. Forces | French Forces |
|---|---|---|---|
| 6. Net Amount Paid to Civilians or Retained by Troops | | | |
| In January | 1,207 | 766 | 206 |
| In February | 1,534 | 1,033 | 164 |
| In March | 1,396 | 1,117 | 334 |
| In April | 1,062 | 1,220 | 500 |
| In May | 1,684 | 1,288 | 475 |
| In June | 2,078 | 2,161 (Revised) | 534 |
| In July | 1,562 | 2,380 | 1,366 |
| Cumulative Total to 31 July | 12,753 | 14,305 | 4,087 |

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ANNEX IV

ESTIMATED DISBURSEMENTS OF ALLIED ARMED FORCES TO CIVILIANS

(including unreported items)

| luding unreported | British Forces | U.S. Forces | French Forces | Allied Forces |
|---|---|---|---|---|
| ilians or | | | | |
| | 1,207 | 766 | 206 | 2,179 |
| | 1,534 | 1,033 | 164 | 2,731 |
| | 1,396 | 1,117 | 334 | 2,847 |
| | 1,062 | 1,220 | 500 | 2,782 |
| | 1,684 | 1,288 | 475 | 3,447 |
| | 2,078 | 2,161 (Revised) | | |
| | | | 534 | 4,773 |
| | 1,562 | 2,380 | 1,366 | 5,308 |
| 31 July | 12,753 | 14,306 | 4,087 | 31,146 |

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ANNEX V.

## Value of AM Lire in Hands of Italian Banks and Public
(Excluding Deposits of APA with banks and Cash Funds Held by Accounting Officers of ACC/AMG)

| | 30 JUNE Revised | 11 JULY Preliminary |
|---|---|---|
| New AM Lire received (after deduction of shortages) | 53.338.074.139 | 62.326.819.569 |
| Less - Lire held by APA in current cash, reserve cash, provision against credits granted to banks and current accounts (including mutilated and destroyed) | 14.063.954.720 | 18.191.097.100 |
| AM Lire Outstanding | 39.274.119.419 | 44.135.722.399 |
| Deduct - | | |
| AM Lire Held by Finance Officers of Armed Forces : | | |
| U.S. Finance Officers :- | | |
| Funded through APA Palermo-Army | 125.087.995 | - |
| " " " " -Navy | 59.263.002 | 55.507.238 |
| " " " Naples | 3.465.625.834 | 3.851.327.094 |
| " " " Bari | 859.155.769 | 1.039.159.620 |
| " " " Sassari | 100.000.000 ≠ | 100.000.000 ≠ |
| Total U.S. Finance Officers | 4.609.132.600 | 5.045.994.010 |
| British Paymasters, Italy ++ | 2.947.140.203 | 3.120.055.519 |
| French Paymasters | 595.514.034 | 600.000.000 ≠ |
| Total Held by Finance Officers of All Allied Armed Forces | 8.151.786.837 | 8.766.050.329 |
| AM Lire Held by Accounting Officers of AMG/ACC in Cash + | 500.000.000 ≠ | 370.000.000 ≠ |
| Total Deductions | 8.651.786.837 | 9.136.050.329 |
| Total AM Lire in Hands of the Banks and the Public | 30.622.332.582 | 34.999.672.070 |
| AM Lire Held by Bank of Italy, after deduction of APA's current accounts with Bank of Italy | 1.604.000.000 | 1.229.173.765 |

≠ Estimated

++ Excludes small amount held by R.N., R.A.F., and Empire forces, estimated at not more than 50 million lire.

+ Excludes receipts for funds disbursed but not yet allocated to expenditure accounts, which included in this item on the

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| | | |
|---|---|---|
| banks and current accounts (including mutilated and destroyed) | | |
| AM Lire Outstanding | 14.063.954.720 | 18.191.097.190 |
| | 19.274.119.419 | 44.135.722.399 |
| Deduct - | | |
| AM Lire Held by Finance Officers of Armed Forces : | | |
| U.S. Finance Officers :- | | |
| Funded through AFA Palermo-Army | 125.087.995 | - |
| " " " " -Navy | 59.263.002 | 55.507.268 |
| " " " Naples | 3.465.625.834 | 3.851.327.894 |
| " " " Bari | 859.155.769 | 1.039.159.628 |
| " " " Sassari | 100.000.000 ✓ | 100.000.000 ✓ |
| Total U.S. Finance Officers | 4.599.132.600 | 5.045.994.010 |
| British Paymasters, Italy ++ | 2.947.140.203 | 3.120.055.519 |
| French Paymasters | 595.514.034 | 600.000.000 ✓ |
| Total Held by Finance Officers of All Allied Armed Forces | 8.151.786.837 | 8.766.050.329 |
| AM Lire Held by Accounting Officers of AMG/ACC in Cash + | 500.000.000 ✓ | 370.000.000 ✓ |
| Total Deductions | 8.651.786.837 | 9.136.050.329 |
| Total AM Lire in Hands of the Banks and the Public | 30.622.332.582 | 34.999.672.070 |
| AM Lire Held by Bank of Italy, after deduction of AFA's current accounts with Bank of Italy | 1.604.000.000 | 1.229.173.765 |

✓ Estimated

++ Includes small amount held by R.N., R.A.F., and Empire forces, estimated at not more than 90 million lire.

+ Excludes receipts for funds disbursed but not yet allocated to expenditure accounts, which included in this item on the Statement of Receipts and Disbursements.

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ALLIED FINANCIAL AGENCY

Statement of Disbursements and Receipts on account of Civilians, Allied Armed Forces
June and July 1944 (expressed in lire)

| | JUNE 1944 Revised |
|---|---|
| **Disbursements on Civilian Account** | |
| Purchases in Italy of Supplies for Export or Resale locally | 82,598,098 |
| Advances to Italian State, Provinces and Communes, and to Others | (19,241,226) |
| Excess of Disbursements over Receipts - AMG/ACC Divisions | 7,303,595 |
| Remittances from Allied Countries | 20,328,050 |
| | 90,988,518 |
| **Receipts on Civilian Account** | |
| Sales in Italy of Supplies Imported, Drawn from Armies or Purchased Locally by AMG/ACC | 543,095,425 |
| Deposits by Controller of Property and by Others | 53,383,628 |
| Excess of Receipts over Disbursements -- AMG/ACC Divisions | - |
| | 596,479,053 |
| Net Disbursements on Civilian Account | (505,490,535) |
| Advances to Allied Armed Forces | 5,921,982,190 |
| Total Disbursements on Account of Civilians and Allied Armed Forces | 5,416,491,655 |
| **Receipts from Banks** | |
| Commercial Banks -- Repayments of Loans | 600,000 |
| Bank of Italy - Surplus Currency Sterilization Program | - |
| Total Receipts from Banks | 600,000 |
| Net Disbursements on Account of Civilians, Allied Armed Forces, and Banks | Lire 5,415,891,655 |

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ALLIED FINANCIAL AGENCY

ANNEX VII.

Disbursements and Receipts on account of Civilians, Allied Armed Forces and Banks,
June and July 1944 (expressed in lire)

( ) = Red Figures

| | JUNE 1944 Revised | JULY 1944 |
|---|---|---|
| **s Account** | | |
| Supplies for Export or Resale locally | 82,598,098 | 190,059,554 |
| ete, Provinces and Communes, and to Others | (19,241,226) | 51,244,715 |
| s over Receipts - AMG/ACC Divisions | 7,303,596 | 3,576,161 |
| d Countries | 20,328,050 | 30,755,045 |
| | 90,988,518 | 275,635,475 |
| **unt** | | |
| lies Imported, Drawn from Armies or Purchas- | 543,095,425 | 1,078,198,464 |
| of Property and by Others | 53,383,628 | 25,226,377 |
| r Disbursements - AMG/ACC Divisions | - | - |
| | 596,479,053 | 1,103,424,841 |
| lian Account | (505,490,535) | (827,789,366) |
| Forces | 5,921,982,190 | 5,725,770,973 |
| count of Civilians and Allied Armed Forces | 5,416,491,655 | 4,897,981,607 |
| yments of Loans | 600,000 | 1,300,000 |
| Currency Sterilization Program | - | - |
| from Banks | 600,000 | 1,300,000 |
| nt of Civilians, Allied Armed Forces, Lire | 5,415,891,655 | 4,896,681,607 |

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ANNEX VI.

Total Value of A.M. Lire in Hands of all Italian Banks and the Public, August 1943 to date.
(Excluding cash deposits of AFA with Italian banks, and funds Held by Accounting Officers in the Field in the Form of Cash)

| | Total Lire | Change During Previous Month. Lire |
|---|---|---|
| 31 August 1943. | 1.023.510.401 | 1.023.510.401 |
| 30 September 1943 | 2.832.986.522 | 1.809.476.121 |
| 31 October 1943 | 4.463.014.925 | 1.630.028.403 |
| 30 November 1943 | 7.751.937.255 | 3.288.922.330 |
| 31 December 1943 | 10.925.748.386 | 3.173.811.131 |
| 31 January 1944 | 14.102.572.467 | 3.176.824.081 |
| 29 February 1944 | 17.439.133.879 | 3.336.561.412 |
| 31 March 1944 | 20.815.517.036 | 3.376.383.157 |
| 30 April 1944 | 23.765.351.827 | 2.949.834.791 |
| 31 May 1944 | 26.481.022.481 | 2.715.670.654 |
| 30 June 1944 (Revised) | 30.622.332.582 | 4.141.310.101 |
| 31 July 1944 | 34.999.672.070 | 4.377.339.488 |
| | | 34.999.672.070 |

| | | | |
|---|---|---|---|
| 30 September 1943 | | 2.632.986.522 | 1.009.476.121 |
| 31 October 1943 | | 4.463.014.925 | 1.830.028.403 |
| 30 November 1943 | | 7.751.937.255 | 3.288.922.330 |
| 31 December 1943 | | 10.925.748.386 | 3.173.811.131 |
| 31 January 1944 | | 14.102.572.467 | 3.176.824.081 |
| 29 February 1944 | | 17.439.133.879 | 3.336.561.412 |
| 31 March 1944 | | 20.815.517.036 | 3.376.383.157 |
| 30 April 1944 | | 23.765.351.827 | 2.949.834.791 |
| 31 May 1944 | | 26.481.022.481 | 2.715.670.654 |
| 30 June 1944 | (Revised) | 30.622.332.502 | 4.141.310.101 |
| 31 July 1944 | | 34.999.672.070 | 4.377.339.488 |
| | | | 34.999.672.070 |

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# APPENDIX F

## BANKING STATISTICS

### TABLE I

Cash Position of the Banca d'Italia, 31 May 1944.
(millions of lire)

| Branch | Bank Notes | State Notes | AM Lire | HM Pounds | Dollars | Emergency Italian Currencies | TOTAL |
|---|---|---|---|---|---|---|---|
| Matera | 26 | 2 | 5 | 1 | - | - | 28 |
| Potenza | 26 | 5 | 5 | - | - | - | 81 |
| Catanzaro | 61 | 6 | 101 | - | - | - | 168 |
| Cosenza | 13 | 1 | 21 | - | - | - | 35 |
| Reggio Calabria | 128 | 4 | 88 | - | - | - | 220 |
| Avellino | 40 | 3 | 94 | - | - | - | 137 |
| Benevento | 24 | 10 | 81 | - | - | - | 115 |
| Caserta | 31 | - | 97 | - | - | - | 128 |
| Castellammare | 38 | - | 142 | 1 | - | - | 181 |
| Napoli | 301 | 4 | 483 | 12 | 1 | - | 801 |
| Salerno | 33 | 10 | 364 | 2 | - | - | 405 |
| Bari | 201 | 38 | 98 | 3 | - | - | 340 |
| Barletta | 33 | 2 | 109 | 1 | - | - | 145 |
| Brindisi | 7 | - | 16 | - | - | - | 23 |
| Foggia | 54 | 5 | 189 | 3 | - | - | 252 |
| Lecce | 15 | 6 | 10 | 1 | - | - | 32 |
| Taranto | 27 | 38 | 25 | 1 | - | - | 91 |
| Cagliari | 19 | - | 16 | - | - | - | 35 |
| Nuoro | 23 | 1 | 4 | - | - | - | 28 |
| Sassari | 100 | 5 | 11 | 1 | - | 3 | 120 |
| Agrigento | 7 | 6 | 94 | 1 | - | 3 | 108 |
| Catania | 99 | 8 | 108 | - | - | - | 215 |
| Caltanissetta | 60 | 47 | 27 | 1 | - | - | 135 |
| Enna (20 July) | 27 | 4 | 19 | 1 | - | - | 51 |
| Messina | 117 | - | 7 | 8 | - | - | 132 |
| Ragusa | 1 | 2 | 11 | - | - | - | 14 |
| Palermo | 103 | 16 | 165 | - | - | - | 284 |
| Siracusa | 2 | 1 | 55 | - | - | - | 58 |
| Trapani | 4 | - | 25 | - | 1 | - | 30 |
| Aquila | 62 | 2 | - | - | - | - | 64 |
| Campobasso | 146 | 5 | 29 | - | - | - | 180 |
| Chieti | 44 | - | 17 | - | - | - | 61 |
| Pescara | 20 | - | - | - | - | - | 20 |
| Teramo | 41 | 2 | 1 | - | - | - | 44 |
| Rome (Cassa Cent.) | 570 | 3 | - | - | - | - | 573 |
| Rome (Sede) | 211 | 1 | 2 | 1 | - | - | 215 |
| Rome (Succursale) | 117 | 40 | 239 | - | 1 | - | 397 |
| | | | | | | | 84 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Catanzaro | 61 | 6 | 101 | - | - | - | 168 |
| Cosenza | 13 | 1 | 21 | - | - | - | 35 |
| Reggio Calabria | 128 | 4 | 88 | - | - | - | 220 |
| Avellino | 40 | 3 | 94 | - | - | - | 137 |
| Benevento | 24 | 10 | 81 | - | - | - | 115 |
| Caserta | 31 | - | 97 | - | - | - | 128 |
| Castellammare | 38 | - | 142 | 1 | - | - | 181 |
| Napoli | 301 | 4 | 483 | 12 | 1 | - | 801 |
| Salerno | 33 | 10 | 364 | 2 | - | - | 405 |
| Bari | 201 | 38 | 98 | 3 | - | - | 340 |
| Foggia | 33 | 2 | 109 | 1 | - | - | 145 |
| Brindisi | 7 | - | 18 | - | - | - | 25 |
| Reggio | 54 | 5 | 189 | 3 | - | - | 252 |
| Lecce | 15 | 6 | 10 | 1 | - | - | 32 |
| Taranto | 27 | 38 | 25 | 1 | - | - | 91 |
| Cagliari | 19 | - | 16 | - | - | - | 35 |
| Nuoro | 23 | 4 | 4 | - | - | - | 28 |
| Sassari | 100 | 5 | 11 | 1 | - | 3 | 120 |
| Agrigento | 7 | 6 | 94 | 1 | - | 3 | 108 |
| Catania | 99 | 8 | 108 | - | - | - | 215 |
| Caltanissetta | 60 | 47 | 27 | 1 | - | - | 135 |
| Enna (29 July) | 27 | 4 | 19 | 1 | - | - | 51 |
| Messina | 117 | - | 7 | 8 | - | - | 132 |
| Ragusa | 1 | 2 | 11 | - | - | - | 14 |
| Palermo | 103 | 16 | 165 | - | - | - | 284 |
| Siracusa | 2 | 1 | 55 | - | - | - | 58 |
| Trapani | 4 | - | 25 | - | 1 | - | 30 |
| Aquila | 62 | 2 | - | - | - | - | 64 |
| Campobasso | 146 | 5 | 29 | - | - | - | 180 |
| Chieti | 44 | - | 17 | - | - | - | 61 |
| Pescara | 20 | - | - | - | - | - | 20 |
| Teramo | 41 | 2 | 1 | - | - | - | 44 |
| Roma (Banca Cent.) | 570 | 3 | - | - | - | - | 573 |
| Roma (Sede) | 211 | 1 | 2 | 1 | - | - | 215 |
| Roma (Succursale) | 117 | 40 | 239 | - | 1 | - | 397 |
| Roma (Agenzia) | 82 | - | 2 | - | - | - | 84 |
| Civitavecchia | 5 | - | - | - | - | - | 5 |
| Frosinone | 4 | - | - | - | - | - | 4 |
| Latina | 4 | 1 | 3 | - | - | - | 8 |
| Rieti | 11 | - | 3 | 1 | - | - | 15 |
| Sora | 3 | - | - | - | - | - | 3 |
| Viterbo | 19 | 3 | 2 | - | - | - | 24 |
| Perugia | 44 | 14 | 3 | - | - | - | 61 |
| Terni | 67 | 1 | 1 | - | - | - | 69 |
| Ancona (29 July) | 41 | 2 | 3 | - | - | - | 46 |
| Ascoli (15 July) | 38 | 3 | - | - | - | - | 41 |
| GRAND TOTAL | 3,143 | 301 | 2,819 | 39 | 3 | 3 | 6,308 |

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Table 2

Current Liabilities of the Banca d'Italia - 29 February, 30 June, 31 July, 1944 for the provinces south of the 11 May, 1944 line.
(in millions of lire)

| | by area | | | | by type | | |
|---|---|---|---|---|---|---|---|
| | 29 Feb. | 30 June | 11 July | | 29 Feb. | 30 June | 31 July |
| | | | | DUE TO BANKS | | | |
| Salerno | 246 | 424 | 431 | CURRENT ACCOUNTS | | | |
| Lucania | 236 | 262 | 229 | Non-interest bearing | 229 | 33 | 33 |
| Calabria | 656 | 687 | 732 | Interest bearing | 5,856 | 14,779 | 16,936 |
| Puglia (less Foggia) | 2,111 | 3,633 | 3,804 | Residual Available on advances | 2,647 | 3,163 | 3,366 |
| Sardinia | 998 | 1,456 | 1,616 | | | | |
| Sicily | 2,927 | 4,642 | 5,020 | | | | |
| Total Italian Gov't Territory | 7,174 | 11,104 | 11,829 | Sub Total | 8,732 | 17,975 | 20,357 |
| Campania (less Salerno) | 2,866 | 10,419 | 11,828 | DUE TO OTHERS CURRENT ACCOUNTS | | | |
| Foggia | 89 | 152 | 304 | Non-Interest bearing | 754 | 3,033 | 2,697 |
| Campobasso | 69 | 196 | 148 | Interest bearing | 210 | 314 | 332 |
| | | | | Residual available on advances | 502 | 549 | 533 |
| | | | | | 1,466 | 3,946 | 3,762 |
| Total AMG Territory | 3,025 | 10,767 | 12,290 | | | | |
| Grand Total Liberated Italy | 10,196 | 21,871 | 24,119 | | 10,198 | 21,871 | 24,119 |

Table 3

Postal Savings June 1944 & July 1944
(thousands of lire)

| | Postal Savings Bonds | Postal Savings Books | Current Accounts | TOTAL | Postal Savings Bonds | Postal Savings Books | Current Accounts | TOTAL |
|---|---|---|---|---|---|---|---|---|
| | - 1,802 | 1,167 | 5,330 | 4,695 | 719 | 1,002 | 5,710 | 5,431 |
| Caltanissetta | -724 | 3,355 | -9,974 | -7,343 | - | - | - | - |
| Catania | -1,712 | 293 | 3,292 | 1,879 | 522 | 450 | 1,990 | 2,762 |
| Enna | -5,248 | 1,536 | 5,437 | 1,725 | - | - | - | - |
| Messina | - | - | 27 | 27 | - | - | 15,150 | 15,150 |
| Palermo | -3,270 | 1,689 | 4,230 | 2,649 | -3,765 | 2,108 | -131 | -1,788 |
| Trapani | 14,351 | -1,611 | -17,538 | -4,998 | - | - | - | - |
| Bari | 1,417 | -771 | 3,312 | 3,958 | - | - | - | - |
| | | | | | - | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 656 | 687 | 732 | Non-interest bearing | 229 | 33 | 33 |
| Puglia (less Foggia) | 2,111 | 3,633 | 3,801 | Interest bearing | 5,856 | 14,779 | 16,936 |
| Sardinia | 998 | 1,456 | 1,616 | Residual Available on advances | 2,647 | 3,163 | 3,366 |
| Sicily | 2,927 | 4,642 | 5,020 | | | | |
| Total Italian Gov't Territory | 7,174 | 11,104 | 11,829 | Sub Total | 8,732 | 17,975 | 20,357 |
| Campania(less Salerno) | 2,866 | 10,419 | 11,828 | DUE TO OTHERS CURRENT ACCOUNTS | | | |
| Foggia | 89 | 152 | 304 | Non-Interest bearing | 754 | 3,033 | 2,897 |
| Campobasso | 69 | 196 | 148 | Interest bearing | 210 | 314 | 332 |
| | | | | Residual available on advances | 502 | 549 | 533 |
| Total AMG Territory | 5,025 | 10,767 | 12,285 | | 1,466 | 3,946 | 3,762 |
| Grand Total Liberated Italy | 10,198 | 21,871 | 24,119 | | 10,198 | 21,871 | 24,119 |

Table 3

Postal Savings June 1944 & July 1944
(thousands of lire)

| | Postal Savings Bonds | Postal Savings Books | Current Accounts | TOTAL | Postal Savings Bonds | Postal Savings Books | Current Accounts | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Catanissetta | - 1,802 | 1,167 | 5,330 | 4,695 | 719 | 1,002 | 3,710 | 5,431 |
| Catania | -724 | 3,355 | -9,974 | -7,343 | - | - | - | - |
| Enna | -1,712 | 295 | 3,292 | 1,879 | 322 | 450 | 1,990 | 2,762 |
| Messina | -5,248 | 1,536 | 5,437 | 1,725 | - | - | - | - |
| Palermo | - | - | 27 | 27 | - | - | 15,150 | 15,150 |
| Trapani | -3,270 | 1,689 | 4,230 | 2,649 | -3,765 | 2,108 | -131 | -1,788 |
| Bari | 14,351 | -1,811 | -17,538 | -4,998 | - | - | - | - |
| Brindisi | 1,417 | -771 | 3,312 | 3,958 | - | - | - | - |
| Lecce | 6,171 | -248 | 5,393 | 11,316 | - | - | - | - |
| Potenza | 1,883 | 3,265 | 2,013 | 7,161 | - | - | - | - |
| Taranto | 6,384 | -407 | 2,275 | 8,172 | - | - | - | - |
| Cosenza | -756 | 1,756 | 3,370 | 4,370 | - | - | - | - |
| Reggio Calabria | -81 | 3,763 | 59 | 3,741 | - | - | - | - |
| Avellino | 1,539 | 6,372 | 3,615 | 11,526 | 6,596 | 4,778 | 1,405 | 12,779 |
| Napoli | 29,788 | 12,373 | -83,391 | -41,230 | - | - | - | - |
| Salerno | 11,023 | 6,741 | 19,438 | 37,202 | - | - | - | - |
| Cagliari | - | - | 8,292 | 8,292 | - | - | -5,522 | -5,522 |
| Sassari | 650 | 1,094 | 6,138 | 8,882 | - | - | - | - |
| Benevento | 1,763 | 941 | - | 2,704 | - | - | - | - |
| T O T A L | 61,376 | 41,034 | -36,682 | 65,728 | 3,872 | 8,338 | 16,602 | 28,812 |
| | (19 Provinces) | | | | (6 Provinces) | | | |

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## APPENDIX "C".

### TREATMENT OF SUSPENDED OR DISMISSED PUBLIC EMPLOYEES

### Part I.

1. Employees of the State, parastatal offices, autonomous state organisations, provinces or communes who are suspended from duty for Fascist reasons by A.M.G. officers will be treated as follows :-

2. If suspension occurred
(a) Because of Fascist activities after the liberation of the area by the Allies.

No salary, wages or any other allowances shall be paid; unless, exceptionally, some payment shall be expressly authorized by the Regional Commissioner, to the dependant for assistance; ( see para:6);

(b) Under the provisions of R.D.L. 27 July 1933. n. 159.

Basic salary will be paid from the date of suspension under the provisions of Art. 22 of R.D.L. 159, except that no payment of salaries will be made to employees within the categories mentioned in Art. 14, viz :-

Squadristi
Sansepolcriste
Antemarcia
Marcia su Roma
Sciarpa Littorio
Former members of M.V.S.N.

(Basic salary does not include addition for active service, family allowance, indemnity of bombardment or any other allowance bonus or premium.)

3. Suspended officials shall thereafter be subject to the provisions of R.D.L. 159. If a suspended official is reinstated his salary and grade will be one for decision by the High Commission as provided in Art. 21.

### Part II.

4. Officials who were suspended from duty by the Republican Fascist Government since 8th Sept. 1943 or who were constrained to absent themselves from duty since that date, because of their anti-Fascist views, will be treated as under:-

(a) Payment of such a sum as will represent the difference between full salary (with addition for active service, family allowance and any other appropriate allowances, subsidy or bonus to which the official would have been entitled had he been at work), and the sum he actually received during the same period. In the interests of these officials such arrears of salary and allowances shall be paid in the manner provided for in Executive Memorandum n. 73, Parts III and IV.

(b) If such officials were compulsorily retired in advance of the normal age of retirement, or treated as "impiegato disponibile" they shall be paid as arrears the difference between full salary and allowance and the sums they actually [illegible] or pension during the period in question.

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some payment shall be expressly authorized by the Regional Commissioner, to the dependant for assistance; ( see para:6);

(b) Under the provisions of R.D.L. 27 July 1933. n. 159.

Basic salary will be paid from the date of suspension under the provisions of Art. 22 of R.D.L. 159, except that no payment of salaries will be made to employees within the categories mentioned in Art. 14, viz :-

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Former members of M.V.S.N.

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(b) If such officials were compulsorily retired in advance of the normal age of retirement, or treated as "impiegato disponibile" they shall be paid as arrears the difference between full salary and allowance and the sums they actually received as salary, wages or pension during the period in question.

2852

(c) Temporary employees (avventizi) dismissed by the Republican Fascist Government since 8th September 1943, will be paid a sum equal to one month's earnings and thereafter will be considered as dismissed.

Part III.

5. Officials who were suspended from duty prior, or subsequent to 8th September 1943, for any other causes, shall be dealt with as provided in R.D.L. 30 December 1923 n. 2960 (Gaz. Uff. 21st January 1924 n. 17).

This decree in addition to SUSPENSION deals also with EARLY RETIREMENT, COMPULSORY RETIREMENT and DISMISSAL, from service.

6. SUSPENSION - (La sospensione dal grado).

-Arts 62 and 63-. This is temporary in nature varying from one to six months, but



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in more serious cases it may be prolonged indefinitely and may involve dismissal. Suspension is inflicted for major disciplinary offences and it is always imposed when an employee is under prosecution for a penal offence.

Suspension involves deprivation of salary but a proportionate part of an employee's salary may be conceded in favour of his dependents as a food allowance (art. 57).

7. EARLY RETIREMENT - (La dispensa dal servizio).

-Art. 51- Officials may be retired from service, before the normal age for retirement when they are considered to be incompetent; in permanent bad health; unfitted to perform the duties of their grade; lacking in industry or zeal, untrustworthy or whose actions are incompatible with the political directions of the government.

Early retirement does not deprive an employee of pension rights, if any.

8. COMPULSORY RETIREMENT - (La revoca dall'impiego).

-Art. 64- This penalty is inflicted for a serious abuse of authority or of trust or for any major shortcoming which has shown a moral defect.

Compulsory retirement does not involve the loss of pensions rights.

9. DISMISSAL - (La Destituzione).

-Art. 65- This is inflicted following conviction for a penal offence, or for serious abuses of the duties of office, or grave acts of insubordination, etc.

Dismissal usually involves the loss of all pension rights (see C.U. on pensions, Arts. 183 and 187 of R.D.L. 21 February 1895 n. 70 and R.D.L. 3 June 1938 n. 1032).

10. All salary payments cease with (a) EARLY RETIREMENT (b) COMPULSORY RETIREMENT and ( c ) DISMISSAL.

11. Employees removed from employment by the Allied authorities are regarded as COMPULSORILY RETIRED (La revoca dall'impiego). This penalty involves the loss of all salary but not the loss of pension rights.

According to the law an employee so retired cannot be reinstated in service unless a disciplinary commission finds that the reasons for such compulsory retirement were insubstantial. But even in such a case the payment of arrears of salary is not permitted (see Art. 67).

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HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

501/1

182
45

13071/F

22 August 1944

2 [illegible] Recd

SUBJECT : Correction in Monthly Report of Finance Sub-Commission for July.

TO : Regional Commissioner
Region I
" II
" III
" IV
" V
" VI
" VII
" VIII
" IX
Senior Civil Affairs Officer
AMG Five Army
" Eight "
R.C., Region "Z"
R.C. & MG Section
Administrative Section
Political Section
All Sub-Commissions, HQ ACC

Regional Finance Officer
Region I
" II
" III
" IV
" V
" VI
" VII
" VIII
" IX
Senior Finance Officer
AMG Five Army
" Eight "

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1. Reference is made to Finance Sub-Commission's letter I3071/F of 21 August 1944.

2. It will be appreciated if the following correction is made in the copy of the Report sent to you. The underlined words are the only part of the text which have been altered.

3. On page 5, section II, A I(b) the text should read as follows:-

"The entire deficit was covered by an increase in the floating debt, which rose from 170 billion lire on 30 June 1943, to an estimated 330 billion lire on 30 June, 1944 (this does not include any contingent liability for AM lire paid out by the Allied Financial Agency).

[signature]

Joint Director,
Finance Sub-Commissio[illegible]

0851

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TO : Regional Commissioner
Region I
" II
" III
" IV
" V
" VI
" VII
" VIII
" IX
Senior Civil Affairs Officer
AMG Five Army
" Eight "
R.C., Region "2"
R.C. & MG Section
Administrative Section
Political Section
All Sub-Commissions, HQ ACC

Regional Finance Officer
Region I
" II
" III
" IV
" V
" VI
" VII
" VIII
" IX
Senior Finance Officer
AMG Five Army
" Eight "

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1. Reference is made to Finance Sub-Commission's letter 13071/2 of 21 August 1944.

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3. On page 5, section II, A I(b) the text should read as follows:-

"The entire deficit was covered by an increase in the floating debt, which rose from 170 billion lire on 30 June 1943, to an estimated 390 billion lire on 30 June, 1944 (this does not include any contingent liability for AM lire paid out by the Allied Financial Agency).

Joint Director,
Finance Sub-Commission

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The copy amended
by Dir retained

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SECRET 501.

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

1301/2

12 August 1944

# REPORT ON THE FINANCE SUB-COMMISSION

## HQ ACC FOR JULY 1944

Colonel E.H. Foley, Jr. } Joint
Colonel A.F. Crawley-Smith } Directors

Lieut. C.H. Willis, (USNR) }
Major B.H.L. Timmons, Cav. } Joint
Lieut. J.E. Hicks, (USCGR) } Editors
Capt. Andrew Kamarck, F.A. }

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## APPENDICES


A. Italian Government Decree on Defascistization
B. Revenue Instruction
C. AFA Report
D. Banking Statistics
E. Cost of Living Data
F. Istituto Nazionale delle Assicurazioni


## I. DEFASCISTIZATION

A. General Program

1. The Finance Sub-Commission has undertaken a comprehensive program to defascistize Italian financial institutions. Personnel have been removed from the following financial institutions:-

Banco d'Italia
Istituto Nazionale per i Cambi

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| | | |
|---|---|---|
| [illegible] R.F. Caffrey-Smith | } | Directors |
| Lieut. C.H. Willis, (USNR)<br>Major R.E.L. Timmons, Cav.<br>Lieut. J.E. Vickis, (USNR)<br>Capt. Andrew Kamarck, U.S. | } | Joint Editors |

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A. Italian Government Decree on Defascistization
B. Revenue Instruction
C. AFA Report
D. Banking Statistics
E. Cost of Living Data
F. Istituto Nazionale delle Assicurazioni


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### A. General Program

1. The Finance Sub-Commission has undertaken a comprehensive program to defascistize Italian financial institutions. Personnel have been removed from the following financial institutions:-

Banca d'Italia
Istituto Nazionale per i Cambi con l'Estero
(National Foreign Exchange Control Institution)
Regia Zecca (Royal Mint)
Banco di Roma
Credito Italiano
Banca Commerciale Italiana
Banca Nazionale del Lavoro
Cassa di Risparmio
Istituto di Credito Agrario per l'Italia Centrale
Banco Nazionale dell'Agricoltura
I.M.I.
I.R.I.
I.C.E.
Cambi e Valute

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2. The program of the Finance Sub-Commission involves suspension from office of persons subject to defascistization. Definitive judgement will be passed by the Italian Government under the Defascistization Decree of 27th July 1944. Close collaboration has been established between the Italian Government and the Allied Control Commission. The Italian Government is determined to carry out a far-reaching program of defascistization and is wholeheartedly co-operating with the Finance Sub-Commission.

B. Procedure

1. When the vanguard of the Finance Sub-Commission arrived in Rome, it found that the heads of nearly all governmental financial institutions had gone North. General Bencivenga, leader of all the Rome underground forces, had made elaborate preparations to preserve all records and to prepare dossiers on the activities of leading Fascists in each institution. This was achieved through the secret appointment of committees for each institution composed of representatives of the six parties. They had been given full instructions as to their duties during the inter regnum period between the German loss of control and the full establishment of Allied control. The same procedure has been followed in other areas subsequently liberated from the Nazis. When the Allied Military Authorities assumed control of the city, the internal committees continued to function.

2. General Bencivenga, through Order No. 3, replaced in office all persons removed since November 1943 by the Nazis and the Fascist Republicans. This was an ad hoc measure which was intended to be of a temporary duration, since it was understood that it would include numerous persons obviously undesirable.

3. The Regional Commissioner issued a sweeping Order early in July which removed automatically from office a large number of Italians who could be considered ideological Fascists. However, a review procedure was established which made reinstatement possible after investigation. A Commission was organised for this purpose by the terms of the Order. The provisions of this Order were restricted to local institutions only. Owing to the importance attached to the problem, and the particularly sensitive position of financial institutions as such, the Allied Control Commission removed local financial institutions from the scope of the regional Order and concentrated all powers of defascistization in respect thereof in the Finance Sub-Commission.

4. Working under supervision of Finance Sub-Commission officers is a specially trained group of Guardie di Finanze. These officers have proceeded as follows: Printed forms containing a lengthy series of pointed questions are distributed to all personnel. When completed these are turned over to the internal committees of liberation representing the six parties (elected by the personnel). The personnel of these committees study and investigate the records and activities of each person on the rolls of the institutions. A written report is attached to each form and signed by all members. The documentation is then sent to the Finance Sub-Commission. A preliminary examination is made by the Guardie di Finanze. The latter report on the documentation submitted by the internal committees. Their recommendations are reviewed. The cases of all officials subject to defascistization occupying high positions in financial institutions are carefully scrutinized and given the personal attention of the Allied officers in question.

5. A series of meetings takes place with the Liberation Committee designed to thresh out all doubtful questions. The committees explain their recommendations. [illegible] institutions. Suspected officials

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5. A series of meetings takes place with the Liberation Committee designed to thrash out all doubtful questions. The committees explain their recommendations. Meetings are also held with senior officials of the institutions. Suspected officials are requested to submit defensive memoranda. As soon as a definitive decision is reached regarding personnel to be removed, conferences are held with the interested ministries, and the Bank of Italy in those instances in which it is concerned. The Government is promptly informed of all decisions taken, and is requested to consider candidates for the position of Commissioners, where such appointments are necessary.

6. During the investigations of particular persons, liaison is maintained with CIC and FSS (American and British Military security organizations) to obtain whatever data they may have. Data, interesting from the point of view of security, is turned over to these organizations.

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7. Decisions are referred, with documentation, to the Italian Government organizations concerned with definitive defascistization. A financial committee, composed of representatives of the Ministry of the Treasury and of the Bank of Italy, has been set up for this purpose. Liaison is maintained with this committee, as well as the Italian High Commissioners for "Epurazione". Thus, there is a useful division of labor. The Finance Sub-Commission suspends undesirable persons from office, whereas the Italian Government passes definitive judgment. Ex-Governor Azzolini of the Bank of Italy is at present in the second stage of this process and will shortly come up for that before a special High Court of Justice established by the Italian Government. On the other hand, the Chairman of the Board of the Banco di Roma, Venzi, remains for the time being in the first stage.

8. Persons suspended from office by the Finance Sub-Commission are informed by letter, and are requested not to leave Rome. This request is made in order to facilitate any future steps which the Italian organizations of defascistization may wish to take. In certain instances, this has also provided the military security agencies (CIC and FPS) with an opportunity to complete their investigations regarding the persons involved. Suspended officials have been encouraged to submit any data or information regarding their position under the Fascist Regime.

9. The criteria of defascistization used are substantially those incorporated in a Royal Decree, issued on 27th July 1944, which established the Basis for defascistization in all Italy. A copy of the Decree is attached to this report as Appendix A. The Criteria set up in this excellently conceived Decree have been highly useful to the Finance Sub-Commission. Particular attention is given to persons who were politically active Fascists, or who took advantage of the Fascist system to promote their own personal position. It has not proved difficult in practice to determine which officials fall into those categories.

10. The Finance Sub-Commission has concentrated its attention on the financial institutions of the Central Government as well as the head offices of the various banks. However, the smaller banks and financial institutions have not been neglected. The list given below of institutions and officials defascistized should not be taken as a complete list but as an indication of the progress which is being made by the Finance Sub-Commission. Much remains to be done, particularly in areas outside of Rome, such as north Italy, the financial heart of the country.

C. Results of Defascistization to Date

1. The following persons have been removed from office in the institutions indicated:

| Organization | Name | Office |
|---|---|---|
| (a) Banca d'Italia | Azzolini Vincenzo | Governatore |
| | Cianchelli Gaetano | Ispettore Generale |
| | Cuffi Carlo Fausto | Capo Servizio |
| | and 14 other officials | |
| (b) R. Tesoro | Maltesi Giuseppe | Direttore Generale |

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removed from office by the Finance Sub-Commission are informed by letter, and are requested not to leave Rome. This request is made in order to facilitate any future steps which the Italian organizations of defascistization may wish to take. In certain instances, this has also provided the military security agencies (CIC and FSS) with an opportunity to complete their investigations regarding the persons involved. Suspended officials have been encouraged to submit any data or information regarding their position under the Fascist Regime.

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| | | Cinconelli Gaetano | Ispettore Generale |
| | | Guidi Carlo Fausto | Capo Servizio |
| | | and 14 other officials | |
| (b) | B. Roma | Maltesi Giuseppe | Direttore Generale |
| | | De Bac Procopio | Controllore Capo |
| | | and one other official | |
| (c) | Istituto Nazionale per i Cambi con l'Estero | Lion Cicuto | Direttore Generale |
| | | Viali Ugo | Condirettore |
| | | and 27 other officials | |
| (d) | Banco di Roma | Verzi Giuseppe Pietro | Direttore Generale ed Amministratore Delegato |
| | | Cavanna Filippo | Consigliere d'Amministrazione |
| | | Thaon di Revel Conte Ignazio | Consigliere d'Amministrazione |
| | | Vaselli Conte Romolo | Consigliere d'Amministrazione |

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| | | | |
|---|---|---|---|
| (e) | Credito Italiano | Bernardi Riccardo | Procuratore |
| | | and two other officials | |
| (f) | Banca Commerciale Italiana | Dolfocci Guglielmo | Procuratore |
| | | Trolenzi Corrado | Vice Direttore |
| | | Testi Giovanni | Vice Direttore |
| | | Maggi G. Battista | Vice Direttore |
| | | and two other officials | |
| (g) | Banco Nazionale del Lavoro | 7 officials | |
| (h) | Casse di Risparmio | Battocchio Luigi | Direttore Generale |
| | | Cerofolli Corrado | Vice Direttore Generale |
| | | and 5 other officials | |
| (i) | Istituto Credito Agrario per l'Italia Centrale | Principe Chigi | Presidente |
| | | Principe di Napoli | Vice Presidente |
| | | Nestore Carosi Martinengi | Direttore Generale |
| | | and 2 other officials | |
| (j) | Istituto Commercio Estero | Schipani Filippo | Direttore Generale |
| | | Renato Carlo Rondina | Primo Segretario |
| | | and 4 other officials | |
| (k) | Istituto Mobiliare Italiano | Azzolini Vincenzo | Presidente |
| | | Guido Carlo Fausto | Direttore Generale |
| | | Cao Giovanni | Consigliere d'Amministrazione |
| | | and one other official | |
| (l) | Banca Nazionale Agricoltura | Artaniso Giovanni | Presidente |
| | | Borghese Rodolfo | Amministratore |
| | | Aghemo Antonio | Administratore |
| | | and 6 other officials | |
| (m) | Istituto Ricostruzione Industriale | Parometto Sergio | Vice Direttore Generale |
| | | and 3 other officials | |
| (n) | Banco di Santo Spirito | Rossi Passavante Elia | Ispettore |
| | | and 7 other officials | |
| (o) | Ministero Scambi e Valute | Perrotti Giuseppe | Ispettore Generale |
| | | Ballerini Elisio | Consigliere Com. II' Classe |
| | | Rossi Aristide | Capo Sezione |

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| | | | |
|---|---|---|---|
| (h) | Cassa di Risparmio | Battocchio Luigi | Direttore Generale |
| | | Cerofali Corrado | Vice Direttore Generale |

and 5 other officials

| | | | |
|---|---|---|---|
| (i) | Istituto Credito Agrario per l'Italia Centrale | Principe Chigi | Presidente |
| | | Principe di Napoli | Vice Presidente |
| | | Nestore Corosi Martinozzi | Direttore Generale |

and 2 other officials

| | | | |
|---|---|---|---|
| (j) | Istituto Commercio Estero | Schipani Filippo | Direttore Generale |
| | | Romano Carlo Rondina | Primo Segretario |

and 4 other officials

| | | | |
|---|---|---|---|
| (k) | Istituto Mobiliare Italiano | Azzolini Vincenzo | Presidente |
| | | Guido Carlo Fausto | Direttore Generale |
| | | Cao Giovanni | Consigliere d'Amministrazione |

and one other official

| | | | |
|---|---|---|---|
| (l) | Banca Nazionale Agricoltura | Armaniac Giovanni | Presidente |
| | | Borghese Rodolfo | Amministratore |
| | | Aghemo Antonio | Amministratore |

and 6 other officials

| | | | |
|---|---|---|---|
| (m) | Istituto Ricostruzione Industriale | Paronetto Sergio | Vice Direttore Generale |

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| | | | |
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and 7 other officials

| | | | |
|---|---|---|---|
| (o) | Ministero Scambi e Valute | Perrotti Giuseppe | Ispettore Generale |
| | | Ballerini Elisio | Consigliere Comm. II' Classe |
| | | Rossi Aristide | Capo Sezione |
| | | Teloh Mario | Capo Sezione |
| | | Pastore Enrico | Capo Sezione |

and 13 other officials

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## II. GOVERNMENT FINANCE

### A. The Italian Government Deficit

#### 1. Italian State account

(a) As nearly as can be estimated at this time, the Italian governmental deficit for all Italy for the year ending 30 June 1944, amounted to approximately 180 billion lire. This figure includes German occupation expenses but does not include 30 billion lire of Allied occupation expenses. Thus the total excess of disbursements over income on "government account" is well over 200 billion lire for the year, or about 2½ times the enormous deficit of the preceding fiscal year.

(b) The entire deficit was covered by an increase in the floating debt, which rose from 170 billion lire on 30 June, 1943, to an estimated 350 billion lire on 30 June, 1944 (this does not include any contingent liability for AM lire paid out by the Allied Financial Agency).

(c) At the present time, over 60 per cent of the Italian public debt of almost 600 billion lire (excluding any liability in respect of AM lire) consists of liabilities with maturities of one year or under. (A table showing the growth of the debt since 1930 is presented in the Statistical Appendix together with a table on the composition of the debt in 30 June 1943).

#### 2. Current Statistics for the liberated territory

(a) Due to the move of the Italian Government from Salerno to Rome, the addition of new territories to be secured, and the general transport and communication difficulties, the old statistical reporting system built up laboriously at Salerno has been disrupted. Once the organization of the central government offices at Rome and the reactivation of the Government contacts with the field is accomplished, full and detailed financial information will be available. In the meantime, complete current information on the territories of liberated Italy is not available.

(b) For the area south of the 11 May, 1944, line, the excess of government disbursements over receipts for the month of June amounted to 3.4 billion lire. For the fiscal year ending 30 June 1944, these southern territories, which made up liberated Italy for the bulk of the year, had a deficit of around 34 billion lire for the entire year. (See Appendix D).

(c) Net investment in Government bills (Buoni del Tesoro Ordinarii) in southern Italy during June remained at about the same level as the preceding month (a net investment of 362 million lire). The total net investment for the year in these territories amounted to around 2.5 billion lire, that is, less than 10 per cent of the deficit. The bulk of the deficit of 34 billion lire was covered by funds supplied by the Banca d'Italia.

#### 3. Government bond market

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(a) Prices of outstanding Government securities reached high levels in Rome just prior to the liberation of the city, with most securities on a 5% basis selling at around 96 and the 3½%, 1906 rente selling at 113. The principal reasons for these high levels reached just prior to liberation appear to have been:

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[redacted] was covered by an increase in the floating debt, which [redacted] 170 billion lire on 30 June, 1943, to an estimated 350 billion lire on 30 June, 1944 (this does not include any contingent liability for Allied lire paid out by the Allied Financial Agency).

(c) At the present time, over 60 per cent of the Italian public debt of almost 600 billion lire (excluding any liability in respect of Allied lire) consists of liabilities with maturities of one year or under. (A table showing the growth of the debt since 1930 is presented in the Statistical Appendix together with a table on the composition of the debt in 30 June 1943).

2. Current Statistics for the liberated territory

(a) Due to the move of the Italian Government from Salerno to Rome, the addition of new territories to be covered, and the general transport and communication difficulties, the old statistical reporting system built up laboriously at Salerno has been disrupted. Once the organization of the central government offices at Rome and the reactivation of the Government contacts with the field is accomplished, full and detailed financial information will be available. In the meantime, complete current information on the territories of liberated Italy is not available.

(b) For the area south of the 11 May, 1944, line, the excess of government disbursements over receipts for the month of June amounted to 3.4 billion lire. For the fiscal year ending 30 June 1944, these southern territories, which made up liberated Italy for the bulk of the year, had a deficit of around 34 billion lire for the entire year. (See Appendix D).

(c) Net investment in Government bills (Buoni del Tesoro Ordinarii) in southern Italy during June remained at about the same level as the preceding month (a net investment of 362 million lire). The total net investment for the year in these territories amounted to around 2.5 billion lire, that is, less than 10 per cent of the deficit. The bulk of the deficit of 34 billion lire was covered by funds supplied by the Banca d'Italia.

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3. Government bond market

(a) Prices of outstanding Government securities reached high levels in Rome just prior to the liberation of the city, with most securities on a 5% basis selling at around 96 and the 3½%, 1906 rente selling at 118. The principal reasons for these high levels reached just prior to liberation appear to have been:

i. Expectations as to what liberation would mean, coupled with exaggerated reports that Government bond prices in liberated Italy were at very high levels;

ii. Refusal of the banks and other investors to invest in new Government bills (Buoni del Tesoro Ordinarii) and, therefore, purchases being concentrated in existing bonds, particularly in bonds issued before the Fascist regime (3½ Rente of 1906);

iii. A general condition of large quantities of liquid purchasing power in existence.

(b) Since the liberation of Rome bond prices have declined somewhat and are now more in line with those in the South. Furthermore, there is now no longer any general inhibition felt as regards the purchase of new Government securities.

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In contrast to the period before liberation, when the total outstanding of the Buoni del Tesoro ordinari (bills with maturities of 1-12 months) was decreasing, a substantial net investment is now taking place in these securities. During July, there was a net investment of over 300 million lire in these securities in the Rome area. This switch to purchase of new securities has reduced part of the upward pressure on bond prices.

(c) The Rome bourse was closed from 3 June to the end of July. On 1 August both the Rome and Naples bourses were reopened, but trading is limited to cash transactions in fixed income securities. The prices registered at the Rome bourse on 1 August show a general decline of around 5 per cent from the 2 June prices, undoubtedly due to the operation of the factors outlined above. Detailed figures on the [illegible] on 2 June and 1 August are given in Appendix D.

(d) The yield on government securities has correspondingly increased from the beginning of June to the beginning of August. Government bond yields have changed as follows:

| | 1 June 1944 | 1 August 1944 |
|---|---|---|
| 3½% Rente 1906 | 2.77 | 3.29 |
| 3½% Redeemable 1934 | 3.85 | 4.21 |
| 5% Rente | 5.33 | 5.50 |

One of the most important reasons for the variation in prices and in yields between securities is the expectation that there may be different treatment by the government as between securities.

(e) The Council of Ministers authorized the payment of the 1 September 1944 government bond maturity (5%, Special series, 9 year bonds). These bonds were compulsorily exchanged for the foreign exchange holdings of private Italian individuals and firms in 1935. There is a total of 2,443,112,700 lire outstanding of this series.

4. Government financing of the Ammasi del Popolo

(a) Until this year the Consorzii, on receiving wheat, have issued paper accepted by the provincial group of participating banks. After sale of the flour to the millers at a much lower price, the Consorzii repaid the participating banks to the extent of the proceeds of sales. The balance, representing the subsidy and the operating costs of the amassing system, were guaranteed by the Government and bore interest ranging from 6 to 7½% until they were liquidated at the end of the fiscal year. Actually these balances have not been liquidated since 1940, so that the financing of the last four crop years has been drawing a high rate of interest.

(b) After conferences with the Ministry of Agriculture, the Bank of Italy and the Corte dei Conti, this system has been changed. The Consorzii have been instructed to submit budgets of operating expenses and will obtain funds as do other governmental agencies, without payment of interest. All participating banks have been instructed to present claims for the outstanding balances of past years for immediate payment, thus ending this interest burden. All participating banks have been instructed to present all balances of the current crop year for payment at a reduced interest rate of 5 per cent, at the end of each thirty day period, thus cutting the effective interest rate on this year's crop to one-half of one per cent.

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| | 1 June 1944 | 1 August 1944 |
|---|---|---|
| 3½% Rente 1906 | 2.77 | 3.29 |
| 3½% Redeemable 1934 | 3.86 | 4.21 |
| 5% Rente | 5.33 | 5.50 |

One of the most important reasons for the variation in prices and in yields between securities is the expectation that there may be different treatment by the government as between securities.

(c) The Council of Ministers authorized the payment of the 1 September 1944 government bond maturity (5%, Special series, 9 year bonds). These bonds were compulsorily exchanged for the foreign exchange holdings of private Italian individuals and firms in 1935. There is a total of 2,443,112,700 lire outstanding of this series.

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(b) After conferences with the Ministry of Agriculture and Treasury, the Duce of Italia has ordered that this system be changed. The Consorzii have been instructed to submit budgets for operating expenses and will obtain funds as do other governmental agencies, without payment of interest. All participating banks have been instructed to present claims for the outstanding balances of past years for immediate payment, this ending this interest burden. All participating banks have been instructed to present all balances of the current crop year for payment at a reduced interest rate of 6 per cent, at the end of each thirty day period, thus cutting the effective interest rate on this year's crop to one-half of one per cent.

B. Revenue

1. Tax revision

(a) Tax revision work was delayed during July owing to the necessity of moving the Ministry from Salerno to Rome. However, on 21 July the Minister appointed the following committee to meet at least once a week to study state and local taxation laws:

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Chairman : The Minister of Finance
Vice Chairman: The Under Secretary of Finance
Members : Prof. Cesare Cosattini (Labor Party)
Avv. Antonio Pella (Action Party)
Prof. Achille Giannini (Liberal Party)
Prof. Ezechia Giannini (Socialist Party)
Dir. . Velcno Lussini (Communist Party)
Prof. Antonio Papalia ( member of the permanent civil service)
Prof. Paolo Varoni (Christian Democrat Party)
Dott. Bruno Visentini (Action Party)
Secretary : Dott. Salvatore Tondo

The Committee is empowered to invite any citizen or any civil servant of grade V or higher to attend its meetings, and the Minister has agreed that there should be a representative of this Sub-Commission at all meetings.

(3) The cabinet approved a decree for the Treaties transition on 20 July. Inasmuch as this Sub-Commission had not seen the draft, we have requested that its registration be suspended until the Sub-Commission has had an opportunity to discuss the draft with the Ministry. The proposed decree amends existing law in the following particulars:

(1) Coverage: Income derived from legal losses and income derived from black market activities are included except the types of income liable for the tax. Also, the sections of existing law that permitted companies to evade the tax on contracts made prior to 1938 are repealed.

(2) rates and exemptions: The 1938 income figures, in comparison with which excess profits are calculated, are increased 50 per cent, also reducing all calculations of excess profits. In addition, the exempting limit for years beginning 1943 is increased. War profits not exceeding 20,000 lire and all war profits made by those total income does not exceed 30,000 lire are exempted. Finally, the former requirement that all excess profits not paid to the State in taxation must be invested in 5 per cent government bonds is changed to a requirement that all such income must be placed in special blocked accounts. The accounts are to earn 5 per cent interest, payable semi-annually, but disposition of the capital amounts of the accounts is to be determined at a later date. (The drafters of the decree intended that the provision for later determination of the disposition of the blocked accounts should refer also to the bonds already issued under the older law, but the sentence in the draft is unclear.)

(3) penalties: Penalties are provided for incorrect declarations. The penalties may be reduced, however, if the assessment of the income declaration is the result of a "compromise". Disputes already in existence will continue to be heard by the Provincial Commissions, but new disputes will be heard by the District Commissions.

(4) assessment time: Power is granted to increase assessments at any time up to 31 December of the year following that in which war profits taxation ceases.

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Secretary : Dott. Salvatore Vecchi (Christian Democratic Party)

The Committee is empowered to invite any citizen or any civil servant of Grade V or higher to attend its meetings, and the Minister has agreed that there should be a representative of this Sub-Commission at all meetings.

(b) The cabinet approved a Decree for War Profits taxation on 22 July. Inasmuch as this Sub-Commission had not seen the draft, we have requested that its registration be suspended until the Sub-Commission has had an opportunity to discuss the draft with the Ministry. The proposed Decree amends existing law in the following particulars:

(1) Coverage: Income derived from land leases and income derived from black market activities are included amongst the types of income liable for the tax. Also, the sections of existing law that permitted exemption to evade the tax on contracts made prior to 1938 are repealed.

(2) rates and exemptions: The 1938 income figures, in comparison with which excess profits are calculated, are increased 50 per cent, thus reducing all calculations of excess profits. In addition, the exempting limit for years beginning 1943 is increased. War profits not exceeding 20,000 lire and all war profits made by those total income does not exceed 30,000 lire are exempted. Finally, the former requirement that all excess profits not paid to the State in taxation must be invested in 5 per cent government bonds is changed to a requirement that all such income must be placed in special blocked accounts. The accounts are to earn 5 per cent interest, payable semi-annually, but disposition of the capital amounts of the accounts is to be determined at a later date. (The drafters of the decree intended that the provision for later determination of the disposition of the blocked accounts should refer also to the bonds already issued under the older law, but the sentence in the draft is unclear.)

(3) penalties: Penalties are provided for incorrect declarations. The penalties may be reduced, however, if the amendment of the income declaration is the result of a "concordato". Disputes already in existence will continue to be heard by the Provincial Commissions, but new disputes will be heard by the District Commissions.

(4) assessment time: Power is granted to increase assessments at any time up to 31 December of the year following that in which war profits taxation ceases.

The Sub-Commission's objections to the draft are:

(1) coverage: Profits from the sale of grain are exempted, although at the time the price of wheat was raised to 1,000 lire the then Minister of Finance assured us that undue enrichment would be recaptured through taxation. Moreover, the inclusion of black market earnings in income liable to the tax is fundamentally wrong. If sufficient evidence is available to impute illegal income for tax purposes, it should be possible to bring the offenders to justice.

(2) rates and exemptions: No increase in rates is provided.

(3) penalties: No provision is made for the confirmation of declarations by the submission of accounts.

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(d) assessment time: The time during which assessments may be increased is too short.

2. Ministry of Finance

(a) Up to 31 July a total of 1,560 employees of the Ministries of Finance and Treasury had been screened and issued passes. Of the total personnel employed on 8 September 1943 (4,023), 200 had fled to the north with the Fascist Government and 800 were dismissed. There are, therefore, about 1,300 on the active list who have not as yet been recalled back to service.

(b) The Directore General of personnel is studying the staff problem and forming pools of employees available for specific assignments. The list of those available for Intendente and Vice-Intendente posts has been completed. 42 such employees are available.

(c) The Libreria dello Stato was reopened on 10 July for the sale of publications to the public. Control of Poligrafico, the State printing office, was turned over to the newly-appointed Commissioner, Sig. Montiglione, on 31 July. Questions of priority on printing work done for AMG, however, will continue to be referred to Finance Sub-Commission. It is proposed to turn over responsibility for the security of the Ministries' buildings to the Ministers early in August.

3. Revenue collections

(a) Owing to the interruption of the activities of the Ministry caused by the move to Rome, complete revenue statistics have not yet been received for the month of June. By the end of July complete figures for the fiscal year which ended 30 June will be available for most liberated provinces, and the monthly report for July will show the figures in detail.

At this time June figures are available for 20 of the provinces liberated prior to the offensive of 11 May and for 4 provinces, including Rome, liberated after 11 May. These figures indicate a continued improvement in revenue collections in the old liberated provinces, and, as would be expected, collections considerably below normal for the recently liberated provinces:

| | State Revenue Receipts less Cmpo X | | | |
|---|---|---|---|---|
| | June 1944 | May 1944 | April 1944 | 12 months ended June 1944 |
| | (In millions of lire) | | | |
| 20 provinces liberated prior to 11 May | 480 | 245 | 418 | 3,933 |
| 4 provinces liberated after 11 May | 237 | | | 3,613 |

(b) To insure prompt and correct collection of State revenue reports a letter of instruction has been prepared and sent to all Finance Officers. A copy of this letter is attached as appendix B.

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(c) The Liberorio dalle Stato was reopened on 18 July for the sale of publications to the public. Control of Poligrafico, the State printing office, was turned over to the newly-appointed Commissioner, Sig. Montalbano, on 31 July. Questions of priority on printing work done for AGC, however, will continue to be referred to Finance Sub-Commission. It is proposed to turn over responsibility for the security of the Ministries' buildings to the Ministers early in August.

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|---|---|---|---|---|
| | June 1944 | May 1944 | April 1944 | 12 months ending June 1944 |
| | (In millions of lire) | | | |
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(b) To insure prompt and correct collection of State revenue reports a letter of instruction has been prepared and sent to all Finance Officers. A copy of this letter is attached as appendix B.

4. Monopoly and lottery problems

(a) Retail tobacco prices, doubled on 1 January 1944 by the Salerno Government, were extended to newly liberated territory on 17 July. The advisability of extending to the new area the increase of 70 per cent in tobacco prices paid to farmers for their 1943 crops is still under consideration. The increase granted by the Fascist Government was only 25 per cent. Most of the 1943 crop is still in curing and reding warehouses. Sale to the State usually begins about one year after harvesting.

Owing to the shortage of electric power, the Rome tobacco factory is working at only 50 per cent of capacity.

(b) Salt is very scarce in the newly liberated territories. The normal ration was 300 grams per person per month, which amount was distributed through February 1944. In March the Germans distributed 200 grams, in April 150 grams, and in May 100 grams. The Allies distributed 50 grams in June and 35 grams in July. Arrangements have been made to issue 100 grams in August.

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(c) Over 4,000 kilos of quinine have been found at Piacenza. The stock has been blocked pending decision as to its disposition.

(d) Postal difficulties prevent full operation of the lottery throughout liberated Italy. The Fifteenth Sub-Commission has suggested a plan for advance sale of tickets to overcome this difficulty, but no decision on the proposal has yet been taken.

C. Government expenditures

1. Problems of expenditure control

(a) Expenditure authorizations in Rome. When Rome was liberated a special account was established with a credit of 562 million lire to permit the payment of government salaries and current expenses in the city of Rome for the month of June. At first it was not clear whether authorizations to use the funds of the account were to be made by AFHQ SCC, by Region IV, or by Rome Region. To resolve this confusion the following division of authority was established:

(1) all State expenditures of the central administration will be controlled by AFHQ SCC;

(2) all State expenditures on the provincial level will be controlled by Region IV;

(3) all other public expenditures (principally personnel expenditures) will be controlled by Rome Region.

It was found to be impossible to substitute approved State budgets for expenditures from the special account for the month of July because the Ministries did not have sufficient staff to control their salary payments. Ordinarily lists of payments to be made are prepared by each Division of each Ministry and sent via the Ministers to the Corte dei Conti and hence to the Directory Council of the Treasury. For this work each Ministry formerly had 50 to 100 employees in its personnel/[illegible] force. 0 to 35 in the Ministry of War. Accordingly, it has been necessary to continue use of the special account during July.

The Intendente was ordered to provide a statement of the account and a list of all payment orders issued in June. To force the Intendente to provide the list it was necessary to suspend payments from the account on 21 July. The information was then provided and the account was reopened on 23 July. The statement showed that from 1 June to 20 July 337 payment orders had been issued authorizing the expenditure of 239 million lire, and that 93 million lire had been disbursed. About half the disbursements were for the account of the Ministry of War.

It is desirable to close the special account as soon as possible and institute orthodox control. To make this possible the regulations of each Ministry have been instructed to prepare budgets for the year's administration of each section. These have now been received for all Ministries other than Railways. With these budgets it will be possible to revise the formerly approved budgets of the Salerno Government. In the meantime the Intendente has been ordered to provide the Sub-Commission with a copy of each payment order issued. A complete statement of the account is now being made, and ultimately it will be audited by the Corte dei Conti.

(b) The Corte dei Conti. Professor Ingrassia, new Minister of Treasury, has been [illegible]

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to be made by AFC, by Region IV, or by Rome Region. To remove this confusion the following division of authority was established:

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(2) all State expenditures on the provincial level will be controlled by Region IV;

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(b) The Corte dei Conti. Professor Ingrosso, now minister of Naples, has been named President of the Corte dei Conti by the Council of Ministers, but his appointment has been approved by AFC.

The Corte continued its work without interruption when the government moved from Salerno to Rome and has accomplished a considerable volume of work.

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(c) New budget forms. Use of the new budget forms (III) began in all territory at the beginning of the new fiscal year. The procedure under which the Forms are processed through the Intendente offices is working well. The 3-month budget approved for the province of Benevento illustrates the economies that have been made by using the procedure. Interestingly, the largest economy (proportionally) was effected in the budget for the Intendente's office.

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| Ministry | Credit Requested | Credit Authorized | Vouchers Effected |
|---|---|---|---|
| | (in millions of lire) | | |
| Finance | 84.9 | 50.5 | 34.4 |
| Interior | 57.6 | 45.2 | 12.6 |
| Public Works | 91.7 | 60.3 | 31.4 |
| Justice | 5.1 | 3.7 | 1.4 |
| Public Instruction | 18.3 | 14.1 | 4.7 |
| Agriculture and Forests | 3.2 | 2.5 | .7 |
| Industry, Commerce & Labor | 4.1 | 1.6 | [illegible] |
| Communications | 3.1 | 3.1 | - |
| | 266.7 | 181.0 | 85.7 |
| Less: Entrate disponibili | 1.7 | 1.7 | - |
| Total | 265.0 | 179.3 | 85.7 |

When the new procedure went into effect, all previous authorizations to spend were cancelled and all cash balances were blocked. Such balances belonging to legitimate permanent enti, which could not practically be transferred to the State Treasury, have been considered as "entrate disponibili", and requests for funds have been reduced accordingly. All DPO's have been notified of this arrangement.

A system of 3 monthly budgets is also being set up on the following plan:

(1) offices of the central administration in Rome and provincial state expenditures in Rome province;

(2) State provincial offices for the 27 provinces in Italian Government territory;

(3) the fighting services (Army, Navy, and Air Force).

Inasmuch as the S.H. forms for AMG territory give all the information required for Italian Government territory, the transfer of provinces to the government should be facilitated.

The operation of these budgets will solve the principal difficulty that has in the past prevented accurate estimates of disbursements being made on the basis of authorized expenditures, since the expenditure authorization provided by "ordini di accreditamento", which under normal Italian procedure last for an indefinite period, will, under the new procedure, be valid for the 3-month period only.

(d) Transfer of provinces. The new budget forms will facilitate the assumption of expenditure control by the Italian government when provinces are returned to it since they will provide an approved budget already in operation. At the request of the government, AMG finance officers will continue to exercise final official control until 31 August in the five provinces recently returned to the Italian government.

(e) Issuance of unauthorized circulars. Instances have arisen of administra-

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| | | | |
|---|---|---|---|
| communications | 1.1 | 1.1 | - |
| | 266.7 | 181.0 | 85.7 |
| Less: Entrate disponibili | 1.7 | 1.7 | - |
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(e) Issuance of unauthorized circulars. Instances have arisen of administrative instructions, that should have been approved in advance by AMG, being issued without our knowledge. The attention of the Minister has been called to this irregularity and he has been requested to make adequate arrangements to prevent its repitition.

(f) Communal and provincial budgets. The move to Rome has seriously interrupted the project on communal and provincial budgets whose inception was reported last month. It has been learned that the Fascist Government did not complete the approval of all communal and provincial budgets for 1943. It will be necessary to review the unapproved budgets before future grants can be determined.

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To date 358 budgets for the current year have been received, about [illegible] of which have been reviewed by the Ministry of Interior. An analysis of estimated expenditures in the provinces of Salerno, Matera, Potenza, Cosenza, and Reggio Calabria shows the following approximate breakdown:

| | Per cent of total expenditures |
|---|---|
| Ordinary expenditures | |
| General | 45 |
| Police, sanitation, & hygiene | 20 |
| Other | 25 |
| Extraordinary expenditures | 30 |
| | 100 |

This breakdown may be of use to finance officers in the field. All requests for communal funds should be treated with extreme caution and granted only to meet legitimate needs.

2. Expenditure policy decisions

(a) Post war bills. The Minister of the Treasury has issued two circulars giving effect to the policy on post war bills described in last month's report. An Executive Memorandum is now being published to implement the policy in AMG territory.

(b) Fascist pensions and salaries. A decree has been issued clarifying the status of Fascist pensions in the following manner:

(1) All strictly Fascist pensions are abrogated;

(2) All members of the Black Shirts, all who volunteered for the war in Spain are denied pension rights for such activities;

(3) The pensions of all others holding a rank of grade 6 (Major) or higher are suspended until a board created for the purpose can decide their cases individually;

(4) The pensions of all others below grade 6 will be paid in full.

The result of the decree should be to deny pension rights to all those who attained more than very minor recognition from the Fascist Party.

Concerning Fascist salaries, interdicts were notified prior to the June pay-ment period that no payments should be made to former Squadristi, Sansis as Mem, or Sciarpe Littorie, and that payment of "premio di operosita'" was limited to State employees actively at work. There was some criticism of this policy on the grounds that it was not uniformly applied. Investigation determined, however, that only 96 prescribed employees were paid for June and 956 were not paid, which, when the condition of the time is taken into consideration, must be regarded as reasonable. However, it has been decided that "premi e Gratifiche accessori" could fairly be withheld on the grounds that employees were not actively at work, and accordingly, permission to make those payments was given on 2 August.

[illegible] policy has been encountered

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The result of the decree should be to deny pension rights to all those who attained more than very minor recognition from the Fascist Party.

Concerning Fascist salaries, Intendents were notified prior to the June payment period that no payments should be made to former Squadristi, Marcia su Roma, or Sciarpe Littorie, and that payment of "premio di operosita'" was to be limited to State employees actively at work. There was some criticism of this policy on the grounds that it was not uniformly applied. Investigation determined, however, that only 96 proscribed employees were paid for June and 956 were not paid, which, when the confusion of the time is taken into consideration, must be regarded as reasonable. However, it has been decided that "premi e Gratifiche consentiti" could fairly be withheld on the grounds that employees were not actively at work, and accordingly, permission to make these payments was given on 2 August.

(c) Subsidization of sale of imported supplies. Delay has been encountered in implementing the directive laid down in GG M. This document states that local subsidies shall be provided to finance the sale of imported supplies wherever such supplies cannot otherwise be sold at not more than a 25 per cent increase over the [illegible] prices listed in the directive. The delay was caused by the objection of the Ministry of the Treasury to the principle involved. However, the Minister of the Treasury has now instructed the Minister of the Interior to authorize the provincial officials to provide the subsidies required. A decree has been prepared providing 400 million lire for this purpose.

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| | |
|---|---|
| Ancona | 2.8 |
| Ascoli Piceno | 16.0 |
| Macerata | 1.1 |
| Pesaro e Urbino | 1.5 |
| Marche | 21.4 |
| | |
| Perugia | 9.5 |
| Terni | 1.3 |
| Umbria | 10.8 |
| | |
| Frosinone | 2.3 |
| Littoria | .1 |
| Rieti | .1 |
| Roma | 618.8 |
| Viterbo | 1.2 |
| Lazio | 623.1 |
| | |
| Aquila | 66.0 |
| Campobasso | 1.6 |
| Chieti | .6 |
| Pescara | 1.5 |
| Teramo | .2 |
| Abruzzi & Molise | 69.9 |
| | |
| Avellino | .3 |
| Benevento | .5 |
| Napoli | 43.7 |
| Salerno | 4.4 |
| Campania | 49.2 |

| | |
|---|---|
| Matera | .2 |
| Potenza | 3.7 |
| Lucania | 3.9 |
| | |
| Catanzaro | .6 |
| Cosenza | 1.6 |
| Reggio di Calabria | .5 |
| Calabria | 2.7 |
| | |
| Agrigento | 4.5 |
| Caltanissetta | 1.7 |
| Catania | 1.7 |
| Enna | .1 |
| Messina | 2.6 |
| Palermo | 4.9 |
| Ragusa | .1 |
| Siracusa | .2 |
| Trapani | .3 |
| Sicilia | 15.3 |
| | |
| Cagliari | 2.1 |
| Nuoro | .- |
| Sassari | .3 |
| Sardegna | 2.4 |
| | |
| Total | 843.3 |

3. Figures of cash disbursements and expenditures

(a) Owing to the closing of the Ufficio di Collegamento (Liaison Office) in the Bank of Italy at Salerno, no current data on cash disbursements is available. This office has now been re-established in Rome and will in future furnish such month, for all liberated Italy, data similar to that formerly supplied at Salerno. Arrangements have also been made for the Bank of Italy to supply the Treasury for c 29, 30, and 31 (Disposizione mensile) each month for all provinces in both A.C and Italian Government territory. To provide working data of past disbursements these for a are being supplied for all months from July 1943.

The budget of the Central administration and the provincial Ufficio offices in Rome province for the three months from 1st July to 30th September (See section 1. c above for description) is shown on next page. The budgets for the 27 provinces of Italian Government territory and for the Army, Navy, and Air Force are not yet available.

Accreditamenti issued by the Government in May and June were as shown on the table on page 15).

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Budget Estimates for Central Administration
and State Provincial Offices in Rome
(July to September 1944)
(millions of lire)

| Ministry and Agency | Expenditure: Central Treasury | Expenditure: Provincial Treasury | Expenditure: Total | Revenue: Central Treasury | Revenue: Provincial Treasury | Revenue: Total | Excess Expenditures over Revenue: Central Treasury | Excess Expenditures over Revenue: Provincial Treasury | Excess Expenditures over Revenue: Total |
|---|---|---|---|---|---|---|---|---|---|
| Finance | 751.1 | 1,080.2 | 1,831.3 | = | 348.3 | 348.3 | 751.1 | 731.9 | 1,483.0 |
| State Monopolies | 5.3 | 27.1 | 36.4 | = | 37.5 | 37.5 | 9.3 | 10.4 | 1.1 |
| Foreign Exchange | 6.7 | = | 6.7 | = | = | = | 6.7 | = | 6.7 |
| Grace and Justice | 6.1 | 61.4 | 67.5 | = | = | = | 6.1 | 61.4 | 67.5 |
| Foreign Affairs | 31.6 | = | 31.6 | = | = | = | 31.6 | = | 31.6 |
| Italian Africa | 13.5 | 15.9 | 29.4 | = | = | = | 13.5 | 15.9 | 29.4 |
| Monopolies Bureau | 1.9 | = | 1.9 | 1.9 | = | 1.9 | = | = | = |
| Education | 8.5 | 133.2 | 141.7 | = | = | = | 8.5 | 133.2 | 141.7 |
| Interior | 122.3 | 346.6 | 468.9 | .2 | = | .2 | 122.1 | 346.6 | 468.8 |
| Fund for Culture | .6 | .1 | .7 | .6 | = | .6 | = | .1 | .1 |
| Public Works | 16.6 | 100.3 | 116.9 | = | 16.1 | 16.1 | 16.6 | 84.2 | 100.8 |
| Communications | 21.8 | 101.1 | 122.9 | 16.9 | 8.1 | 25. | 4.9 | 93. | 97.9 |
| Inspector General of Motors | 58.5 | 1.2 | 59.7 | = | = | = | 58.5 | 1.2 | 59.7 |
| Telephone Services | 12.3 | 4.5 | 16.8 | 4.3 | 1 | 4.4 | 8. | 4.4 | 12.4 |
| Agriculture | 9.6 | 47.6 | 57.2 | = | = | = | 9.6 | 47.6 | 57.2 |
| State Forests | 1 | = | 1 | = | = | = | 1 | = | 1 |
| Industry & Commerce | 13.9 | 4.8 | 18.7 | = | = | = | 13.9 | 4.8 | 18.7 |
| Press and Information | 6.0 | 20.2 | 26.2 | = | = | = | 6.0 | 20.2 | 26.2 |
| War Production | .7 | = | .7 | = | = | = | .7 | = | .7 |
| Army | 9.4 | 395.1 | 404.5 | = | = | = | 9.4 | 395.1 | 404.5 |
| Navy | 160.4 | 1.4 | 161.8 | = | = | = | 160.4 | 1.4 | 161.8 |
| Air Force | 19.2 | = | 19.2 | = | = | = | 19.2 | = | 19.2 |
| Total | 1,280.2 | 2,340.7 | 3,620.9 | 23.9 | 410.1 | 434. | 1,256.3 | 1,930.6 | 3,186.9 |

Accreditaments Issued by the Italian State Government
May and June 1944
(in millions of lire)

| Ministry | May | June |
|---|---|---|
| Finance | 46.5 | 45.5 |
| Monopolies | 8.0 | 7.8 |
| Justice | 6.9 | 12.3 |
| Foreign Affairs | .8 | 6.4 |
| Italian Africa | .4 | .1 |
| Education | 29.1 | 12.5 |
| Interior | 225.3 | 272.5 |
| Public Works | 16.8 | 1.0 |
| State Roads | 74.4 | |
| State Forests | | 8.8 |

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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | 9.3 | 27.1 | 36.4 | = | 37.5 | 37.5 | 9.2 | 10.4 | 1.1 |
| Foreign Exchange | 6.7 | = | 6.7 | = | = | = | 6.7 | = | 6.7 |
| Grace and Justice | 6.1 | 61.4 | 67.5 | = | = | = | 6.1 | 61.4 | 67.5 |
| Foreign Affairs | 31.6 | = | 31.6 | = | = | = | 31.6 | = | 31.6 |
| Italian Africa | 13.5 | 15.9 | 29.4 | = | = | = | 13.5 | 15.9 | 29.4 |
| Monopolies Bureau | 1.9 | = | 1.9 | 1.9 | = | 1.9 | = | = | = |
| Education | 8.5 | 133.2 | 141.7 | = | = | = | 8.5 | 133.2 | 141.7 |
| Interior | 122.3 | 346.6 | 468.9 | .2 | = | .2 | 122.1 | 346.6 | 468.8 |
| Fund for Culture | .6 | .1 | .7 | .6 | = | .6 | | .1 | |
| Public Works | 16.6 | 100.3 | 116.9 | = | 16.1 | 16.1 | 16.6 | 84.2 | 100.8 |
| Communications | 21.6 | 101.1 | 122.9 | 16.9 | 8.1 | 25. | 4.9 | 93. | 97.9 |
| Inspector General of Motors | 58.5 | 1.2 | 59.7 | = | = | = | 58.5 | 1.2 | 59.7 |
| Telephone Services | 12.3 | 4.5 | 16.8 | 4.3 | 1 | 4.4 | 8. | 4.4 | 12.4 |
| Agriculture | 9.6 | 47.6 | 57.2 | = | = | = | 9.6 | 47.6 | 57.2 |
| State Forests | 1 | = | 1 | = | = | = | 1 | = | 1 |
| Industry & Commerce | 13.9 | 4.8 | 18.7 | = | = | = | 13.9 | 4.8 | 18.7 |
| Press and Information | 6.0 | 20.2 | 26.2 | = | = | = | 6.0 | 20.2 | 26.2 |
| War Production | .7 | = | .7 | = | = | = | .7 | = | .7 |
| Army | 9.4 | 395.1 | 404.5 | = | = | = | 9.4 | 395.1 | 404.5 |
| Navy | 160.4 | 1.4 | 161.8 | = | = | = | 160.4 | 1.4 | 161.8 |
| Air Force | 19.3 | = | 19.3 | = | = | = | 19.3 | = | 19.3 |
| Total | 1,280.2 | 2,340.7 | 3,600.9 | 25.9 | 410.1 | 436. | 1,256.1 | 1,930.6 | 3,186.7 |

Accreditaments Issued by the Italian State Government
May and June 1944
(In millions of lire)

| Ministry | May | June |
|---|---|---|
| Finance | 46.5 | 46.5 |
| Monopolies | 8.0 | 7.8 |
| Justice | 8.9 | 12.8 |
| Foreign Affairs | .8 | 6.4 |
| Italian Africa | .1 | .1 |
| Education | 29.1 | 12.5 |
| Interior | 225.3 | 272.5 |
| Public Works | 16.6 | 1.0 |
| State Roads | 74.4 | |
| State Railways | 130.3 | 81.8 |
| Agriculture | 2.1 | 5.7 |
| Industry and Commerce | 6.4 | 1.1 |
| Popular Culture | .2 | |
| Total Civil | 549.2 | 548.2 |
| **Military** | | |
| Army | 837.2 | |
| Navy | 397.5 | |
| Air Force | 82.3 | |
| Merchant Marine | 11.1 | |
| Total Military | 1,328.1 | |
| Total Government | 1,877.3 | |

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(b) Figures on disbursements in Rome of the Fascist Government cast light upon the liberation of Rome provide an interesting comparison with the expenditures of the government in liberated Italy. The figures shown below are comparable figures covering expenditures within the budget only.

Comparison of Budget Disbursements of R. Tesoreria of King's Italy
in Rome Tesoreria for the period
1 July 1943 to 31 June 1944
(millions of lire)

| Ministry | Disbursements in Italian Government Territory | Disbursements in Rome |
|---|---|---|
| Finance | 1,115.3 | 4,091.2 |
| Justice | 180.7 | 95.1 |
| Foreign Affairs | 4.6 | 140.2 |
| Italian Africa | 8.3 | 109.6 |
| Education | 579.4 | 324.5 |
| Interior | 1,935.5 | 1,122.3 |
| Public Works | 198.2 | 249.3 |
| Communications | 637.1 | 458.9 |
| Army | 6,905.4 | 11,319.1 |
| Navy | 3,041.7 | 5,215.3 |
| Air Force | 716.8 | 2,851.6 |
| Agriculture | 78.6 | 774.9 |
| Industry & Commerce | 15.3 | 345.0 |
| Popular Culture | 1.8 | 40.2 |
| Foreign Exchange | | 17.9 |
| War Production | | 439.2 |
| A.M.G. Ceding | 58.0 | |
| Total | 15,677.9 | 27,751.6 |

(c) Other figures obtained in Rome show the expenditures of the War Ministries in Rome, not reflect the creation of the Fascist Republican Army, the increased rates of Army pay, and, probably German military expenses for fortifications. The figures drop sharply in April, reflecting the transfer of the Ministry to Brescia.

Disbursements of War Ministries in Rome Province
1 July 1943 to 31 May 1944
(in millions of lire)

| | Army | Navy | Air Force |
|---|---|---|---|
| 1943 | | | |
| July | 960 | 85 | 53 |
| August | 32 | 124 | 577 |
| September | 926 | 415 | 163 |
| October | 1,455 | 588 | 854 |
| November | 1,727 | 1,439 | 672 |

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| | Rounded | Unrounded |
|---|---|---|
| Military | | 1,515.3 |
| Navy | | 100.2 |
| Air force | | 83.3 |
| Foreign affairs | | 572.4 |
| Justice | | 1,075.5 |
| Interior | | 1,800.2 |
| Finance | | 657.1 |
| Education | | 6,035.4 |
| Health | | 2,841.7 |
| Agriculture | | 216.5 |
| Industry & Commerce | | 75.8 |
| Labor | | 15.3 |
| Social Affairs | | 1.5 |
| Communications | | 58.5 |
| Civil Aviation | | |
| Merchant Marine | | |
| Public Works | | |
| Reconstruction | | |
| Total | | 15,377.9 |

(a) Other figures obtained from the Chinese Government in Chungking: Ordinary expenditures 6,691.2; Special expenditures 2,361.5; Total 27,751.5

In Rmb, which at the official rate of exchange was worth 5¢ U.S. prior to July 1937, and thereafter declined to 2¢ in April, 1938, and to 1¢ in July 1939. Due to the concentration of the Chinese Government's expenses for foreign exchange, the figures do not reflect the relative importance of the ministry to the economy.

Distribution of Chinese Government Expenditure in Rear Districts

(In millions of Rmb)

| | 1942 | 1943 |
|---|---|---|
| January | 95 | 53 |
| February | 124 | 577 |
| March | 568 | 435 |
| April | 1,452 | 884 |
| May | 1,727 | 672 |
| June | 2,510 | 508 |
| July | 1,309 | |
| August | 1,357 | |
| September | 1,729 | 1,325 | 102 |
| October | 155 | 57 | 57 |
| November | 1,532 | 11 | 42 |
| December | 25 | 3 | 7 |
| | 213 | 20 | 5 |
| | 11,319 | 3,215 | 2,863 |

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## III. [illegible] OF [illegible] AT [illegible] AND CURRENCY FOR [illegible]

A. Supply of AM lire currency

1. As indicated in the accounts of the Allied Financial Agency, disbursements of lire to the paymasters of the Allied military forces in June were much larger than in any previous month, and more about twice the monthly rate of disbursements in the early months of 1944. Only a part of this sum was added to the floating reserve of the paymasters, indicating that the payments made to individual troops and to civilians also substantially exceeded the corresponding expenditures in any previous month.

2. As a result of these transactions, the total amount of AM lire available in Italy, in the United States, and in transit, was reduced to 3',806 million lire at the end of June. This is equivalent to 5.8 monthly disbursements at the June rate. However, only 4 months' supply of 1000-lire and 100-lire notes was available, as these denominations have been drawn most heavily, relative to our stocks.

3. The reserves in Italy were reduced to 12,399 million lire at the end of June, which sum was distributed for the most part at the branches of AFHQ in Rome, Naples and Bari. A small amounts remains at Palermo.

4. However, during the month of July, OSS agreed to begin deliveries on a new order for 30 billion AM lire shortly, the first shipment to be received on 1 September 1944.

B. Production of new currency for Italy

1. Preliminary

(a) Sometime ago the OSS was duly authorized to explore, on behalf of the Italian Government, the production of non-military lire currency by the fastest possible means, since currency conversion, which is an integral part of the Italian Stabilization and Inflation Control Program, is considered essential to the economic rehabilitation and political resurgence of Italy. Plans for such production are proceeding and in view of all the obstacles, considerable progress may be said to have been made.

(b) The Bank of Italy has given the following as its estimates of new currency required for the stabilization and inflation control program:

| Quantity | | Denomination | Lire Amount | |
|---|---|---|---|---|
| 75,000,000 | (12.5%) | 1,000 | L. 75,000,000,000 | (50%) |
| 75,000,000 | (12.5%) | 500 | " 37,500,000,000 | (25%) |
| 300,000,000 | (50%) | 100 | " 30,000,000,000 | (20%) |
| 150,000,000 | (25%) | 50 | " 7,500,000,000 | ( 5%) |
| 600,000,000 | | | L.150,000,000,000 | |

2. Facilities available for printing bank-notes in Italy

(a) A thorough investigation of the facilities for manufacturing and printing [illegible] in Italy has been made and very careful consideration has been given to the

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Italy, in the United States, and in transit, was reduced to 3',936 billion lire at the end of June. This is equivalent to 5.8 monthly disbursements at the June rate. However, only 4 months' supply of 1000-lire and 100-lire notes was available, as these denominations have been drawn most heavily, relative to our stocks.

3. The reserves in Italy were reduced to 12,299 billion lire at the end of June, which sum was distributed for the most part at the branches of AFC in Rome, Naples and Bari. A small amounts remains at Palermo.

4. However, during the month of July, AFC agreed to begin deliveries on a new order for 30 billion AM lire shortly, the first shipment to be received on 1 September 1944.

B. Production of new currency for Italy

1. Preliminary

(a) Sometime ago the AFC was duly authorized to explore, on behalf of the Italian Government, the production of non-military lire currency by the fastest possible means, since currency conversion, which is an integral part of the Italian Stabilization and Inflation Control Program, is considered essential to the economic rehabilitation and political resurgence of Italy. Plans for such production are proceeding and in view of all the obstacles, considerable progress may be said to have been made.

(b) The Bank of Italy has given the following as its estimates of new currency required for the stabilization and inflation control program:

| Quantity | | Denomination | Lire amount | |
|---|---|---|---|---|
| 75,000,000 | (12.5%) | 1,000 | L. 75,000,000,000 | (50%) |
| 75,000,000 | (12.5%) | 500 | " 37,500,000,000 | (25%) |
| 300,000,000 | (50%) | 100 | " 30,000,000,000 | (20%) |
| 150,000,000 | (25%) | 50 | " 7,500,000,000 | ( 5%) |
| 600,000,000 | | | L. 150,000,000,000 | |

2. Facilities available for printing bank-notes in Italy

(a) A thorough investigation of the facilities for manufacturing and printing bank notes in Italy has been made and very careful consideration has been given to the utilization of these facilities to the maximum. The production of bank notes in Italy is governed chiefly by two factors,

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(i) capacity to manufacture bank note paper, and
(ii) capacity to print or lithograph the notes.

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Rome, the Sub-Commission used the following plants for the manufacture of bank notes:

| Name & Address | Used for | Present condition |
|---|---|---|
| 1. Banca d'Italia plant, l'Aquila, Italy | Manufacture of bank note paper and for printing | Completely destroyed |
| 2. Cartiera Banca d'Italia, (Officina Carte Valori) 53 Via dei Serpenti, Rome. | Manufacture of bank note paper | Under construction. Paper making machinery salvaged from the l'Aquila plant is being installed here |
| 3. Cartiera A. Sorini & Sons, Palo di Foligno, Italy | Manufacturing of paper | 50% destroyed |
| 4. Stabilimento Stalorini, 45 Via Boccini, Rome | Printing | In good condition but with limited capacity |
| 5. Istituto Poligrafico dello Stato. Piazza G. Verdi, Rome | Printing | In good condition but with limited capacity |

(b) A representative of the Finance Sub-Commission was sent to l'Aquila (Aquila province) to examine and report on the condition of the Banca d'Italia paper and printing plant there. This large plant, normally employing 600 workers, was completely wrecked by Allied bombing and by German demolition squads. Arrangements have been made through the Transportation Sub-Commission to save whatever paper manufacturing and printing machinery is salvageable, to Rome. The difficulties to be overcome are formidable. There is no power of any kind available in l'Aquila, almost all of the bridges and culverts between Rome and l'Aquila (about 60 miles) are out, requiring detours which the autumn rains may make impassable, and there is an acute shortage of gasoline and transportation. The Bank of Italy sent about 30 workmen to l'Aquila to disassemble the machinery and already several disassembled paper making machines have been moved to Rome. The Transportation Sub-Commission estimates that the moving of the machinery, barring bad weather and other factors beyond their control, will be completed by about September 15, 1944. It is estimated that the conversion of the building where it is to be installed and the installation itself will be completed by about November 1, 1944.

(c) A representative of the Finance Sub-Commission was also sent to Foligno (Perugia province, about 60 miles from Rome) to examine and report on the condition of the paper mill of A. Sorini & Sons. This is a small privately owned paper mill normally employing about 50 workmen which makes paper under contract for the Banca d'Italia. It was about 50% destroyed by German demolition squads. The part of this mill which is left is in relatively good condition and the owners state that only lack of raw materials and a few minor repairs prevent them from resuming operations. As an example of the difficulties encountered, the electric generating equipment of the paper mill was requisitioned by the provincial authorities and with no power, the machinery which is undamaged cannot be operated. Every assistance has been given to get the Sorini paper mill back into operation again.

(d) The Industry Sub-Commission has estimated that the Sorini mill will be able to start production of bank-note paper by 1 October 1944, and that the Cartiera Banca d'Italia, Rome, will start production of bank note paper by 1 November 1944.

(e) [illegible] assistance has been given to other sources of bank note paper

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| | | | |
|---|---|---|---|
| | [illegible] Printing, [illegible] Rome | | In good condition but with limited capacity |
| 5. | Istituto Poligrafico dello Stato. Piazza G. Verdi, Rome | Printing | In good condition but with limited capacity |

(b) A representative of the Finance Sub-Commission was sent to L'Aquila (Aquila province) to examine and report on the condition of the Banca d'Italia paper and printing plant there. This large plant, normally employing 600 workers, was completely wrecked by Allied bombing and by German demolition squads. Arrangements have been made through the Transportation Sub-Commission to move wintover paper manufacturing and printing machinery to undamaged, to Rome. The difficulties to be overcome are considerable. There is no power of any kind available in L'Aquila, almost all of the bridges and culverts between Rome and L'Aquila (about 60 miles) are out, requiring detours which the autumn rains may make impassable, and there is an acute shortage of gasoline and transportation. The Bank of Italy sent about 30 workmen to L'Aquila to disassemble the machinery and already several disassembled paper making machines have been moved to Rome. The Transportation Sub-Commission estimates that the moving of the machinery, barring bad weather and other factors beyond their control, will be completed by about September 15, 1944. It is estimated that the conversion of the building where it is to be installed and the installation itself will be completed by about November 1, 1944.

(c) A representative of the Finance Sub-Commission was also sent to Foligno (Perugia province, about 80 miles from Rome) to examine and report on the condition of the paper mill of A. Sordini & Sons. This is a small privately owned paper mill normally employing about 50 workmen which makes paper under contract for the Banca d'Italia. It was about 50% destroyed by German demolition squads. The part of this mill which is left is in relatively good condition and the owners state that only lack of raw materials and a few minor repairs prevent them from resuming operations. As an example of the difficulties encountered, the electric generating equipment at the paper mill was requisitioned by the provincial authorities and with no power, the machinery which is undamaged cannot be operated. Every assistance has been given to get the Sordini paper mill back into operation again.

(d) The Industry Sub-Commission has estimated that the Sordini mill will be able to start production of bank-note paper by 1 October 1944, and that the Cartiera Banca d'Italia, Rome, will start production of bank note paper by 1 November 1944.

(e) Careful consideration has been given to other sources of bank note paper in Italy such as the Cartiere Miliani, Fabriano, Province of Ancona, paper mills (about 100 miles from Rome), and to any existing stocks of paper. At present, reports on the condition of the mills at Fabriano, which has been liberated only a few weeks, are quite vague. A representative of the Finance Sub-Commission, together with a representative from the Industry and Commerce Sub-Commission expect to proceed to Fabriano shortly and to report on conditions there for the production of paper. Judged by the amount of destruction at L'Aquila and Foligno, it is unlikely that the Cartiere Miliani, Fabriano will be undamaged.

(f) In northern Italy plants exist, or did exist, for the production of bank-note paper or for printing in Milan, Bergamo and Novara. This is still enemy-occupied territory and little or no information is available on the present condition of these plants. It is most unlikely, however, in view of our experience with the L'Aquila and Foligno establishments that these plants will not have been damaged, either by Allied bombing or by German demolition squads. Sig. Stadernini stated that the only reason his printing plant in Rome had not been damaged or looted by the Germans was that he had been engaged in printing work for the Vatican.

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be imposed by such Latin American countries themselves. The existing licenses will remain effective so far as remittances from receipts of the sterling area to Italy are concerned.

4. When the Banco d'Italia opens accounts with the U.S. and U.K. commercial banks for the purpose of carrying out remittances, it has been recommended that the existing procedure be modified to require that no effective AF dollar and sterling accounts with the Banco d'Italia be established by AFA, but merely that the Banco d'Italia agree to make such payments of foreign exchange from those accounts as are requested or ordered by the Finance Sub-Commission, ACC. An official ruling from [illegible] will be required on this point before the correspondents of the Banco d'Italia are chosen. This change in procedure would remove these transactions entirely from AFA accounts, and Banco d'Italia, rather than AFA, would provide the lire with which payments would be effected in Italy.

B. Advances to Allied Military Forces

1. During the month of July the first advances of lire were made to the Brazilian Expeditionary Force, in the approximate amount of 14 million lire. A suppose account in Brazilian Cruzeiros will be set up in the Bank of Brazil as an offset to these advances, at the rate of 5 lire to one cruzeiro.

C. AFA Accounting

1. Centralization at Headquarters

Pursuant to Executive Memorandum No. 64, dated 21 June, 1944, all bookkeeping and preparation of accounts for Allied Financial Agency (with the exception of certain bookkeeping records maintained for AFA by the Regional Accountants of Regions IV and V which will be taken over in August) were centralized at Headquarters. The new ledgers were opened with the 30 June 1944 balances as shown in the Allied Financial Consolidated Statements of Receipts and Disbursements, and thereafter the posting of entries arising from AFA branch transactions and transactions of Sub-Accounts in the Field was begun. The new centralized records are being posted by means of bookkeeping machines recently [illegible] tioned for this purpose.

2. June Statement of Receipts and Disbursements

The AFA branch statements for the month of June were consolidated in the usual way, and the consolidated Statement was prepared for distribution.

3. Advances to Other Allied Forces

A new form, F/D 13 (c), was printed for use in connection with making adjustments with the British Control Paymaster in respect of AF lire advanced by him to British Dominion, and other Allied forces (specified in T.O. Airgram No. 152). A supply of this form has been sent to the AFA branches concerned, who in turn have advised the Paymaster that as soon as he has furnished the necessary data and reference numbers adjustments will be made, in order that such advances will be properly reflected in AFA's accounts.

4. Supplies stockpiled for export

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E. Advances to Allied Military Forces

1. During the month of July the first advances of lire were made to the Brazilian Expeditionary Force, in the approximate amount of 14 million lire. A suspense account in Brazilian cruzeiros will be set up in the Bank of Brazil as an offset to these advances, at the rate of 5 lire to one cruzeiro.

F. AFA Accounting

1. Centralization at Headquarters

Pursuant to Executive Memorandum No. 64, dated 21 June, 1944, all bookkeeping and preparation of accounts for Allied Financial Agency (with the exception of certain bookkeeping records maintained for AFA by the Regional Accountants of Regions IV and V which will be taken over in August) were centralized at Headquarters. The new ledgers were opened with the 30 June 1944 balances as shown in the Allied Financial Consolidated Statements of Receipts and Disbursements, and thereafter the posting of entries arising from AFA branch transactions and transactions of Sub-Accounts in the Field was begun. The new centralized records are being posted by means of bookkeeping machines requisitioned for this purpose.

2. June Statement of Receipts and Disbursements

The AFA branch statements for the month of June were consolidated in the usual way, and the consolidated Statement was prepared for distribution.

3. Advances to Other Allied Forces

A new form, F/S 13 (e), was printed for use in connection with making adjustments with the British Command Paymaster in respect of all lire advanced by him to British Section, and other Allied forces (specified in FAO Airgram No. 152). A supply of this form has been sent to the AFA branches concerned, who in turn have advised the Paymaster that as soon as he has furnished the necessary data and reliable receipts adjustments will be made, in order that such advances will be properly reflected in AFA's accounts.

4. Supplies stockpiled for export

Instructions regarding the accounting treatment of disbursements for supplies purchased for stockpiling pending export were prepared and sent to all AFA branches.

5. Funds for United Nations Representatives in Italy

A new form, F/S 12 (e), was prepared for the use of AFA branches in connection with the making of temporary advances to duly accredited representatives of United Nations for the purpose of meeting the personal and office expenses of such representatives in Italy. In accordance with FAO 216 this new form provides that such advances will be repaid to AFA as promptly as possible by means of funds transferred through the remittances plan by the United Nations' governments concerned.

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6. Reports of U.S. Finance Mission to AFHQ

The points of criticism relating to financial accounting (as distinct from supply or operability accounting) has been met prior to the receipt of the Report, with the exception of the suggestion that Collectors of Revenue report their receipts direct to AFA HQ, so that these could be checked independently of the reports of Sub-Accountants with whom the collections are deposited. During the month, instructions covering this matter were prepared for distribution to Collectors of Revenue, and hereafter the verification suggested by the Mission will be incorporated in the verification procedure.

C. Measures against counterfeiting of AM lire

1. In response to a request from Finance Sub-Commission to CCS, the U.S. Treasury Department prepared and forwarded a list of persons convicted in the United States on counterfeiting charges and deported to Italy. As these counterfeiters were involved in "plant" cases (production of completely forged notes), and as this is the type of counterfeiting which may reasonably be expected to increase in Italy in the future, the names, records, and photographs of the listed individuals were sent to Public Safety Sub-Commission for an investigation into their present whereabouts and activities.

## IV. BANKING, POSTAL SAVINGS, AND OTHER FINANCIAL DEVELOPMENTS

A. Central Banking Developments

1. The Central Administration of the Banco d'Italia is in process of systematizing its relations with its branches which were cut off from it prior to the liberation of Rome. During the period of separation, the branches in southern Italy had been directed by the then Commissioner of the Banco d'Italia, Arturo Atti, to continue to prepare the usual statements for forwarding to the Central Administration. With the change in management of the Banco d'Italia, occurring through removal of the Governor, Azzolini, and the assumption of the active direction by the Vice-Director General, Introna, (now Commissioner), the Central Administration has been encouraged to re-assume its directive position in relation to the branches. The accumulated accounting statements of the branches are now, therefore, being despatched to Rome.

2. On 29 July, Niccolo Introna, Deputy Director General, was named by the Council of Ministers as Commissioner of the Banco d'Italia, and Alberto Pettinari, Director of the Bari and Naples branches, as Vice-Commissioner. Arturo Atti, the Commissioner named last winter for southern Italy, died during July. Introna, the new Commissioner, is a career man, having been with the Banco d'Italia from its foundation. Pettinari was the Vice-Commissioner in southern Italy and continues in the same post. Vincenzo Azzolini, the former Governor, has now been imprisoned by the Italian Government.

3. For the purpose of showing the great changes in the position of the Banco d'Italia during the course of the war, the balance sheets for 31 December, 1939, and 31 December, 1943, are reproduced in the Statistical Appendix. The last one shown for the latter date is completely dominated by the financial needs of the Government. Total funds [illegible] available to the State and State agencies totalled 74 billion lire on

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E. Other Financial Developments

1. Financing of ocean transport

(a) Two related problems/in connection with the financing of cargoes transported by water for AOC account. The Mediterranean Shipping Board has requested payment for freight carried for AOC account, and a new method of financing the operations of COGEMA (an association of Italian schooner owners) was adopted. Previously, COGEMA had been financed by the Shipping Sub-Commission with funds drawn by the British Command Pay Office from the Allied Financial Agency. Inasmuch as this financial problem is clearly an internal one and therefore a matter for the Italian Government, arrangements were made for the Government to provide COGEMA with the necessary funds. No payments will be made to COGEMA for cargoes carried on behalf of the Allied forces or AOC. In accordance with the terms of the Armistice and AFHQ Administrative Memoranda Nos. 95 and 31, these charges will be borne by the Italian Government when it finances COGEMA's operating deficit.

(b) With respect to MEDME's request, Finance Sub-Commission replied that the movement of cargoes for AOC is in reality a service rendered to the Italian civilian economy (food supplies, etc.). In view of this, such charges should be treated in the same way as, for example, food imported for civilian consumption, for which no immediate payment is made. MEDME is itself applying the above principle, in that Italian ocean-going vessels are chartered to MEDME, but the question of remuneration to Italy for the services of these vessels has been deferred. All such elements - the value of services provided by Italy and rendered to Italy must be considered in an ultimate financial settlement. It was therefore suggested to MEDME that vessels under charter to it continue to carry cargoes for AOC without any immediate payments. Careful records should of course be kept, in order that this service may be taken into consideration in the future.

2. Savings Bank Officials

As new territory is liberated in the north several savings banks have been found from which all officers have fled. Prior to Fascism there were various methods of selecting those officers, giving due weight to different elements in the community. Under Fascism all of these officers were appointed by the Ministry of Finance. It has been agreed by the Minister of the Treasury that as officers are removed or places are found vacant as permanent appointments shall be made but Commissionarii will be appointed to hold office only until the pre-Fascist system can be reinstituted.

3. Revision of Proclamations and General Orders

In conjunction with the Legal Sub-Commission, Finance Sub-Commission reconsidered the various policy statements embodied in the outstanding Proclamations and General Orders. Extensive revisions were made and drafts thereof submitted to the Legal Sub-Commission.

## V. PRICES AND THE COST OF LIVING

A. Appendix F to this report reproduces all the data currently available on the cost of living in the capital cities of 24 provinces of liberated Italy. Previously, this Report has contained cost of living figures for Naples. The data in Appendix F are calculated for all 24 provinces on approximately the same basis as that previously used for Naples,

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[illegible] with the terms of the Armistice and AFHQ Administrative Memoranda Nos. 95 and 3', these charges will be borne by the Italian Government when it finances OOCEMA's operating deficit.

(b) With respect to MTOTO's request, Finance Sub-Commission replied that the movement of cargoes for AOC is in reality a service rendered to the Italian civilian economy (food supplies, etc.). In view of this, such charges should be treated in the same way as, for example, food imported for civilian consumption, for which no immediate payment is made. MTOTO is itself applying the same principle, in that Italian ocean-going vessels are chartered to MTOTO, but the question of remuneration to Italy for the services of these vessels has been deferred. All such elements - the value of services provided by Italy and rendered to Italy - must be considered in an ultimate financial settlement. It was therefore suggested to MTOTO that vessels under charter to it continue to carry cargoes for AOC without any immediate payments. Careful records should of course be kept, in order that this service may be taken into consideration in the future.

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For all provinces for which July data are available, the cost of living dropped sharply in that month, a result of the increase in the bread ration which took effect on 1 July, of the current wheat harvest which is now available, and of the current harvest of other important food crops.

B. The price of bread in liberated Italy, a subject that has been extensively discussed in AOC, and reported in detail in previous numbers of the Monthly Report, was fixed during July at 5 lire per kilogram. The decision to fix the price at that point was taken after it became obvious that agreement between AOC and the Government was impossible as the Government consistently advocated an "economic" (i.e. full cost) price for bread.

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## VI. INSURANCE

### A. Commercial Insurance

#### 1. Italian Government

Dott. Bernardino Vigoriti, of the Commercial Insurance Section of the Ministry of Industry, Commerce and Labor, has been charged with re-forming the former Servizio dell'Assicurazione of the Ministry of Corporations as a Section of the Ministry of Industry, Commerce and Labor, using the most technically qualified men available in Rome. It has been emphasized that this is a matter of pressing importance. Occupation of Rome, where there are a number of insurance offices authorized to take charge in liberated Italy, is bringing insurance problems which are of a highly technical nature and require examination not so much from the point of view of companies individually, but on a national basis. While a reorganized Advisory Committee will go some way towards meeting this problem, it is obvious that the representatives on it of the Ministry of Industry, Commerce and Labor must be men highly qualified in insurance problems. There are a number of such men in Rome from whom the Government can make a selection, subject to satisfactory political backgrounds.

#### 2. Existing occupation of Rome offices

All insurance offices in Rome had been closed (except for premium collections and expenses) by order of Rome Region on 24 June, and the earliest efforts were directed to obtaining sufficient data from them to decide upon reopening. Several distinct categories were immediately apparent:

(a) The group comprising the Istituto Nazionale delle Assicurazioni, Previdentia, and Assicurazioni d'Italia, where the Boards of Administration had been replaced by the Commissioner, Dr. Alfredo de Ligouro, appointed by decree in May, and sent to Rome on Italian Government orders and with AGC approval, to take charge of these parastatal concerns.

(b) Other companies with Head Offices in Rome, of which both the Compagnia di Roma and the Unione Italiana di Riassicurazione required special consideration.

(c) Companies whose Head Offices were in the north, which had arranged for specially staffed and equipped offices in Rome, to act as Head Offices for liberated territory. The two most important of this group were Assicurazioni Generali di Venezia, and Riunione Adriatica di Sicurta'.

(d) Foreign Companies, comprising five French companies in the same categories as (b) or (c) above, two German companies, and agencies of three British companies.

There were in Naples Commissioners appointed for several companies by the Government, with powers extended to AMG territory. While it had originally been intended to bring all such Commissioners to Rome to take charge of their companies' affairs, it became apparent that in some instances of Companies in group (c) above, the officials in Rome were not only better qualified men holding specific authority from their Head Offices, but were also the superiors of their own Commissioners, who, although selected as the best men available at the time of their appointment, did not possess all the

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(a) The group comprising the Istituto Nazionale delle Assicurazioni, Previdentia, and Assicurazioni d'Italia, where the Boards of Administration had been replaced by the Commissioner, Dr. Alfredo de Ligniro, appointed by decree in May, and sent to Rome on Italian Government orders and with ACC approval, to take charge of these parastatal concerns.

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At a meeting with the Minister of Industry, Commerce and Labor it was decided that the appointment of Commissioner should be cancelled by the Government in cases where it was agreed that the Rome management was of a superior grade to the Commissioner.

3. Conditions of reopening

In the meantime attention was given to the formulation of restrictions it might be desirable to impose, and the following were agreed with the Italian Government representatives:

(a) Operations on quotas of reinsurance given to, or accepted from, companies remaining closed, to be suspended;

(b) Operations on any part of the portfolio referring to foreign countries, or to foreign companies not opened for liberated territory, to be suspended.

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(g) In general - to make no payments, except in or else cases where bank account is blocked under AOC/AMG orders, without approval of the Finance Sub-Commission;

(d) The obligation of "cessioni legali" to the Istituto Nazionale delle Assicurazioni to remain in force for life insurances;

(e) New risks in other branches to be limited to those the Head managements are authorized by their principals to accept, to those located in liberated territory, and in accordance with Italian law;

(f) No operation to be undertaken which would violate any order of AOC/AMG or of the Italian Government.

4. Non-Italian companies

In accordance with arrangements previously made, the agencies of the three British Companies, which were without any centralizing authority, were turned over to the Director of Property Control. The Companies affected are:

Alliance
Liverpool London & Globe
Commercial Union

The Italian Head Offices for all three are in Milan under Italian management, and fresh arrangements are contemplated for them when Milan is reached, by which time the Director of Property Control should have received instructions from London.

After further consultation with the French authorities it was agreed to treat the French companies in the same way as Italian offices of similar calibre, it being understood, however, that negotiations might take place to bring them under the control of superior offices located in the territory under the control of the Provisional French Government. The French authorities also mentioned the companies "Assecia" and "Paterna" as being of majority French ownership. There is no substantial organization for either in Rome.

It is the intention of the Italian authorities to appoint a sequestrator for the two German companies; one, Danubia - Concordia, has its Italian Head Office in Rome and appears to be in working condition. The officers of the other, the Mannheim, have been evacuated north, leaving a minor official (Italian) with authority to settle claims, and some funds for this purpose.

5. Italian Companies

Investigation of data furnished by companies was completed by 12 July and on 14 July a number of companies were instructed to resume their activities for all liberated Italy the restrictions reported above.

In view of the peculiar character of the Compagnia di Roma and the Unione Italiana di Riassicurazioni, it was decided, in conjunction with the Government representative, to leave them closed until such time as investigation can be made into their functioning.

6. Insurance intelligence

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6. Insurance Intelligence

It is difficult to appraise with any degree of exactitude the insurance intelligence available from the half-dozen Head offices in Rome. The chief institutions of any value in this respect are the Istituto Nazionale delle Assicurazioni, the Compagnia di Roma, and the Unione Italiana di Riassicurazione.

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The Istituto Nazionale deals primarily with life insurances, although it does conduct small reinsurances in other branches, chiefly in conjunction with the Unione Italiana and its own subsidiary Assicurazione d'Italia. A preliminary report of the conditions in the Head Office at the time of the liberation of Rome is attached as Appendix F.

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The Compagnia di Roma and the Unione Italiana offer a different problem. Upon notification from them that their technical records were intact, contact was made through ACC Information Division with the Intelligence Services, to a representative of which the possibilities were explained. It is, however, beyond the resources of the Insurance Department to undertake any large-scale investigation of technical records. The Department could, however, request the companies to do the work, if an indication should be given of the specific type of information required by London and Washington, e.g. names of persons whose property it is desired to investigate, a record of insurance upon whom, or upon whose property, might be of assistance. Both as a test on consistencies of records, and as an example of the information available on insured persons and property, details of two life, two fire and two transport policies picked at random have been called for from both the Unione Italiana di Riassicurazione and the Compagnia di Roma.

7. Arrangements have now been made on the following lines, after consultation with Sections of the Finance Sub-Commission dealing with other financial institutions, on a national basis. Expurgation of the Istituto Nazionale delle Assicurazione and its subsidiaries (para-statal concerns) will be left to the Government to arrange with the Commissioner, who has already taken steps to obtain political histories of the staff. Such of the managements and directorates as are in Rome of all commercial insurance offices having a national sphere of responsibility will be screened by means of "Schede Personali" sent out by the Insurance Department and referred to the Security Branch. When once such managements and directorates have been established as satisfactory, they will in turn be made responsible for dealing with their employees, utilising, if they so desire, the services of any staff Committee in their office. The exact terms of reference to be given to the management have yet to be formulated, but will be uniform with those used by the rest of the Sub-Commission.

Dispatch of "Schede Personali" for managements and directorates at a national level has been finished, completion of screening being now dependent on the speed with which they are returned and can be dealt with.

Offices which have not a national significance, such as local branches, agencies, cash offices and the like, will comply with Regional orders on the subject.

Personnel of managements and directorates found unsatisfactory will be dismissed by orders direct to their companies up to the date of the hand-over of Rome to the Italian Government, with a copy to the Government for confirmatory action afterwards. After the hand-over, names of such persons will be sent to the Government for necessary action. Names of all such personnel, and also those of insurance personnel proved satisfactory, will be communicated in future monthly reports.

B. Social Insurance

1. Extension of social insurance to direct employees of the Allied forces

(a) Recent pressures have forced quickening of consideration of coverage of direct employees of Allied Forces in Italy under social insurance laws. Documents made available following the fall of Rome make clear that the Germans provided such coverage for their direct employees. Italians in this area cannot understand why we have not already done so. In Sicily this gap in coverage has recently become a source of serious agitation.

(b) On 15 May 1944 the local Resources Board for Italy approved extension of Italian social insurance benefits to direct employees of Allied Forces and requested ACC to develop a plan for such extension that would be acceptable to the Italian Govern-

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(b) On 15 May 1944 the Local Resources Board for Italy approved extension of Italian social insurance benefits to direct employees of Allied Forces and requested AOC to develop a plan for such extension that would be acceptable to the Italian Government and Allied Forces. The Italian Government had already agreed to bear the cost of the following coverages in addition to accidental injury or death which are already covered:

(i) sickness of worker or dependent
(ii) unemployment
(iii) pensions for invalidity or old age
(iv) tuberculosis
(v) marriage and birth allowances

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(c) The principal problems have been, on the one hand, to determine the minimum information required for assuring payment of benefits to the workers involved, and for enabling the Italian Government to accumulate the necessary reserves to meet such payments; and on the other hand, to devise a method by which Allied Forces can supply such information with a minimum of recording, tabulation and reporting.

(d) A plan has been prepared and submitted for approval of appropriate committees of MG, Allied Armies in Italy. It proposes that Allied Forces assume responsibility for

(i) preparation of a "Worker's Social Insurance Card" for each direct employee, the cards to be kept on file during the period of employment

(ii) commencement of coverage as of the first pay-period after the effective date decided upon, the file being then constituted (but units able and willing to do so may provide retro-active coverage to actual dates on which employment commenced where verifiable)

(iii) surrender of the card with appropriate certification upon termination of employment or interruption by illness, the card to form the basis for establishing both right to benefit and amount of contribution due from the Italian Government.

(iv) preparation of a "Worker's Employment Status Report" to be issued to such workers as during employment, shall apply for medical care for a dependent member of their families or for a marriage or birth allowance.

2. Military allowances under Proclamation No. 4

(a) As was announced in the June Report of this Sub-Commission, (Social Insurance, para 3) a directive was issued by the Acting Chief Commissioner and implemented by an instruction to provincial offices of Istituto Nazionale della Previdenza Sociale, changing the status of military allowances. The purpose of the changes was to encourage military personnel in enemy-occupied territory to cooperate with Allied Forces. In order further to regularize the situation, Proclamation No. 4 has now been formally amended, and Article I, Section 4 has been replaced by a Section 4 reading as follows:

"Every company, institution, corporation, body and person engaged in the administration of any Social Insurance or Social Welfare Scheme shall continue to receive and collect all contributions payable under such Scheme, and to make all benefits, indemnity and other payments due or payable under any such Scheme, provided the same was legally in force prior to 8 September 1943, except payments of family allowances and military benefits to dependants of persons in Germany or other enemy or enemy occupied territory known to be cooperating with the enemy".

(b) The Acting Chief Commissioner's Directive and the "Previdenza" instruction remain in effect as detailed implementation of the amended section. The underlined portions of the amended section are of greatest interest. The phrase "legally in force prior to 8th September 1943" is related to the provision of the directive (para 2 c) outlawing changes made by the Fascist Republican Government. The phrase "known to be cooperating with the enemy" is related both to the exclusion of those who subsequently joined the Fascist Republican or German Armies, (para 2 c) and to the inclusion of those still imprisoned (para 2 d) or who have participated in patriot

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effective date decided upon, the file being then constituted (but units able and willing to do so may provide retro-active coverage to actual dates on which employment commenced where verifiable)

(iii) surrender of the card with appropriate certification upon termination of employment or interruption by illness, the card to form the basis for establishing both right to benefit and amount of contribution due from the Italian Government.

(iv) preparation of a "Worker's Employment Status Report" to be issued to such workers as during employment, shall apply for medical care for a dependent member of their families or for a marriage or birth allowance.

2. Military allowances under Proclamation No. 4

(a) As was announced in the June Report of this Sub-Commission, (Social Insurance, para 3) a directive was issued by the Acting Chief Commissioner and implemented by an instruction to provincial offices of Istituto Nazionale della Previdenza Sociale, changing the status of military allowances. The purpose of the changes was to encourage military personnel in enemy-occupied territory to cooperate with Allied Forces. In order further to regularize the situation, Proclamation No. 4 has now been formally amended, and Article I, Section 4 has been replaced by a Section 4 reading as follows:

"Every company, institution, corporation, body and person engaged in the administration of any Social Insurance or Social Welfare Scheme shall continue to receive and collect all contributions payable under such Scheme, and to make all benefits, indemnity and other payments due or payable under any such Scheme, provided the same was legally in force prior to 8 September 1943, except payments of family allowances and military benefits to dependents of persons in Germany or other enemy or enemy occupied territory known to be cooperating with the enemy".

(b) The Acting Chief Commissioner's directive and the "Providenza" instruction remain in effect as detailed implementation of the amended section. The underlined portions of the amended section are of greatest interest. The phrase "legally in force prior to 8th September 1943" is related to the provision of the directive (para 2 c) outlawing changes made by the Fascist Republican Government. The phrase "known to be cooperating with the enemy" is related both to the exclusion of those who subsequently joined the Fascist Republican or German Armies, (para 2 c) and to the inclusion of those still imprisoned (para 2 b) or who have participated in patriot actions (para 2 c).

3. Status of family allowances of dependents of civil servants transferred to the north

The revised section (Article I, section 4 of Proclamation No. 4) quoted above, not only refers to military benefits but to "family allowances", and applies as regards civil servants who left their families to serve units transferred to the North by the Fascist Republican Government. The transfers took place under regulations established subsequent to 8 September 1943, and the allowances arranged were not "legally in effect on 8 September 1943". The persons concerned must be regarded as "known to be cooperating with the enemy". The present Italian Government agrees with this interpretation, and officials of the competent Ministry (Industry, Commerce, and Labor) have categorically stated that they do not wish these allowances to be paid. Hardship cases, will, of course, be taken care of by public assistance.

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4. Abrogation of penalties to Fascist

(a) The possibility referred to in the June Report (Social Insurance, page 7) has been realized in a decree now agreed upon. This Sub-Commission had originally objected to two pension decrees passed by the first Badoglio Government : No. 85 (published 25 March 1944) increasing state pensions, because no adequate provision was included to prevent recipients of pensions for "Fascist merits" from receiving these increases; and No. 102 (published 20 April 1944) which not only continued pensions to the dissolved Fascist Militia, but actually provided them on more favourable terms. The decree just adopted takes care of both matters. It repeals the second law as well as earlier laws providing pensions to the Fascist Militia and other benefits for persons of "Fascist merit", and revokes pensions and benefits already granted under the terms of these laws. This removes the necessity for an amendment to the pension increase bill since those at whom it would be directed will have been eliminated altogether from the pension system.

(b) The new decree abrogates the following laws: that of 20 April, 1944, providing more favorable pension treatment to members of the dissolved militia; that of 24 December, 1925, providing benefits to families of "Fascist martyrs", during the period between 1919 and 1923; that of 24 March 1930 extending benefits to additional persons injured in the "Fascist cause"; that of 12 June 1931, extending benefits to widows and orphans of "Fascist martyrs"; and the provision in Art. 3 para 3 of the decree of 6 December 1943 permitting competent Ministries to grant pensions to members of the dissolved militia equivalent to those for military of similar rank. It also revokes pensions and allowances already granted under these laws as well as those conceded to citizens for "Fascist merits" under special laws adopted after 28 October 1922. The right to receive normal pension for regular governmental service rendered apart from that in Fascist organizations, is reserved to claimants concerned. The "Opera di Previdenza della M.V.S.N.", created 27 March, 1924, to handle pensions and benefit funds of the Militia, is abolished and its funds will be liquidated by the Ministry of the Treasury which will retain for the State any sums not disbursed. Actual contributions made to the dissolved agency will be reimbursed (minus any benefits already received) but not at a rate exceeding L. 1,000 monthly. All war pensions for service in the Spanish Civil War are revoked. The pension rights of the technical militia (rail, postal-telegraph, forest, highway and port) are protected for those of grade 8 or below. Other members of these militia can apply for a pension, but must prove to an investigation commission that their appointment or promotion was not based on "Fascist merits".

(c) Action has already been initiated to extend this decree, as well as the state pension increase decree (No. 85) to military government territory.

5. Medical fees for sickness insurance

(a) The sickness insurance organization (Istituto Nazionale per l'Assistenza di Malattie ai Lavoratori) maintains two systems of payment for medical services.

(i) Physicians employed by the Institute are paid a salary;

(ii) More often the patient is treated by a physician of his own choice

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providing pensions to the Fascist Militia and other benefits for persons of "Fascist merit", and revokes pensions and benefits already granted under the terms of these laws. This removes the necessity for an enactment to the pension increase bill since those at whom it would be directed will have been eliminated altogether from the pension system.

(b) The new decree abrogates the following laws: that of 20 April, 1934, providing more favorable pension treatment to members of the dissolved militia; that of 24 December, 1925, providing benefits to families of "Fascist martyrs", during the period between 1919 and 1923; that of 24 March 1930 extending benefits to additional persons injured in the "Fascist cause"; that of 12 June 1931, extending benefits to widows and orphans of "Fascist martyrs"; and the provision in Art. 3 para 3 of the decree of 6 December 1943 permitting competent Ministries to grant pensions to members of the dissolved militia equivalent to those for military of similar rank. It also revokes pensions and allowances already granted under these laws as well as those conceded to citizens for "Fascist merits" under special laws adopted after 28 October 1922. The right to receive normal pension for regular governmental service rendered apart from that in Fascist organizations, is reserved to claimants concerned. The "Opera di Previdenza della M.V.S.N.", created 27 March, 1934, to handle pensions and benefit funds of the Militia, is abolished and its funds will be liquidated by the Ministry of the Treasury which will retain for the State any sums not disbursed. Actual contributions made to the dissolved agency will be reimbursed (minus any benefits already received) but not at a rate exceeding L. 1,000 monthly. All war pensions for service in the Spanish Civil War are revoked. The pension rights of the technical militia (rail, postal-telegraph, forest, highway and port) are protected for those of grade 8 or below. Other members of these militia can apply for a pension, but must prove to an investigation commission that their appointment or promotion was not based on "Fascist merits".

(c) Action has already been initiated to extend this decree, as well as the state pension increase decree (No. 85) to military government territory.

5. Medical fees for sickness insurance

(a) The sickness insurance organization (Istituto Nazionale per l'Assistenza di Malattie ai Lavoratori) maintains two systems of payment for medical services.

(i) Physicians employed by the Institute are paid a salary;

(ii) More often the patient is treated by a physician of his own choice and the latter is paid a fee based on the number of insured workers in the area he serves, or the number of visits he makes to homes of these workers. The fees are notoriously small. Funds are set aside, at rates varying from 8.6 lire per insured worker for agricultural workers to 13.2 lire per family member for industrial workers. These are then distributed among the doctors either on the basis of workers or family members in the area, or the number of visits reported.

(b) The fees had not been raised during our occupation, although living costs have risen sharply and other income have been increased. Recently the hardship which this has occasioned many doctors has led to action or threats of action by medical societies. The provincial medical syndicate of Brindisi resolved on 5 June to cease collaborating with the Institute and to declare its contract void as from 30 June. It was persuaded to withdraw from this position by the Prefect who explained that he could not tolerate any "strike" of doctors. Similar pressures have developed elsewhere, but as yet no case of refusal to attend a patient has been attested.

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(c) Impressed by these pressures, and aware that there was merit in the arguments of the doctors, the Ministry of Industry, Commerce, and Labor directed the Institute to increase its fees 50% effective 1 June, and so to notify the provincial offices by telegram. This was done on 28 June as regards the following provinces: Agrigento, Avellino, Bari, Brindisi, Cagliari, Caltanissetta, Catania, Catanzaro, Cosenza, Enna, Foggia (in July, Lecce, Matera, Messina, Napoli (in July), Nuoro, Palermo, Potenza, Ragusa, Reggio Calabria, Salerno, Sassari, Siracusa, Taranto and Trapani. Subsequently on 10 July a letter of instruction was sent out, setting forth in greater detail and with some departures from a flat 50% increase, the nature of the adjustment. Thus staff physicians were granted the graduated increase of 70%, 60%, 30%, etc. provided for other public employees last winter. Extension of these increases to Military Government Territory has been requested by the National Commissioner.

(d) Two problems are involved in this matter:

(i) the necessities of the doctors who have faced a rising living cost with fixed compensation,

and (ii) the need of workers and their families for adequate medical service.

The contemplated increase, already effected in most of Italian Government territory may answer the first problem, but can make no important contribution to solving the second problem. Re-examination of the medical standards of the Institute, needlessly complex and commonly inadequate, is required. If solution of this longer-range problem requires a more generous national scale, the contribution for sickness insurance must also be reconsidered.

6. Situation at national offices of principal social insurance institutes

(a) In two out of three of the national offices of principal social insurance institutes, the Committee of National Liberation had already installed Commissioners and Committees before the arrival of the Italian Government or the legally appointed National Commissioners. This has resulted in some personnel difficulties which have posed a delicate problem both for the Italian Government and ACC. The Committee of National Liberation has done valuable service in Rome before its fall, and is still carrying on activities of an extra-legal character in enemy occupied Italy with our blessing. The problem is one of persuading the Committee to accept orderly legal procedure without provoking a feeling that its past services here or present services in unliberated areas are unappreciated. This objective is gradually being achieved.

(b) The head offices transferred to the North were established at the following points: "Previdenza" at Vittorio Veneto, "Infortuni" at Lecce and "Malattie" at Varese. Substantial sums were also transferred, as indicated in the accompanying table based on reports to the Regional Labor Officer.

Status of Assets of Head Offices of Three Social Insurance Institutes

(in thousands of lire)

| Infortuni | | Malattie | | Previdenza | |
|---|---|---|---|---|---|
| Rome | North | Rome | North | Rome | North |

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are involved in this matter:

(i) the necessities of the doctors who have faced a rising living cost with fixed compensation,

and (ii) the need of workers and their families for adequate medical service.

The contemplated increase, already effected in most of Italian Government territory may answer the first problem, but can make no important contribution to solving the second problem. Re-examination of the medical standards of the Institute, needlessly complex and generally inadequate, is required. If solution of this longer-range problem requires a more generous medical scale, the contribution for sickness insurance must also be reconsidered.

6. Situation at national offices of principal social insurance institutes

(a) In two out of three of the national offices of principal social insurance institutes, the Committee of National Liberation had already installed Commissioners and Committees before the arrival of the Italian Government or the legally appointed National Commissioners. This has resulted in some personnel difficulties which have posed a delicate problem both for the Italian Government and ACC. The Committee of National Liberation has done valuable service in Rome before its fall, and is still carrying on activities of an extra-legal character in enemy occupied Italy with our blessing. The problem is one of persuading the Committee to accept orderly legal procedure without provoking a feeling that its past services here or present services in unliberated areas are unappreciated. This objective is gradually being achieved.

(b) The head offices transferred to the North were established at the following points: "Previdenza" at Vittorio Veneto, "Infortuni" at Lecco and "Malattie" at Varese. Substantial sums were also transferred, as indicated in the accompanying table based on reports to the Regional Labor Officer.

Status of Assets of Head Offices of Three Social Insurance Institutes

(in thousands of lire)

| | Infortuni | | Malattie | | Previdenza | |
|---|---|---|---|---|---|---|
| | Rome | North | Rome | North | Rome | North |
| Deposits, Bank | 66,059 | --- | 17,163 | 91,981 | 239,000 | 261,287 |
| Deposits, Postal | 1,726 | --- | 7,019 | 10,000 | 96,000 | 176,000 |
| Bonds, face value | 1,595,825 | 1,333,361 | 12,493 | 541,486 | 2,611,037 | 7,670,058 |
| Cash | 2,879 | --- | 12,435 | 14,199 | 15,000 | --- |
| Other holdings | 7,156 | --- | --- | --- | 40,000 | 23,000 |
| | 1,673,640 | 1,333,361 | 49,110 | 718,661 | 3,001,037 | 8,330,346 |

The figures for Malattie are not accurate (see para 8).

As indicated, most of the transferred assets were in the form of bonds. It has been ascertained that such bonds as were transferred are known by amount, category and even individual numbers at Rome. Measures looking to protection and possible reconstitution of these assets are at present receiving careful consideration.

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7. Ente della Mutualita'

The cashier and accountant of Istituto Nazionale per l'Assistenza di Malattie ai Lavoratori (called Ente della Mutualita' in Northern Italy) attempted last winter to block the transfer North of the funds of the Institute by the Republican Fascist Government. They withdrew L. 10,305,000 in cashier's checks from the Banca d'Italia and took vault receipts for L. 863,000,000 in bonds on deposit with the Banca Nazionale del Lavoro. They kept these through many difficult months, while living in the underground. When following the fall of Rome a small clique attempted to reconstitute the Ente while barring the bulk of its personnel, the two men refused to surrender these assets to the "rump" direction-general. Instead they announced in the press (Ricostruzione, 12 July and L'Italia Libera, 16 July) that they would transfer them only to the competent Ministry. Having arranged a contact with the men, the Finance Sub-Commission made an appointment for them with the Minister concerned (Industry, Commerce and Labor), witnessed the transfer and obtained a duplicate receipt for the checks and vault slips.

8. Expurgation of national employees of social insurance institutes

Steps had already been taken at the regional level, under the terms of an order issued by the Commissioner for Rome Region, to purge the national offices of social insurance institutes of Fascist personnel. Some employees have already been suspended as a result of this action. We have, for example, a list of some 70 employees of Previdenza's national, provincial and other Rome units who were suspended for this reason. Their total Rome personnel exceeds 1,700. Further suspensions are receiving consideration at the national level. This matter is being closely through the National Commissioners of the several Institutes.

9. Insurance of workmen in Tripolitania and Eritrea

No further action is being taken with the Italian Government regarding extension of the arrangement for workmen's compensation (Infortuni organization) to civilian employees of Allied Forces in the former Italian Africa, referred to in the May report. Information now available from the Middle East indicates that activities of that Infortuni organization have been resumed in Tripolitania and Eritrea under British Military Administration. This resumption is not to be regarded as a resumption of the former activities of Infortuni. The branches concerned must be considered separate entities operating under different laws under control of HQ, BMA. The Italian Government and the Commissario of Infortuni in Rome have been advised accordingly.

## VII. ACCOUNTING SUB-SECTION

A. ACC Accounting to show Italian indebtedness

1. TAM 228 from the Combined Chiefs of Staff was received setting out the accounting procedure whereby the U.S. War Department, the British War Office and ACC will provide and accumulate figures to show Italy's indebtedness to the various Allied countries. This telegram confirmed the tentative agreement reached in London with the Finance Mission from Washington. A reply has been drafted stating that since the date of the London discussions experience has shown that supplies issued by the Allied armed forces to the Italian Army, Italian Government agencies and to Displaced Persons Sub-Commission can only be satisfactorily accounted for by ACC in values and not by commodities. It is therefore suggested that ACC report to the War Department and War Office such issues in

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## VII. ACCOUNTING SUB-SECTION

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B. Supply Accounting

1. Supply accounts for the month of May 1944 are being reviewed and prepared for consolidation at Headquarters. Reports for May have been submitted by all Regions, except I, IV and V. In this respect the position is not so favorable as at the close of the preceding month, when Economics and Supply Division reports had been received from all Regions except I and VII. The delay in Region I is attributable to insufficient personnel during previous months. More recently, as the work in arrears was being brought up to date, the accounting staff was required to devote a large part of its time to taking of inventories and effecting collections in connection with the transfer of the entire ESD stock in Sicily to an agent of the Italian Government. In Region IV

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the delay has been due to the difficulty in securing a record of stock transactions during the rapid advance of the 5th Army in May and June. In Region V the same situation prevailed in connection with the advancing 8th Army. Progress reports received from the Supply Accountants in each of the foregoing Regions, however, indicate that their May accounts are in course of preparation and will be forwarded in the near future to ACC.

2. In view of the rapid movement of the 5th and 8th Armies it is hoped to effect arrangements whereby two officers operating under the technical direction of the Chief Accountant will move with these Armies and coordinate their supply accounts with the records of the Regions in which the armies are operating. Aside from these officers two other Regional Supply Accountants have been assigned to the forward area Regions VIII and IX. This reassignment of personnel has placed a heavy burden on the supply accounting organizations in rear areas, which until recently was wholly inadequate. To distribute the present staff most advantageously on the basis of available personnel, plans are now in the course of development to consolidate all supply accounting in the present Regions II, III and VII under one unit with headquarters at Naples.

3. In this connection it should be stated that the supply accounting personnel has never been entirely adequate to discharge the enormous volume of work. Under the existing system, considering the scope and magnitude of the supply program, an inordinate number of small sales are made. Not only from an accounting, but also from an administrative standpoint, steps should be taken to sell imports at dockside to an Italian government agency, to be distributed by it under the supervision of ACC/AMG. Negotiations with this end in view have been carried on for some time, and it is now hoped that an Italian Ministry of Supply will be formed which would undertake such work. With the further expansion of liberated territory the need becomes more urgent.

4. The arrangement for distributing petroleum, oil, and lubricants in rear areas through the medium of the Combato Italiano Petroli, (CIP), both for the Italian armed forces and authorized civilian users, has proved satisfactory. This arrangement has given an indication of the advantages to be derived in dealing wherever possible through one central Italian agency or organization. Some difficulty still exists in securing the accounting for POL issued in forward areas prior to the time when CIP could properly function and take over distributing and accounting. Instructions have been issued that any sales made by AMG before CIP is established in an area should be treated as sales made on behalf of CIP, and minimum detail records maintained to enable CIP later to take over all past transactions as soon as it is in a position to function in the area.

5. Accounts through 30 April 1944 have been developed for coal released by the Allied Armies for public utilities, industries, and other essential consumers (i.e. hospitals, bakeries, etc.). The basic information on army coal releases has been obtained from the Coal Section, AFHQ. In the past, difficulties have been experienced as the result of coal issued by the armed forces but not reported to the Supply Accountants. Some of this coal was released by the Army without reference to ACC/AMG, and some issued in conjunction with the Regional Public Utility Officers who through misunderstanding did not report the deliveries to the supply accountants. To secure accounting for these transactions, orders were issued that the Regional Supply Accountants are to get in touch with all AMG officers making such issues, and obtain a record of price deliveries in order that the billing and collecting may be brought up to date and maintained hereafter on a current basis.

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6. The accounting for medical supplies under Executive Memorandum [illegible] February 1944, is rendered by the Public Health Sub-Commission to the Chief Accountant, Finance Sub-Commission. Due to the delay in issuing the memorandum and thereafter in [illegible] price lists to the Regions, accounting for these transactions was exceedingly

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[illegible] the present staff most advantageously on the basis of available personnel, plans are now in the course of development to consolidate all supply accounting in the present Regions II, III and VII under one unit with headquarters at Naples.

3. In this connection it should be stated that the supply accounting personnel has never been entirely adequate to discharge the enormous volume of work. Under the existing system, considering the scope and magnitude of the supply program, an inordinate number of small sales are made. Not only from an accounting, but also from an administrative standpoint, steps should be taken to sell imports at dockside to an Italian government agency, to be distributed by it under the supervision of ACC/AMG. Negotiations with this end in view have been carried on for some time, and it is now hoped that an Italian Ministry of Supply will be formed which would undertake such work. With the further expansion of liberated territory the need becomes more urgent.

4. The arrangement for distributing petroleum, oil, and lubricants in rear areas through the medium of the Comitato Italiano Petroli, (CIP), both for the Italian armed forces and authorized civilian users, has proved satisfactory. This arrangement has given an indication of the advantages to be derived in dealing wherever possible through one central Italian agency or organization. Some difficulty still exists in securing the accounting for POL issued in forward areas prior to the time when CIP could properly function and take over distributing and accounting. Instructions have been issued that any sales made by AMG before CIP is established in an area should be treated as sales made on behalf of CIP, and minimum detail records maintained to enable CIP later to take over all past transactions as soon as it is in a position to function in the area.

5. Accounts through 30 April 1944 have been developed for coal released by the Allied Armies for public utilities, industries, and other essential consumers (i.e. hospitals, bakeries, etc.). The basic information on army coal releases has been obtained from the Coal Section, A[illegible]. In the past, difficulties have been experienced as the result of coal issued by the armed forces but not reported to the Supply Accountants. Some of this coal was released by the Army without reference to ACC/AMG, and some issued in conjunction with the Regional Public Utility Officers who through misunderstanding did not report the deliveries to the supply accountants. To secure accounting for these transactions, orders were issued that the Regional Supply Accountants are to get in touch with all AMG officers making such issues, and obtain a record of price deliveries in order that the billing and collecting may be brought up to date and maintained henceforth on a current basis.

2838

6. The accounting for medical supplies under Executive Memorandum [illegible] February 1944, is rendered by the Public Health Sub-Commission to the Chief Accountant, Finance Sub-Commission. Due to the delay in issuing the memorandum and thereafter in forwarding price lists to the Regions, accounting for these transactions was exceedingly difficult. In view of this fact an experienced officer from the Chief Accountant's staff was assigned to develop the necessary accounts on a Headquarters level. Unfortunately the records prior to 31 March 1944, were neglected in several Regions, and are in such condition that a complete accounting was virtually impossible. From the available records an attempt was made to ascertain total imported medical supplies and medical supplies drawn from the Armies; the sales, other issues, and the inventories on hand as of 31 May 1944. While the quantities imported and drawn from the Armies can be ascertained with a fair degree of accuracy, the items and quantities constituting sales and free issues could not practically be separated because of the absence of essential records. Furthermore two of the regions did not have records of the physical stocks on hand as of 31 May 1944, so that the consolidated inventory on that date was incomplete. Payments for sales are made to AFA or Finance Officers, so that the proceeds collected can be accurately ascertained. On the basis of the information at hand, a tentative statement of the value of supplies received, the proceeds of sales of supplies, the computed value of free or unaccounted for issues (including supplies subject to subsequent accounting) and the value of the stock on hand as reported on 31 May 1944, has been prepared.

7. Accounting for issues to the Italian Army, previously unsatisfactory because of the form in which such information was received, is gradually being brought under accounting control. Bulk issues are now reported in quantities only (for pricing at a higher level) and depot issues by U.S. Army units in quantities and prices, although there is still some difficulty in securing adequate information. For British depot issues, arrangements were made to secure a report on quantities, in connection with which a statement of prices would later be furnished by the British Financial Adviser to complete the reports received from depots. At the same time an arrangement was made with the Army Sub-Commission for a preliminary administrative review of all depot issues, and, upon approval thereof, to forward it to the Chief Accountant for entry.

8. During the month special instructions were issued to regulate the accounting for newsprint allocated by the Allied Publication Control Board. Under the new procedure, the Regional Newsprint Officer, or, where no newsprint officer has been designated, the regional supply officer officer, is made accountable for receiving, warehousing, safeguarding, and issuing such stock. As sales are made to authorized users the Regional Supply Accountant, acting upon notification from the Newsprint Officer, draws an issue voucher for billing the customer, it is the responsibility of the Newsprint Officer to see that payment for such sales is made to AFA or a Finance Officer.

9. Specific instructions have been issued relative to the handling of Italian salt and matches. In case of salt produced locally ACC/AMG transports, stores, and distributes salt in forward areas, reporting such transactions to the Salt Monopoly which makes the collections for its own account. These items do not enter into ACC/AMG financial records. In the case of matches produced locally, some purchases had been made by ACC/AMG for resale to distributors. Orders were issued that this practice be discontinued and in the future Italian matches be placed in ordinary trade channels. The small amount of prior purchases and sales by ACC/AMG will of course be taken into the accounts of ACC/AMG.

10. During the month consolidated accounts through 30 April 1944 were prepared for subsistence and supplies received from British Army Depots and issued by the Internees and Displaced Persons Sub-Commission. The accounts for this activity contain the detail of all commodities issued. The May reports for such issues are now in the course of review for entry in the Headquarters records.

C. Financial Accounting Re-organization

1. The centralization at Headquarters of the accounting for Regions I, II, III, VI and VII was effected during the month and the new Headquarters books opened. The accounts for Region IV will be brought into the centralized system as from 31 July, 1944.

2. Reports from these Regions are now being received and processed, but there will be a slight delay in preparing the June Revenue and Expenditure Accounts, owing to the reorganization and the transfer of the Headquarters from Naples to Rome.

3. The centralization has been further extended by a partial application thereof to forward Regions. It is agreed that in forward Regions a Regional Accountant Officer is necessary and that Sub-Accountants' reports should be examined and checked on the spot and any queries thereon dealt with by the Regional Accountant. It has however been decided that the Regional Accountant in forward Regions will not maintain Regional books or prepare Regional Statements; he will instead transmit all checked and corrected [illegible] to the Chief Accountant at ACC Headquarters, where they will

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[illegible] such stock. As sales are made to authorized users the Regional Supply Accountant, acting upon notification from the Newsprint Officer, draws an issue voucher for billing the customer, it is the responsibility of the Newsprint Officer to see that payment for such sales is made to AFA or a Finance Officer.

9. Specific instructions have been issued relative to the handling of Italian salt and matches. In case of salt produced locally ACC/AMG transports, stores, and distributes salt in forward areas, reporting such transactions to the Salt Monopoly which makes the collections for its own account. These items do not enter into ACC/AMG financial records. In the case of matches produced locally, some purchases had been made by ACC/AMG for resale to distributors. Orders were issued that this practice be discontinued and in the future Italian matches be placed in ordinary trade channels. The small amount of prior purchases and sales by ACC/AMG will of course be taken into the accounts of ACC/AMG.

10. During the month consolidated accounts through 30 April 1944 were prepared for subsistence and supplies received from British Army Depots and issued by the Internees and Displaced Persons Sub-Commission. The accounts for this activity contain the detail of all commodities issued. The May reports for such issues are now in the course of review for entry in the Headquarters records.

C. Financial Accounting Re-organization

1. The centralization at Headquarters of the accounting for Regions I, II, III, VI and VII was effected during the month and the new Headquarters books opened. The accounts for Region IV will be brought into the centralized system as from 31 July, 1944.

2. Reports from these Regions are now being received and processed, but there will be a slight delay in preparing the June Revenue and Expenditure Accounts, owing to the reorganization and the transfer of the Headquarters from Naples to Rome.

3. The centralization has been further extended by a partial application thereof to forward Regions. It is agreed that in forward Regions a Regional Accountant Officer is necessary and that Sub-Accountants' reports should be examined and checked on the spot and any queries thereon dealt with by the Regional Accountant. It has however been decided that the Regional Accountant in forward Regions will not maintain Regional books or prepare Regional Accounts; he will instead transmit all checked and corrected Sub-Accountants' reports to the Chief Accountant at ACC Headquarters, where they will be entered in the Headquarters records.

4. One of the more important results of this centralization is that all original documents and vouchers are now forwarded to Headquarters and Sub-Accountants' reports are audited by Headquarters staff.

D. ACC/AMG Accounts

1. Consolidated Revenue Expenditure Accounts for all Regions were prepared for the month of May 1944.

2. G-5 AFHQ were requested to inform the Combined Chiefs of Staff of our intention to abandon any segregation in accounts as between AMG and ACC on the grounds that (a) the difference between AMG and ACC is largely a question of channels of administration and any future consideration of these accounts will be made on the basis of the nature of

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the transactions irrespective of whether they were carried out by AOC or AMG, (b) the same APA branches may serve both AOC and AMG territory, (c) some Regions include both AOC and AMG territory and (d) accounts are on a cash basis and segregation between AMG and AOC is therefore meaningless since, for example, revenue arising while a territory was under AMG may not be collected and recorded until the territory has passed to AOC conditions.

3. The various instructions emanating from military headquarters and from AOC, on the subject of payment of civilian employees, have been reviewed and report submitted suggesting that a clear uniform directive be issued to all AOC/AMG Regions.

4. A revised version of Establishment Memorandum No. 5 dealing with the authorisation required in connection with purchases for messes, billets, and offices was drafted and submitted to the Establishment Officer.

5. An audit of the accounts of Region III prior to their centralisation at Headquarters reveals that it will be necessary to make a thorough investigation into the classification of the expenditure in the past.

E. APA Accounts

1. Consolidated Accounts as at 30 June were completed.

2. A new Payment Voucher (P/V 13 c) was designed and printed. It will be used in connection with reimbursement payments by APA to British Paymasters of sums advanced by the latter to Dominion, Colonial and certain Allied armed forces.

A/J. Joint Director,
Finance Sub-Commission.

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APPENDIX A.

THE

DECREE

AS TO

SANCTIONS AGAINST FASCISM

Part I - Crimes

Part II - Purging

Part III - Enrichment

Part IV - Fascist Funds

Part V - The High Commissioner

Part VI - Miscellaneous



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PART I

## PUNISHMENT OF CRIMES

1. All penal provisions issued to safeguard institutions and political organisations created by fascism are hereby repealed.

Decisions already pronounced by virtue of such provisions are hereby annulled.

2. Members of the Government and high ranking members of fascism, guilty of annulling the guarantees given under the constitution, of destroying the liberty of the people, of creating the fascist regime, of compromising and betraying the fortunes of the country bringing it to the present disaster shall be punished by penal servitude for life and, in cases where the responsibility is greater, by death.

They shall be tried by a High Court of Justice composed of a President and eight members, chosen by the Council of Ministers, from among high ranking judicial officials serving now or in retirement and from among other persons of unquestionable rectitude.

3. Those who organised fascist squads, committing acts of violence and pillage and those who promoted and directed the revolt of 28 October 1922 shall be punished according to Art.120 of the Penal Code 1889.

Those who promoted and directed the Coup d'Etat of 3 January 1925 and those who have since contributed by relevant action to maintain the fascist regime in power shall be punished in accordance with Art 118 of the aforesaid code.

Whosoever has committed any other crime for fascist reasons or taking advantage of the political situation created by fascism shall be punished according to the laws obtaining at the time of the crime.

4. Those crimes described in the preceding Article shall be tried by the Court of Assise, by the Tribunals and by the Pretors according to their respective jurisdiction.

The Court of Assise shall be composed of two judicial officials as described in the law as to the constitution of the Courts of Assise, and of five lay judges chosen by lot from special lists of citizens of unblemished moral and political behavior.

5. Whosoever whether a member of the Armed Forces or not, after 8 September 1943 has committed a crime against loyalty and the military defence of the State, by any kind whatsoever of action collaboration help or assistance given to the German invader shall be punished according to the provisions of the Military Penal Code of War.

Members of the armed forces shall be tried by Military Courts, civilians by ordinary Courts.

6. Any limitation of time with regard to the offence or the punishment thereof shall not apply to any person guilty of, any crime described in this decree, who because of the existence of the fascist regime have not been punished.

For the same reason amnesties and pardons granted after 28 October 1922 in respect of any crime described in this decree shall be invalid, any already granted shall be revoked.

The High Commissioner may propose the revocation of any royal pardon already granted.

When a decision regarding any such crimes has been influenced by any moral coercion resulting from fascism, such decision may be declared to be legally non-existent.

Declarations in this respect shall be made by a Section of the Supreme Court of Cassation appointed by the Minister of Justice.

The provisions of this decree shall not apply in regard to any crimes punishable

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...shall be tried by a High Court of Justice composed of a President and eight members, chosen by the Council of Ministers, from among high ranking judicial officials serving now or in retirement and from among other persons of unquestionable rectitude.

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When a decision regarding any such crimes has been influenced by any moral coercion resulting from fascism, such decision may be declared to be legally non-existent.

Declarations in this respect shall be made by a Section of the Supreme Court of Cassation appointed by the Minister of Justice.

The provisions of this decree shall not apply in regard to any crimes punishable by imprisonment for three years or less.

7. The punishment prescribed for any crime described in this part may be reduced by up to one quarter and imprisonment for not less than five years may be substituted for a sentence of death or of imprisonment for life: a. If the accused had before the outbreak of this war either retired from political life or had been openly opposed to fascism;

b. if the accused has actively participated in the struggle against the Germans
c. Where general extenuating circumstances exist imprisonment for 30 years shall be substituted for penal servitude for life and other penalties shall be reduced by one sixth.

The guilty party shall be declared not punishable if he distinguished himself by special acts of valour in the struggle against the Germans.

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8. Any person who for fascist reasons or, by taking advantage of the political situation created by fascism has committed acts particularly serious which while not being offences in the eyes of the law are nevertheless contrary to the rules of social and political integrity shall be subjected to temporary disqualification from holding any public office or to loss of political rights for a period of not more than ten years.

Whenever such a person is deemed to be a danger to society he may be sent to an agricultural colony or a labor institution for a period of not less than one or more than ten years.

The provisions contained in this Article shall be administered by a Provincial Commission presided over by a judicial official and composed of two other members chosen by lot from among the lay judges described in Art. 4.

As regards members of the legislative assemblies or other institutions who by their votes or actions contributed to the maintenance of the fascist regime [illegible] war possible, they shall be dismissed from their office on decision of the High Court described in Art 3, without prejudice to any of the other provisions set out in this Decree in so far as they may be applicable.

9. Without prejudice to any legal action, the property of any citizen who has betrayed his country placing himself voluntarily and actively at the service of the German invaders shall be forfeited to the State.

In penal proceedings such forfeitures shall be pronounced by a judicial authority competent to pronounce sentence of condemnation. In other cases referred to them by the High Commissioner, by the Tribunals territorially competent.

10. In regard to any matter not specifically provided for by this part the rules of the Code of Penal Procedure shall obtain whensoever may be applicable.

## PART II. PURGING OF THE ADMINISTRATION

11. Officials and employees of the following bodies shall be subject to epuration proceedings:-

(1) civil and military State Administrations, even if autonomous;
(2) local authorities and other public bodies and institutions;
(3) special concerns operating under public authorities or bodies and private concerns recognized by the State as controlling public utility undertakings or concerns having nation-wide interests.

12. The following shall be dismissed from service:
(1) any person, particularly if when holding high office, who has by participating actively in the political life of fascism or by showing himself as a consistent apologist of fascism, shown that he is unworthy of serving the State;
(2) any person who has obtained an appointment or promotion through favouritism of the party or of fascist officials of high rank.

13. Any employee who has been guilty of fascist bias incompetence or corrupt practices such as have been introduced by fascism into public administration, shall be likewise dismissed.

Whenever evidence of an offence is found during an epuration proceeding, such

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[illegible] by judges described in Art. 4.

As regards members of the legislative assemblies or other institutions who by their votes or actions contributed to the maintenance of the fascist regime and to make war possible, they shall be dismissed from their office on decision of the High Court described in Art 2, without prejudice to any of the other provisions set out in this Decree in so far as they may be applicable.

9. Without prejudice to any legal action, the property of any citizen who has betrayed his country placing himself voluntarily and actively at the service of the German invaders shall be forfeited to the State.

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13. Any employee who has been guilty of fascist bias incompetence or corrupt practices such as have been introduced by fascism into public administration, shall be likewise dismissed.

Whenever evidence of an offence is found during an epuration proceeding, such evidence shall be reported to the competent authority.

14. Any person who has held the position of "squadrista" or "sansepolcrista" or "[illegible]", "Ettorio Muti Roma", "Scharpa Littoria" or who has been an officer in the Fascist Militia if he has been guilty of Fascist partisanship or improper conduct shall be dismissed from his office or employment, but if not so guilty he may be awarded less severe punishment.

15. Any person who has received undue promotion or any preference in any competitive examinations because of his fascist position may in lieu of dismissal be reduced in rank or be returned to his former position.

16. Any person who has after 8 September 1943 distinguished himself in the struggle against the Germans may be exempted from dismissal or other disciplinary measure.

17. Any employee, who after 8 September 1943, moved to North Italy with or has pledged allegience to or has in any way collaborated with the (Republican) Fascist Government shall be dismissed.

Punishment of lesser degree may be awarded to such as show that he or his relatives were exposed to serious threats or danger.

Any person who by his acts has effectively aided the patriots or has undermined the work of the Germans or of the (Republican) Fascist Government which they were apparently serving, may be exempted from punishment.

In every case an account shall be made of the allowances that were due under the original terms of employment and of any excess payment which may actually have been received. Any special allowance or sum granted or paid on account of any transfer to the North will be disallowed.

18. The Commission of first instance to hear epuration proceedings will be a Commission to be established in every Ministry or autonomous authority or body. When personnel of different classes of functions is employed in a Ministry more than one Commission may be established in that Ministry.

Such Commissions will be appointed by the Competent Minister and will be composed of a judicial or administrative magistrate either serving or retired, who will preside over them, and of the Chief of personnel or of an official of the Administration, and of a third member nominated by the High Commissioner for the Sanctions against Fascism.

A Commission to be appointed by a Prefect composed of a judicial official, either serving or retired, an official of the Prefecture, and a member to be nominated by the High Commissioner, will be instituted for Communes, Provinces, Public Welfare Institutions and bodies under the control of the local authorities.

According to the provisions set out in the preceding paragraphs substitute members may be appointed and the Commission may be divided into Sub-Commissions.

19. Not less than ten days shall be allowed to an employee whose dismissal is proposed to prepare his defence.

The Commissions, or any member delegated by them, shall have the power to examine witnesses, to require the production of deeds and documents from judicial or administrative authorities and may personally hear the concerned party if he applies for such a hearing.

20. The finding of the Commission of the first instance shall be communicated to the High Commissioner and to the party concerned. The interested party may within three days, and the High Commissioner within twenty days appeal to a central Commission appointed by the President of the Council of Ministers and composed of a president, two officials of the central administration, two judicial or administrative magistrates serving or retired and two other members nominated by the High Commissioner for Sanctions against Fascism.

In the same manner substitute members may be appointed and the Commission may be divided into sub-commissions.

21. Dismissal from office, in accordance with the finding of the Commissions, shall be carried out by the authority which normally has such power.

The same authority shall put into effect the punishments hereby authorized in accordance with the finding of the Commission.

22. Any employee dismissed from office shall be entitled to such pension privileges as may be due to him according to the provisions then in force.



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The same authority shall put into effect the punishments hereby authorised in accordance with the finding of the Commission.

22. Any employee dismissed from office shall be entitled to such pension privileges as may be due to him according to the provisions then in force.

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In more serious cases forfeiture of pension privileges may be ordered [illegible] office.

Any employee the subject of epuration proceedings may be suspended from office. In such cases he shall receive, for his support, his salary without any other further allowance. Suspension from office shall be ordered by the competent Minister, or in cases under part 3 of Art 18 by the Prefect.

23. Commissions responsible for inspecting the registers shall be set up in each professional association or other body responsible for keeping registers of professional men, artists and skilled workers shall apply the principles set out in the preceding articles.

Such Commissions shall be appointed by the competent Minister or by any authority designated by him, and shall be composed of a President, a member nominated by the body keeping the register in question and of a member nominated by the High Commissioner for Sanctions against Fascism.

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An appeal against a finding of a Commission may be lodged within the time set out by Art 20, to a Central Commission which shall be established, for each professional association or body, by the competent Minister and composed of a President, of two judicial or administrative judges, serving or retired, of four members nominated by the professional associations and of two other members nominated by the High Commissioner for Sanctions against Fascism.

In less serious cases a temporary suspension from the exercise of a profession, art or trade may be ordered in lieu of being struck off the register.

24. An employee dismissed from office may appeal to the State Council only on grounds of incompetence (i.e. of the Commission or officer concerned).

25. The proceedings set forth in this part shall be initiated within 6 months of this decree becoming effective.

Any proceeding before the Commission of First Instance shall be decided within three months after its initiation.

For the territory not yet liberated and for that part which has been liberated but not yet restored to the administration of the Italian Government, the time limit indication in the first paragraph is extended to six months after the restoration of such territories to the Italian Administration.

PART III — DISPOSAL OF PROFITS DERIVED FROM THE REGIME

26. Profit derived from participation in or adherence to the fascist regime shall be forfeited to the State regardless whether or not a penal proceeding is instituted for acts constituting an offence.

An increase of property obtained after the 28 October by persons holding public offices or in any way engaged in political activity as a fascist shall be presumed to constitute a profit derived from the regime unless the party concerned shall show that such increase was derived from a legitimate source and this shall be the case even if the property acquired has ceased to belong to the same person.

Such presumption shall likewise apply to increases in property of the ascendants, descendants and spouse of any person, who even if not a member of the fascist party, maintained relations as associate or client with the persons indicated in the first paragraph.

In assessing increases of property consideration shall be given to property in any way acquired or held through intermediaries.

27. Specific property constituting profit derived from the regime and owned by the debtor (Note: Without any explanation the decree uses the word "debtor" to denote the person who has acquired profit from the regime) may be forfeited to the State.

28. The entire property of the debtor is liable for the satisfaction of the assessed debt to the State as profit derived from the regime.

In cases contemplated by the 3rd para of Art 26 persons set out in first paragraph of the said Article shall be liable jointly with their spouse, associates or clients.

29. If the property of the debtor is not sufficient to pay the amounts owed to the State the following dealings with property (by the debtor) shall be considered void:

(1) transfers made by the debtor without valuable consideration during the [illegible] prior to 25 July 1943.

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In cases contemplated by the 3rd para of Art 26 persons set out in first paragraph of the said Article shall be liable jointly with their spouse, associates or clients.

29. If the property of the debtor is not sufficient to pay the amounts owed to the State the following dealings with property (by the debtor) shall be considered void:

(1) transfers made by the debtor without valuable consideration during the five years prior to 25 July 1943;
(2) any disposition made after such date.

As far as the State is concerned property acquired within the five year period prior to 25 July 1943 by the spouse of the debtor shall for the purpose of satisfying the State's claim for profit derived from the regime be considered as belonging to the debtor.

30. The investigation and assessing of the amount of the profit derived from the regime shall be within the jurisdiction of a Special Section of the Provincial Commission for Taxation, comprised of the President of the Tribunal or a judge delegated by him and of four Commissioners appointed by the Minister of Finance on the nomination of the Prefect from citizens of proven probity and competence.

The Special Section shall initiate the investigation on an information by the High Commissioner or by a finance or taxation officer or on one signed by a private citizen.

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The said Sec h shall also adjudicate complai of the debtor or of the finance office against the proposed assessment of the profit derived from the regime.

The hearing shall be open to the public and both the Avvocatura dello State and the person the subject of the investigation may adduce evidence in rebuttal; the latter may choose to be represented by a procuratore legale or by an avvocato.

The decision shall be communicated to the debtor, to the finance office concerned and to the High Commissioner.

31. The Special Section of the Provincial Commission shall have all the powers of investigation, entry, search, control and inquiry, conferred upon the agents for direct taxation and upon the administrative commissions for investigation of extraordinary war profits.

The privilege to abstain from testimony in cases set out in Art 352 of the CPP shall not apply.

Any person summoned as witness or expert who does not faithfully carry out his duties or gives false evidence shall be punished in accordance with Articles 366, 372 and 373 of the CP.

Any person who fails to comply with other requests of the Section shall be punished by imprisonment up to six months or by fine from 300 to 5,000 lire.

Administrative or other bodies having knowledge of cases in which profit has been derived from the regime, shall immediately report the same to the High Commissioner. Any person responsible for making any such report who fails to do so shall be punished in accordance with the preceding paragraph.

Personnel of the judicial police or of other administrative or technical branches of the administration may be assigned to the Special Section for the execution of its duties.

32. The debtor and the Avvocatura dello Stato may within thirty days lodge an appeal against the decisions of the Special Section of the Provincial Commissioner. The High Commissioner may also appeal within 60 days.

The appeal shall be adjudicated by a special section of the Central Commission for taxation comprised of a President, a judicial official holding a grade not lower than that of a first president of Court of Appeal and of four commissioners, all to be appointed by the Council of Ministers.

The provisions of the last two paragraphs of Art 30 and of Art 31 shall apply to the proceedings before the Special Section of the Central Commission.

33. The decisions of the Special Section of the Central Commission may be opposed before the Plenary Section of the Cassation solely on the ground of absolute lack of jurisdiction. An appeal must be lodged by the debtor or by the Avvocatura dello State within 45 days: the High Commissioner may appeal within 6 months.

34. The High Commissioner may, even after the lapse of the above period but not after the lapse of two years, move that the decision, although final be annuled on the ground that facts of considerable importance have been discovered always provided that the reasons set out in the decision disclose that such facts were not in evidence in the previous proceeding.

Such annulment of the decision is in any case within the jurisdiction of the Special Section of the Central Commission.

35. Even before the Special Sections of Provincial Commissions are constituted, the President of the Tribunal may, upon request of the High Commissioner or of the finance administration, order by decree a protective attachment of chattels or realties belonging to persons set out in Art 28 although they may be held by third parties.

Such power may be exercised by the Presidents of the Commissions by virtue of their office.

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Such amendment of the decision is in any case within the jurisdiction of the Special Section of the Central Commission.

35. Even before the Special Sections of Provincial Commissions are constituted, the President of the Tribunal may, upon request of the High Commissioner or of the finance administration, order by decree a protective attachment of chattels or realties belonging to persons set out in Art 26 although they may be held by third parties.

Such power may be exercised by the Presidents of the Commissions by virtue of their office.

Provisions of para 7 and 8 of Art 19 of the Consolidated text of laws on the extraordinary tax on excess war profits, approved by RD 3 June 1943, No. 398, shall apply.

36. A decree of the High Commissioner shall be published in the Gazzetta Ufficiale of the Kingdom, listing persons who are considered profiteers of the regime: any person who may hold property belonging to such person or who may be indebted to him in any way whatever, shall be required to declare the same following the form and within the time limits established in the said decree: also he shall not return the property or fulfil his obligations to his creditor. Any such blocking shall become void if an attachment is not ordered within 60 days after the lapse of the time limit for the above said declaration.

Any person who may fail to comply with the duties set forth in this Article shall be punished in accordance with Art 31 para 4 he shall also be liable for any consequential loss suffered by the State.

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[illegible] belonging to a person considered to have made a profit derived from the regime, acquires, receives or conceals such property or abets their acquisition, receipt or concealment, shall be punished by imprisonment not exceeding 10 years and by a fine up to 100,000 lire.

37. The proposed assessment of the Provincial Commission if unopposed by the debtor; the decision of such Commission, even pending appeal to the Central Commission and the decision of the last named Commission shall constitute good authority for execution even for entry in the real estate and mortgage registry.

The collection of the amounts owed to the State as profits derived from the regime may be effected in accordance with the procedure and preference established for the collection of the extraordinary tax on excess war profits. The entire debt may be entered on a special roll and may be collected in a single instalment.

PART IV — CONFISCATION OF FASCIST PROPERTY

38. The property of the disbanded fascist national party and of organizations suppressed by NDL 2 August 1943, No. 704, shall devolve upon the State.

Such property shall be used for the public service or the public benefit, this shall be effected on the proposal of the High Commissioner by decree of the President of the Council, in agreement with the Competent Ministers. If necessary such property may be transferred to another public body or organization promoting welfare, sport or the like.

39. The finance administration of the State shall provide for the collection of assets of the fascist national party and the suppressed organizations.

PART V — THE HIGH COMMISSIONER

40. To supervise the carrying out of this decree the office of High Commissioner for Sanctions against Fascism is created.

The High Commissioner shall be nominated by the Council of ministers and appointed (i.e. by the President) and shall for the duration of his term of office rank as a judicial officer of the first grade.

He shall be assisted by Assistant High Commissioner for each of the branches of his jurisdiction.

In the event of the High Commissioner being unable to act each of the Assistant High Commissioner may so far as his own branch is concerned act in his name.

The Assistant High Commissioners shall be appointed by the President of the Council of Ministers on the nomination of the High Commissioner and shall rank as judicial officials of the third grade.

Not more than two commissioners may be nominated for any one branch of the High Commission. They shall be appointed in the manner described in the preceding paragraph.

Sufficient judicial and other Officials shall on request be assigned to the office of the High Commissioner and a nucleus of judicial police shall be placed at his disposal composed of personnel of the carabinieri of the public security or of the finance guards. Persons not members of the Administrations may be employed in the secretarial offices.

The High Commissioner and his subordinate officers may call on the judicial police who will carry out their orders.

41. The High Commissioner shall direct and supervise the work of all organizations by which Sanctions against Fascism are carried out.

The High Commissioner shall be bound on his own initiative or on the demand of [illegible] information signed by a private individual to commence [illegible] investigation

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The High Commissioner and his subordinate officers may call on the judicial police who will carry out their orders.

41. The High Commissioner shall direct and supervise the work of all organizations by which Sanctions against Fascism are carried out.

The High Commissioner shall be bound on his own initiative or on the demand of any public authority or on an information signed by a private individual to commence proceedings in respect of any crime described in Art 2 and to carry out investigation as may be necessary and to remand the accused to the High Court in which he or his delegate act as "Ministero pubblico".

In cases of exceptional gravity the High Commissioner may exceed the normal powers in that respect and refer to the High Court any other person than those referred to in Art 2 and for any crime whether or not such is mentioned in Art 2.

With prejudice to the powers of the Ministero Pubblico, public Authorities and other bodies or organizations the High Commissioner may on his own initiative or on the information of a private individual commence proceedings.

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(1) In respect of other crimes mentioned in Part I.
(2) To apply the provisions set out in Art 8.
(3) To forfeit property belonging to persons who have collaborated with the Germans in accordance with Art 9.
(4) Before the appropriate commissions of first instances and before the Central Commission with regard to appeals, for purging the administration and for dismissing officers or employees from their office or employment.
(5) Before the Local and Central Commissions for taxation, for assessing and forfeiting as profit derived from the fascist regime, with power in exceptional cases to commence proceedings for rectification of any decision of the aforesaid Central Commission.

He may also

(6) Make proposals for the correct and proper use of property previously belonging to the Fascist Party or to fascist organization.
(7) Exercise any other functions contained in this decree or in any other decree or regulation.

## PART VI — TRANSITORY AND FINAL PROVISIONS

42. For the application of this decree all prerogatives including those set out in Arts 26, 37 and 47 of the Constitution are hereby abrogated.

43. Any public official or any person engaged in the public service responsible according to the provisions of this law for punishing fascist crimes, for purging the administrations, for forfeiting any profit derived from the regime and for confiscating fascist property, who may commit any offence set out in and punishable by virtue of Arts 314, 316, 317, 318, 319, 320, 323, 324, 326 and 328 of the Penal Code shall be punished in accordance with the provisions of these articles but increased by from one third to one half.

44. Proceedings already initiated for the punishment of fascist crimes for purgation and for the forfeiture of profit derived from the regime shall be carried through in accordance with the provisions of this decree, without prejudice to any action already taken incompatible with these rules.

Decisions already given shall be reviewed if they are in conflict with the provisions of this decree.

45. Successive decrees will be issued to provide when necessary for the execution of the rules established by the preceding Parts.

The Minister of the Treasury is hereby authorized to make by his own decrees the necessary variations in the State budget occasioned by the functioning of the High Commissioner and the organizations established by this decree.

46. Royal Decree Laws 9 August 1943, No. 720, of 28 December 1943, No. 29/B, of 26 May 1944, No. 134, are hereby abrogated.

The provisions contained in Royal Decree law 12 April 1944, No. 101, so far as they relate to the contents of this decree are also abrogated.

47. This decree will come into force etc. etc.

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(7) Exercise any other functions contained in this decree or in any other decree or regulation.

PART VI

TRANSITORY AND FINAL PROVISIONS

42. For the application of this decree all prerogatives including those set out in Arts 36, 37 and 47 of the Constitution are hereby abrogated.

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APPENDIX B.

23

H E A D Q U A R T E R S
ALLIED ~~CONTROL~~ COMMISSION
FINANCE SUB-COMMISSION
APO 394

13145/F

7 August 1944

SUBJECT: Instructions regarding the Returns from Provinces of State Revenue and Expenditure, and the means whereby these Returns are to be made available to the Finance Sub-Commission and the Central Italian authorities concerned, viz. the Ministry of Finance, Treasury, and the Bank of Italy.

TO : All Finance Officers.

1. Introduction

Normally the two parties directly concerned with the collection and expenditure of Italian State Funds in a Province are the Intendenza di Finanza and the Bank of Italy (Treasury Section). These two parties prepare certain statements of Income and Expenditure and forward them to their Central Offices, where these Returns constitute an important link in the centralised functioning of Treasury Control.

It is very important that these forms should be made available to the proper authorities at as early a date as possible, and, with the object of reducing delay and avoiding confusion, this letter of instructions has been prepared for the guidance of Finance Officers.

2. Procedure to be adopted on AMG Territory, including AMG 5th & 8th Armies

On taking over liberated territory the Finance Officer should visit the Intendenza di Finanza and the corresponding Treasury Section of the Bank of Italy as soon as possible and instruct these two parties that he, the Finance Officer, will be responsible for the forwarding of all monthly returns normally sent to Rome. On receipt of these forms, for as recent a month as possible, the Finance Officer will forward them to the Finance Sub-Commission.

In cases where records have been destroyed, and delay in producing the forms is anticipated, this HQ should be informed, and an estimate of the time required to reconstruct the records given.

The forms of most immediate interest to this HQ, are the Bank of Italy forms (Dimostrazione Mensile, Mod. 59, 60, and 61, for both Competenza and Residui), and these forms should be sent to this HQ as soon as they are available. To facilitate the communication of these instructions from the Finance Officer to the Bank of Italy the Head Office of the Bank have prepared a general letter addressed to all their Provincial branches, in which the procedure to be adopted by their branches is laid down in detail.

A copy of the Bank of Italy's general letter of instructions is attached.

The forwarding of these monthly forms to this HQ should be continued by the Finance Officer.

3. Procedure to be adopted when territory passes from AMG to ACC

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A copy of the Bank of Italy's general letter of instructions is attached.

The forwarding of these monthly forms to this HQ should be continued by the Finance Officer.

3. Procedure to be adopted when territory passes from AMG to ACC

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At the time of transfer of territory from AMG to ACC the AMG Finance Officer will instruct both the Intendenza di Finanza and the Bank of Italy that in future they should deliver the monthly forms for transmission to this HQ to the nearest ACC Finance Officer.

4. Procedure in ACC Territory

Although the Italian Postal Service functions on ACC Territory, it has proved to be slow and unreliable under existing condition.

In view of the importance of these forms, and the urgency with which they are required, it has been decided that they should be forwarded to this HQ by the ACC Finance Officer using normal ACC channels, and the ACC Finance Officer will ensure that the forms are prepared and forwarded as expeditiously as possible.

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5. Sundry Point and Explanations

a) The Head Office of the Bank of Italy have instructed their branches to deliver the forms to be forwarded to the local ACC/AMG Finance Officer in an open packet so that the F.O. can readily see what he is forwarding.

b) The Bank of Italy have expressed the opinion that their standard monthly forms, (Dimostrazione Mensile, Mod. 59, 60 and 61) should be prepared by the 5th of the month following the month to which they relate. In other words the forms for the month of July 1944, should be ready for forwarding by the 5th of August, 1944.

c) It is intended that all forms received at this HQ will, after examination, be distributed to the Central Italian Authorities so that they can carry on with the preparation of the State accounts.

d) In cases where there is a shortage of standard blank forms, the Returns will have to be made on plain paper. If it is not possible for the Provincial branch of the Bank of Italy to get blank forms printed locally, an application for blank forms may be addressed to the Head Office of the Bank of Italy.

e) The instructions contained in this letter supersede instructions regarding the preparation and forwarding of forms to this HQ contained in a letter of 29 February 1944. Reference CRO/S.1

For Captain RUSSELL W. STONE, USNR:

F Graeter, Lieut

Colonel,
Joint Director,
Finance Sub-Commission.

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ALLEGATO D,
pag 5

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COPY OF LETTER ADDRESSED TO ALL
PROVINCIAL BRANCHES BY BANK OF ITALY, HEAD OFFICE

ROMA li 5 Agosto, 1944.

BANCA D'ITALIA

Amministrazione Centrale
... ... ... ...
Servizio
Tasse-Servizi Governativi-Partecipanti
... ... ... ... ...

ALLA SEZIONE DI R.
TESORERIA DI

N° 18666

OGGETTO:- Servizio di R.Tesoreria,
Mod.59-T,60-T e 61-T.

Le Sezioni di R.Tesoreria Provinciale situate nell'Italia liberata sono invitate, in seguito ad accordi intervenuti con la Commissione Alleata di Controllo, a riprendere la trasmissione degli stati mensili mod.59-T, 60-T, e 61-T "Competenza" e "Residui" a far tempo dal mese di giugno 1944 compreso.

I suddetti elaborati, ad eccezione del mod.60-T da compilarsi in unica copia, dovranno esser redatti in quadruplice esemplare e spediti, entro il termine prescritto del giorno 5 di ciascun mese, a questa Amministrazione Centrale (Servizio Tasse e Servizi Governativi), racchiusi in un piego aperto sul quale dovrà essere apposto il seguente indirizzo: "Finance Sub-Commission, H.Q. Allied Control Commission".

Nel piego stesso i modelli onde trattasi dovranno essere raggruppati come appresso e ciascun gruppo sotto fascia recante il seguente indirizzo:-

Mod.59-T e 61-T "Competenza e "Residui" per il Servizio Tasse e Servizi Governativi (Contabilità Sezioni di R.Tesoreria)
Mod.59-T, 60-T e 61-T "Competenza" e "Residui" per la Direzione Generale del Tesoro-Div.V.
Mod.59-T, e 61-T "Competenza" e "Residui" per Lt.Col.A.H.T. Stephens Chief Budget Officer, Finance Sub-Commission, Allied Control Commission, Ministero delle Finanze, ROMA.
Mod.59-T e 61-T "Competenza" e "Residui" per la Commissione Alleata di Controllo - Palazzo delle Corporazioni.

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N° 18665

OGGETTO:- Servizio di R.Tesoreria,
Mod.59-T,60-T e 61-T.

Le Sezioni di R.Tesoreria Provinciale situate nell'Italia liberata sono invitate, in seguito ad accordi intervenuti con la Commissione Alleata di Controllo, a riprendere la trasmissione degli stati mensili mod.59-T, 60-T, e 61-T "Competenza" e "Residui" a far tempo dal mese di giugno 1944 compreso.

I suddetti elaborati, ad eccezione del mod.60-T da compilarsi in unica copia, dovranno esser redatti in quadruplice esemplare e spediti, entro il termine prescritto del giorno 5 di ciascun mese, a questa Amministrazione Centrale (Servizio Tesse e Servizi Governativi), racchiusi in un piego aperto sul quale dovrà essere apposto il seguente indirizzo: "Finance Sub-Commission, H.Q. Allied Control Commission".

Nel piego stesso i modelli onde trattasi dovranno essere raggruppati come appresso e ciascun gruppo sotto fascia recante il seguente indirizzo:-

Mod.59-T e 61-T "Competenza e "Residui" per il Servizio Tasse e Servizi Governativi (Contabilità Sezioni di R.Tesoreria)
Mod.59-T, 60-T e 61-T "Competenza" e "Residui" per la Direzione Generale del Tesoro-Div.V.
Mod.59-T, e 61-T "Competenza" e "Residui" per Lt.Col.A.H.F. Stephany Chief Budget Officer, Finance Sub-Commission, Allied Control Commission, Ministero delle Finanze, ROMA.
Mod.59-T e 61-T "Competenza" e "Residui" per la Commissione Alleata di Controllo - Palazzo delle Corporazioni.

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Le Sezioni di R.Tesoreria provvederanno inoltre a trasmettere a questa Amministrazione Centrale, con la maggiore sollecitudine, anche i modelli in oggetto, in semplice copia (escluso il mod.60-T) concernenti le operazioni relative ai mesi precedenti a quello di giugno ultimo scorso, modelli che a causa degli eventi o non sono stati inviati ovvero, se trasmessi, non risultano fin qui pervenuti.

Il piego contenente detti elaborati dovrà essere consegnato all'Ufficiale Finanziario Alleato con preghiera di inoltro all'indirizzo sopra indicato.

Allo scopo la Commissione Alleata di Controllo - Sotto Commissione Finanziaria presso il Ministero del Tesoro, ha impartito le istruzioni del caso ai propri Ufficiali Finanziari Alleati.

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Le Sezioni di R.Tesoreria, qualora siano sprovviste dei suddetti modelli in bianco o ne abbiano una scorta insufficiente, possono ritenersi autorizzate a provvedere in luogo alla rietampa, facendo intestare la relativa fatture alla Sezione. La spesa incontrata resterà a carico del Ministero del Tesoro e l'importo dovrà essere scritturato al conto "Collettivi".

Raccomando la massima precisione nella compilazione di tali elaborati che, prima di essere spediti, dovranno essere controllati.

IL COMMISSARIO

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APPENDIX C.

ALLIED FINANCIAL AGENCY

SCHEDULE TO STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 30 JU

(EXPRESSED IN LIRE)

| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MO |
|---|---|---|---|
| 1 | NEW A.M.LIRA NOTES RECEIVED | | |
| | (a) As Notified to Washington | 48,844,128,000 | 4,494,400 |
| | (b) Shortages revealed on Opening Boxes | (1,130) | - |
| | (d) Defective A.M.Lire Notes Returned to Washington | - | (45 |
| | Lire | 48,844,126,870 | 4,493,94 |
| II | DEPOSITS BY AMG/ACC DIVISIONS | | |
| | (a) Economic & Supply Division - Supplies | 975,204,045 | (283,550, |
| | (b) Economic & Supply Div.- Deposits on Returnable Containers | 30,168,486 | 135, |
| | (c) Public Health Division | 38,748,278 | 22,456, |
| | (d) Legal Division | 8,719,600 | 1,032, |
| | (e) Other Divisions | 27,700 | - |
| | Lire | 1,052,868,109 | (259,925, |
| III | FUNDS OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING OFFICERS IN THE FIELD | | |
| | (a) From Banks | 182,800 | (182, |
| | (b) From Others | 200,500 | (190, |
| | Lire | 383,300 | (372, |

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APPENDIX C.

ALLIED FINANCIAL AGENCY

F/F 2

TO STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD TO 30 JUNE 1944 Page No 1

(EXPRESSED IN LIRE)

| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| ES RECEIVED | | | |
| d to Washington | 48,844,128,000 | 4,494,400,000 | 53,338,528,000 |
| revealed on Opening Boxes | (1,130) | - | (1,130) |
| A.M.Lire Notes Returned to Washington | - | (452,731) | (452,731) |
| Lire | 48,844,126,870 | 4,493,947,269 | 53,338,074,139 |
| ACC DIVISIONS | | | |
| Supply Division - Supplies | 975,204,045 | (283,550,548) | 691,653,497 |
| Supply Div.- Deposits on Returnable Containers | 30,168,486 | 135,789 | 30,304,275 |
| th Division | 38,748,278 | 22,456,895 | 61,205,173 |
| ion | 8,719,600 | 1,032,850 | 9,752,450 |
| donn | 27,700 | - | 27,700 |
| Lire | 1,052,868,109 | (259,925,014) | 792,943,095 |
| OM BANKS AND OTHERS BY S IN THE FIELD | | | |
| | 182,800 | (182,800) | - |
| | 200,500 | (190,000) | 10,500 |
| Lire | 383,300 | (372,800) | 10,500 |

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CUR |
|---|---|---|---|
| IV | DEPOSITS | | |
| | (a) By Controller of Property | | |
| | (1) Psychological Warfare Board - Film Section | 1,841,938 | (1,78 |
| | (2) A.G.I.P. | 10,000,000 | - |
| | (3) Moharwna & Son | 117,219 | - |
| | (4) Changimal Co. | 108,714 | - |
| | (5) Goods ex German Steamers | 846,500 | - |
| | (6) Musan Felice | 154,435 | - |
| | (7) Miscellaneous (under Lire 100,000 each) | 463,397 | - |
| | | 13,532,203 | (1,78 |
| | (b) By U.S.Army Units | 66,000,722 | 8,33 |
| | (c) By Others | | |
| | (1) "A" Force | 947,500 | (1 |
| | (2) Pasquale Esposito | 108,600 | |
| | (3) Comitato Italiano Petroli | 45,000,000 | 50,47 |
| | (4) Enemy Unit Funds | 1,948,527 | |
| | (5) Jewish Refugees departing for Palestine | | 4,37 |
| | (6) Italian Road Haulage Organisations (Depreciation on ACC Vehicles, pending allocation) | | 26 |
| | (7) Various (under Lire 100,000 each) | 185,217 | 7 |
| | Lire | 127,722,769 | 61,72 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| ler of Property | | | |
| gical Warfare Board - Film Section | 1,841,938 | (1,787,730) | 54,208 |
| | 10,000,000 | - | 10,000,000 |
| & Son | 117,219 | - | 117,219 |
| l Co. | 108,714 | - | 108,714 |
| German Steamers | 846,500 | - | 846,500 |
| lice | 154,435 | - | 154,435 |
| neous (under Lire 100,000 each) | 463,397 | - | 463,397 |
| | 13,532,203 | (1,787,730) | 11,744,473 |
| y Units | 66,000,722 | 8,339,375 | 74,340,097 |
| | 947,500 | (11,000) | 936,500 |
| | 108,600 | | 108,600 |
| Esposito | 45,000,000 | 50,475,750 | 95,475,750 |
| Italiano Petroli | 1,948,527 | | 1,948,527 |
| it Funds | | 4,373,893 | 4,373,893 |
| fugees departing for Palestine | | | |
| Road Haulage Organisations | | 260,471 | 260,471 |
| tion on ACC Vehicles, pending allocation) | | | |
| under Lire 100,000 each) | 105,217 | 72,244 | 257,461 |
| Lire | 127,722,769 | 61,723,003 | 189,445,772 |

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| SCHEDULE No. | | | TOTAL TO close of PREVIOUS MONTH | CU |
|---|---|---|---|---|
| V | PROCEEDS OF SALES IN ITALY OF SUPPLIES | | | |
| | (a) Economic and Supply Division. | | | |
| | (1) Supplies Imported or Drawn from Armies | | 767,901,774 | 7 |
| | (2) Supplies Purchased Locally | | 6,824,128 | |
| | (b) Public Health Division | | | |
| | (1) Supplies Imported or Drawn from Armies | | 14,427,980 | |
| | (2) Supplies Purchased Locally | | 4,500 | |
| | | Lire | 789,158,382 | 8 |
| VI | RECEIPTS IN RESPECT OF AMG/ACC REVENUE | | | |
| | (a) AFA Revenue | | | |
| | (1) Interest Received from Banks | | 3,355,416 | |
| | (2) Miscellaneous Receipts | | 545 | |
| | | | 3,355,961 | |
| | (b) AMG Revenue to close of previous month | | 139,596,972 | |
| | (c) ACC Revenue to close of previous month | | 8,158,335 | |
| | (d) AMG/ACC Revenue received by AFA direct in previous month, allocated in current month | | 2 | |
| | (e) AMG/ACC Revenue received by AFA direct in current month | | - | |
| | | Lire | 151,111,270 | |
| C | CONTRA ACCOUNTS | | | |
| | + Deposits for Remittances (AF Accounts) | | | |
| | (a) U.S. Dollars ($ 1,371,880.40) | | 76,952,778 | |
| | (b) Sterling (£ 16,699 : 12 : 9) | | 3,665,713 | |
| | | Lire | 80,618,491 | |

+ The amount of Deposits for Remittances is equal to the total of "Payments to Persons in I
os from Allied Countries" (see Item No. 27), plus "Funds Deposited with Italian Banks for
Schedule XXVIII, (c) 3).

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| | | TOTAL TO close of PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|
| ITALY OF SUPPLIES | | | | |
| Supply Division. | | | | |
| mported or Drawn from Armies | | 767,901,774 | 793,488,648 | 1,561,391,422 |
| urchased Locally | | 6,824,128 | 9,530,791 | 16,354,919 |
| Division | | | | |
| mported or Drawn from Armies | | 14,427,980 | - | 14,427,980 |
| urchased Locally | | 4,500 | - | 4,500 |
| | Lire | 789,158,382 | 803,020,439 | 1,592,178,821 |
| OF AMG/ACC REVENUE | | | | |
| eceived from Banks | | 3,355,416 | 126,452 | 3,481,868 |
| ous Receipts | | 545 | - | 545 |
| | | 3,355,961 | 126,452 | 3,482,413 |
| o close of previous month | | 139,596,972 | 7,338,557 | 146,935,529 |
| o close of previous month | | 8,158,335 | 169,437 | 8,327,772 |
| ue received by AFA direct in previous month, | | 2 | (2) | - |
| current month | | - | 118,079 | 118,079 |
| ue received by AFA direct in current month | Lire | 151,111,270 | 7,752,523 | 158,863,793 |
| tances (AF Accounts) | | 76,952,778 | 60,235,262 | 137,188,040 |
| ($ 1,371,880.40) | | 3,665,713 | 3,014,143 | 6,679,856 |
| 6,699 : 12 : 9) | Lire | 80,618,491 | 63,249,405 | 143,867,896 |

or Remittances is equal to the total of "Payments to Persons in Italy on Account of Remittance-
" (see Item No. 27), plus "Funds Deposited with Italian Banks for Remittance Payments" (see

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURREN |
|---|---|---|---|
| XII | A.M. STAMPS ISSUED TO POST OFFICE AND ON HAND | | |
| | (a) A.M. Stamps issued to Post Office | 22,274,000 | 3,2 |
| | (b) A.M. Stamps on Hand | 147,062,000 | (3,2 |
| | Lire | 169,336,000 | |
| XIII | PURCHASES IN ITALY OF SUPPLIES | | |
| | (a) For Export to | | |
| | (1) United States of America | 49,412,098 | 1,3 |
| | (2) Great Britain | 338,185,687 | 35,9 |
| | (3) North Africa | 28,468,390 | (4 |
| | (4) Corsica | 644,778 | |
| | (5) Malta | 136,857,727 | 35,1 |
| | | 553,568,680 | 71,9 |
| | (c) For Resale in Italy | 33,816,609 | 10,8 |
| | Lire | 587,385,289 | 82,1 |
| XIV | STORAGE HANDLING AND SHIPPING EXPENSES IN CONNECTION WITH IMPORTS, EXPORTS AND LOCAL SUPPLIES | | |
| | (a) Emoluments of Civilian Personnel | 12,268,245 | 3,4 |
| | (b) Repairs to Warehouses and Approach Roads | 1,317,262 | |
| | (c) Rent of Warehouses | 2,764 | |
| | (d) Transport and Shipping Charges | 13,101,089 | 3,4 |
| | (e) Other Expenses | 2,574,865 | 1,4 |
| | Lire | 29,264,225 | 8,4 |

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| | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|
| **O POST OFFICE AND ON HAND** | | | | |
| ased to Post Office | | 22,274,000 | 3,240,000 | 25,514,000 |
| n Hand | | 147,062,000 | (3,240,000) | 143,822,000 |
| | Lire | 169,336,000 | - | 169,336,000 |
| **F SUPPLIES** | | | | |
| tes of America | | 49,412,098 | 1,386,052 | 50,798,150 |
| ain | | 338,185,687 | 35,604,161 | 373,789,848 |
| ce | | 28,468,390 | (497,575) | 27,970,815 |
| | | 644,778 | - | 644,778 |
| | | 136,857,727 | 35,167,622 | 172,025,349 |
| | | 553,568,680 | 71,660,260 | 625,228,940 |
| Italy | | 33,816,609 | 10,937,838 | 44,754,447 |
| | Lire | 587,385,289 | 82,598,098 | 669,983,367 |
| **SHIPPING EXPENSES IN CONNECTION WITH LOCAL SUPPLIES** | | | | |
| Civilian Personnel | | 12,268,245 | 3,804,563 | 16,072,808 |
| rehouses and Approach Roads | | 1,317,262 | 184,623 | 1,501,885 |
| nces | | 2,764 | - | 2,764 |
| Shipping Charges | | 13,101,089 | 3,569,867 | 16,670,956 |
| | | 2,574,865 | 1,413,391 | 3,988,256 |
| | Lire | 29,264,225 | 8,972,444 | 38,236,669 |

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SCHED-
ULE
No.
XV

28.25

ADVANCES

| | TOTAL TO CREDIT OF PREVIOUS MONTH | |
|---|---|---|
| (a) To Italian State Treasury, Armed Forces and State Institutions | 4,607,738,309 | ( |
| (b) To Provinces | 188,259,665 | |
| (c) To Communes | 1,202,816,283 | |
| | 6,298,814,257 | ( |
| (d) To Others | | |
| (1) Items included on Sub-Accountants' Reports not yet allocated, pending receipt of proper vouchers or more complete information | 4,790,987 | |
| (2) Advisory Council for Italy | 1,563,992 | |
| (3) Library of Congress - For Purchase of Books | 303,190 | |
| (4) Societe Acquedotto, Napoli | 3,000,000 | |
| (5) Sanotuda Caputa | 1,000,000 | |
| (6) Villa Rosa Mental Hospital | 1,000,000 | |
| (7) Casa della Madre e del Bambino, Principessa Maria Gabriella - Ischia | 100,000 | |
| (8) Miscellaneous (under Lire 100,000 each) | 361,312 | |
| Lire | 6,310,933,738 | (2 |

XVI LOANS

| | | |
|---|---|---|
| (a) To Banks | 3,000,000 | |
| (b) To Others | 960 | |
| Lire | 3,000,960 | ( |

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| | TOTAL TO CREDIT OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| Treasury, Armed Forces and State Institutions | 4,607,738,309 | (24,325,592) | 4,583,412,717 |
| | 488,259,665 | 15,930 | 488,275,595 |
| | 1,202,816,283 | 3,078,805 | 1,205,895,088 |
| | 6,298,814,257 | (21,230,857) | 6,277,583,400 |
| d on Sub-Accountants' Reports not yet allocat-eceipt of proper vouchers or more complete in- | | | |
| cil for Italy | 4,790,987 | (271,120) | 4,519,867 |
| ngress - For Purchase of Books | 1,563,992 | 197,588 | 1,761,580 |
| datto, Napoli | 303,190 | (303,190) | - |
| ta | 3,000,000 | - | 3,000,000 |
| ital Hospital | 1,000,000 | - | 1,000,000 |
| ire e del Bambino, Principessa Maria Gabriella | 1,000,000 | - | 1,000,000 |
| (under Lire 100,000 each) | 100,000 | - | 100,000 |
| | 361,312 | 21,500 | 382,812 |
| Lire | 6,310,933,738 | (21,586,079) | 6,289,347,659 |
| | 3,000,000 | (600,000) | 2,400,000 |
| | 960 | (680) | 280 |
| Lire | 3,000,960 | (600,680) | 2,400,280 |

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CU |
|---|---|---|---|
| XVII | PAYMENTS TO PERSONS IN [illegible] ON ACCOUNT OF REMITTANCES FROM ALLIED COUNTRIES: | | |
| | (a) Remittances from United States of America | | |
| | (b) " " Great Britain and the Sterling Area | 13,428,450 | |
| | | 13,428,450 | |
| XVIII | PAYMENTS IN RESPECT OF SUBJECTS OF ALLIED NATIONS | | |
| | (a) Emergency Financial Assistance to : | | |
| | (1) U.S. Nationals | 2,924,720 | |
| | (2) British " | 1,457,950 | |
| | (3) Canadian " | 8,000 | |
| | (4) Belgian " | 17,930 | |
| | (5) Brazilian " | 18,000 | |
| | (6) Columbian " | 1,800 | |
| | (7) Czechoslovak " | 27,535 | |
| | (8) French " | 97,060 | |
| | (9) Greek " | 49,300 | |
| | (10) Icelandic " | 7,100 | |
| | (11) Dutch " | 9,700 | |
| | (12) Norwegian " | 3,000 | |
| | (13) Polish " | 98,675 | |
| | (14) Russian " | 11,200 | |
| | (15) Yugoslav " | 174,505 | |
| | Carried Forward | 4,906,475 | |

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| IN ITALY ON ACCOUNT OF REMITTANCES FROM | TOTAL TO CLOSE of PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| From United States of America | 13,428,450 | 20,263,850 | 33,692,300 |
| " Great Britain and the Sterling Area | - | 64,200 | 64,200 |
| | 13,428,450 | 20,328,050 | 33,756,500 |
| OF SUBJECTS OF ALLIED NATIONS | | | |
| ancial Assistance to : | | | |
| nals | 2,924,720 | 527,080 | 3,451,800 |
| " | 1,457,950 | 302,705 | 1,760,655 |
| " | 8,000 | - | 8,000 |
| " | 17,930 | - | 17,930 |
| " | 18,000 | - | 18,000 |
| " | 1,800 | - | 1,800 |
| ak " | 27,535 | - | 27,535 |
| " | 97,060 | - | 97,060 |
| " | 49,300 | - | 49,300 |
| " | 7,100 | - | 7,100 |
| " | 9,700 | - | 9,700 |
| " | 3,000 | - | 3,000 |
| " | 98,675 | 400 | 99,0 |
| " | 11,200 | - | 11,200 |
| " | 174,505 | 500 | 175,005 |
| Carried Forward | 4,906,475 | 830,685 | 5,737,160 |

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SCHED-ULE No.

| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT |
|---|---|---|
| Brought Forward | 4,906,475 | 8 |
| | 803,801 | 4 |
| (b) Expenses in connection with Refugee Camps | 13,000 | |
| (d) Payments to Allied Nations Missions | | |
| (1) Belgian Military Mission | 195,000 | |
| (2) Czechoslovak " " | 185,000 | |
| (3) Netherlands " " | 120,000 | |
| (4) Norwegian " " | 974,000 | |
| (5) Polish " " | 400,000 | |
| (6) Royal Yugoslav" " | 7,597,276 | 1, |
| Lire | | |

XII PAYMENTS CHARGEABLE TO ITALIAN STATE IN RESPECT OF ITALIAN REFUGEES, ETC.

| | | |
|---|---|---|
| (b) Payments in Respect of Italian Refugees | 2,811,267 | |
| (c) Emergency Financial Assistance Payments to Other than Allied Nationals | | |
| (1) Albanian Nationals | | 16,833 |
| (2) Egyptian " | | 5,200 |
| (3) Italian ex Yugoslav " | | 4,000 |
| (4) Lettonian " | | 5,700 |
| (5) Paraguayan " | | 4,500 |
| (6) Peruvian " | | 2,000 |
| (7) Swedish " | | 1,200 |
| (8) Swiss | | 600 |
| (9) Austrian Jewish | | 18,200 |
| (10) German Jewish | | 19,320 |
| (11) Stateless Persons | | 29,400 |
| (12) Unknown | | 40,685 |
| Lire | 2,958,905 | |

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| | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|---|
| Brought Forward | | 4,906,475 | 830,685 | 5,737,160 |
| connection with Refugee Camps | | 803,801 | 439,680 | 1,243,481 |
| Allied Nations Missions | | 13,000 | - | 13,000 |
| ilitary Mission | | 195,000 | 45,000 | 240,000 |
| vak " | " | 185,000 | 380,000 | 565,000 |
| ds | " | 120,000 | 44,000 | 164,000 | |
| " | " | 974,000 | 20,000 | 994,000 |
| " | " | 400,000 | - | 400,000 |
| goslav" | " | 7,597,276 | 1,759,365 | 9,356,641 |
| E TO ITALIAN STATE IN RESPECT OF ITALIAN | | 2,811,267 | 585,488 | 3,396,755 |
| Respect of Italian Refugees | | | | |
| Financial Assistance Payments to Other than | | | | |
| | | 16,833 | | 16,833 |
| ionals | | 5,200 | | 5,200 |
| n Nationals | | 4,000 | | 4,000 |
| n " | | 5,700 | | 5,700 |
| ex Yugoslav | " | 4,500 | | 4,500 |
| on | " | 2,000 | | 2,000 |
| van | " | 1,200 | | 1,200 |
| n | " | 600 | | 600 |
| | " | 18,200 | | 18,200 |
| | | 19,320 | | 19,320 |
| n Jewish | | 29,400 | | 29,400 |
| Jewish | | 40,685 | | 40,685 |
| s Persons | | 2,958,905 | 585,488 | 3,544,393 |

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRE |
|---|---|---|---|
| XX | ADVANCES TO ALLIED ARMED FORCES | | |
| | (a) To American Army | | |
| | (1) Paid in Lire | 13,863,208,000 | 2,0 |
| | (2) Paid in Yellow Seal Dollars ($ 1,505,300) | 130,530,000 | |
| | (b) To American Navy | | |
| | (1) Paid in Lire | 190,766,000 | |
| | (2) Paid in Yellow Seal Dollars ($ 633,000) | 43,800,000 | |
| | (c) To British Army | | |
| | (1) Paid in Lire | 9,806,599,830 | 3,18 |
| | (2) Paid in B.M.A. Pounds (£ 2,223,941 . 5 . 0) | 801,040,310 | |
| | (d) To British Navy | | |
| | (1) Paid in Lire | 28,032,800 | |
| | (2) Paid in Francs (FRS. 15,915) | 31,830 | |
| | (e) To Royal Air Force | | |
| | (1) Paid in Lire | 18,535,000 | |
| | (2) Paid in Francs (FRS. 1,319,344) | 2,639,688 | |
| | (f) To French Armed Forces | | |
| | (1) Paid in Lire | 2,987,112,000 | 53 |
| | Lire | 27,091,795,458 | 5,92 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| **ARMED FORCES** | | | |
| **Army** | | | |
| Lire | 13,863,208,000 | 2,049,920,000 | 15,913,128,000 |
| Yellow Seal Dollars ($ 1,505,300) | 150,530,000 | - | 150,530,000 |
| **Navy** | | | |
| Lire | 190,766,000 | 40,298,000 | 231,064,000 |
| Yellow Seal Dollars ($ 633,000) | 43,800,000 | 19,500,000 | 63,300,000 |
| **Army** | | | |
| Lire | 9,806,599,830 | 3,189,008,000 | 12,995,607,830 |
| B.M.A. Pounds (£ 2,223,941 . 5 . 0) | 801,040,310 | 86,536,190 | 889,576,500 |
| **Navy** | | | |
| Lire | 28,032,800 | - | 28,032,800 |
| Francs (FRS. 15,915) | 31,830 | - | 31,830 |
| **Force** | | | |
| Lire | 18,035,000 | - | 18,035,000 |
| Francs (FRS. 1,319,844) | 2,639,688 | - | 2,639,688 |
| **ned Forces** | | | |
| Lire | 2,987,112,000 | 534,720,000 | 3,521,832,000 |
| Lire | 27,891,795,458 | 5,921,982,190 | 33,813,777,648 |

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| SCHEDULE No. | | TOTAL THIS ISSUE OF PREVIOUS MONTH |
|---|---|---|
| XXI | DISBURSEMENTS IN RESPECT OF AMG/ACC EXPENDITURE | |
| | (a) AFA Expenditure | |
| | (1) Emoluments of Civilian Personnel | 110,196 |
| | (2) Motor Transport | |
| | Maintenance of Vehicles | 760 |
| | (3) Other Administrative Expenses | |
| | Printing and Stationery | 38,786 |
| | Maintenance of Offices | 4,410 |
| | Maintenance of Office Equipment | 1,905 |
| | Sundries | 1,284 |
| | Total Other Administrative Expenditure | 46,385 |
| | (4) Special Expenditure | |
| | Purchase of Office Furniture and Equipment | 95,699 |
| | Reconditioning of Offices | 58,390 |
| | Total Special Expenditure | 154,089 |
| | (5) Financial Expenditure | |
| | Interest Paid to Banks | 4,361,835 |
| | Bank Service Charges | 408,333 |
| | Total Financial Expenditure | 4,270,168 |
| | Total AFA Expenditure | 5,281,598 |
| | (b) AMG Expenditure to close of previous month | 44,782,185 |
| | (c) ACC Expenditure to close of previous month | 21,019,254 |
| | (d) AMG/ACC Disbursements made by AFA direct in previous month, allocated in current month | 10,855 |
| | (e) AMG/ACC Disbursements made by AFA direct in current month | - |
| | Lire | 71,093,892 |

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| RESPECT OF AMG/ACC EXPENDITURE | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| **ture** | | | |
| **ts of Civilian Personnel** | 110,196 | 4,718 | 114,966 |
| **nsport** | | | |
| **enance of Vehicles** | 760 | 275 | 1,035 |
| **ministrative Expenses** | | | |
| **ing and Stationery** | 38,786 | 1,050 | 39,836 |
| **enance of Offices** | 4,410 | - | 4,410 |
| **enance of Office Equipment** | 1,905 | 80 | 1,985 |
| **ies** | 1,284 | - | 1,284 |
| **tal Other Administrative Expenditure** | 46,385 | 1,130 | 47,515 |
| **Expenditure** | | | |
| **se of Office Furniture and Equipment** | 95,699 | - | 95,699 |
| **ditioning of Offices** | 58,390 | 1,625 | 60,015 |
| **tal Special Expenditure** | 154,089 | 1,625 | 155,714 |
| **l Expenditure** | | | |
| **est Paid to Banks** | 4,561,835 | - | 4,561,835 |
| **Service Charges** | 408,333 | - | 408,333 |
| **al Financial Expenditure** | 4,970,168 | - | 4,970,168 |
| **al AFA Expenditure** | 5,281,598 | 7,740 | 5,289,338 |
| **ure to close of previous month** | 44,782,185 | 5,282,490 | 50,064,675 |
| **ure to close of previous month** | 21,019,254 | 9,762,116 | 30,781,370 |
| **rsements made by AFA direct in previous month, current month** | 10,855 | (10,855) | - |
| **rsements made by AFA direct in current month** | - | 14,628 | 14,628 |
| Lire | 71,093,892 | 15,056,119 | 86,150,011 |

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| SCHEDULE No. | | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT |
|---|---|---|---|---|
| XXII | DISBURSEMENTS OF ADVISORY COUNCIL FOR ITALY | | | |
| | (a) U.S. Delegation | | 159,234 | 104 |
| | (b) British Delegation | | 82,527 | 70 |
| | (c) Russian Delegation | | 82,962 | 1,081 |
| | (d) Yugoslav Delegation | | 84,350 | 80 |
| | (e) Greek Delegation | | 35,741 | 134 |
| | (f) French Delegation | | 41,194 | 31 |
| | | Lire | 486,008 | 1,502 |
| XXVII | CONTRA ACCOUNTS | | | |
| | (a) Foreign Exchange Due from Banco di Sicilia | | | |
| | (1) U.S. Dollars ($ 660,801.08) | | 51,981,000 | 14,099 |
| | (2) Sterling (£ 16,699 .12 . 9) | | 3,665,713 | 3,014 |
| | (b) Foreign Exchange Due from Banco di Napoli | | | |
| | (1) U.S. Dollars ($ 711,079.32) | | 24,971,770 | 46,136 |
| | | Lire | 80,618,491 | 63,233 |

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| VISORY COUNCIL FOR ITALY | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| ion | 199,234 | 104,466 | 263,700 |
| gation | 82,527 | 70,714 | 153,241 |
| sation | 82,962 | 1,081,655 | 1,164,617 |
| gation | 84,350 | 80,367 | 164,717 |
| ion | 35,741 | 134,152 | 169,893 |
| tion | 41,194 | 31,058 | 72,252 |
| Lire | 486,008 | 1,502,412 | 1,988,420 |
| nge Due from Banco di Sicilia | | | |
| rs ($ 660,801.00) | 51,981,008 | 14,099,100 | 66,080,108 |
| (£ 16,699 .12 . 9) | 3,665,713 | 3,014,143 | 6,679,856 |
| nge Due from Banco di Napoli | | | |
| rs ($ 711,079.32) | 24,971,770 | 46,136,162 | 71,107,932 |
| Lire | 80,618,491 | 63,215,405 | 143,867,896 |

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| SCHEDULE No. | | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT M |
|---|---|---|---|
| XXVIII | CASH ON HAND AND IN BANKS AT END OF PERIOD (Including Mutilated & Unfit A.M. Lire Notes on Hand) | | |
| | (a) Current Cash - Lire | 398,620 | (156 |
| | (b) Reserve Cash - A.M. Lire | 13,276,728,000 | 27,256 |
| | (c) Bank Current Accounts - Lire | | |
| | (1) Banco d'Italia | 1,655,197,521 | 103,887 |
| | (2) Banco di Napoli | 40,618,872 | 4,444 |
| | (3) Banco di Sicilia | 414,213,733 | (65,947 |
| | (4) Credito Italiano | 7,779,520 | (6,082 |
| | (5) Banco Commerciale Italiana | 8,509,010 | (1,301 |
| | Total Bank Current Accounts | 1,726,318,656 | 35,990 |
| | Total Lire Funds | 15,003,445,476 | (941,422 |
| | (d) Non-Lire Currency on Hand or in Banks | | |
| | (1) Yellow Seal Dollars ($ 1,361,664.43) | 151,560,831 | (15,197 |
| | (2) B.M.A. Pounds (£ 513,476 . 2 .11) | 229,277,929 | (23,887 |
| | Total Non-Lire Currency | 380,838,760 | (39,284 |
| | (e) Other Balances with Banks | | |
| | (1) Banco d'Italia No.2 Account | 1,600,000,000 | |
| | (2) AFA Rome Letter of Credit Account | 500,000,000 | (100,000 |
| | (3) Funds Deposited with Italian Banks for Remittance Payments | 65,091,541 | 15,019 |
| | (4) Funds Deposited by U.S. Army Units (See Schedule IV(b)) | 66,000,722 | 8,339 |
| | Total Other Balances with Banks | 2,231,092,263 | (16,640 |
| | | 17,615,376,499 | (1,027,344 |
| | MUTILATED AND UNFIT A.M. LIRE NOTES ON HAND | 5,098,848 | (3,667 |
| | Lire | 17,620,275,347 | 1,031,012 |

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| | TOTAL TO CLOSE OF PREVIOUS MONTH | CURRENT MONTH | TOTAL TO DATE |
|---|---|---|---|
| IN BANKS AT END OF PERIOD | | | |
| rted & Unfit A.M. Lire Notes on Hand) | | | |
| ash - Lire | 398,820 | (156,553) | 242,267 |
| ash - A.M. Lire | 13,276,728,000 | (677,256,000) | 12,599,472,000 |
| ent Accounts - Lire | | | |
| di Italia | 1,259,197,521 | 103,687,197 | 1,359,884,718 |
| di Napoli | 40,618,872 | 4,444,935 | 45,063,807 |
| di Sicilia | 414,213,733 | (65,947,866) | 348,265,867 |
| Italiano | 7,779,520 | (5,062,920) | 2,776,600 |
| Commerciale Italiano | 6,309,010 | (1,301,000) | 7,118,010 |
| Total Bank Current Accounts | 1,726,318,656 | 35,990,346 | 1,762,309,002 |
| Total Lire Funds | 15,003,445,476 | (641,422,207) | 14,062,023,269 |
| urrency on Hand or in Banks | | | |
| Sund Dollars ($ 1,361,864.43) | 151,560,831 | (15,394,388) | 136,166,443 |
| Pounds (£ 513,476 . 2 .11) | 229,277,929 | (23,887,479) | 205,390,459 |
| Total Non-Lire Currency | 380,838,760 | (39,281,490) | 341,556,902 |
| nces with Banks | | | |
| Italia No.2 Account | 1,600,000,000 | | 1,600,000,000 |
| Letter of Credit Account | 500,000,000 | (100,000,000) | 400,000,000 |
| posited with Italian Banks for ce Payments | 65,091,541 | 45,019,855 | 110,111,396 |
| posited by U.S. Army Units edule IV(b)) | 66,000,722 | 8,339,378 | 74,340,097 |
| Total Other Balances with Banks | 2,231,092,263 | (16,640,770) | 2,184,451,493 |
| | 17,615,376,499 | (1,027,344,835) | 16,588,031,664 |
| A.M. LIRE NOTES ON HAND | 5,596,848 | (3,667,327) | 1,931,521 |
| Lire | 17,620,975,347 | 1,031,012,162 | 16,589,963,185 |

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# ALLIED FINANCIAL AGENCY
## REMITTANCE LISTS HANDED TO ITALIAN BANKS
## TO 30 JUNE 1944

(a) BANCO DI SICILIA

| | No. of Items. | Amount $ |
|---|---|---|
| (1) DOLLAR REMITTANCE LISTS | | |
| Bank of America, San Francisco, Calif. | 717 | 38,892.00 |
| Bank of the Manhattan Co., New York | 88 | 2,878 - |
| Central National Bank in Chicago, | 410 | 8,344 - |
| Central National Bank of Cleveland | 14 | 645 - |
| Continental Illinois Nat. Bank & Trust Co., of Chicago | 989 | 18,639 - |
| Chase Nat. Bank of the City of New York | 169 | 34,305.50 |
| First Nat. Bank of Boston, Boston | 357 | 27,905 - |
| First Nat. Bank of Chicago, Chicago | 331 | 9,591.50 |
| Irving Trust Company, New York | 7,941 | 561,908.83 |
| Manufacturers Trust Company, New York | 3,708 | 132,930 - |
| Merchants Bank of New York | 35 | 1,166 - |
| National Bank of Detroit | 356 | 13,798.50 |
| National Shawmut Bank of Boston | 129 | 7,560 - |
| National City Bank of New York | 2,008 | 84,655.75 |
| Pan American Trust Company, New York | 245 | 5,959 - |
| Philadelphia Nat. Bank, Philadelphia | 261 | 9,549.50 |
| Union Trust Co., of Maryland | 4 | 120 - |
| Whitney National Bank of New Orleans | 33 | 1,847.50 |
| | 18,395 | 660,801.08 |
| (2) STERLING REMITTANCE LISTS | | |
| Bank of England | 1,350 | £16,699-12-19 |

NOTE:
In addition to the British Isles, Bank of England payment schedules include remittances from Canada, New Zealand, Australia, Peru, Argentine, Venezuela, Uruguay, Switzerland, Malta, Palestine, Tripolitania and the Vatican City.

(b) BANCO DI NAPOLI

(1) DOLLAR REMITTANCE LISTS

American Express Co.
Bank of American Nat. Trust &
Ingo Assoc.
Bank of Manhattan
Chase Nat. Bank of New York
Chase National Bank
Continental Illinois Nat. B
Columbus Nat. Bank of Provi
Corn Exchange Bank of Phila
Corn Exchange Bank & Trust
New York
First National Bank of Bost
Irving Trust Co.
Liberty Title & Trust Co.,
Manufacturers Trust Co., o

Marine Midland Trust Co.
Mellon Nat. Bank of Pittsb
Merchants Bank of New York
National Shawmut Bank of B
National Bank of Detroit
Nat. Bank of Commerce of S
National Shawmut Bank
Pan American Trust Co.
Perera Co., of New York
Sterling Nat. Bank & Trust
New York
United States Lines - New

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ALLIED FINANCIAL AGENCY

ANNEX I

REMITTANCE LISTS HANDED TO ITALIAN BANKS

TO 30 JUNE 1944

| ISTS | No. of Items. | Amount $ |
|---|---|---|
| ncisco, Calif. | 717 | 38,892.00 |
| ., New York | 88 | 2,878 - |
| Chicago | 410 | 8,344 - |
| Cleveland | 14 | 645 - |
| . Bank & Trust Co., of Chicago | 989 | 18,633 - |
| City of New York | 169 | 34,305.50 |
| on, Boston | 957 | 27,905 - |
| go, Chicago | 331 | 9,531.50 |
| w York | 7,941 | 261,908.83 |
| pany, New York | 3,708 | 132,930 - |
| ork | 35 | 1,166 - |
| | 356 | 13,798.50 |
| Boston | 129 | 7,660 - |
| w York | 2,008 | 84,655.75 |
| ny, New York | 245 | 5,359 - |
| Philadelphia | 261 | 9,545.50 |
| land | 4 | 130 - |
| New Orleans | 33 | 1,847.50 |
| | 18,395 | 660,801.08 |

LISTS

| | |
|---|---|
| | 1,350 £16,699-12-10 |

h Isles, Bank of England payment
nces from Canada, New Zealand,
, Venezuela, Uruguay,
ine, Tripolitania and

(b) BANCO DI NAPOLI

| (1) DOLLAR REMITTANCE LISTS | No. of Items. | Amount $ |
|---|---|---|
| American Express Co. | | 60,407.00 |
| Bank of Amerion Nat. Trust & Savings Assoc. | 253 | 13,357 - |
| Bank of Manhattan | 1,165 | 59,345.53 |
| Chase Nat. Bank of New York | 265 | 49,140.50 |
| Chase National Bank | 40 | 1,433 - |
| Continental Illinois Nat. Bank | 845 | 32,020 - |
| Columbus Nat. Bank of Providence | 23 | 920 - |
| Corn Exchange Bank of Philadelphia | 204 | 12,731 - |
| Corn Exchange Bank & Trust Co., of New York | 55 | 2,111.50 |
| First National Bank of Boston | 121 | 4,634 - |
| Irving Trust Co. | 162 | 7,723 |
| Liberty Title & Trust Co., Philadel. | 160 | 8,010.50 |
| Manufacturers Trust Co., of New York | 7,111 | 331,678.33 |
| Marine Midland Trust Co. | 58 | 4,606.50 |
| Mellon Nat. Bank of Pittsburgh | 268 | 14,253.50 |
| Merchants Bank of New York | 223 | 9,744 - |
| National Shawmut Bank of Boston | 255 | 9,543 - |
| National Bank of Detroit | 135 | 7,407 - |
| Nat. Bank of Commerce of Seattle | 28 | 643 - |
| National Shawmut Bank | 100 | 3,063.25 |
| Pan American Trust Co. | 152 | 6,453 - |
| Perera Co., of New York | 388 | 21,723 - |
| Sterling Nat. Bank & Trust Co., of New York | 154 | 6,255 - |
| United States Lines - New York | 1,214 | 43,726 - |
| | 13,379 | 711,979.12 |

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A L L I E D  F I N A N C I A L  A G E N C Y

SUPPLY OF AM. LIRE BY DENOMINATIONS TO 30 JUNE 1944

(in millions of lire)

| | 1000 LIRE | 500 LIRE | 100 LIRE | 50 LIRE |
|---|---|---|---|---|
| 1. AVAILABLE IN RESERVE CASH | 4,320 | 3,870 | 1,696 | 1,605 |
| 2. HELD BY ITALIAN BANKS IN UNOPENED BOXES | - | - | 10 | 104 |
| 3. TOTAL UNUSED SUPPLY IN ITALY | 4,320 | 3,870 | 1,706 | 1,709 |
| DISBURSEMENTS TO 30 JUNE 1944 | 20,220 | 9,520 | 7,958 | 2,417 |
| 5. TOTAL AMOUNT RECEIVED FROM WASHINGTON | 24,540 | 13,390 | 9,664 | 4,126 |
| 6. AMOUNT IN WASHINGTON, OR IN TRANSIT TO ITALY | 8,120 | 5,508 | 3,700 | 1,023 |
| 7. TOTAL AMOUNT PRINTED + | 32,660 | 18,898 | 13,364 | 5,149 |
| 8. AMOUNT DISBURSED IN JUNE 1944 | 2,752 | 1,264 | 1,222 | 149 |
| 9. RATIO OF DISBURSEMENTS TO AMOUNT RECEIVED IN ITALY | 81.9 | 71.1 | 82.3 | 58.6 |
| 10. RATIO OF DISBURSEMENTS TO AMOUNT PRINTED | 61.9 | 50.4 | 59.6 | 46.9 |
| 11. NUMBER OF MONTHS SUPPLY AVAILABLE IN ITALY • | 1.6 | 3.0 | 1.4 | 11.5 |
| 12. NUMBER OF MONTHS SUPPLY AVAILABLE IN ITALY, IN TRANSIT AND IN WASHINGTON • | 4.5 | 7.3 | 4.4 | 18.3 |

+ Does not include Lire 30,000,000,000, ordered in MAT Airgram 11 dated 6 July 1944

• Based on June 1944 disbursements.

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ANNEX II.

A L L I E D  F I N A N C I A L  A G E N C Y

SUPPLY OF AM. LIRE BY DENOMINATIONS TO 30 JUNE 1944

(in millions of lire)

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| | 1000 LIRE | 500 LIRE | 100 LIRE | 50 LIRE | 10 LIRE | 5 LIRE | 2 & 1 LIRE. | TOTAL |
|---|---|---|---|---|---|---|---|---|
| CASH | 4,320 | 3,870 | 1,696 | 1,605 | 367 | 385 | 56 | 12,293 |
| IN UNOPENED BOXES | - | - | 10 | 104 | 12 | 47 | 41 | 214 |
| IN ITALY | 4,320 | 3,870 | 1,706 | 1,709 | 379 | 432 | 97 | 12,513 |
| JUNE 1944 | 20,220 | 9,520 | 7,958 | 2,417 | 377 | 227 | 108 | 40,827 |
| VED FROM WASHINGTON | 24,540 | 13,390 | 9,664 | 4,126 | 756 | 659 | 205 | 53,340 |
| OR IN TRANSIT TO ITALY | 8,120 | 5,508 | 3,700 | 1,023 | 600 | 299 | 43 | 19,293 |
| D | 32,660 | 18,898 | 13,364 | 5,149 | 1,356 | 958 | 248 | 72,633 |
| JUNE 1944 | 2,752 | 1,264 | 1,222 | 149 | 56 | 17 | 8 | 5,468 |
| S TO AMOUNT RECEIVED | 81.9 | 71.1 | 82.3 | 58.6 | 49.9 | 34.4 | 52.7 | 76.5 |
| S TO AMOUNT PRINTED | 61.9 | 50.4 | 59.6 | 46.9 | 27.8 | 23.7 | 43.5 | 56.2 |
| LY AVAILABLE IN ITALY ° | 1.6 | 3.0 | 1.4 | 11.5 | 6.8 | 25.4 | 12.1 | 2.3 |
| LY AVAILABLE IN ITALY, HINGTON ° | 4.5 | 7.3 | 4.4 | 18.3 | 17.5 | 43.0 | 17.5 | 5.8 |

30,000,000,000, ordered in MAT Airgram 11 dated 6 July 1944

urrements.

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ESTIMATED DISBURSEMENTS OF ALLIED ARMED FORCES TO CIVI

(Including unreported items)

| | British Forces | U.S. Forces | Frenc Force |
|---|---|---|---|
| Estimated Totals, including unreported items | | | |
| 6. Net Amount Paid to Civilians or Retained by Troops | | | |
| In January | 1,207 | 766 | 206 |
| In February | 1,534 | 1,033 | 164 |
| In March | 1,396 | 1,117 | 334 |
| In April | 1,062 | 1,220 | 500 |
| In May | 1,684 | 1,288 | 475 |
| In June | 2,078 | 1,989 | 534 |
| Cumulative total to 30 June | 11,191 | 11,654 | 2,721 |

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ESTIMATED DISBURSEMENTS OF ALLIED ARMED FORCES TO CIVILIANS

ANNEX IV

(including unreported items)

| , Including unreported | British Forces | U.S. Forces | French Forces | Allied Forces |
|---|---|---|---|---|
| o Civilians or os | | | | |
| | 1,207 | 766 | 206 | 2,179 |
| | 1,534 | 1,033 | 164 | 2,731 |
| | 1,396 | 1,117 | 334 | 2,847 |
| | 1,052 | 1,220 | 500 | 2,782 |
| | 1,684 | 1,288 | 475 | 3,447 |
| | 2,078 | 1,889 | 534 | 4,501 |
| l to 30 June | 11,191 | 11,654 | 2,721 | 25,566 |

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ANNEX V.

Value of AM Lire in Hands of Italian Banks and Public
(Excluding Deposits of AFA with Banks and Cash Funds Held by Accounting Officers of ACC/AMG)

| | 30 JUNE PRELIMINARY | 31 MAY REVISED |
|---|---|---|
| New AM Lire received (after deduction of shortages) | 53.338.074.139 | 48.644.126.870 |
| Less - Lire held by AFA in current cash, reserve cash, provision against credits granted to banks and current accounts (including mutilated and destroyed) | 14.063.954.720 | 15.009.044.324 |
| AM Lire Outstanding | 39.274.119.419 | 33.635.082.546 |
| Deduct - | | |
| AM Lire Held by Finance Officers of Armed Forces : | | |
| U.S. Finance Officers :- | | |
| Funded through AFA Palermo-Army | 125.087.995 | 141.172.052 |
| " " " " -Navy | 59.363.002 | 40.751.385 |
| " " " Naples | 3.465.625.834 | 3.303.366.651 |
| " " " Bari | 859.155.759 | 897.539.735 |
| " " " Sassari | 100.000.000 ✓ | 100.000.000 ✓ |
| Total U.S. Finance Officers | 4.609.132.660 | 4.482.829.823 |
| British Paymasters, Italy ++ | 2.947.140.203 | 1.682.512.914 |
| French Paymasters | 800.000.000 ✓ | 800.000.000 ✓ |
| Total Held by Finance Officers of All Allied Armed Forces | 8.356.272.803 | 6.965.342.737 |
| AM Lire Held by Accounting Officers of AMG/ACC in Cash + | 500.000.000 ✓ | 388.717.328 |
| Total Deductions | 8.856.272.803 | 7.354.060.065 |
| Total AM Lire in Hands of the Banks and the Public | 30.417.846.616 | 26.401.022.481 |
| AM Lire Held by Bank of Italy, after deduction of AFA's current accounts with Bank of Italy | 1.904.000.000 | 1.904.000.000 |

✓ Estimated

++ Excludes small amount held by R.N., R.A.F., and Empire forces, estimated at not more than 50 million lire.

+ Excludes receipts for funds disbursed but not yet allocated to

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| | | |
|---|---|---|
| (including mutilated and destroyed) | 14.063.954.720 | 15.009.044.324 |
| AM Lire Outstanding | 39.274.119.419 | 33.839.082.546 |
| Deduct - | | |
| AM Lire Held by Finance Officers of Armed Forces : | | |
| U.S. Finance Officers :- | | |
| Funded through APA Palermo-Army | 125.087.995 | 141.172.052 |
| " " " " -Navy | 59.263.002 | 40.751.385 |
| " " " Naples | 3.465.625.834 | 3.303.366.651 |
| " " " Bari | 859.155.769 | 897.539.735 |
| " " " Cagliari | 100.000.000 / | 100.000.000 / |
| Total U.S. Finance Officers | 4.609.132.600 | 4.482.829.823 |
| British Paymasters, Italy ++ | 2.947.140.203 | 1.682.512.914 |
| French Paymasters | 800.000.000 / | 800.000.000 / |
| Total Held by Finance Officers of All Allied Armed Forces | 8.356.272.803 | 6.965.342.737 |
| AM Lire Held by Accounting Officers of AMG/ACC in Cash + | 500.000.000 / | 388.717.328 |
| Total Deductions | 8.856.272.803 | 7.354.060.065 |
| Total AM Lire in Hands of the Banks and the Public | 30.417.846.616 | 26.481.022.481 |
| AM Lire Held by Bank of Italy, after deduction of APA's current accounts with Bank of Italy | 1.604.000.000 | 1.904.000.000 |

/ Estimated

++ Excludes small amount held by R.N., R.A.F., and Empire forces, estimated at not more than 50 million lire.

+ Excludes receipts for funds disbursed but not yet allocated to expenditure accounts, which included in this item on the Statement of Receipts and Disbursements.

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ANNEX V

Total Value of A.M. Lire in Hands of all Italian Banks and the Public, August 1943 to date.
(Excluding cash deposits of AFA with Italian banks, and funds Held by Accounting Officers in the Field in the Form of Cash)

| | Total Lire | Change During Previous Month. Lire |
|---|---|---|
| 31 August 1943 | 1.023.510.401 | 1.023.510.401 |
| 30 September 1943 | 2.832.986.522 | 1.809.476.121 |
| 31 October 1943 | 4.463.014.925 | 1.630.028.403 |
| 30 November 1943 | 7.751.937.253 | 3.288.922.330 |
| 31 December 1943 | 10.925.748.386 | 3.173.811.131 |
| 31 January 1944 | 14.102.572.467 | 3.176.824.081 |
| 29 February 1944 | 17.439.133.879 | 3.336.561.412 |
| 31 March 1944 | 20.815.517.036 | 3.376.383.157 |
| 30 April 1944 | 23.765.351.827 | 2.949.834.791 |
| 31 May 1944 (Revised) | 26.481.022.481 | 2.715.670.654 |
| 30 June 1944 | 30.417.846.616 | 3.936.824.135 |
| | | 30.417.846.616 |

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ALLIED FINANCIAL AGENCY

Statement of Disbursements and Receipts on account of Civilians, Allied Armed Forces and Banks between May and June 1945 (expressed in lire)

| | | MAY 1945 REVISED |
|---|---|---|
| **Disbursements on Civilian Account** | | |
| Purchases in Italy of Supplies for Export or Resale locally | | 156,237,389 |
| Advances to Italian State, Provinces and Communes, and to Others | | 54,364,722 |
| Excess of Disbursements over Receipts - AMG/ACC Divisions | | - |
| Remittances from Allied Countries | | 9,182,450 |
| | | 219,784,561 |
| **Receipts on Civilian Account** | | |
| Sales in Italy of Supplies Imported, Drawn from Arsenals or Purchased Locally by AMG/ACC | | 751,065,135 |
| Deposits by Controller of Property and by Others | | 45,370,472 |
| Excess of Receipts over Disbursements - AMG/ACC Divisions | | 5,576,369 |
| | | 802,012,000 |
| Net Disbursements on Civilian Account | | (582,227,439) |
| Advances to Allied Armed Forces | | 4,585,692,000 |
| Total Disbursements on Account of Civilians and Allied Armed Forces | | 4,003,464,561 |
| **Receipts from Banks** | | |
| Commercial Banks - Repayments of Loans | | 2,320,000 |
| Bank of Italy - Surplus Currency Sterilization Program | | 1,900,000,000 |
| Total Receipts from Banks | | 1,902,320,000 |
| Net Disbursements on Account of Civilians, Allied Armed Forces, and Banks | Lire | 2,101,144,561 |

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ALLIED FINANCIAL AGENCY

ANNEX VII

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racounts and Receipts on Account of Civilians, Allied Armed Forces and Banks,
May and June 1944 (Expressed in lire) ( ) = Red Figures

| | MAY 1944 REVISED | JUNE 1944 |
|---|---|---|
| Account | | |
| up Lire for Export or Re-Is locally | 156,237,389 | 82,590,098 |
| te, Provinces and Communes, and to Others | 56,364,722 | (19,241,226) |
| over Receipts - AMG/ACC Divisions | - | 7,303,596 |
| Countries | 9,182,450 | 29,328,050 |
| | 213,784,561 | 90,980,518 |
| nt | | |
| ies Imported, Drawn from Armies or Purcha- | 751,065,133 | 543,235,425 |
| of Property and by Others | 45,370,472 | 53,383,628 |
| Disbursements - AMG/ACC Divisions | 5,576,389 | - |
| | 802,012,000 | 596,179,053 |
| ian Account | (588,227,439) | (505,490,535) |
| orces | 4,585,698,000 | 5,921,982,190 |
| ount of Civilians and Allied Armed Forces | 4,903,484,561 | 5,416,491,655 |
| yments of Loans | 2,320,000 | 600,000 |
| Currency Sterilization Program | 1,900,000,000 | - |
| from Banks | 1,902,320,000 | 600,000 |
| t of Civilians, Allied Armed Forces, Lire | 2,101,164,561 | 5,415,891,655 |

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SECRET

# ALLIED FINANCIAL AGENCY
## CONSOLIDATED
## STATEMENT OF RECEIPTS AND DISBURSEMENTS
### For Period to 30 June, 1944 -
### (Expressed in Lire)

| ITEM No. | SCHEDULE No. | | TOTAL TO 31 MAY 1944 | CURRENT |
|---|---|---|---|---|
| 1 | - | CASH ON HAND IN BANKS AT BEGINNING OF PERIOD (Including Mutilated and Unfit AM Lira Notes on hand) | NIL | 17,620,9 |
| - | - | RECEIPTS DURING PERIOD | | |
| 2 | I | NEW A.M. LIRA NOTES RECEIVED | 48,044,126,870 | 4,493,3 |
| 3 | - | NEW A.M. STAMPS RECEIVED | 159,336,000 | --- |
| 4 | II | DEPOSITS BY AMG/ACC DIVISIONS (Pending allocation to revenue or other accounts) | 1,052,868,109 | (259, |
| 5 | III | FUNDS OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING OFFICERS IN THE FIELD | 303,300 | ( |
| 6 | IV | DEPOSITS | 127,722,769 | 61, |
| 7 | - | CURRENCY OF ITALIAN GOVERNMENT PLACED TO CREDIT OF AFA (Under agreed program to sterilize surplus currency) | 2,100,000,000 | -- |
| 8 | V | PROCEEDS OF SALES IN ITALY OF SUPPLIES | 789,158,382 | 803, |
| 9 | VI | RECEIPTS IN RESPECT OF AMG/ACC REVENUE | 151,111,270 | 7, |
| 10 | - | METROPOLITAN LIRA NOTES IMPORTED BY BRITISH FORCES | 66,174,450 | -- |
| 11 | VII | | | |
| 12 | VIII | | 53,300,081,130 | 5,105, |
| 13 | - | | 80,648,491 | 63, |
| 14 | IX | CONTRA ACCOUNTS | 53,381,499,641 | 5,169, |
| 15 | - | TOTAL RECEIPTS DURING PERIOD | | |
| 16 | - | TOTAL FUNDS AVAILABLE | DEFI 53,381,499,641 | 22,790, |

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# ALLIED FINANCIAL AGENCY
## CONSOLIDATED
## STATEMENT OF RECEIPTS AND DISBURSEMENTS
### For Period to 30 June, 1944 -
### (Expressed in Lire)

| | | TOTAL TO 31 MAY 1944 | CURRENT MONTH | TOTAL TO 30 JUNE 1944 |
|---|---|---|---|---|
| AND IN BANKS AT BEGINNING OF PERIOD | | | | |
| (Mutilated and Unfit AM Lira Notes on hand) | | NIL | 17,820,975,347 | NIL |
| DURING PERIOD | | | | |
| LIRA NOTES RECEIVED | | 48,844,126,870 | 4,493,947,269 | 53,338,074,139 |
| STAMPS RECEIVED | | 169,336,000 | --- | 169,336,000 |
| BY AMG/ACC DIVISIONS | | | | |
| allocation to revenue or other accounts) | | 1,052,868,109 | (259,925,014) | 792,943,095 |
| TAINED FROM BANKS AND OTHERS BY ACCOUNTING | | | | |
| IN THE FIELD | | 383,300 | (372,800) | 10,500 |
| | | 127,722,769 | 61,723,003 | 189,445,772 |
| OF ITALIAN GOVERNMENT PLACED TO CREDIT OF | | | | |
| er agreed program to sterilize surplus | | | | |
| | | 2,100,000,000 | -- | 2,100,000,000 |
| OF SALES IN ITALY OF SURPLUS | | 789,158,382 | 803,020,439 | 1,592,178,821 |
| IN RESPECT OF AMG/ACC REVENUE | | 151,111,270 | 7,752,523 | 158,863,793 |
| TAN LIRA NOTES IMPORTED BY BRITISH FORCES | | 56,174,450 | -- | 56,174,450 |
| COUNTS | | 53,300,881,150 | 5,106,145,420 | 58,407,026,570 |
| RECEIPTS DURING PERIOD | | 80,618,491 | 63,248,405 | 143,867,896 |
| AVAILABLE | LIRE | 53,381,499,641 | 5,169,394,825 | 58,550,894,466 |
| | | 53,381,499,641 | 22,790,370,172 | 58,550,894,466 |

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| ITEM No. | SCHEDULE No. | | TOTAL TO 31 MAY 1944 |
|---|---|---|---|
| - | - | DISBURSEMENTS DURING PERIOD | |
| 20 | - | INITIATED AM LIRA CURRENCY DESTROYED | 5,467,897 |
| 21 | - | FUNDS HELD BY ACCOUNTING OFFICERS IN THE FIELD (Pending allocation to expenditure or other accounts) | 520,903,233 |
| 22 | XII | ALLIED LIRA ISSUED TO POST OFFICE AND ON HAND | 153,336,000 |
| 23 | XIII | PURCHASES IN ITALY OF SUPPLIES | 507,309,289 |
| 24 | XIV | STORAGE, HANDLING AND SHIPPING EXPENSES IN CONNECTION WITH IMPORTS, EXPORTS AND LOCAL SUPPLIES | 29,264,225 |
| 25 | XV | ADVANCES (Including advances to Italian State, Provinces and Communes) | 6,310,933,730 |
| 26 | XVI | LOANS (Maturity date or interest rate fixed in advance) | 3,000,960 |
| 27 | XVII | PAYMENTS TO PERSONS IN ITALY ON ACCOUNT OF REMITTANCES FROM ALLIED COUNTRIES | 13,426,450 |
| 28 | XVIII | PAYMENTS IN RESPECT OF SUBJECTS OF ALLIED NATIONS | 7,597,276 |
| 29 | XIX | PAYMENTS CHARGEABLE TO ITALIAN STATE IN RESPECT OF ITALIAN REFUGEES, ETC. | 2,950,905 |
| 30 | XX | ADVANCES TO ALLIED ARMED FORCES | 27,801,795,450 |
| 31 | XXI | DISBURSEMENTS IN RESPECT OF AMG/ACC EXPENDITURE | 71,093,892 |
| 32 | - | METROPOLITAN LIRE ADVANCED TO BRITISH PAYMASTERS | 66,174,450 |
| 33 | XXII | DISBURSEMENTS OF ADVISORY COUNCIL FOR ITALY | 486,008 |
| | XXIII | | |
| 35 | XXIV | | |
| 36 | XXV | | |
| 37 | XXVI | | |
| 38 | - | | |
| 39 | XXVII | CONTRA ACCOUNTS | 35,679,905,803 |
| 40 | - | TOTAL DISBURSEMENTS DURING PERIOD | 80,618,491 |
| 41 | XXVIII | CASH ON HAND AND IN BANKS AT END OF PERIOD (Including Mutilated and Unfit AM Lire Notes on hand) | 35,760,524,294 |
| 42 | - | TOTAL DISBURSEMENTS AND CASH BALANCES LIRE | 17,520,975,347 |
| | | | 53,361,499,641 |

( ) = Red Figure

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Appendix C.

| | TOTAL TO 31 MAY 1944 | CURRENT MONTH | TOTAL TO 30 JUNE 1944 |
|---|---|---|---|
| ...TS DURING PERIOD | 3,457,897 | 13,158,624 | 16,626,521 |
| ...AN LIRA CURRENCY DESTROYED | | | |
| ...BY ACCOUNTING OFFICERS IN THE FIELD | | | |
| ...location to expenditure or other accounts) | 520,983,237 | 93,401,621 | 614,384,876 |
| ...ISSUED TO POST OFFICE AND ON HAND | 169,335,000 | --- | 169,335,000 |
| ...IN ITALY OF SUPPLIES | 567,379,289 | 82,595,098 | 663,983,387 |
| ...HANDLING AND SHIPPING EXPENSES IN CONNEC- ...IMPORTS, EXPORTS AND LOCAL SUPPLIES | 29,264,225 | 8,972,444 | 38,236,669 |
| ...Including advances to Italian State, ...and Communes) | 6,310,933,738 | (21,586,079) | 6,289,347,659 |
| ...urity date or interest rate fixed in | 3,000,980 | (600,680) | 2,400,280 |
| ...TO PERSONS IN ITALY ON ACCOUNT OF REMITTAN- ...ALLIED COUNTRIES | 13,420,490 | 20,328,050 | 33,756,500 |
| ...IN RESPECT OF SUBJECTS OF ALLIED NATIONS | 7,597,276 | 1,759,365 | 9,356,641 |
| ...CHARGEABLE TO ITALIAN STATE IN RESPECT OF ...REFUGEES, ETC. | 2,958,905 | 585,488 | 3,544,393 |
| ...TO ALLIED ARMED FORCES | 27,891,796,458 | 5,921,982,190 | 33,813,777,648 |
| ...NTS IN RESPECT OF AMG/ACC EXPENDITURE | 71,093,092 | 15,056,119 | 86,150,011 |
| ...AN LIRA ADVANCED TO BRITISH PAYMASTERS | 66,174,490 | --- | 66,174,450 |
| ...NTS ON ADVISORY COUNCIL FOR ITALY | 486,008 | 1,502,412 | 1,988,420 |
| | 35,679,395,803 | 6,137,157,652 | 41,817,963,455 |
| ...UNTS | 80,618,491 | 63,249,405 | 143,867,896 |
| ...DISBURSEMENTS DURING PERIOD | 35,760,524,294 | 6,200,407,057 | 41,960,931,351 |
| ...AND IN BANKS AT END OF PERIOD ...Mutilated and Unfit AM Lira Notes on hand) | 17,920,975,347 | 16,589,963,115 | 16,589,963,115 |
| ...RECEIPTS AND CASH BALANCES FIRST | 53,381,499,641 | 22,790,370,172 | 58,550,894,466 |

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+ Note: There is a lag of at least one month between (i) the time transactions of Accou
(ii) the allocation of such transactions in this Statement; however, advances m
to such officers and refunds made by them to Allied Financial Agency are reflec

(Sgd)

H. C. CHANSHAW - Colonel
CHIEF ACCOUNTANT

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at least one month between (i) the time transactions of Accounting Officers take place and on of such transactions in this Statement; however, advances made by Allied Financial Agency and refunds made by them to Allied Financial Agency are reflected in this account currently.

(Sgd)
JAMES H. HENRY - Major
CHIEF OF A. F. A.

olonel

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APPENDIX D.

page 1.

Table 1

Growth of Italian Public Debt,
31 Dec., 1930, to 30 June, 1944
(in billions)

| | Consols | Redeemable | State Notes | Floating Debt | Total |
|---|---|---|---|---|---|
| 31 Dec 1930 | 71.371 | 13.001 | — | 4.409 | 88.781 |
| 31 Dec 1931 | 71.784 | 14.150 | — | 5.484 | 91.418 |
| 31 Dec 1932 | 71.268 | 17.092 | — | 7.556 | 96.130 |
| 31 Dec 1933 | 71.291 | 16.956 | — | 9.782 | 98.029 |
| 31 Dec 1934 | 9.892 | 84.066 | — | 11.206 | 105.164 |
| 31 Dec 1935 | 41.478 | 52.341 | 647 | 11.390 | 105.856 |
| 31 Dec 1936 | 53.004 | 42.745 | 1.305 | 20.291 | 117.345 |
| 31 Dec 1937 | 52.995 | 49.041 | 1.350 | 25.396 | 128.752 |
| 31 Dec 1938 | 52.905 | 48.235 | 1.856 | 36.982 | 140.138 |
| 31 Dec 1939 | 52.986 | 49.194 | 2.148 | 49.369 | 153.697 |
| 31 Dec 1940 | 52.957 | 71.191 | 2.090 | 82.955 | 190.011 |
| 31 Dec 1941 | 52.962 | 106.542 | 4.150 | 97.507 | 261.167 |
| 31 Dec 1942 | 52.944 | 156.825 | 5.457 | 134.685 | 349.911 |
| 30 Jun 1943 | 52.946 | 176.069 | 5.919 | 169.090 | 405.023 |
| 30 Jun 1944 (est) | 53.000 | 176.000 | 6.000 | 350.000 | 585.000 |

Table 2

Italian Public Debt
as of 30 June 1943

CONSOLS

(in millions of lire)

| | | |
|---|---|---|
| Consols 3.50%, 3% and perpetual debt ..... | 9.586 | |
| Rente 5% ..... | 43.059 | |
| Total of consolidated debt | | 52.645 |

REDEEMABLE

| | | |
|---|---|---|
| Issues prior to 1914 ..... | 1.405 | |
| "Obbligazioni 3.50% Sulle Venezie" ..... | 427 | |
| "Obbligazioni 4.75% a 25 anni" ..... | 275 | |
| "Prestito Redimibile 3.50% (1934)" ..... | 18.533 | |
| "Prestito Redimibile 5% (R.D.L.-10-1936,n.1745)" | 5.084 | |
| 5% Certificates of credit for the financing of public works and for extraordinary expenses of the Ministry of Interior | 17.130 | |
| 3 - year bonds | 120.445 | |
| 5 - year bonds | 11.972 | |
| Total of redeemable debt | | 176.067 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| | | 71.291 | 16.956 | --- | 9.782 | 98.029 |
| 31 Dec 1934 | | 9.852 | 84.066 | --- | 11.206 | 105.124 |
| 31 Dec 1935 | | 41.478 | 52.341 | 647 | 11.390 | 105.836 |
| 31 Dec 1936 | | 53.004 | 42.745 | 1.305 | 20.291 | 117.345 |
| 31 Dec 1937 | | 52.995 | 49.041 | 1.350 | 25.366 | 128.752 |
| 31 Dec 1938 | | 52.985 | 49.295 | 1.856 | 35.082 | 140.118 |
| 31 Dec 1939 | | 52.986 | 49.194 | 2.448 | 49.369 | 153.997 |
| 31 Dec 1940 | | 52.967 | 71.171 | 3.896 | 62.955 | 190.041 |
| 31 Dec 1941 | | 52.969 | 106.542 | 4.150 | 97.507 | 261.157 |
| 31 Dec 1942 | | 52.944 | 156.825 | 5.457 | 134.685 | 349.911 |
| 30 Jun 1943 | | 52.945 | 178.069 | 5.919 | 168.890 | 405.823 |
| 30 Jun 1944 (est) | | 53.000 | 176.000 | 6.000 | 350.000 | 585.000 |

Table 2

Italian Public Debt
as of 30 June 1943

(in millions of lire)

CONSOLS

| | | |
|---|---|---|
| Consols 3.50%, 3% and perpetual debt ..... | 9.886 | |
| Rente 5% ..... | 43.059 | |
| Total of consolidated debt | | 52.945 |

REDEEMABLE

| | | |
|---|---|---|
| Issues prior to 1914 ..... | 1.405 | |
| "Obbligazioni 3.50% Bello Venezie" ..... | 427 | |
| "Obbligazioni 4.75% a 25 anni" ..... | 275 | |
| "Prestito Redimibile 3.50% (1934)" ..... | 18.555 | |
| "Prestito Redimibile 5% (R.D.L.3-10-1935,n.1743)" | 5.284 | |
| 5% Certificates of credit for the financing of public works and for extraordinary expenses of the Ministry of Interior | 17.130 | |
| 3 - year bonds | 122.443 | |
| 5 - year bonds | 11.972 | |
| Total of redeemable debt | | 178.069 |
| State Notes ..... | | 5.919 |
| Floating Debt ..... | | 168.835 |
| GRAND TOTAL ..... | | 405.823 |

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Table 3

Italian State Account at Banca d'Italia
(for Provinces liberated prior to 11 May, 1944)
1 July 1943 through 30 June 1944 *
(millions of lire)

| | Total Italian Govt. territory | Total Military Govt. territory | Total Liberated Italy |
|---|---|---|---|
| **"Deficit" in State Account** | | | |
| Total payments less payments on account of Buoni del Tesoro ordinari | 26.984 | 9.980 | 36.964 |
| Total receipts less receipts on account of B.T.O. | 4.346 | 1.452 | 5.783 |
| Excess of disbursements | 22.638 | 8.543 | 31.181 |
| **How State "Deficit" was met** | | | |
| Credit advanced by Banca d'Italia to State | 14.276 | 2.078 | 16.354 |
| Decrease in balances held by State at Banca d'Italia on 1 July 1943 | 2.746 | 1.594 | 4.340 |
| Advances from AMG | 2.300 | 30 | 2.330 |
| Funds supplied from Rome | 1.810 | 1.400 | 3.210 |
| Net receipts on B.T.O. account | 1.407 | 793 | 2.200 |
| Increase in "Contabilità Speciale" accounts | 1.634 | 639 | 2.273 |
| Increase in deposits of cash guarantees | 465 | 9 | 474 |
| Total | 24.638 | 8.543 | 33.181 |

* The figures for Sardinia and Campobasso are as of 20th June; those for Sicily and Foggia are as of 10th June.

Table 4

Government Bond Prices in Rome

| | 2 June | 1 August | Variation |
|---|---|---|---|

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| | | | |
|---|---|---|---|
| account of Fondi del Tesoro ordinari | 28.484 | 9.900 | 38.064 |
| Total receipts less receipts on account of B.T.O. | 4.346 | 1.457 | 5.783 |
| Excess of disbursements | 24.638 | 8.543 | 33.181 |
| How State "Deficit" was met | | | |
| Credit advanced by Banca d'Italia to State | 14.276 | 4.078 | 18.354 |
| Decrease in balance held by State at Banca d'Italia on 1 July 1943 | 2.746 | 1.594 | 4.340 |
| Advances from AFN | 2.300 | 30 | 2.330 |
| Funds supplied from Rome | 1.810 | 1.400 | 3.210 |
| Net receipts on B.T.O. account | 1.407 | 793 | 2.200 |
| Increase in "Contabilità Speciale" accounts | 1.634 | 639 | 2.273 |
| Increase in deposits of cash guarantees | 465 | 9 | 474 |
| Total | 24.638 | 8.543 | 33.181 |

* The figures for Sardinia and Cagliari are as of 20th June; those for Sicily and Foggia are as of 10th June.

Table 4

Government Bond Prices in Rome

| Security | 2 June 1944 | 1 August 1944 | Variation % |
|---|---|---|---|
| Rente 3½, 1906 | 116 | 107 | - 9 |
| Redeemable Loan, 3½, 1934 | 93 | 84 | - 10 |
| Rente 5% | 96 | 92 | - 5 |
| Redeemable Loan, 5%, 1936 | 100 | 94 | - 6 |
| Venezia, 3.50% | 99 | 99 | — |
| 9 yr. Treasury Bonds 5%, Sept. 1944 | 98 | 99 | + 1 |
| " " " " 5%, Dec. 1945 | 96 | 98 | + 2 |
| " " " " 5%, Feb. 1950 | 96 | 92 | - 4 |
| " " " " 5%, Sept. 1950 | 96 | 92 | - 4 |
| " " " " 5%, Sept. 1951 | 96 | 92 | - 4 |
| " " " " 4%, Sept. 1951 | 89 | 84 | - 5 |
| 5 yr. " 5%, Sept. 1948 | 96 | 93 | - 3 |

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| | Issued | Paid | Investment | Issued | Paid | Investment |
|---|---|---|---|---|---|---|
| Salerno | 111 | 80 | 31 | 38 | 12 | 26 |
| Lucania | 139 | 175 | -36 | 8 | 6 | 2 |
| Calabria | 151 | 94 | 57 | 25 | 11 | 14 |
| Puglie (less Foggia) | 1.053 | 940 | 413 | 123 | 44 | 84 |
| Sardinia* | 176 | 63 | 113 | 7 | 2 | 5 |
| Sicily* | 3.161 | 2.139 | 972 | 404 | 357 | 47 |
| Campania (less Salerno) | 1.570 | 722 | 848 | 261 | 82 | 179 |
| Foggia** | 79 | 73 | 6 | 3 | 2 | 1 |
| Capobasso* | 55 | 49 | 6 | 5 | 1 | 4 |
| | 6.695 | 4.285 | 2.410 | 879 | 517 | 362 |

* These figures are as of 20th June
** These figures are as of 10th June

Table 6

Total Deposits and Current Accounts
of Banks having more than 5 Million Lire in Deposits

| Year | Institutes of credit of Public Law* | Banks of National Interest** | Other Commercial Banks | Savings Banks (Casse di Risparmio e Monti di Pegni | Total |
|---|---|---|---|---|---|
| | | (Millions of Lire) | | | |
| 31 December 1936 | 5,144 | 9,730 | 10,490 | 19,261 | 47,625 |
| 31 December 1937 | 7,395 | 14,449 | 13,359 | 19,990 | 55,193 |
| 31 December 1938 | 10,683 | 14,866 | 14,452 | 19,175 | 58,517 |
| 31 December 1939 | 11,983 | 17,270 | 16,311 | 19,301 | 64,869 |
| 31 December 1940 | 15,422 | 20,345 | 19,479 | 20,122 | 76,969 |
| 31 December 1941 | 21,728 | 26,047 | 25,642 | 24,496 | 98,117 |
| 31 December 1942 | 28,124 | 31,[illegible] | 36,507 | 30,061 | 126,457 |
| 30 September 1943 | 29,795 | 37,099 | 42,771 | 33,590 | 143,[illegible] |
| 30 June 1944 (est.) | - | - | - | - | 170,000 |

* Banco di Napoli, Banco di Sicilia, Banco Nazionale del Lavoro, Istituto di San Paolo di Torino, Banco del Piccolo di Sicily, Banco di Santo Spirito.

** Banco Commerciale Italiano, Credito Italiano, Banco di Roma.

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Table 7.

Investments in Securities
of Banks having more than 5 million lire in Deposits
(in millions of lire)

| Year | Institutes of credit of Public Law | Banks of National Interest | Other Commercial Banks | Savings Banks (Casse di Risparmio e Monti di Perni) | Mortgage Credit Institutes | Total |
|---|---|---|---|---|---|---|
| 31 December 1936 | 3,803 | 2,298 | 3,698 | 8,199 | 104 | 18,301 |
| 31 December 1937 | 2,691 | 2,576 | 4,746 | 10,074 | 161 | 20,351 |
| 31 December 1938 | 3,277 | 2,546 | 5,202 | 9,694 | 160 | 20,881 |
| 31 December 1939 | 3,422 | 2,860 | 5,555 | 9,954 | 214 | 21,994 |
| 31 December 1940 | 4,779 | 4,362 | 6,931 | 10,618 | 279 | 26,969 |
| 31 December 1941 | 6,935 | 6,470 | 10,787 | 15,063 | 381 | 39,636 |
| 31 December 1942 | 8,791 | 9,750 | 16,066 | 19,803 | 343 | 54,753 |
| 30 September 1943 | 11,140 | 10,567 | 19,600 | 22,218 | 363 | 64,488 |

+ Almost entirely government and government-guaranteed bonds.

Table 8.

Cash Position of Banca d'Italia
(Provinces liberated prior to 11 May 1944)
(Including AFA and AMG accounts)
30 June 1944
(in millions of lire)

| Branch | Bank Notes | State Notes | AM Lire | BMA Pounds | Dollars | Emergency Italian Currencies | Total |
|---|---|---|---|---|---|---|---|
| Matera | 30 | 2 | 8 | - | - | - | 40 |
| Potenza | 30 | 5 | 77 | - | - | - | 112 |
| Catanzaro | 50 | 6 | 74 | - | - | - | 130 |
| Cosenza | 50 | 1 | 57 | - | - | - | 108 |
| Reggio Calabria | 32 | 4 | 54 | - | - | - | 90 |
| Bari | 130 | 35 | 77 | 8 | - | - | 250 |
| Barletta | 26 | 3 | 112 | 1 | - | - | 142 |
| Brindisi | 11 | - | 28 | 1 | - | - | 40 |
| Lecce | 23 | 6 | 1 | 2 | - | - | 32 |
| Taranto | 39 | 38 | 12 | - | - | - | 89 |
| Salerno | 79 | 11 | 303 | 3 | - | - | 396 |
| Cagliari | 41 | - | 13 | - | - | - | 54 |
| Nuoro | 12 | 1 | 4 | - | - | - | 17 |
| Sassari | 200 | 5 | 22 | - | - | - | 227 |
| Agrigento | 99 | 6 | 109 | - | - | - | 214 |
| Caltanissetta | 73 | 47 | 37 | - | - | - | 163 |
| Catania | 145 | 7 | 100 | 6 | - | - | 258 |
| [illegible] | 31 | 4 | 26 | [illegible] | - | - | 61 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| 31 December 1938 | 3,277 | 2,546 | 5,202 | 9,694 | 160 | 20,881 |
| 31 December 1939 | 3,422 | 2,850 | 5,555 | 9,954 | 214 | 21,994 |
| 31 December 1940 | 4,779 | 4,362 | 6,931 | 10,618 | 279 | 26,969 |
| 31 December 1941 | 6,935 | 6,470 | 10,787 | 15,063 | 381 | 39,636 |
| 31 December 1942 | 8,791 | 9,750 | 16,056 | 19,803 | 343 | 54,753 |
| 30 September 1943 | 11,140 | 10,567 | 19,600 | 22,818 | 363 | 64,488 |

+ Almost entirely government and government-guaranteed bonds.

Table 8.

Cash Position of Banca d'Italia
(Provinces liberated prior to 11 May 1944)
(Including AFA and AMG accounts)
30 June 1944
(in millions of lire)

| Branch | Bank Notes | State Notes | AM Lire | BMA Pounds | Dollars | Emergency Italian Currencies | Total |
|---|---|---|---|---|---|---|---|
| Matera | 30 | 2 | 8 | - | - | - | 40 |
| Potenza | 30 | 5 | 77 | - | - | - | 112 |
| Catanzaro | 50 | 6 | 74 | - | - | - | 130 |
| Cosenza | 50 | 1 | 57 | - | - | - | 108 |
| Reggio Calabria | 32 | 4 | 54 | - | - | - | 90 |
| Bari | 130 | 35 | 77 | 9 | - | - | 250 |
| Barletta | 26 | 3 | 112 | 1 | - | - | 142 |
| Brindisi | 11 | - | 28 | 1 | - | - | 40 |
| Lecce | 23 | 6 | 1 | 2 | - | - | 32 |
| Taranto | 39 | 38 | 12 | - | - | - | 89 |
| Salerno | 79 | 11 | 303 | 3 | - | - | 396 |
| Cagliari | 41 | - | 12 | - | - | - | 54 |
| Nuoro | 12 | 1 | 4 | - | - | - | 17 |
| Sassari | 200 | 5 | 22 | - | - | - | 227 |
| Agrigento | 99 | 6 | 109 | - | - | - | 214 |
| Caltanissetta | 79 | 47 | 37 | - | - | - | 163 |
| Catania | 145 | 7 | 100 | 6 | - | - | 258 |
| Enna | 31 | 4 | 26 | - | - | - | 61 |
| Messina | 97 | - | 120 | - | - | - | 217 |
| Palermo | 224 | 15 | 294 | - | - | - | 533 |
| Ragusa | 2 | 2 | 8 | - | - | - | 12 |
| Siracusa | 52 | 1 | 55 | - | - | - | 108 |
| Trapani | 16 | - | 91 | - | - | - | 107 |
| Campobasso+ | 53 | 9 | 38 | 4 | - | - | 100 |
| Foggia+ | 50 | 4 | 153 | 4 | 1 | - | 212 |
| Avellino+ | 46 | 3 | 91 | 7 | - | - | 147 |
| Benevento | 66 | 9 | 89 | 1 | - | - | 165 |
| Caserta | 76 | - | 74 | - | - | - | 150 |
| Castellammare | 47 | - | 134 | 1 | - | - | 182 |
| Napoli | 159 | 3 | 397 | 16 | 2 | - | 577 |
| Grand Total | 1,995 | 223 | 2,688 | 54 | 3 | - | 4,963 |

+ 20 June 1944, 30 June figures are not available.

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Table 9.

Postal Savings
May 1944 and June 1944
(thousands of lire)

| | Postal Savings Bonds | Postal Savings Books | Current Accounts | Total | Postal Savings Bonds | Postal Savings Books | Current Accounts | Total |
|---|---|---|---|---|---|---|---|---|
| Agrigento | - | - | - | - | - | - | - | - |
| Caltanissetta | -4,634 | 1,048 | 3,945 | -359 | - | - | - | - |
| Catania | -12,370 | 2,412 | -9,043 | -19,001 | -724 | 3,355 | -9,974 | -7,343 |
| Enna | -2,336 | -79 | 1,877 | -538 | - | - | - | - |
| Messina | -16,003 | -505 | 5,626 | -10,882 | -5,248 | 1,536 | 5,437 | 1,725 |
| Palermo | - | - | 984 | 984 | - | - | 27 | 27 |
| Ragusa | - | - | - | - | - | - | - | - |
| Siracusa | - | - | - | - | - | - | - | - |
| Trapani | - | - | - | - | -3,270 | 1,689 | 4,230 | 2,649 |
| Bari | - | - | - | - | 14,351 | -1,811 | -17,538 | -4,998 |
| Brindisi | 1,659 | -589 | 3,335 | 4,405 | 1,417 | -771 | 3,312 | 3,958 |
| Lecce | 11,191 | -732 | 14,695 | 25,154 | 6,171 | -248 | 5,393 | 11,316 |
| Potenza | - | - | - | - | -2,412 | 3,944 | 4,971 | 6,503 |
| Taranto | 3,059 | -466 | 430 | 3,023 | 6,365 | -487 | 2,275 | 8,172 |
| Cosenza | -3,682 | 1,126 | -919 | -3,475 | -756 | 1,756 | 3,370 | 4,370 |
| Reggio Calab. | -3,181 | 1,834 | -397 | -1,744 | -81 | 3,763 | 59 | 3,741 |
| Avellino | -2,364 | 1,793 | 3,073 | 2,501 | 1,539 | 6,372 | 3,615 | 11,526 |
| Napoli | 24,162 | 13,963 | 1,885 | 40,026 | 29,788 | 12,373 | -83,391 | -41,230 |
| Salerno | -3,132 | 5,936 | 116,695 | 119,499 | 11,023 | 6,741 | 19,438 | 37,202 |
| Cagliari | - | - | 15,146 | 15,146 | - | - | 8,292 | 8,292 |
| Nuoro | - | - | 332 | 332 | - | - | - | - |
| Sassari | - | - | 17,362 | 17,362 | - | - | - | - |
| Total | -7,631 | 25,760 | 44,732 | 169,861 | 58,182 | 30,212 | -50,484 | 45,910 |
| | (16 Provinces) | | | | (15 Provinces) | | | |

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Table 10.

Banca d'Italia Balance Sheet
as of 31 December, 1939, and 31 December 1943
(in millions of lire)

| Assets | 31 Dec. 1939 | 31 Dec. 1943 (+) |
|---|---|---|
| Total Reserve | 3,132 | 2,237 |
| Gold deposited abroad, due by State | 1,773 | 1,773 |
| Cash in hand | 801 | 625 |
| Inland bills | 4,833 | 5,668 |
| Bills for collection | 24 | 7 |
| Secured Advances | 2,891 | 7,248 |
| Investments (government bonds) | 777 | 899 |
| Current accounts | 88 | 69 |
| Temporary Advances to Treasury | 1,900 | 1,900 |
| Extraordinary Advances to Treasury | 6,000 | 79,000 |
| Current Account of Treasury | - | 40,129 |
| Due from I.R.I. | 4,706 | 4,706 |
| "Various debtors" (++) | 1,376 | 59,150 |
| Premises | 114 | 109 |
| Total Assets | 29,617 | 202,625 |
| Securities and other valuables deposited | 47,701 | 273,626 |
| | 77,318 | 476,250 |
| Amounts written off in past year | 206 | 107 |
| Grand Total | 77,524 | 476,358 |

Liabilities

| | | |
|---|---|---|
| Notes in circulation | 24,432 | 152,736 |
| Demand drafts outstanding | 1,218 | 7,403 |
| Current accounts | 1,268 | 16,282 |
| Total Sight Liabilities | 26,918 | 176,421 |
| Capital | 300 | 300 |
| Statutory Reserve | 119 | 307 |
| Extraordinary Reserve | 56 | 223 |
| Time Deposits | 491 | 19,185 |
| Treasury Current account | 476 | - |
| "Internal Debt Sinking Fund Office current account" | 12 | 2 |
| I.R.I. sinking fund | 143 | 359 |
| Other liabilities | 974 | 5,786 |
| Net profits for year | 117 | 42 |
| Total Liabilities | 29,617 | 202,625 |
| Securities & other valuables deposited | 47,707 | 273,626 |
| | 77,318 | 476,626 |
| Amounts written off in past year | 206 | 107 |
| Grand Total | 77,524 | 476,358 |

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APPENDIX E.

## THE COST OF LIVING

A. The charts and tables below reproduce all the data currently available on the cost of living in liberated Italy. They include, for the capital cities of 24 provinces,

(1) the black market prices of

bread,
potatoes,
olive oil,
meat,
cheese,
milk, and
sugar;

(2) A calculation of the cost of purchasing the following budget of foods, at legal prices to the extent to which such foods were distributed under rationing programs, and at black market prices for the remainder:

| | | Quantity per person per month |
|---|---|---|
| Bread | Kg. | 8.0 |
| Pasta | " | .6 |
| Potatoes | " | 6.0 |
| Meat | " | .4 |
| Fish | " | .2 |
| Cheese | " | .2 |
| Olive oil | litre | 1.0 |
| Sugar | Kg. | .2 |
| Milk | litre | .4 |

This budget, based upon a survey of working class food consumption in Naples last winter, is thought to be roughly representative of working class food purchases. It is not based upon calculation of an adequate diet, and it provides only about 1,500 calories per day.

(3) An index made from the calculations of the cost of buying the budget on the base: January 1944 = 100.

B. These calculations are substantially the same as those carried in earlier numbers of the Monthly Report for Naples only. The differences are as follows:

(1) Monthly instead of weekly averages have been used so that the figures represent the cost of living per person per month;

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(2) Fruits and vegetables, in large quantities by the entire population of liberated Italy, have been dropped from the calculations because of the high degree of unreliability in the price data available for these items. Because of this omission, the expenditure figures do not represent typical food expenditure. In general, about 100 lire per month would have to be added to these figures in the large cities to obtain figures on typical food expenditure.

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cheese,
milk, and
sugar;

(2) A calculation of the cost of purchasing the following budget of foods, at legal prices ti the extent to which such foods were distributed under rationing programs, and at black market prices for the remainder:

| | | Quantity per person per month |
|---|---|---|
| Bread | Kg. | 8.0 |
| Pasta | " | .6 |
| Potatoes | " | 6.0 |
| Meat | " | .4 |
| Fish | " | .2 |
| Cheese | " | .2 |
| Olive oil | litre | 1.0 |
| Sugar | Kg. | .2 |
| Milk | litre | .4 |

This budget, based upon a survey of working class food consumption in Naples last winter, is thought to be roughly representative of working class food purchases. It is not based upon calculation of an adequate diet, and it provides only about 1,500 calories per day.

(3) An index made from the calculations of the cost of buying the budget on the base: January 1944 = 100.

B. These calculations are substantially the same as those carried in earlier numbers of the Monthly Report for Naples only. The differences are as follows:

(1) Monthly instead of weekly averages have been used so that the figures represent the cost of living per person per month;

(2) Fruits and vegetables, in large quantities by the entire po[illegible] of liberated Italy, have been dropped from the calculations because of the high degree of unreliability in the price data available for these items. Because of this omission, the expenditure figures do not represent typical food expenditure. In general, about 100 lire per month would have to be added to these figures in the large cities to obtain figures on typical food expenditure.

(3) The budgeted amounts of meat, cheese, and sugar have been increased somewhat, largely because official rations of such items now frequently exceed the amounts previously budgeted.

Calculated on this basis, the Naples figures compare as follows with those previously published:

./..

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| | Expenditure per person per month | |
|---|---|---|
| | new figures | old figures |
| 1943 | | |
| January | 129 | 172 |
| February | 145 | 184 |
| March | 139 | 188 |
| April | 163 | 196 |
| May | 171 | 208 |
| June | 166 | 192 |
| July | 170 | 192 |
| August | 226 | 252 |
| September | 464 | 496 |
| October | 737 | 808 |
| November | 858 | 972 |
| December | ? | 1,300 |
| 1944 | | |
| January | 1,478 | 1,400 |
| February | 1,253 | 1,352 |
| March | 1,202 | 1,440 |
| April | 1,240 | 1,320 |
| May | 1,406 | 1,560 |
| June | 1,368 | 1,352 |
| July | 793 | |

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C. The data demonstrate that:

(1) The cost of living in Naples (the principal city of liberated Italy prior to the liberation of Rome) has been at least twice as high as that in any of the smaller provincial capitals outside the orbit of Naples, and that, at present, the cost of living in either Rome or Naples is about twice as high as in any of the other provincial capitals.

(2) Rome, like Naples, suffered its greatest price rise in the months immediately preceeding Allied occupation. In the 6 months preceeding Allied occupation of Rome, the cost of living in that city rose 6 fold, and in the 6 months preceeding Allied occupation of Naples, the cost of living there rose over 4 fold. In both cases the increases in these 6-month periods accounted for the overwhelming portion of the total increase.

(3) For all cities for which July data is available, a substantial fall occurred in that month, the result of the increase in the bread ration and of the availability of food from the current harvest.

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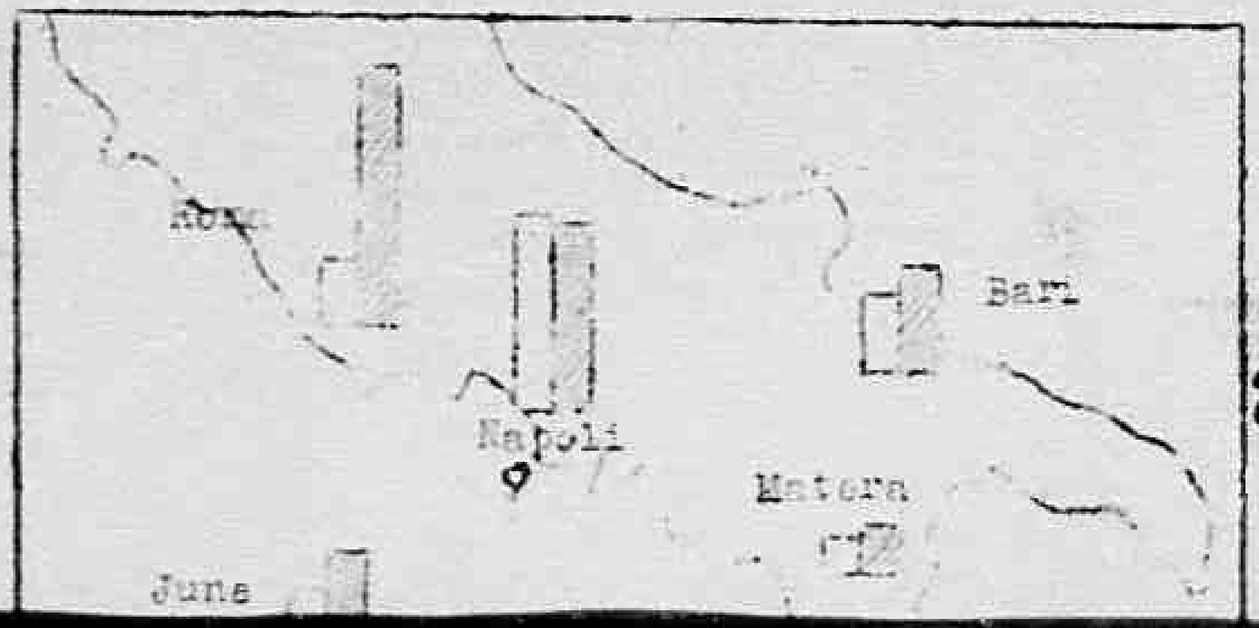
Expenditure per Person per Month for Purchase of Budgeted Foods (in Lire)

| | 1943 | 1944 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | March | April | May | June | July |
| Roma | 376 | 479 | 582 | 983 | 1286 | 2218 | 1724 | 1310 |
| Napoli | - | 1478 | 1253 | 1202 | 1240 | 1406 | 1368 | 793 |
| Salerno | 1099 | - | - | - | - | - | - | - |
| Bari | 348 | 569 | 531 | 689 | 694 | 736 | 742 | - |
| Brindisi | 327 | 456 | - | - | - | - | - | - |
| Lecce | 363 | 549 | - | - | - | - | - | - |
| Taranto | 352 | 662 | - | - | - | - | - | - |
| Matera | 162 | 240 | - | 273 | 316 | 361 | 309 | 191 |
| Potenza | 339 | - | - | 625 | 595 | 608 | 675 | 429 |
| Catanzaro | 413 | - | - | - | 659 | 603 | 632 | - |
| Cosenza | - | - | - | - | - | - | - | - |
| Reggio Calabria | 670 | 693 | - | - | 490 | 565 | - | - |
| Agrigento | - | 467 | 467 | 500 | 531 | 541 | 444 | - |
| Caltanissetta | - | 412 | 441 | 490 | 555 | 560 | 525 | - |
| Catania | - | 612 | 567 | 558 | 752 | 894 | 900 | - |
| Enna | - | 560 | 465 | 506 | 596 | 678 | 670 | - |
| Messina | - | 750 | 677 | 748 | 763 | 752 | 981 | - |
| Palermo | - | 680 | 550 | 578 | 685 | 740 | 777 | - |
| Ragusa | - | 559 | 521 | 600 | 753 | 824 | 710 | - |
| Siracusa | - | 573 | 609 | 641 | 759 | 802 | 786 | - |
| Trapani | - | 711 | 632 | 630 | 857 | 916 | 843 | - |
| Cagliari | 199 | 237 | 371 | 480 | 451 | - | - | - |
| Nuoro | 275 | 371 | 542 | 410 | 512 | - | - | - |
| Sassari | 246 | 369 | 461 | 436 | 578 | - | - | - |

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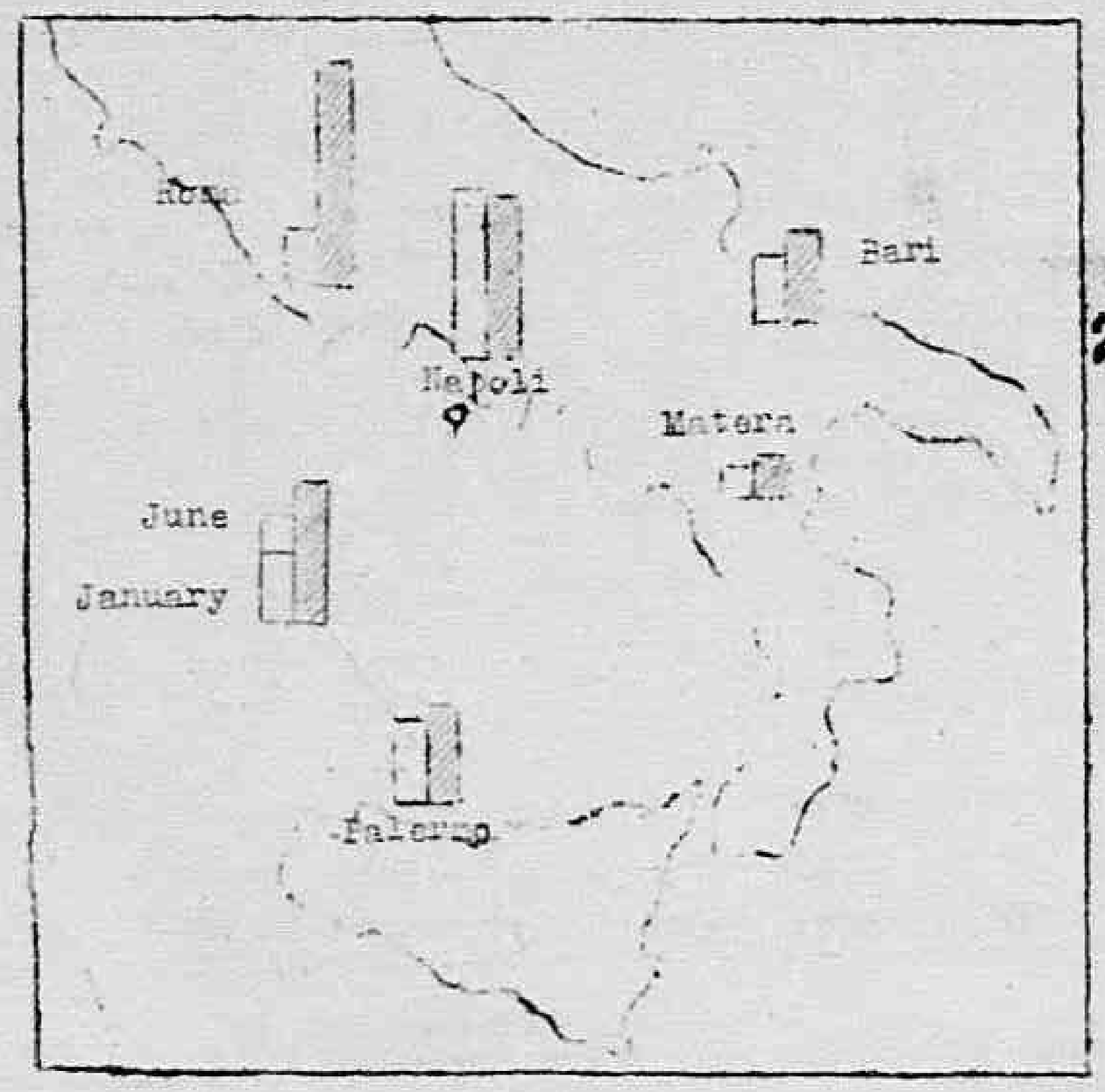
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Matera | 162 | 240 | - | 273 | 316 | 361 | 309 | 191 |
| Potenza | 339 | - | - | 625 | 595 | 608 | 675 | 429 |
| Catanzaro | 413 | - | - | - | 659 | 603 | 632 | - |
| Cosenza | - | - | - | - | - | - | - | - |
| Reggio Calabria | 670 | 693 | - | - | 490 | 565 | - | - |
| Agrigento | - | 467 | 467 | 500 | 531 | 541 | 444 | - |
| Caltanissetta | - | 412 | 441 | 490 | 555 | 560 | 525 | - |
| Catania | - | 612 | 567 | 558 | 752 | 894 | 900 | - |
| Enna | - | 560 | 465 | 506 | 596 | 678 | 670 | - |
| Messina | - | 750 | 677 | 748 | 763 | 752 | 981 | - |
| Palermo | - | 680 | 550 | 578 | 685 | 740 | 777 | - |
| Ragusa | - | 559 | 521 | 600 | 753 | 824 | 710 | - |
| Siracusa | - | 573 | 609 | 641 | 759 | 802 | 786 | - |
| Trapani | - | 711 | 632 | 630 | 857 | 916 | 843 | - |
| Cagliari | 199 | 237 | 371 | 480 | 451 | - | - | - |
| Nuoro | 275 | 371 | 542 | 410 | 512 | - | - | - |
| Sassari | 246 | 369 | 461 | 436 | 578 | - | - | - |

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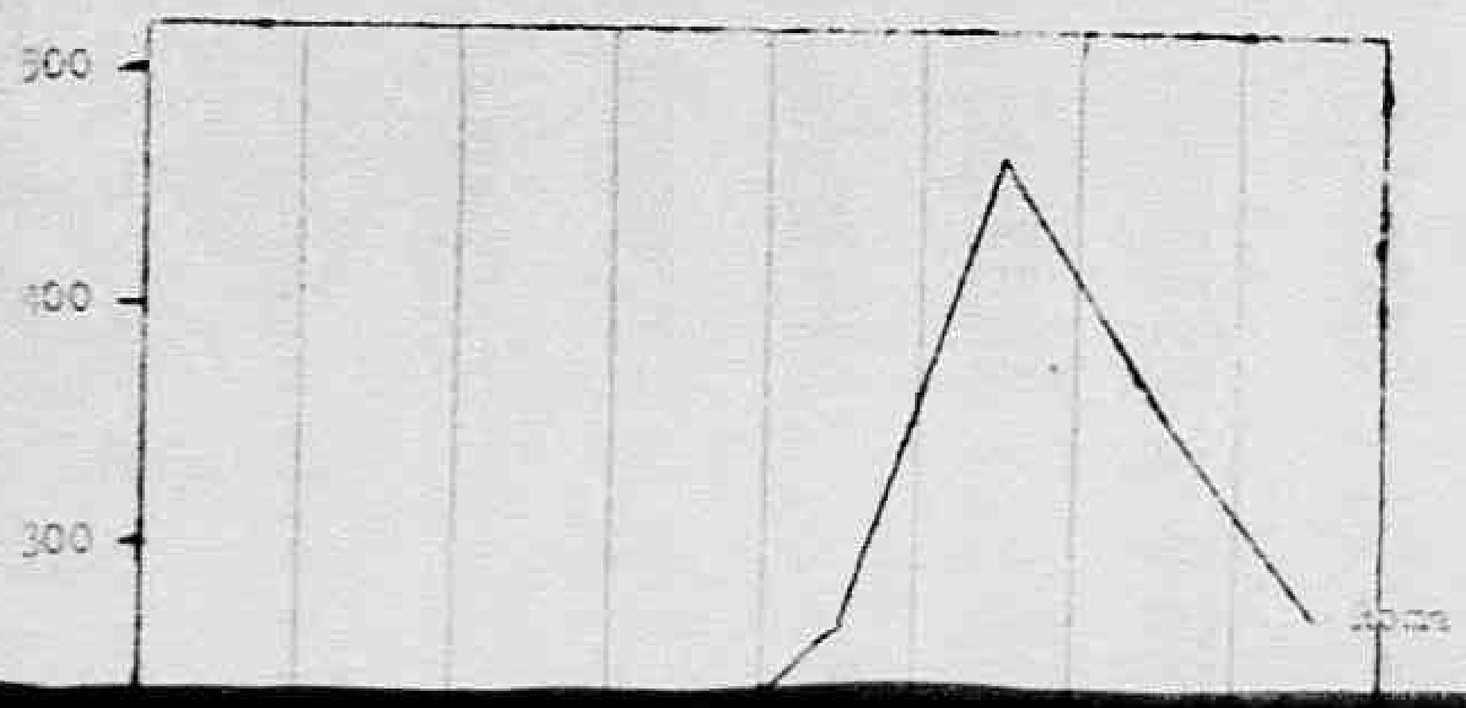
Appendix B,

Expenditures per person per Month for Purchase of Budgeted Foods
(Index: January 1944 = 100)

| | 1943 | 1944 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | March | April | May | June | July |
| Roma | 78.5 | 100.- | 121.5 | 205.2 | 258.5 | 463.0 | 359.9 | 273.5 |
| Napoli | - | 100.- | 85.4 | 81.9 | 91.5 | 95.8 | 93.2 | 54.0 |
| Salerno | - | - | - | - | - | - | - | - |
| Bari | 61.2 | 100.- | 93.3 | 121.1 | 122.9 | 129.3 | 130.4 | - |
| Brindisi | 71.7 | 100.- | - | - | - | - | - | - |
| Lecce | 66.1 | 100.- | - | - | - | - | - | - |
| Taranto | 53.2 | 100.- | - | - | - | - | - | - |
| Matera | 67.5 | 100.- | - | 113.8 | 131.7 | 150.4 | 128.8 | 79.6 |
| Potenza | - | - | - | - | - | - | - | - |
| Catanzaro | - | - | - | - | - | - | - | - |
| Cosenza | - | - | - | - | - | - | - | - |
| Reggio Calab. | 96.7 | 100.- | - | - | 70.7 | 81.5 | - | - |
| Agrigento | - | 100.- | 100.- | . | | | | 95.0 |
| Caltanissetta | - | 100.- | 107.0 | 118.9 | 134.7 | 135.9 | 127.4 | - |
| Catania | - | 100.- | 92.6 | 91.2 | 122.9 | 146.1 | 147.1 | - |
| Enna | - | 100.- | 93.0 | 90.4 | 106.4 | 121.1 | 119.6 | - |
| Messina | - | 100.- | 90.3 | 99.7 | 131.7 | 100.3 | 130.8 | - |
| Palermo | - | 100.- | 90.9 | 85.0 | 100.7 | 108.8 | 114.3 | - |
| Ragusa | - | 100.- | 93.2 | 107.3 | 134.7 | 147.4 | 127.0 | - |
| Siracusa | - | 100.- | 106.3 | 111.9 | 132.5 | 140.0 | 137.2 | - |
| Trapani | - | 100.- | 88.9 | 88.6 | 120.5 | 128.8 | 118.6 | - |
| Cagliari | 84.0 | 100.- | 156.5 | 282.5 | 190.3 | - | - | - |
| Nuoro | 74.1 | 100.- | 136.1 | 110.5 | 138.0 | - | - | - |
| Sassari | 66.7 | 100.- | 124.9 | 118.2 | 156.6 | - | - | - |

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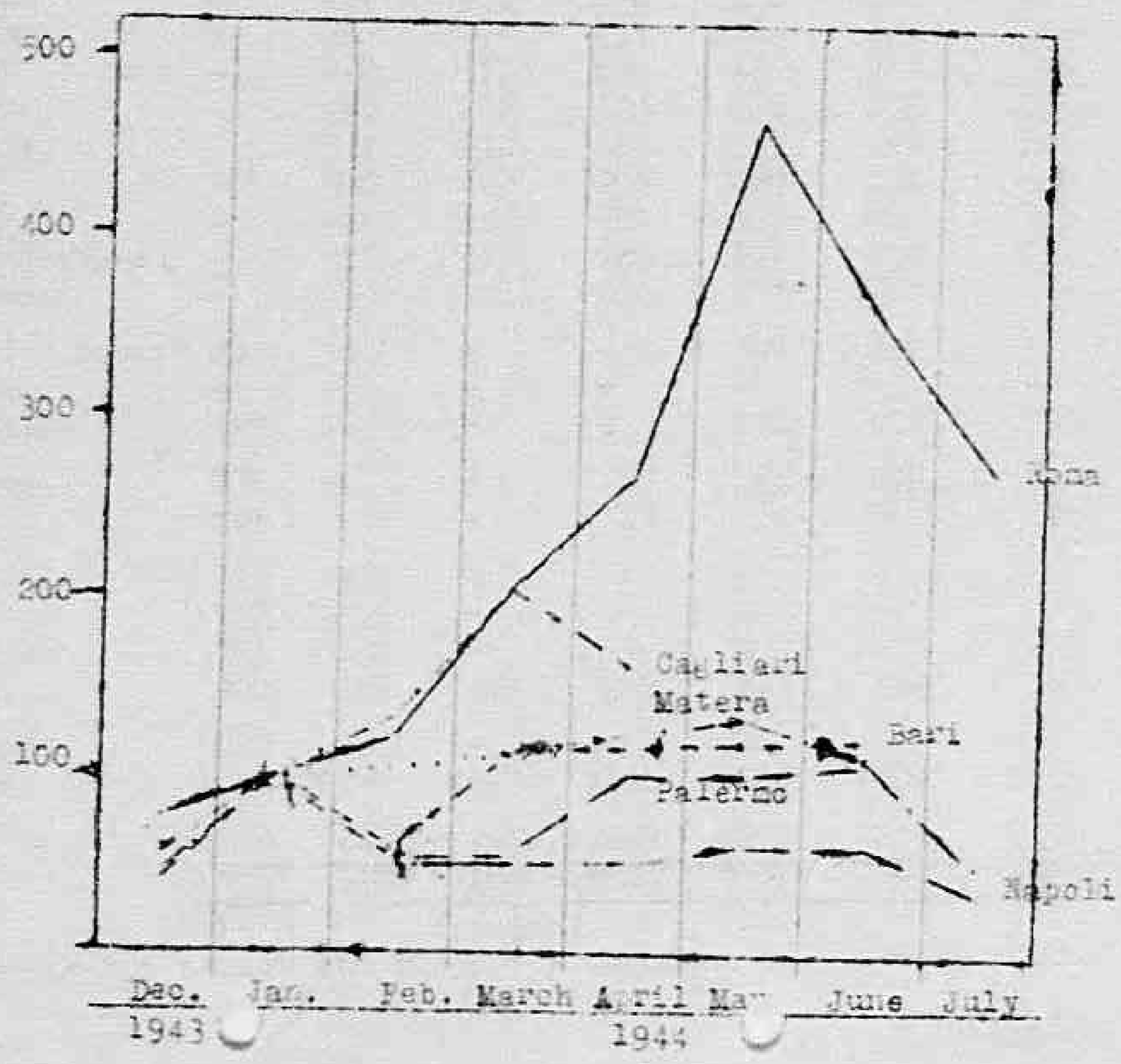
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 67.5 | 100.- | - | 113.8 | 131.7 | 150.4 | 128.8 | 79.6 |
| Potenza | - | - | - | - | - | - | - | - |
| Catanzaro | - | - | - | - | - | - | - | - |
| Cosenza | - | - | - | - | - | - | - | - |
| Reggio Calab. | 96.7 | 100.- | - | - | 70.7 | 81.5 | - | - |
| Agrigento | - | 100.- | 100.- | | | | | 95.0 |
| Caltanissetta | - | 100.- | 107.0 | 116.9 | 134.7 | 135.9 | 127.4 | - |
| Catania | - | 100.- | 92.6 | 91.2 | 122.9 | 146.1 | 147.1 | - |
| Enna | - | 100.- | 83.0 | 90.4 | 106.4 | 121.1 | 119.6 | - |
| Messina | - | 100.- | 90.3 | 99.7 | 101.7 | 100.3 | 130.8 | - |
| Palermo | - | 100.- | 80.9 | 85.0 | 100.7 | 108.8 | 114.3 | - |
| Ragusa | - | 100.- | 93.2 | 107.3 | 134.7 | 147.4 | 127.0 | - |
| Siracusa | - | 100.- | 106.3 | 111.9 | 132.5 | 140.0 | 137.2 | - |
| Trapani | - | 100.- | 88.9 | 88.6 | 120.5 | 128.8 | 118.6 | - |
| Cagliari | 84.0 | 100.- | 156.5 | 252.5 | 190.3 | - | - | - |
| Nuoro | 74.1 | 100.- | 136.1 | 110.5 | 138.0 | - | - | - |
| Sassari | 66.7 | 100.- | 124.9 | 118.2 | 156.6 | - | - | - |

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## Bread, Retail Black Market Prices
(Monthly averages, Lire per kilogram)

| | 1943 | 1944 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | March | April | May | June | July |
| Roma | 25 | 30 | 35 | 50 | 60 | 125 | 90 | 100 |
| Napoli | 117 | 130 | 128 | 141 | 147 | 179 | 183 | 114 |
| Salerno | 117 | - | - | - | - | - | - | - |
| Bari | 31 | 46 | 50 | 75 | 80 | 83 | 75 | - |
| Brindisi | 28 | 38 | - | - | 50 | - | - | - |
| Lecce | 28 | 43 | - | - | 35 | 38 | - | - |
| Taranto | 23 | 35 | - | - | - | - | - | - |
| Potenza | 13 | 20 | - | 60 | 61 | 55 | 50 | 50 |
| Potenza | 21 | - | - | 35 | 40 | 43 | 45 | - |
| Catanzaro | 21 | - | - | - | 80 | 80 | 85 | - |
| Cosenza | 20 | 35 | 48 | 50 | 68 | 100 | 70 | 70 |
| Reggio Calabria | 64 | 78 | - | - | - | 75 | - | - |
| Agrigento | - | 35 | 37 | 51 | 75 | 60 | 36 | - |
| Caltanissetta | - | 30 | 38 | 48 | 58 | 44 | 45 | - |
| Catania | 56 | 60 | 50 | 69 | 99 | 96 | 90 | - |
| Enna | 56 | 60 | 45 | 60 | 78 | 84 | 78 | - |
| Messina | - | 60 | 63 | 90 | 90 | 84 | 120 | - |
| Palermo | - | 59 | 41 | 60 | 85 | 85 | 81 | - |
| Ragusa | - | 58 | 60 | 83 | 116 | 118 | 83 | - |
| Siracusa | - | 67 | 68 | 77 | 103 | 113 | 82 | - |
| Trapani | 73 | 71 | 65 | 70 | 119 | 135 | 102 | - |
| Cagliari | 20 | - | 33 | 45 | 71 | 80 | 75 | - |
| Nuoro | 18 | - | 40 | 20 | 23 | 24 | 23 | - |
| Sassari | 18 | - | 35 | 28 | 28 | 38 | 62 | - |

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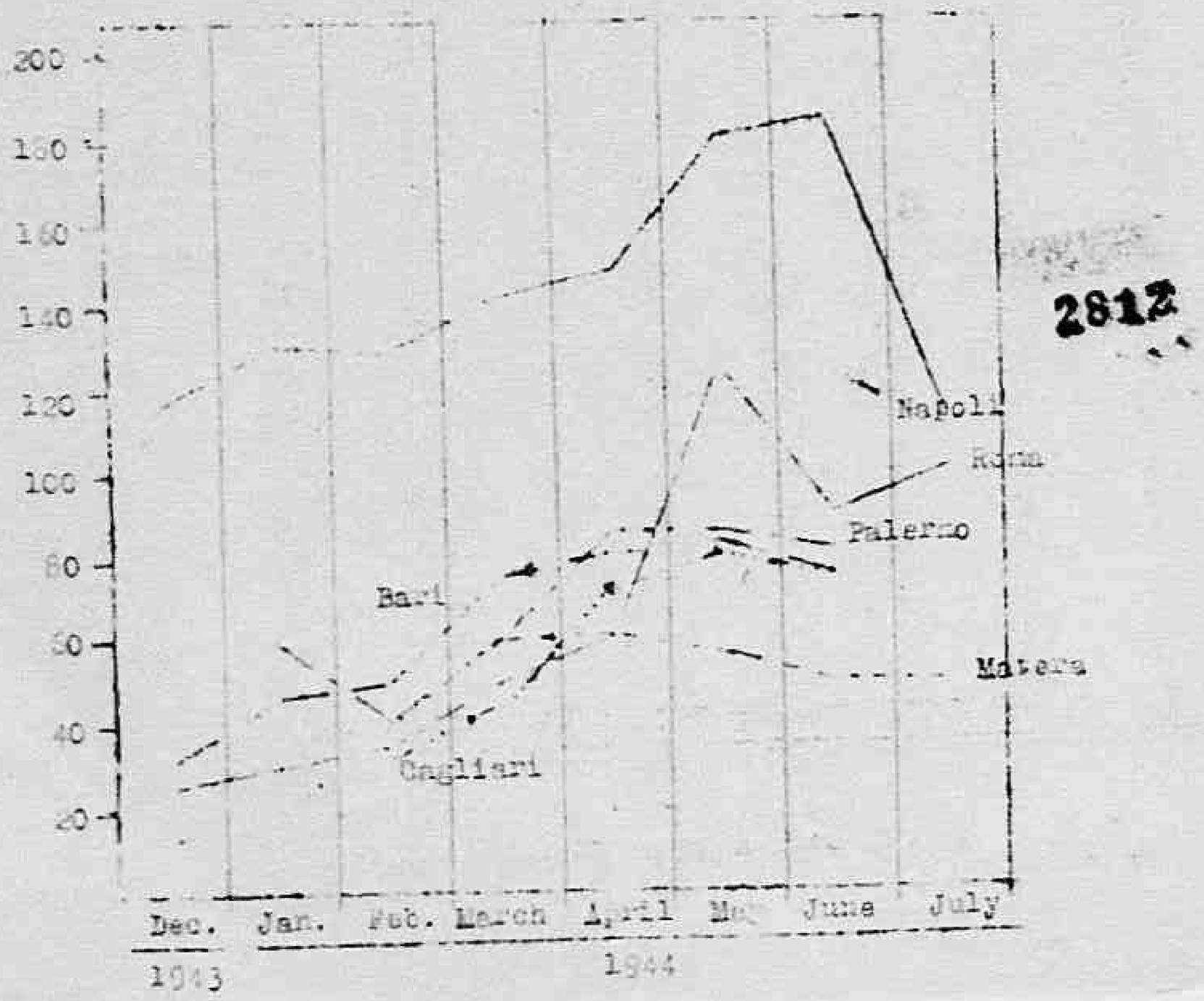
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 23 | 35 | - | - | - | - | | |
| [illegible] tera | 13 | 20 | - | 60 | 61 | 55 | 50 | 50 |
| Potenza | 21 | - | - | 35 | 40 | 43 | 45 | - |
| Catanzaro | 21 | - | - | - | 80 | 80 | 85 | - |
| Cosenza | 20 | 35 | 48 | 50 | 68 | 100 | 70 | 70 |
| Reggio Calabria | 64 | 78 | - | - | - | 75 | - | - |
| Agrigento | - | 35 | 37 | 51 | 75 | 60 | 36 | - |
| Caltanissetta | - | 30 | 38 | 48 | 58 | 44 | 45 | - |
| Catania | 68 | 80 | 50 | 69 | 99 | 96 | 90 | - |
| Enna | 56 | 60 | 45 | 60 | 78 | 84 | 78 | - |
| Messina | - | 80 | 63 | 90 | 90 | 84 | 120 | - |
| Palermo | - | 59 | 41 | 60 | 85 | 85 | 81 | - |
| Ragusa | - | 58 | 60 | 83 | 116 | 118 | 83 | - |
| Siracusa | - | 67 | 68 | 77 | 103 | 113 | 82 | - |
| Trapani | 73 | 71 | 65 | 70 | 119 | 135 | 102 | - |
| Cagliari | 20 | - | 33 | 45 | 71 | 80 | 75 | - |
| Nuoro | 18 | - | 40 | 20 | 23 | 24 | 23 | - |
| Sassari | 18 | - | 35 | 28 | 28 | 38 | 62 | - |

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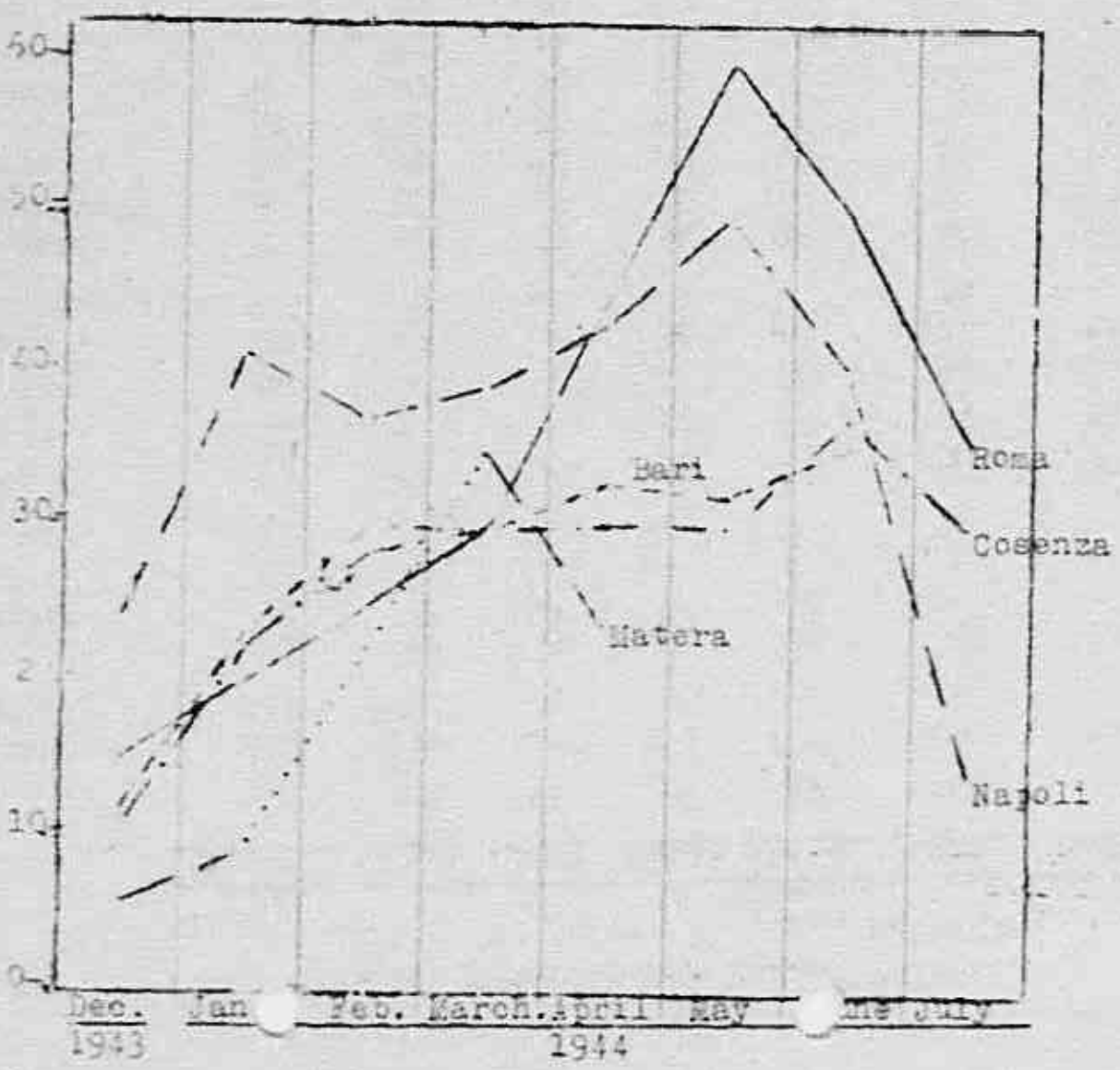
## Potatoes, Retail Black Market Prices

(Monthly averages, Lire per kilogram)

| | 1943 | 1944 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | March | April | May | June | July |
| Roma | 15 | 20 | 25 | 30 | 45 | 60 | 50 | 35 |
| Napoli | 24 | 41 | 37 | 39 | 43 | 50 | 24 | - |
| Palermo | - | - | - | - | - | - | - | - |
| Bari | 12 | 23 | 30 | 30 | 33 | 32 | 35 | - |
| Brindisi | 12 | 19 | - | - | 35 | - | - | - |
| Lecce | 23 | - | - | - | - | - | - | - |
| Taranto | 15 | 41 | - | - | - | - | - | - |
| Catania | 6 | 9 | - | 35 | 23 | - | - | - |
| Potenza | 12 | - | - | 30 | 26 | 25 | 30 | - |
| Catanzaro | 20 | - | - | - | 40 | 46 | 37 | - |
| Cosenza | 11 | 22 | 28 | 30 | 30 | 30 | 37 | 30 |
| Reggio Calabria | 31 | 30 | - | - | - | - | - | - |
| Agrigento | - | - | - | - | - | - | - | - |
| Caltanissetta | - | - | - | - | - | - | - | - |
| Catania | - | - | - | - | - | - | - | - |
| Enna | - | - | - | - | - | - | - | - |
| Messina | - | - | - | - | - | - | - | - |
| Palermo | - | - | - | - | - | - | - | - |
| Ragusa | - | - | - | - | - | - | - | - |
| Siracusa | - | - | - | - | - | - | - | - |
| Trapani | - | - | - | - | - | - | - | - |
| Cagliari | - | - | - | - | - | - | - | - |
| Nuoro | 18 | - | 55 | 25 | 35 | 35 | - | - |
| Sassari | - | - | 15 | 20 | 38 | 36 | 33 | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | 6 | 9 | - | 35 | 23 | - | - | - |
| [illegible] | 12 | - | - | 30 | 26 | 25 | 30 | - |
| [illegible] | 20 | - | - | - | 40 | 46 | 37 | - |
| Cosenza | 11 | 22 | 28 | 30 | 30 | 30 | 37 | 30 |
| Reggio Calabria | 31 | 30 | - | - | - | - | - | - |
| Agrigento | - | - | - | - | - | - | - | - |
| Caltanissetta | - | - | - | - | - | - | - | - |
| Catania | - | - | - | - | - | - | - | - |
| Enna | - | - | - | - | - | - | - | - |
| [illegible] | - | - | - | - | - | - | - | - |
| Palermo | - | - | - | - | - | - | - | - |
| Ragusa | - | - | - | - | - | - | - | - |
| Siracusa | - | - | - | - | - | - | - | - |
| Trapani | - | - | - | - | - | - | - | - |
| Cagliari | - | - | - | - | - | - | - | - |
| Nuoro | 18 | - | 55 | 25 | 35 | 35 | - | - |
| Sassari | - | - | 15 | 20 | 38 | 36 | 33 | - |

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...ollive oil, bottle market price...
...monthly average, Lire per liter...

| | Dec. | Jan. | Feb. | Mark | 1944 April | May | June | July |
|---|---|---|---|---|---|---|---|---|
| Roma | 250 | 300 | 360 | 300 | 600 | 960 | 800 | 950 |
| Napoli | 196 | 200 | 197 | 248 | 244 | 233 | 269 | 313 |
| Palermo | 177 | - | - | - | - | - | - | - |
| Bari | 33 | 50 | 50 | 60 | 79 | 80 | 90 | - |
| Brindisi | 31 | 43 | - | - | 85 | - | - | - |
| Lecce | 35 | 46 | - | - | 70 | 70 | - | - |
| Taranto | 37 | 55 | - | - | - | - | - | - |
| Matera | 33 | 42 | - | 50 | 65 | 73 | 80 | 90 |
| Potenza | 90 | - | - | 120 | 121 | 135 | 135 | - |
| Catanzaro | 33 | - | - | - | 60 | 60 | 92 | - |
| Cosenza | 57 | 68 | 95 | 113 | 120 | 120 | 150 | 190 |
| Reggio Calabria | 40 | 48 | - | 65 | - | 73 | 80 | - |
| Agrigento | - | 91 | - | 101 | 125 | - | 170 | - |
| Caltanissetta | - | 93 | - | 90 | 100 | 130 | 110 | - |
| Catania | 90 | 95 | - | 83 | 110 | - | 125 | - |
| Enna | 100 | 130 | - | 80 | 100 | - | 143 | - |
| Messina | - | 73 | - | 79 | 90 | - | 105 | - |
| Palermo | - | 135 | - | 103 | 118 | 130 | 159 | - |
| Ragusa | - | 95 | - | 78 | 103 | - | 120 | - |
| Siracusa | - | 70 | - | 93 | 114 | 120 | 120 | - |
| Trapani | 108 | 120 | 113 | 100 | 145 | 135 | 156 | - |
| Cagliari | 150 | - | 120 | 160 | 220 | 261 | 275 | - |
| Nuoro | 75 | - | 190 | 170 | 188 | 248 | 329 | - |
| Sassari | 95 | - | 130 | 148 | 197 | 209 | 310 | - |

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| | | |

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App. B,
P. 6.

## Monthly Retail Black Market Prices
(Monthly averages, Lire per kilogram)

| | 1943 | 1944 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | March | April | May | June | July |
| Roma | 120 | 140 | 155 | 165 | 200 | 250 | 325 | 370 |
| Napoli | 180 | 270 | 223 | 253 | 306 | 288 | 285 | 250 |
| Salerno | 115 | - | - | - | - | - | - | - |
| Bari | 88 | 130 | 140 | 146 | 180 | 177 | - | - |
| Brindisi | 110 | 130 | - | - | 160 | - | - | - |
| Lecce | 96 | 132 | - | - | 125 | 148 | - | - |
| Taranto | 90 | 113 | - | - | - | - | - | - |
| Matera | 36 | 75 | - | 110 | 113 | 120 | 120 | 125 |
| Potenza | 77 | - | - | 120 | 119 | 119 | 123 | - |
| Catanzaro | 105 | - | - | 140 | 120 | 120 | - | - |
| Cosenza | 50 | 80 | 85 | 68 | 95 | 100 | 1[illegible] | 120 |
| Reggio Calabria | - | - | - | - | - | - | - | - |
| Agrigento | - | 95 | - | 140 | 140 | 120 | 120 | - |
| Caltanissetta | - | 106 | - | 135 | 144 | 125 | 121 | - |
| Catania | 100 | 90 | - | 90 | 98 | 100 | 100 | - |
| Enna | 70 | 80 | - | 101 | 114 | 122 | 111 | - |
| Messina | - | 110 | - | 123 | 140 | 135 | 145 | - |
| Palermo | - | 137 | - | 162 | 160 | 120 | 120 | - |
| Ragusa | - | 100 | - | 110 | 130 | 121 | 121 | - |
| Siracusa | - | 85 | - | 98 | 120 | 120 | 120 | - |
| Trapani | - | 108 | - | 121 | 162 | 120 | 120 | - |
| Cagliari | 60 | - | 60 | 73 | 73 | 94 | 118 | - |
| Nuoro | 33 | - | 70 | 49 | 45 | 49 | 55 | - |
| Sassari | 45 | - | 100 | 65 | 80 | 67 | 65 | - |

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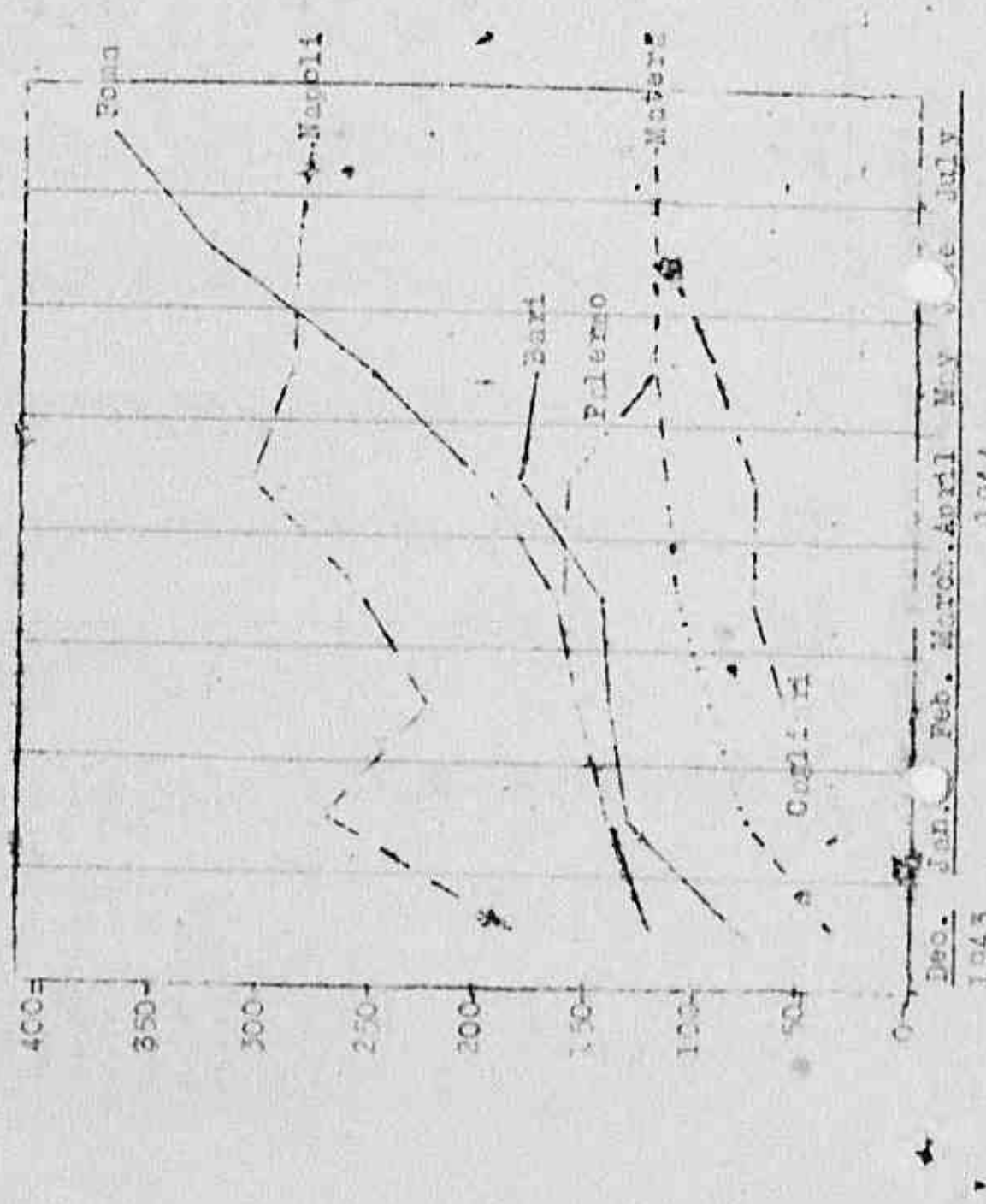
| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - | 120 | 123 | - | - | 120 | 121 | 100 | 111 | 145 | 120 | 121 | 120 | 120 | 118 | 55 | 65 | | | | | | | |
| - | 120 | 119 | - | - | 120 | 123 | 106 | 122 | 135 | 120 | 121 | 120 | 120 | 94 | 79 | 67 | | | | | | | |
| - | 120 | 95 | - | - | 140 | 114 | 110 | 160 | 130 | 120 | 162 | | | 73 | 45 | 80 | | | | | | | |
| - | - | - | - | - | 90 | 113 | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| Matera | | | 36 | 75 | - | - | - | - | - | - | - | - | - | 110 | | | | | | | | | |
| Potenza | | | 77 | - | - | - | - | - | - | - | - | - | - | 120 | | | | | | | | | |
| Catanzaro | | | 105 | - | - | - | - | - | - | - | - | - | - | 140 | | | | | | | | | |
| Cosenza | | | 50 | 80 | - | - | 65 | - | - | - | - | - | - | 68 | | | | | | | | | |
| Reggio Calabria | | | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | |
| Agrigento | | | - | - | 95 | - | - | - | - | - | - | - | - | 140 | | | | | | | | | |
| Caltanissetta | | | - | - | 106 | - | - | - | - | - | - | - | - | 135 | | | | | | | | | |
| Catania | | | 100 | - | 90 | - | - | - | - | - | - | - | - | 90 | | | | | | | | | |
| Enna | | | 70 | - | 80 | - | - | - | - | - | - | - | - | 101 | | | | | | | | | |
| Messina | | | - | - | 210 | - | - | - | - | - | - | - | - | 123 | | | | | | | | | |
| Palermo | | | - | - | 137 | - | - | - | - | - | - | - | - | 162 | | | | | | | | | |
| Ragusa | | | - | - | 100 | - | - | - | - | - | - | - | - | 110 | | | | | | | | | |
| Siracusa | | | - | - | 85 | - | - | - | - | - | - | - | - | 98 | | | | | | | | | |
| Trapani | | | - | - | 108 | - | - | - | - | - | - | - | - | 121 | | | | | | | | | |
| Cagliari | | | 60 | - | - | - | - | - | - | - | - | - | - | 73 | | | | | | | | | |
| Nuoro | | | 33 | - | - | - | - | - | - | - | - | - | - | 79 | | | | | | | | | |
| Sassari | | | 45 | - | - | - | - | - | - | - | - | - | - | 55 | | | | | | | | | |



Annex, Retail Black Market Prices — App. B,
(Weekly averages, Lire per kilogram)

| | 1943 Dec. | 1944 Jan. | Feb. | March | April | May | June | July |
|---|---|---|---|---|---|---|---|---|
| Roma | 180 | 200 | 225 | 300 | 400 | 500 | 600 | 450 |
| Napoli | 172 | 275 | 350 | 350 | 411 | - | 357 | 403 |
| Salerno | - | - | - | - | - | - | - | - |
| Bari | 203 | 230 | 230 | 258 | 338 | 333 | 240 | - |
| Brindisi | 145 | 160 | - | - | 350 | - | - | - |
| Lecce | 160 | 288 | - | - | 200 | 150 | - | - |
| Taranto | 150 | 250 | - | - | - | - | - | - |
| Matera | 95 | 150 | - | 250 | 288 | 275 | 275 | 275 |
| Potenza | 153 | - | - | 250 | 261 | 298 | 305 | - |
| Catanzaro | 125 | 120 | - | - | 200 | 200 | - | - |
| Cosenza | 110 | 165 | 160 | 170 | 160 | 190 | 220 | 100 |
| Reggio Calabria | 144 | 161 | - | - | - | - | - | - |
| Agrigento | - | 115 | - | 110 | 110 | - | 135 | - |
| Caltanissetta | - | 140 | - | 126 | - | 160 | 101 | - |
| Catania | 190 | 151 | - | 150 | 172 | - | 175 | - |
| Enna | 160 | 150 | - | 103 | - | - | 113 | - |
| Messina | - | 142 | - | 140 | 139 | 130 | 130 | - |
| Palermo | - | 124 | - | 137 | 123 | 150 | 107 | - |
| Ragusa | - | 105 | - | 95 | - | - | 117 | - |
| Siracusa | - | 120 | - | 129 | - | 200 | 132 | - |
| Trapani | 68 | 100 | 100 | 108 | 110 | 110 | 133 | - |
| Cagliari | 50 | - | 55 | 80 | 105 | 108 | 90 | - |
| Nuoro | 38 | - | 70 | 60 | 73 | 78 | 78 | - |
| Sassari | 45 | - | 70 | 58 | 80 | - | 70 | - |

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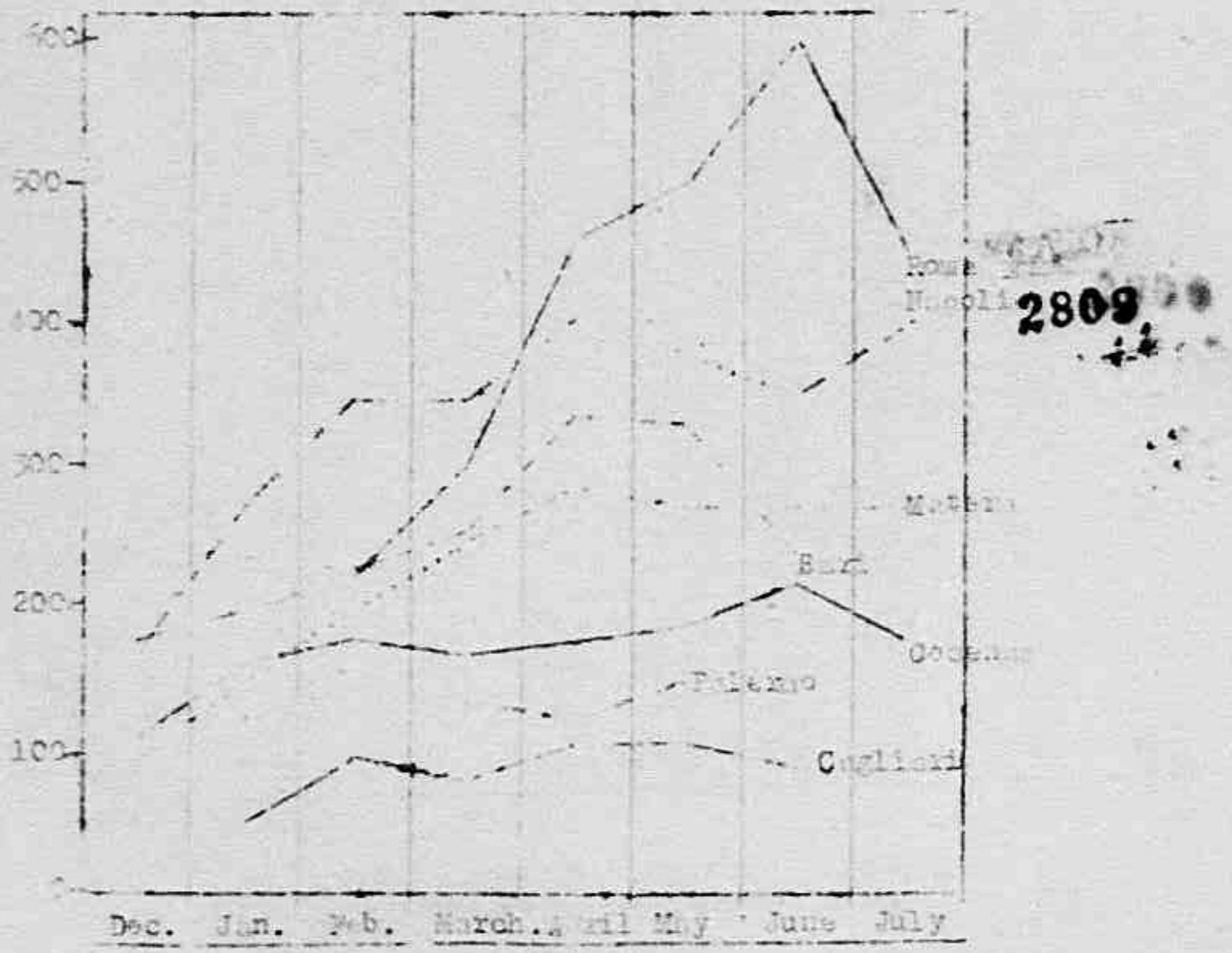
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 150 | 130 | - | - | - | - | - | - |
| Latera | 95 | 150 | - | 150 | 188 | 275 | 275 | 275 |
| Potenza | 153 | - | - | 150 | 211 | 298 | 305 | - |
| Catanzaro | 125 | 120 | - | - | 200 | 200 | - | - |
| Cosenza | 110 | 165 | 180 | 170 | 180 | 190 | 210 | 180 |
| Reggio Calabria | 144 | 161 | - | - | - | - | - | - |
| Agrigento | - | 115 | - | 110 | 110 | - | 135 | - |
| Caltanissetta | - | 140 | - | 128 | - | 160 | 101 | - |
| Catania | 190 | 151 | - | 150 | 172 | - | 175 | - |
| Enna | 160 | 150 | - | 103 | - | - | 113 | - |
| Messina | - | 142 | - | 140 | 139 | 130 | 130 | - |
| Palermo | - | 124 | - | 137 | 123 | 150 | 107 | - |
| Ragusa | - | 105 | - | 95 | - | - | 117 | - |
| Siracusa | - | 120 | - | 129 | - | 200 | 132 | - |
| Trapani | 68 | 100 | 100 | 108 | 110 | 110 | 153 | - |
| Cagliari | 50 | - | 95 | 80 | 105 | 108 | 90 | - |
| Nuoro | 38 | - | 70 | 60 | 73 | 78 | 78 | - |
| Sassari | 45 | - | 70 | 58 | 80 | - | 70 | - |

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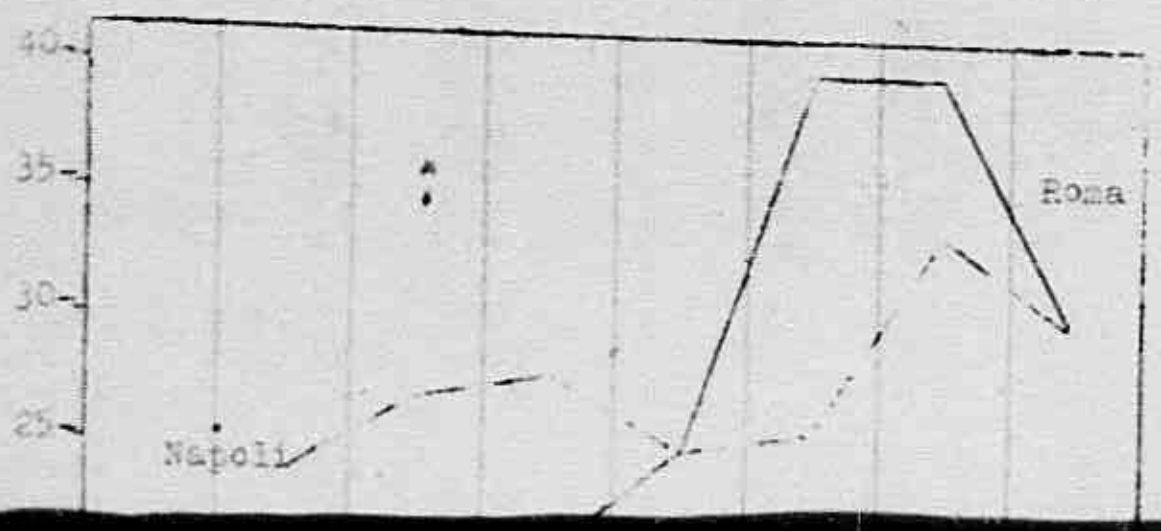
Milk. Retail Prices in Various Cities.
(Monthly averages, Lire per liter.)

| | 1943 Dec. | 1944 Jan. | Feb. | March | April | May | June | July |
|---|---|---|---|---|---|---|---|---|
| Roma | 12 | 15 | 18 | 21 | 25 | 40 | 40 | 30 |
| Napoli | - | 24 | 27 | 28 | 25 | 26 | 34 | 30 |
| Palermo | - | - | - | - | - | - | - | - |
| Bari | - | 12 | - | - | 20 | 18 | 17 | - |
| Brindisi | 13 | 16 | - | - | 20 | - | - | - |
| Lecce | 15 | 22 | - | - | - | - | - | - |
| Taranto | 17 | 25 | - | - | - | - | - | - |
| Matera | 7 | 10 | - | 11 | 12 | 12 | 12 | 14 |
| Potenza | 16 | - | - | 9 | 12 | 15 | 15 | - |
| Catanzaro | 14 | - | - | - | 15 | 15 | 15 | - |
| Cosenza | 11 | 12 | 12 | 13 | 16 | 16 | 16 | - |
| Reggio Calabria | 14 | 14 | - | - | 16 | 16 | - | - |
| Agrigento | - | 14 | - | 15 | 15 | - | 16 | - |
| Caltanissetta | - | 16 | - | 20 | 20 | - | 18 | - |
| Catania | 25 | 20 | - | 20 | 20 | - | 22 | - |
| Enna | - | - | - | 16 | 17 | - | 12 | - |
| Messina | - | 23 | - | 20 | 21 | - | 14 | - |
| Palermo | - | 12 | - | 12 | 13 | - | 13 | - |
| Ragusa | - | 14 | - | 12 | 14 | - | 14 | - |
| Siracusa | - | 12 | - | 13 | 14 | - | 14 | - |
| Trapani | - | - | - | - | - | - | 16 | - |
| Cagliari | - | - | - | - | - | - | - | - |
| Nuoro | - | - | - | - | - | - | - | - |
| Sassari | - | - | - | - | - | - | - | - |

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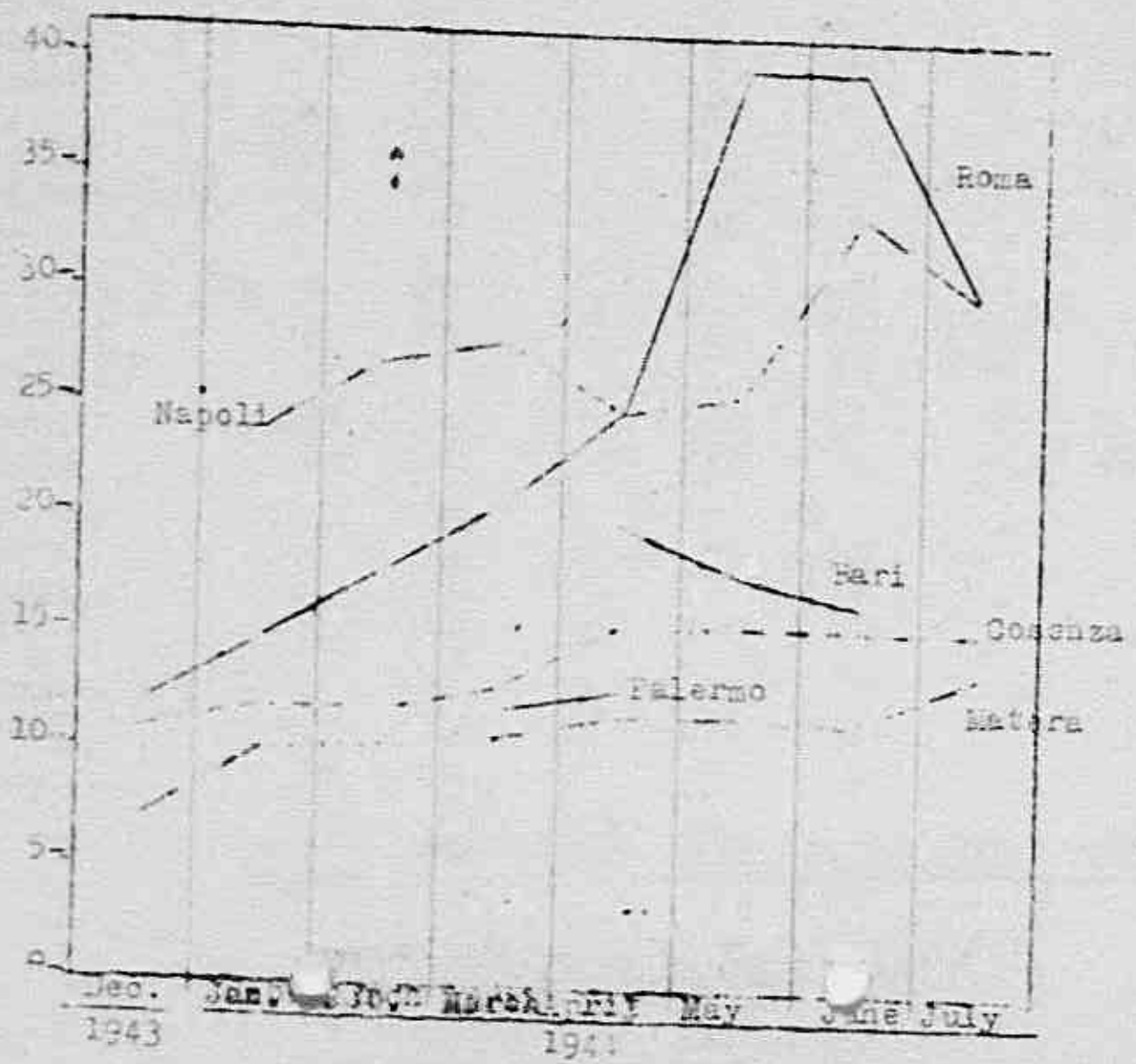
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | 17 | 25 | - | - | - | - | - | - |
| Matera | 7 | 10 | - | 11 | 12 | 12 | 12 | 14 |
| Potenza | 16 | - | - | 9 | 12 | 15 | 15 | - |
| Catanzaro | 14 | - | - | - | 15 | 15 | [illegible] | [illegible] |
| Cosenza | 11 | 14 | 12 | 13 | 16 | 16 | 16 | 16 |
| Reggio Calabria | 14 | 14 | - | - | 16 | 16 | - | - |
| Agrigento | - | 14 | - | 15 | 15 | - | 16 | - |
| Caltanissetta | - | 16 | - | 20 | 20 | - | 18 | - |
| Catania | 25 | 20 | - | 20 | 20 | - | 22 | - |
| Enna | - | - | 12 | 16 | 17 | - | 12 | - |
| Messina | - | 23 | - | 20 | 21 | - | 14 | - |
| Palermo | - | 12 | - | 12 | 13 | - | 13 | - |
| Ragusa | - | 14 | - | 12 | 14 | - | 14 | - |
| Siracusa | - | 12 | - | 13 | 14 | - | 14 | - |
| Trapani | - | - | - | - | - | - | 16 | - |
| Cagliari | - | - | - | - | - | - | - | - |
| Nuoro | - | - | - | - | - | - | - | - |
| Sassari | - | - | - | - | - | - | - | - |

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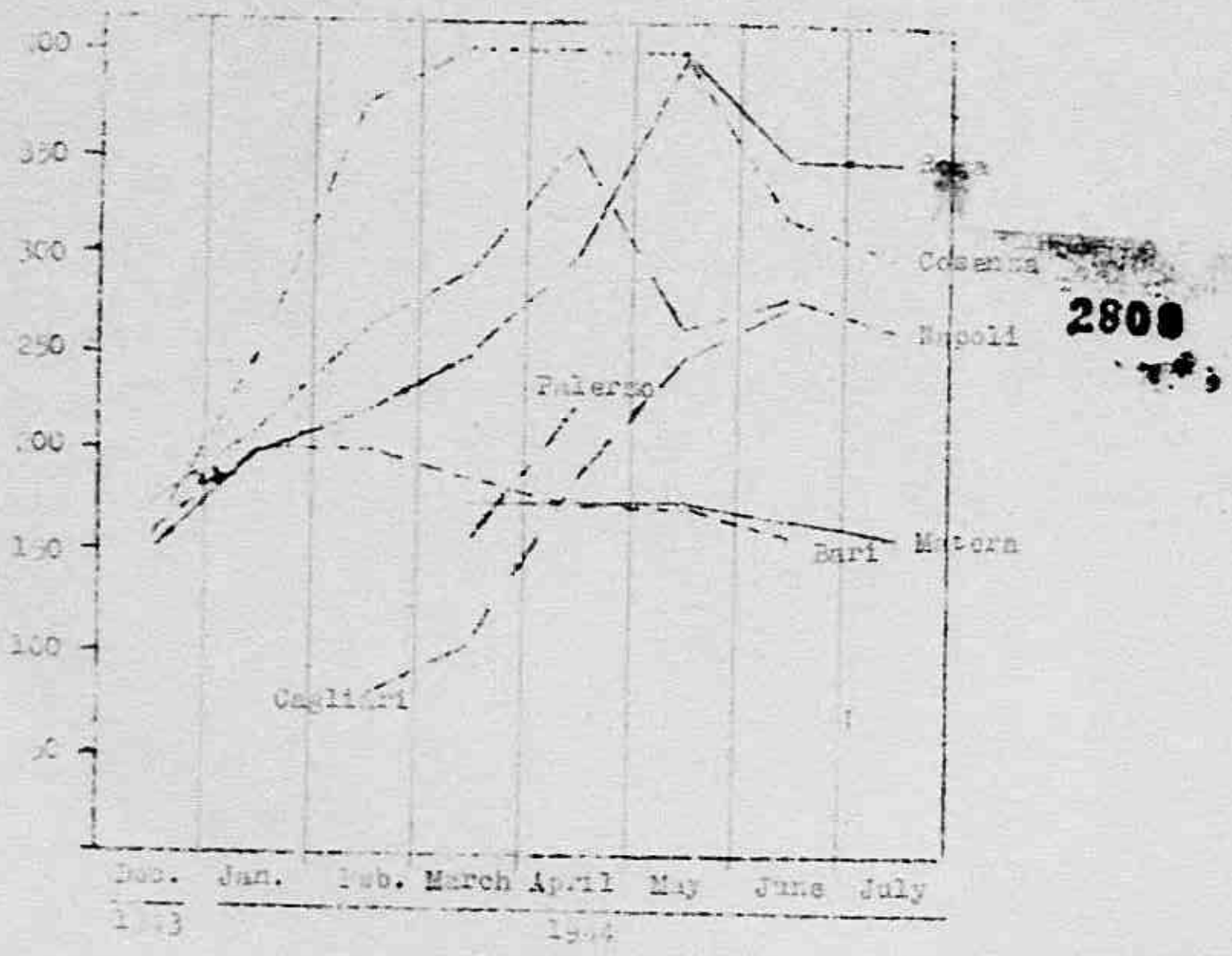
## Sugar, Retail Black Market Prices

(Monthly Average Lire per Kilogram)

App. I,
p. 11.

| | 1943 | 1944 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. | Jan. | Feb. | March | April | May | June | July |
| Roma | 150 | 200 | 220 | 250 | 300 | 400 | 350 | 350 |
| Napoli | 173 | 210 | 264 | 291 | 353 | 264 | 279 | 260 |
| Salerno | - | - | - | - | - | - | - | - |
| Bari | 158 | 200 | 200 | 188 | 173 | 173 | 160 | - |
| Brindisi | 103 | 135 | - | - | 180 | - | - | - |
| Lecce | 128 | 158 | - | - | 70 | 50 | - | - |
| Taranto | 137 | 138 | - | - | - | - | - | - |
| Matera | - | - | - | 175 | 175 | 175 | 166 | 160 |
| Potenza | 147 | - | - | 250 | 241 | 214 | 220 | - |
| Catanzaro | 143 | - | - | - | 150 | 150 | 183 | - |
| Cosenza | 153 | 250 | 375 | 400 | 400 | 400 | 320 | 300 |
| Reggio Calabria | 143 | 182 | - | 400 | 122 | 272 | - | - |
| Agrigento | - | - | - | 188 | 186 | - | 200 | - |
| Caltanissetta | - | - | - | 215 | 236 | - | 263 | - |
| Enna | 165 | - | - | 192 | 185 | - | - | - |
| Messina | 150 | 170 | - | 145 | 180 | 200 | 170 | - |
| Palermo | - | 195 | - | 200 | 200 | - | 280 | - |
| Ragusa | - | 150 | - | 158 | 222 | - | 238 | - |
| Siracusa | - | - | - | 163 | 214 | - | 275 | - |
| Trapani | - | - | - | 180 | 198 | - | 200 | - |
| Cagliari | 80 | - | 80 | 188 | 206 | 200 | 202 | - |
| Nuoro | 38 | - | 130 | 103 | 187 | 250 | 275 | - |
| Sassari | 40 | - | 150 | 181 | 233 | 245 | 275 | - |
| | | | | | | 283 | 230 | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | | - | - | 175 | 175 | 175 | 168 | 150 |
| | 147 | - | - | 250 | 241 | 214 | 220 | - |
| Catanzaro | 143 | - | - | - | 150 | 150 | 183 | - |
| Cosenza | 153 | 250 | 375 | 400 | 400 | 400 | 320 | 300 |
| Reggio Calabria | 143 | 182 | - | 400 | 122 | 272 | - | - |
| Agrigento | - | - | - | 188 | 186 | - | 200 | - |
| Caltanissetta | - | - | - | 215 | 236 | - | 263 | - |
| Catania | 165 | - | - | 192 | 185 | - | - | - |
| Bari | 150 | 170 | - | 145 | 180 | 200 | 170 | - |
| Messina | - | 195 | - | 200 | 200 | - | 260 | - |
| Palermo | - | 150 | - | 158 | 222 | - | 238 | - |
| Ragusa | - | - | - | 163 | 214 | - | 275 | - |
| Siracusa | - | - | - | 180 | 198 | - | 200 | - |
| Trapani | - | - | - | 186 | 206 | 200 | 202 | - |
| Cagliari | 80 | - | 80 | 103 | 187 | 250 | 275 | - |
| Nuoro | 38 | - | 130 | 125 | 195 | 245 | 275 | - |
| Sassari | 40 | - | 150 | 181 | 233 | 283 | 230 | - |

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APPENDIX P.  2

## ISTITUTO NAZIONALE DELLE ASSICURAZIONI

A. General

1. The history of the foundation of the Istituto Nazionale delle Assicurazioni in 1912 as a State monopoly of all Italian life insurance has been summarized in previous Finance Sub-Commission Reports. Although the monopoly ceased in 1923, the Institute retains records of every life insurance policy in Italy by means of the "cessioni legali", or compulsory reinsurance quotas ceded to it by all companies writing life business in Italy. The present quota is 10% from five companies, 20% from three, and 30% from seven companies.

B. Capital and Directorate

1. Being a Government - guaranteed institution owned by the State, there is no capital and no shareholders. As of the date of Allied occupation of Rome the Directorate was declared to be composed as follows:

President : Gaetano Scavonetti (Senator of the Kingdom)

Consiglieri: Giuseppe Ricciardi Babbini
Osvaldo Bernardi
Innocenzo Filiberto Carnovali
Michele Castelli (Senator of the Kingdom)
Salvatore Contarini (Senator of the Kingdom)
Antonio Galamini
Domenico Galante
Ignazio Giordani
Arnaldo Petretti (Senator of the Kingdom)
Bonifacio Pignatti Morano di Custoza
Vittorio Solaro del Borgo

Direttore Generale: Ignazio Giordani
Vice Direttori Generali: Marino Marinelli
Gino Cipriani

2. All are in Rome, with the exception of the Morano di Custoza who is in Verona, appointees (see below).

C. Recent changes, and removal to North Italy

1. The following description of the various changes in the Administration of the Institute was given by Senator Gaetano Scavonetti, who was occupying the post of President up to the end of June.

2. Following the fall of the Mussolini Government in July 1943, Marshal Badoglio's Government made some changes in the Administration without, according to Scavonetti, entirely eliminating Fascist elements. Scavonetti himself was [illegible]

B. Capital and Directorate

1. Being a Government - guaranteed institution owned by the State, there is no capital and no shareholders. As of the date of Allied occupation of Rome the Directorate was declared to be composed as follows:

President : Gaetano Sovvenetti (Senator of the Kingdom)

Consiglieri: Giuseppe Bonfori Bebboni
Ludovico Bonnard
Emanuele Filiberto Carnevali
Michele Castelli (Senator of the Kingdom)
Salvatore Contarini (Senator of the Kingdom)
Antonio Calendra
Francesco Colonna
Ignazio Giordani
Arnaldo Petretti (Senator of the Kingdom)
Benedetto Pignatti Morano di Custoza
Vittorio Solaro del Borgo

Direttore Generale: Ignazio Giordani
Vice Direttori Generali: Marino Marinelli
Gino Cipriani

Morano di Custoza who is in Verona,

2. All are in Rome, with the exception of the names underlined being recent appointees (see below).

C. Recent changes, and removal to North Italy

1. The following description of the various changes in the Administration of the Institute was given by Senator Gaetano Sovvenetti, who was occupying the post of President up to the end of June.

2. Following the fall of the Mussolini Government in July 1943, Marshal Badoglio's Government made some changes in the Administration without, according to Sovvenetti, entirely eliminating Fascist elements. Sovvenetti himself was appointed President in place of Giuseppe Bottai, officers sitting from the new administration being Ivanoe Bresciani (national counsellor), Michele D'Addomio, Mario Enio Orsy (Vice President of the "Camera dei Fasci e delle Corporazioni"), Ferruccio Lantini (national counsellor) and Marco Arturo Vicini (Senator of the Kingdom).

3. Because of his doubts regarding the political soundness of the new Administration, Sovvenetti, (whom the Security Branch reported as being "suspected as an anti-fascist, but nothing proved") never convened a meeting, so that this latter Administration never acted as such.

4. On the occupation of the Republican Fascist Government, Sovvenetti tendered his resignation as President, but without result until October, when he was displaced by Alberto Ercole Trollo and Emilio Olderi, appointed by the Republican Government. (Trollo had held several Corporative offices under the Fascist Government). Under Trollo's orders, preparations were put in hand to send a large proportion of the Head Office to the North. In the event, although Trollo deported to set himself up as a "Commissario" in Venice, only a small proportion of personnel and records were evacuated. An analysis of the assets moved follows.

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5. On arrival of the Allied troops in Rome, riots broke out among the staff, directed at, inter alia, Ignazio Giordani, the Direttore Generale, who had survived these various changes, but who, from his association with Fascist policy towards the Institute since 1929, had become suspect in certain quarters. On the issue of General Bencivenga's proclamation calling back all executives who had been dismissed under the Republican regime, Scavonetti returned to the Presidency of the Institute and insisted upon Giordani's return as well. This was the situation on 30 June, when Alfredo de Liguoro arrived to take over as Commissioner from any management found to be existing. Events leading to Giordani's being warned off starting a rival administration were reported last month. His record is in the process of being investigated, as the facts (a) that he is not an actuary, and (b) that he has only been in the insurance profession since 1939, prior to that having been in the Ministry of Agriculture, contrast significantly with his outstanding position in Italian insurance generally, and his membership of the Italian Institute of Actuaries.

6. The Italian Government intends to appoint a completely new Council of Administration at the earliest possible date, and in the meantime Dr. De Liguoro is carrying on with the assistance of the senior officials, among whom are the Vice-Direttori Generali, Marino Marinelli and Gino Cipriani.

7. The following lists show assets transferred north, assets available to the Rome office, and also assets abroad up to the last accounts received.

8. Assets Moved North

(a) Ordinary branch

| | | | book value |
|---|---|---|---|
| Government Securities | | | |
| Nominative | Lire | 690,340,542 | |
| Bearer | " | 110,641,900 | Lire 800,982,442 |
| Bonds of real estate | | | |
| Nominative | " | 122,199,500 | |
| Bearer | " | 29,000 | Lire 122,228,500 |
| Various Bonds | | | |
| Nominative | " | 72,241,900 | |
| Bearer | | 120,120 | Lire 72,362,020 |
| | | | Lire 995,572,962 |

Securities representing share capital of various insurance companies and other concerns domiciled in the north, are normally kept in the north. These are valued at L. 382 million, while the Institute possesses real estate in North Italy valued at L. 420 million (December 1942).

(b) Dismissal Indemnity Fund (held on trust by the Institute):

| | | | book value |
|---|---|---|---|
| Government Securities | | | |
| Nominative | Lire | 543,320,800 | |
| Bearer | | 25,719,800 | Lire 569,040,600 |

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...n Institute of Actuaries.

6. The Italian Government intends to appoint a completely new Council of Administration at the earliest possible date, and in the meantime Dr. De Lagarde is carrying on with the assistance of the senior officials, among whom are the Vice-Direttori Generali, Marino Marinolli and Gino Cipriani.

7. The following lists show assets transferred north, assets available to the Rome office, and also assets abroad up to the last accounts received.

8. Assets Moved North

(a) Ordinary branch

| | | | book value |
|---|---|---|---|
| Government Securities | | | |
| Nominative | Lire | 690,340,542 | |
| Bearer | " | 110,641,900 | Lire 800,982,442 |
| Bonds of real estate | | | |
| Nominative | " | 122,199,500 | |
| Bearer | " | 29,000 | Lire 122,228,500 |
| Various Bonds | | | |
| Nominative | " | 72,241,900 | |
| Bearer | | 120,120 | Lire 72,362,020 |
| | | | Lire 995,572,962 |

Securities representing share capital of various insurance companies and other concerns domiciled in the north, are normally kept in the north. These are valued at L. 382 million, while the Institute possesses real estate in North Italy valued at L. 420 million (December 1942).

(b) Dismissal Indemnity Fund (held on trust by the Institute):

| | | | book value |
|---|---|---|---|
| Government Securities | | | |
| Nominative | Lire | 543,320,800 | |
| Bearer | | 25,719,800 | Lire 569,040,600 |

(out of a total of about L. 2000 millions).

(c) Import Credits fund (a side of the Institute's activities now dormant)

| | book value |
|---|---|
| Government Securities | |
| Bearer | Lire 23,420,000 |

(out of a total of L. 52 millions).

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9. Assets at Disposition of Rome Offices

| | book value |
|---|---|
| Real estate (valued to 31 Dec. 42) | 541,013,000 |
| Government securities | 958,432,000 |
| Mortgage and other loans | 1,015,552,000 |
| Government Annuities | 670,941,000 |
| Bank | 155,939,000 |
| Cash | 7,937,000 |
| Total Lire | 3,349,814,000 |

(excludes some L. 50/60 millions representing collections in south Italy prior to liberation of Rome).

10. Assets Abroad

(a) Real Estate (own buildings)

| | book value (Dec. 1942) |
|---|---|
| Tirana (under construction) | 16,000 |
| Cairo | 4,645,000 |
| Tunis | 3,698,000 |
| Tripoli | 7,715,000 |
| Benghasi | 3,854,000 |
| Addis Ababa and Harrur | 2,602,000 |
| Lire | 22,631,000 |

(b) Other

| | Bank Accounts | Investments, deposits & credits |
|---|---|---|
| £ sterling | 326 | 53 |
| " gold | 255 | - |
| U.S. Dollars | 13 | |
| £ Turkish | 223,696 | 5,459 |
| £ Egypt | 9,168 | - |
| " gold | 228 | |
| £ Palestine | 1,197 | |
| Francs, France | 570,844 | 297,385 |
| " Swiss | - | 2,279 |
| Marks, German | | 21,109 |
| Crowns, Czechoslovak | | 22,273 |
| Crowns, Denmark | | 278 |
| Crowns, Norway | | 2,086 |
| Escudos | | 10,531 |
| Marks, Finland | | 3,716 |
| Pengo | | 572,379 |
| Francs, Belgian | - | 36,910 |
| Lei | 94,280 | - |
| Leva | 359,830 | - |

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(excludes some L. 50/60 millions representing collections in south Italy prior to libertion of Rome).

10. Assets Abroad

(a) Real Estate (own buildings)

| | | book value (Dec. 1942) |
|---|---|---|
| Tirana (under construction) | | 16,000 |
| Cairo | | 4,645,000 |
| Tunis | | 3,698,000 |
| Tripoli | | 7,715,000 |
| Benghasi | | 3,854,000 |
| Addis Abeba and Harrar | | 2,600,000 |
| | Lire | 22,631,000 |

(b) Other

| | Bank Accounts | Investments, deposits & credits |
|---|---|---|
| £ sterling | 326 | 53 |
| " gold | 255 | - |
| U.S. Dollars | 13 | |
| £ Turkish | 223,696 | 5,459 |
| £ Egypt | 9,168 | - |
| " gold | 228 | |
| £ Palestine | 1,197 | |
| Francs, France | 570,844 | 297,325 |
| " Swiss | - | 2,279 |
| Marks, German | | 21,109 |
| Crowns, Czechoslovak | | 22,273 |
| Crowns, Denmark | | 278 |
| Crowns, Norway | | 2,086 |
| Escudos | | 10,531 |
| Marks, Finland | | 3,715 |
| Pengo | | 572,379 |
| Francs, Belgian | - | 38,910 |
| Lei | 94,280 | - |
| Leva | 359,830 | - |
| Pesetas | 38,614 | 3,738 |
| Pesos M/n Argentine | - | 153,212 |
| Drachma | 22,038,989 | 35,631,613 |
| Milreis | - | 177,788 |
| Kuna | - | 1,274,663 |
| Sols (Peru) | - | 137,949 |
| Italian Lire | 9,262 | 2,352,034 |

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Reasons for the above holdings are:

(a) business of own branch offices in Egypt, [illegible] Turkey, and ex-Italian Africa;

(b) life reinsurances ceded by foreign companies, of which the chief are

(i) Italo-Argentina, of Argentine
(ii) Italo-Brasileo, of Brazil

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(iii) "Daria" and "Nordisk" of Denmark
(iv) Reassurances Generales, of France
(v) Kolnische, Muenchener, Vereinigung Frankfurther, and Weiner, of Germany
(vi) Dalmatian business of former Jugo-Slav companies "Jugo-Slavia" and "Serbia"
(vii) Italia-Lima, of Peru
(viii) La Suisse, of Switzerland
(ix) Astra of Hungary

Other foreign reinsurances are ceded to the Institute through the Unione Italiana di Riassicurazione. Some reserves for such policies are held in the country of origin.

11. Foreign holdings

The Istituto owns shares in the following insurance companies:

| | |
|---|---|
| Assicurazioni d'Italia, Rome: | 27,117 out of 30,000 shares, L. 500 each. |
| Fiume Company, Fiume | 118,486 out of 120,000 shares, L. 100 each. |
| Previdentia, Rome | all 30,000 shares, L. 500 each. |
| Astra, Budapest | 8,000 out of 10,000 shares, pengo 50 each. |
| Unione Italiana di Riassicurazioni, Rome | 10,450 out of 30,000 shares, L. 700 each. |
| Compagnia di Roma, Rome | 50,250 out of 200,000 shares, L. 1,000 each. |
| Societa' Italiana di Assicurazione Credito | (not yet ascertained) |

D. Reinsurance Connection

As has been stated, the Institute receives a compulsory reinsurance quota from all companies writing life insurance in Italy. In addition, it receives reinsurances from other companies of foreign risks. The Institute both cedes to and accepts from the Unione Italiana di Riassicurazione.

E. Summary

1. The Head Offices are in a fit state to resume control of branche offices, but active control of all but local offices has not yet been reestablished, mainly because of lack of postal services for heavy commercial documents. Endeavours are being

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| Compagnia di Roma, Rome | 60,250 out of 200,000 shares, L. 1,000 each. |
| Societa' Italiana di Assicurazione Credito | (not yet ascertained) |

D. Reinsurance Connection

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E. Summary

1. The Head Offices are in a fit state to resume control of branche offices, but active control of all but local offices has not yet been reestablished, mainly because of lack of postal services for heavy commercial documents. Endeavours are being made to establish a courier service.

2. Considerable difficulty is being met in reestablishing electric power for the tabulating machinery located in a building separate from the main offices, but it is hoped to remedy this early in August.

3. The transfer of funds to the north is not of great immediate importance. They were sent there with the specific purpose of covering liabilities located in the north, and it is hence unlikely that they will be intentionally disposed of unlawfully. With the exception of the bearer bonds, a small proportion of the whole, difficulties are likely to be met in any attempted negotiation. Officials of the Institute consider that even if a substantial proportion of the assets removed were disposed of, a conservative revaluation of the Institute's buildings so far known to be intact, would cover the loss. A more serious factor is the loss of investment income from sources in the north. This is a wider question upon which no information can yet be given.

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