

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

ACC

10000/109/873
(VOL. I)

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

10000/109/873
(VOL. I)

FINANCE
FEB. 1944 - SEPT. 1945

Declassified E.O. 12356 Section 3.3/NND

No.

785017

C.I.O.

For your info see from # 88

8946
at 28/1/45

28/5

62.

CSO: To see folios 59 and 60 for financial information.

JCB 16/4

63

Mujah Ruck

Ring up SOM Liaison Staff and
tell them what's happening

S 16/4

Phoned SOM who is
Major Gibson 878119
stating action taken JCB
17/4

68.

CSO:

- 1) to see folio 67: Formation of JMF Committee.
- 2) Note para. 2, 3 and 4. It may be appropriate for an AC representative to be invited into membership.

S 16/4

JCB
24/4

76

3595

CSO.

To see folio 75

AM 10/5/45

PA

10 May.

78.

Ex. Com

To see cable at 77

JCB 11 May. 11/5

31.

CSO: Please note folio 30 calling attention of Italian Gov't.
 ① to currency conditions in Northern Italy and also ②
 ② asking them to publicize information sidelined in red.

JCB 2/2

32

COS 30 is interesting.

S 5/2

RFA to spec. (at home)

M 6/2

Discussed 7/2 PR PA

36

COS
 CSO: for COS to see folios 33-35 for latest info. on use of currency amounts
 for financing Italian diplomatic missions: present conditions. JCB 12/2
 3592

S 13/2 TW 13/2

Chief Staff Officer to see Folio on 3

only 23/10

12.

TO: C.S.O.

1. Folios 10 and 11 is OSS report giving expression to views of Mattioli, Italian Finance representative to US, on the eve of his departure.

2. Please pass to Political Section after reading.

18 Nov 44

Office, Chief of Staff.

Pol Sec.

13.

You might like to see 10 and 11.

C.S.O.

Thanks. Previously seen and information passed along.

20/11

29.

C.S.O.

TO: C.S.O.

Folio 20 is our reply to AFHQ demand as per following:

Extract of TAM 421 -

*2. It is requested that Bank of ITALY be instructed to provide American Correspondent Banks with authenticated signature lists and that you provide certification of signatures of the Officer or Officers who certify Bank of ITALY signatures, in the same manner as followed by General SPOFFORD in AFHQ memoranda of 27th May 1944 and 23rd August 1944, dealing with Bank of SICILY and Bank of NAPLES, respectively (File C-5/123.7)."

1 Feb 44.
Office, Chief of Staff,
Ext. 451.

Major.

3593

18 Nov 44.

Pol Sec.

B.

You might like to see 10 and 11.

C.O.S.

Thanks. Previously seen and information passed along.

WMS. 20/11.

29.

C.S.O.

TO: C.S.O.

Folio 29 is our reply to AFHQ demand as per following:

Extract of TAM 421 -

"2. It is requested that Bank of ITALY be instructed to provide American Correspondent banks with authenticated signature lists and that you provide certification of signatures of the Officer or Officers who certify Bank of ITALY signatures, in the same manner as followed by General SPOFFORD in AFHQ memoranda of 27th May 1944 and 23rd August 1944, dealing with Bank of SICILY and Bank of NAPLES, respectively (File G-5/123.7)."

3593

1 Feb 44.
Office, Chief of Staff,
Ext. 45L.

90/2
Major.

Capt.
Office, Chief of Staff.

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

785017

Translation

Assicurazioni Generali di Venezia
General Insurances of Venice
Via Depretis, 31

Naples, 4 September 1945

To Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
R o m e

SEP - 8 1945

The Internal Commissions of the Venice General Insurances and of the 'Anonima Infortuni', Naples General Agency, express the wish of the whole staff for the Director General, Gr. Uff. Michele Gulfina, to resume his functions as soon as possible, and trust their request will be taken in kind consideration and granted.

All the collaborators and dependents of the 'Assicurazioni Generali Venezia', and of the 'Anonima Infortuni' are unanimously of this opinion and fully realize how necessary the valuable contribution and great competence of Gr. Uff. Michele Gulfina would be at the present difficult time, for the work of reconstruction which the said Companies are carrying out within the general frame of national reconstruction.

Such a request is also made in the interest of all the workers considering the moral character of Gr. Uff. Michele Gulfina who during many years has always been mindful of their requirements and always did all he could to overcome the great difficulties of the last painful years.

The dependents of the 'Assicurazioni Generali Venezia' and 'Anonima Infortuni' trust that you will grant their request for they know what you have done and are still doing for their country, in connection with the help and relief which the United Nations give to unfortunate Italy during this difficult and painful period of her history for her reconstruction. Gr. Uff. Michele Gulfina is to be considered as important for this work of reconstruction.

THE INTERNAL COMMISSIONS OF THE
ASSICURAZIONI GENERALI VENEZIA & ANONIMA INFORTUNI

s. Paolo Rossi Giuseppe D'Auria

3592

trans. e/c

ACTION: HIGH SEC (2)
(for FINANCE SEC)
INFO: CHIEF COMMR
EXEC COMMR

Hxt 451

ABA/el

115

Ref: 4608/115/EC

28 August 1945

MEMORANDUM:

TO

:

Economic Section

(Att Fin Sp) 114

1. Enclosed is copy of a letter from the Assicurazioni Generali, dated 25 August, addressed to Chief Commissioner, with reference to the reinstatement of Mr. Michele Sulfina.

2. This letter is passed to you for appropriate action.

A. D. ARNOLDY.

✓
A/Chief Staff Officer
To Executive Commissioner

1 Incl:
as above

3591

Handwritten signature and initials

4608.9 114
Assicurazioni Generali



SOCIETÀ PER AZIONI ISTITUITA NEL 1831
CAPITALE SOCIALE INTERAMENTE VERSATO L. 120.000.000
FONDI DI GARANZIA L. 4.171.900.011,70

RAMO Commissione Interna.
UFFICIO

Rome, 25th August 1945

AUG 27 1945

TO ADMIRAL ELLERY W. STONE
CHIEF COMMISSIONER
ALLIED COMMISSION
R O M E

The undersigned members of the Internal Commissions of the insurance Companies "Assicurazioni Generali" and "Anonima Infortuni", acting in conformity with the feeling of the whole staff of the Rome Managements as well as General Agencies of said Companies, express their strong wish that Mr. Michele SULFINA be reinstated in his place as their general manager.

Since more than forty years, Mr. Sulfina has given to the said Companies the valuable support of his very wide business experience, and to the staff many proofs of his kindness and goodness, understanding the needs of his employees and helping them in their struggle with the difficulties of the present moment.

By granting this request, you will strengthen in the employees of the above-mentioned companies the thankfulness which they, as all Italian, feel towards the United Nations for the substantial help they have given to Italy up to now.

Lullis

Translation

I sottoscritti nella loro qualità di componenti le Commissioni Interne delle "Assicurazioni Generali" e dell'"Anonima Infortuni", interpreti dei sentimenti di tutti i lavoratori dipendenti dalle Direzioni di Roma e dalle locali Agenzie Generali, esprimono il loro vivo desiderio che il Direttore Generale Gr.Uff.Michele Sulfina, venga reintegrato nelle sue funzioni.

Il Gr.Uff.Sulfina da quasi un quarantennio dà alla nostra Compagnia il prezioso contributo della sua vastissima competenza ed al Personale i frutti tangibili del suo animo buono e sensibile ai bisogni di chi lavora sopportando le gravi difficoltà del momento attuale.

L'accoglimento della presente istanza rafforzerà nei lavoratori della Azienda quel sentimento di riconoscenza che tutti gli Italiani nutrono verso le Nazioni Unite, sin qui prodighe di aiuti ed assistenza a favore del nostro Paese.

LA COMMISSIONE INTERNA AZIENDALE
DELL'ANONIMA INFORTUNI

[Signatures]

LA COMMISSIONE INTERNA AZIENDALE
DELLE "ASSICURAZIONI GENERALI"

[Signatures]

785017

Translation

The president of the Council of Ministers
n. 42080/32487/9.5

Rome, 31 July 1940

Dear Admiral,

I received your kind letter of July 26th, in which you tell me you obtained the allotment of the fuel required for the throwing of propaganda pamphlets in North Italy, as foreseen, to increase the subscription to the national loan which is being made there, and I thank you for the kind interest you showed for this matter.

I remain,

Yours truly,

s. Ferruccio Parri

Admiral Ellery W. Stone
Chief Commissioner of the Allied Commission
Rome

trans. e/c

Ex Comm. DIST

ACTION: Finance &c

INFO: Chief Comm.

Ex Comm.

3589

PA
7/8

785017

~~SECRET~~

4606 & 802

Exp. Cogn.

112

1662

AUG 031440B

F/2553

AUG 040845

ROUTINE

From: AMB LOMBARDIA REGION FIN DIV FOR POLETTI
To: ALCOM ROME ACPIN

AUG 4 1945

~~SECRET~~

Col PENICK ^{and} Major RANDALL will arrive in ROME, Sunday night, 5 August 45. Will have valuable to place in vaults which must be open.
Signed TURNBULL.

DIST

ACTION FINANCE SC
INFO CHIEF COMMISSIONER
EX COMMISSIONER 2
ECON SEC
EST SEC
HQ COMDT
FILE



CONFIDENTIAL

3588

~~SECRET~~

(Chief Admin. Sec.)

W

PA
H/O

4608

(111)

13030/F

26 July 1945

JUL 28 1945

My dear Mr. Prime Minister:

I write in reply to your letter 1641/32487.9.5 of 24 July, 1945, regarding the distribution by air of publicity material in north Italy for the new bond issue.

I am glad to inform you that we have now obtained from the petroleum authorities an allotment of aviation fuel which will permit the leaflet distribution to be carried out according to your original plan.

Very truly yours,

/Sgt/ HENRY W. STONE
Rear Admiral, USNR
Chief Commissioner

Professor Ferruccio Parri
President of the Council of Ministers
Italian Government
Rome

(C. R. B. 10.10.17)

PA 4587

PA 29/7

785017

4608

RESTRICTED

110

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13133/F

25 July 1945

1945

SUBJECT : Allied Immunity from Italian Taxation.

TO : A.F.H.Q.
G-5 Section.

N/REC

108

Finance Section

N/REC

1. Further to your letter of the 17th March 1945 (G5/012.313) and to ours of the 4th July 1945, a reply has now been received from the Prime Minister. Three copies with translation are enclosed.

2. It will be observed that in clear terms he confirms the pledge given by the Italian Government to exempt members of the Allied Armed Forces from every form of taxation and acknowledges the Allied Governments' reservation to be reimbursed for any taxes paid.

3. This I think meets the suggestion made in your letter first above mentioned.

For the Chief Commissioner,

(Signed) E. L. SIMMONS
Major for

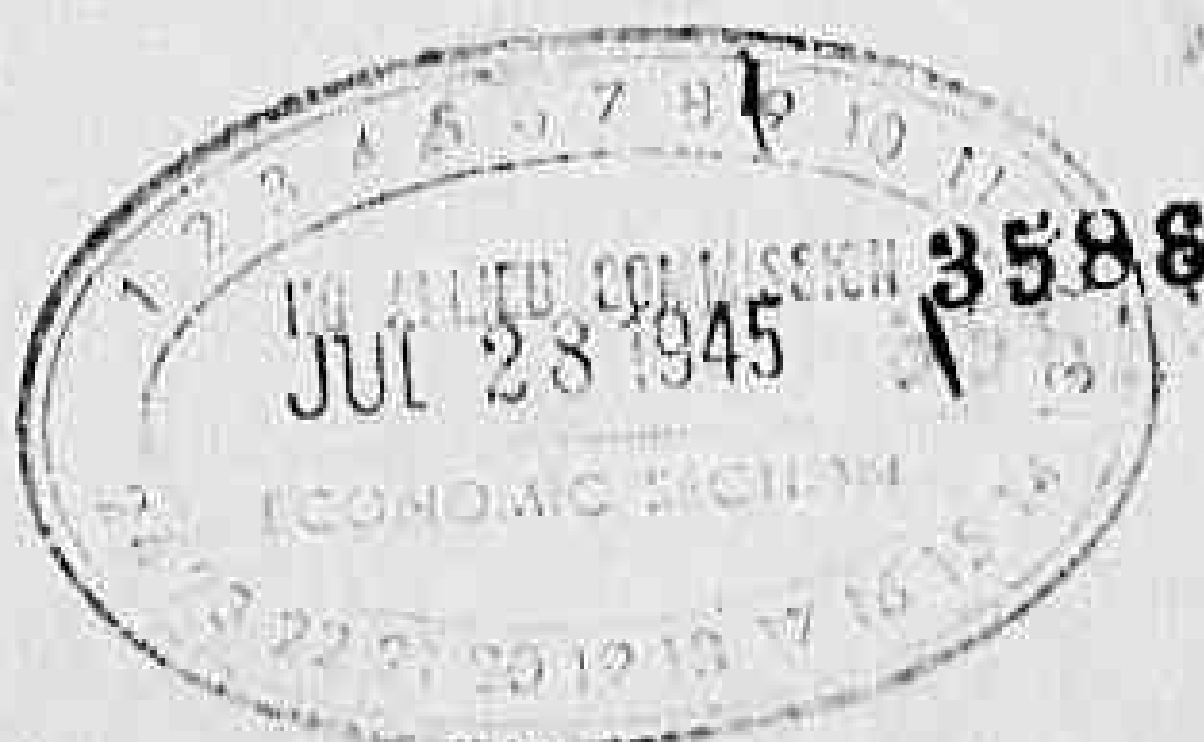
Joint Director
Finance Sub-Commission.

Distribution :
A.F.H.Q., G-5 (3)
Economic Section (2)

AJB/uv

(CARTER ARTHOLDY)

PA
CARTER



785017

Translation

The President of the Council of Ministers
n. 1641/32487.9.5.

Rome, 24 July 1945

reg. u. 10

E. C.

JUL 25 1945

Dear Admiral,

Among the various forms of propaganda which we thought of using to facilitate the subscription, to the five years Buoni del Tesoro 5% 1945, which is now taking place in Northern Italy, there is also the throwing of leaflets by a plane.

To this end, the Ministry of Treasury and the Bank of Italy asked the Finance Sub-Commission (Lt. Col. E.P. Waters) the necessary authorization which depended on the approval of the Air-Force SubCommission and the five Regional Commissioners of Northern Italy.

On July 18th, Lt. Col. N.T. Beard, of the Finance Sub-Commission, informed the delegate of the Bank of Italy that the leaflets could be printed at once, for the 5 Regional Commissioners had given their agreement, and the Air Force Subcommission gave its authorization on general principles, and said that the leaflets prepared in packs of 5000 were to be transported to the Centocelle Airport, before 8 a.m. on Monday July 23rd.

According to these precise statements, the Bank of Italy took the necessary action to have 2 million leaflets printed at once, thus spending about one million lire.

But, on July 21st, when the leaflets were already printed, the Finance Sub-Commission informed the Bank of Italy that it was not possible to have the leaflets thrown, for A.F.H.Q. had not allowed the necessary fuel to be allotted, for the Command considered the flight of the planes wasn't one of the cases of urgent necessity for which an allotment could be made.

I hope that considering the circumstances which I have explained to you, you will kindly intervene to obtain the allotment of the fuel required for the flight. I take the liberty of asking you to have this allotment made without delay, for a further postponement, even of a few days only, would destroy all the propaganda effect which the throwing of the leaflets might have, and have a negative influence on the results of the loan which is so important for the economy of our country.

Thanking you for whatever action you will decide to take, and waiting for your answer, I remain,

Truly yours,

s. Ferruccio Parri

Admiral Stone
Chief Commissioner
Allied Commission
Rome

trans e/c

(CAPT ARNOLDY)

EC DIST - 25 JULY 45
3585

ACTION: FINANCE SC (2)

INFO: CHIEF COMMR

EXEC COMMR

PA 26/7

785017

Translation

The President of the Council of Ministers

n. 40854/9.2

Rome, 21 July 1945

JUL 23 1945

Dear Admiral,

I refer to your communication of July 2nd, in which you drew my attention on the fact that the men who belong to the Allied Army Forces, though entitled - because of the pledge assumed by the Italian Government - to full tax exemption, have nevertheless to bear the burden of some taxes, such as taxes on public shows, sale tax, and tax for the fund of national solidarity.

You certainly noticed that this depends entirely on the system for the collection of indirect taxes, which weigh on the product objectively, independently of the person of the consumer.

In any case, I am quite willing to confirm the pledge taken by the Italian Government to exempt the members of the Allied Army Forces from every form of taxation, while I acknowledge the reservation of the Allied Governments to ask for the payment of all sums paid by the above mentioned soldiers to the Italian State and to the organizations which depend from it.

I have contacted the Minister of Finance who will order the depending organizations to observe the exemption.

I remain,

Yours sincerely,

s. Ferruccio Parri

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
A.C.M.A.

c/c

R.C. DIST - 23 July 45
7608/B

ACTION: ECONOMIC SEC
for FINANCE s/c (2)
INFO: CHIEF COMMR
EXEC COMMR.

3584

25/7

785017

4608

117

HEADQUARTERS ALLIED COMMISSION
APO 594
FINANCE SUB-COMMISSION

13043/P

19 July 1945

SUBJECT: Claim.

JUL 20 1945

TO : DAD
41 Claims & Hirings.

1. The attached claim, submitted by Contessa Ida Dal Pero Pasqualetti of Priverne, is forwarded for favour of necessary action.

2. It is regretted that the letter of June 4th, referred to in the above mentioned claim is not available in this H.Q.

For the Chief Commissioner:

(Signed) H. E. L. HAMMONS
Major for A.C.

Joint Director,
Finance Sub-Commission.

ROL/ma.

PA
AB58/3
27/7

785017

4608
HEADQUARTERS ARMYED COMMISSION
APO 351
FINANCE SUB-COMMISSION

Ex. Comm
106

13035/P

14 July 1945

JUL 18 1945

SUBJECT : Pensions.

TO : Secretary to Government,
Lieutenant Governor's Office,
Malta.

1. I refer to your letter N°3723/44. of
5 July 1945.

2. The position of Mr. Tiralunga's pension
remains unchanged, as the Italian Government is
not permitting transfers from lire into foreign
currencies for such purposes.

For the Chief Commissioner

(Signed) H. L. ...
Major for

Joint Director,
Finance Sub-Commission.

DELT/msg

(Capt Arnold)

PA
3582
PA 19/7

Ref: 4608/105/EC

13 July 1945

SUBJECT: Pension to Mr. Ottavio Tiralongo

TO : Finance Subcommittee

1. Attached is letter 3723/44, dated 5 July 45, from the Lieutenant Governor's Office, Malta, together with file 83/CA (borrowed from Archives) which contains the earlier correspondence referred to in the attached communication.

2. Will you please prepare a reply for the signature of the Chief Commissioner and submit same through this office?

A. B. ARNOLDY.

2 Incls:
as above

Chief Staff Officer
To Executive Commissioner

3580

3581

11/7

785017

4608

104

HEADQUARTERS ALLIED COMMISSION
APO 32
FINANCE SUB-COMMISSION

15174/T

3 July 1945

SUBJECT: Insurance and Reinsurance Abroad.

JUL 4 1945

TO : Capt. A.F. Conllich,
Assicurazioni Generali,
Rome.

1. I write to acknowledge receipt of your letter of 14 June addressed to the Chief Commissioner on the subject of the resumption of foreign relationships by your Company.

2. The resumption of such foreign relations by Italian Insurance Companies has for some months past been the subject of considerable correspondence between the Finance Sub-Commission and the Ministries of Industry, Commerce and Labour and of Foreign Affairs, both of which are in a position to advise you on the present position.

3. The whole question of international insurance and reinsurance agreements and transactions is one which is at present engaging the attention of the Allied Governments and as soon as a decision has been reached it will be communicated to the Italian Government.

(Signed) A.P. GRAFFLEY-SMITH

Brigadier

Joint Director,

Finance Sub-Commission.

BLS/ol

3583

AP

4/7

785017

13133/T

2 July 1945

JUL 4 1945

My dear Mr. Prime Minister:

I understand from the Joint Directors of the Finance Sub-Commission of this Commission that there is a growing tendency at the Ministry of Finance to lose sight of the fact that the Italian Government has undertaken to grant exemption from Italian taxes not only to Allied organizations but also to individual members of the Allied Forces.

It is appreciated how difficult, if not administratively impossible, it is to devise methods of granting relief from indirect taxation to individual Allied personnel without leading to uncontrolled tax evasion by Italian nationals. In consequence, the Italian State revenue is benefiting to the extent of many millions of Lira from taxes paid by individual members of the Allied Forces. The more important of the taxes being paid by Allied troops are the turnover tax (sull'entrata), entertainments tax, Fund of National Solidarity, and Imposta di Consumo. Of these the first mentioned is without doubt the greatest source of revenue, when it is borne in mind that most goods change ownership at least three times before reaching the final purchaser and that the price to him is thereby enhanced by a minimum of 12%.

However, while it is not intended at this date to request any change in the existing arrangements, I do wish it to be clearly understood that individual members of the Allied Forces are not liable to any form of Italian taxation and that the Allied Governments reserve the right to be reimbursed for any taxes which have been or may be paid by the Allied Forces in Italy to the Italian Government or any sub-division thereof.

Yours very truly,

EMERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Professor Ferruccio Parri
The President of the Council of Ministers
Italian Government

BELT/bih

3573

F108

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

MEMORANDUM : 4.608/EC.

TO : Chief Financial Adviser.

2 July 1945.

Reference attached correspondence on the subject of "Assicurazioni Generali," the draft which is flagged "X" has been seen by the Chief Commissioner, who approves its issue, signed by you, with paragraph 4 taken out.

15/ E. TALBOT
LT COL
Chief Staff Officer,
To the Executive Commissioner.

3578
3/7

785017

101

15174/T

24 June 1945

SUBJECT: Insurance and Reinsurance Abroad

TO : Capt. A. M. Cosulich,
Assicurazioni Generali,
Rome

addressed to the C.C.

1. I write to acknowledge receipt of your letter of 14 June on the subject of the resumption of foreign relationships by your Company.
2. The resumption of such foreign relations by Italian Insurance Companies has for some months past been the subject of considerable correspondence between the Finance Sub-Commission and the Ministries of Industry, Commerce and Labour and of Foreign Affairs, both of which are in a position to advise you on the present position.
3. The whole question of international insurance and reinsurance agreements and transactions is one which is at present engaging the attention of the Allied Governments and as soon as a decision has been reached it will be communicated to the Italian Government.
4. ~~Pending a decision on the wider aspect of the matter, I suggest that you should look for guidance to the Italian Government who are being kept in close touch with developments.~~

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

C.F.A.

102
3577

785017

4608

100

13019/F

20 June 1945.

JUN 21 1945

My dear Mr. Prime Minister:

I write with reference to your letter 37703/6.1 of 9 June 1945, regarding the Savings Bank of Imola (Bologna).

I have addressed the AMG Regional Commissioner, Emilia, informing him that your Government has recommended Avv. Giacomo del Monte Casoni and Dr. Gino Nardozzi to fill the position of President and Vice President respectively of the Bank, and requesting him to give his opinion on these nominations. I shall advise you further in this matter when I have had a reply from the Regional Commissioner.

Yours very truly,

15/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

The President of the Council of Ministers,
Italian Government,
Rome.

PA

HU

27/6

+Nardozzi

28/6

3576

3576

(Not Acknowledged)

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB COMMISSION

COPY

99

13018/F

15 June 1945

SUBJECT: Savings Bank of Imola. (Bologna)

JUN 19 1945

TO : Regional Commissioner,
Emilia Region.

1. I am informed that the Savings Bank of Imola is without a President or Vice President and that the affairs of the Bank are being temporarily supervised by the ex Vice President.
2. Under the Statute governing the Bank, the President and Vice President are nominated by the Prefect and the Bank of Italy and are appointed by the Minister of the Treasury.
3. The Minister would be prepared to accept as President avv. Giacomo del Monte Casoli and as Vice President Dr. Cino Verdozzi.
4. Please investigate this matter and inform me whether these nominations are acceptable to you.

/s/ M. T. Beard

for Joint Director
Finance Sub Commission

Copy to: R.F.O., Emilia

HTB/pmf

? Reply to 95

3575

FROM ECOT SEC TO OFFICE OF EC

RE: MR BONORI'S LETTER 3/7/43/6.1

OF 9 JUNE 45

18/6

PA

(CAPT ADRIAN)

408
A

98

13255/F

15 June 1945

JUN 16 1945

42

My dear Mr. Prime Minister:

I refer to your letter 57354/19.11 of 11 June 1945, with reference to Major J.R.H. Hall, Chief Budget Officer of the Finance Sub-Commission.

I am personally gratified to learn of the high regard in which Major Hall is held by the financial authorities of your Government, and I have brought the contents of your letter to the attention of both the Joint Directors of the Finance Sub-Commission and Major Hall.

Under the regulations governing release from the British Army, Major Hall is due for immediate release but in view of the importance of his work it has been possible to retain his services until 31 July, 1945.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

3574

JB

CS

PA
7/6

4608

A to him

97

1303012

13 June 1945

JUN 14 1945

Dear *George*,

I have written to our Finance Officer at Florence and asked him to call upon Mrs. Ciampolini's sister-in-law and obtain from her further particulars regarding the bonds.

I have also requested him to fully investigate the matter and to report to me as early as possible.

Very truly yours

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

Mr. George W. Edman, PWO
PWB, 15th Army Group HQ.

filed 9/6/45

3573

MA 14/6

(1A)

785017

Translation

The President of the Council of Ministers
3754/19.11

Rome, 11 June 1945

My dear Admiral,

1 JUN 1945

The President of the Court of Accounts tells me that Major J.R. HALL, Chief of the Budget Section of the Allied Finance Sub-Commission, will soon be leaving to take another post.

The work which, for many months, has put the Court in contact with the Allied Finance Sub-Commission, showed the particular merits of this allied officer which appeared in his work for the reconstruction of our country.

As a matter of fact, Major Hall has done a great deal to normalize our financial and administrative life, always in close liaison with our financial Authorities, and with the Court of Accounts in particular. But it is principally in Rome, where he remained chief of such an important Section of the Allied Commission after Colonel Stephan had left, that he showed his ability, ponderation and equity, and also his sympathy for our country.

I submit these considerations to your kind examination, expressing the wish for the Italian financial Administration not to be deprived, especially at the present delicate moment, of the collaboration of such a valuable officer who acquired so rare and sound a knowledge of our finance.

I remain,

Truly yours,

S. I. Bonomi

Admiral Elbery W. Stone
Chief Commissioner
Allied Commission
Rome

NOTED
B.U. 12/6
C.C. DIST - 12 June 45

3571
ACTION: NOTING S.C. (2)
(For Finance S.C.)
INFO: CHIEF COM.R.
S.C. COM.R.

785017

Translation

The President of the Council of Ministers

37703/6.1.

Rome, 9 June 1945

JUN 11 1945

Dear Admiral,

The savings-bank of Imola, (Bologna), founded in 1855, is managed, according to the statute in force, by a board composed of a President, a Vice-President and five councillors.

However, the President, in charge, Vincenzo del Pero, left the town a year ago, and never came back, and the vice president, Dr. Carlo Gambetti, resigned some time ago, though he is still temporarily supervising the current business of the Bank.

According to the statute, the President and the Vice President are appointed by a decree of the Prime Minister, who would therefore have to provide to the posts rendered vacant by the absence of the first and the resignation of the second.

As this concern has its seat in a locality which is under the administration of the Allied Military Government, I think you must be informed about this situation, and I ask you to draw the attention of the regional Commissioner on the advisability of completing the administrative organs of the Bank. Adv. Giacomo Del Ponte Jasoni has been suggested for the post of President and Dr. Gino Nardozzi for that of Vice-President; they have the necessary requisites and enjoy the confidence of the population.

The Italian Government has no objections to make on this subject.

I shall therefore be most grateful, my dear Admiral, if you kindly take the necessary action to normalize the situation of this old and deserving savings-bank.

I remain,

Spoke Capt Highland.
Interim reply to go

Yours very truly,

S. I. Bonomi

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

S.S.

(Capt Arnold)

EC II 1st - 11 June 45

3573

Action: ECOR: S.I. (12)
(for Finance Sec)

Info: Gen. Comm

Exec Comm

785017

4608

LRS/hjp

94

1 June 1945

TO: Economic Section, Hq A.C.
(For: Finance Sub-Commission)

Will you kindly investigate this situation and draft an appropriate reply for the Chief Commissioner's signature.

L. W. Stearns

L. W. STEARNS
Major, A.G.D.
Staff Officer to CC

1 Incl:
Ltr fr Mr G W Edman,
PWB 15th AG, 23 May 45
(with 1 incl)

cc: Ex. C.
CC

3563

785017

LWS/hjp

93

1 June 1945

Dear Mr. Egan:

In reference to your letter of 23 May concerning the freezing by a Bologna Bank of certain securities belonging to Sig.ra Angelica Petracchi, Villa Elena Settignano, the Chief Commissioner is having this situation investigated by his Finance Sub-Commission.

As soon as the information is received the Chief Commissioner will personally reply.

Sincerely,

L. W. Stearns

L. W. STEARNS
Major, A.G.D.
Staff Officer to CC

Mr. George W. Egan, PWO
Psychological Warfare Branch
Hq 15th Army Group

cc: Ex.C.
CC

3568

785017

13012/F

26 May 1945

JUN 1 1945

My dear Mr. Prime Minister:

I refer to letter 36021/34048/9.6 of 23 May, 1945 from
il Capo di Gabinetto della Presidenza del Consiglio dei Ministri.

My financial advisers have discussed the proposed regulations
with H.E. the Minister of the Treasury, and it has been agreed that
they may be put into force. Details of the transmittal and implementa-
tion of these instructions can be discussed by the Treasury with the
Finance Sub-Commission of this Commission.

Yours very truly,

/s/ Elbert W. Stone

ELBERT W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

3567

785017

Ref: ✓ 4608/20.

Tel: 735

29 May 1945.

SUBJECT: Military Government AUSTRIA Sitrep dated 24 May.

TO : Finance Sub-Commission (through Economic Section)

The following extract from the above mentioned sitrep may be of interest to you:

"In addition to the amount of lire 339,000,000 discovered in KLAGENFURT further amounts have been uncovered as follows:

At KLEINKIRCHEN - Lire 14,000,000 (Said to have belonged to the Todt Organisation)

At LIENZ - Lire 1,103,000 (Said to have been left at Post Office by Germans)"

for Chief Staff Officer,
To Executive Commissioner.

Copy to: 146/EC.

3568

785017

4608

90

Translation

The President of the Council of Ministers
313

Rome, 28 May 1945

Dear Admiral,

I refer to your letter of April 3rd n. 15055/8 about the infraction by some insurance companies to the prohibition of communicating with affiliated agencies and companies which have seats in foreign countries still included on the proscription list of the Allied Governments.

A propos of this much regretted infraction - which it seems, was made by the Rinnione Adriatica di sicurtà only - I can assure you that the Minister for Industry, Commerce and Labor sent circulars to all the insurance institutes and companies, requiring them strictly to observe the prohibition of communicating with the agencies and companies abroad, as long as it will not be possible to reestablish the free exchange of all correspondence of a commercial nature, and not of limited informations only.

I therefore trust that similar inconveniences will not happen again.

I remain,

Yours very truly,

G. I. Bonomi

Admiral Ellery W. Stone
Chief of the Allied Commission
R O M E

e.e.

E. C. DIST - 28 MAY 45

ACTION. Econ Sec (2)
(FINANCE Sec)

INFO : CHIEF 3565

Ex 3565

(Capt Arnoldy)

785017

4608
~~SECRET~~

387
MAY 260310B

E/2384
MAY 260830B
CP PRIORITY

From: ALCOC RPT 5 ARMY LIAISON CP FROM PUSK
To: HQ ALCOM TO JOINT DIRECTORS FINANCE SC

~~SECRET~~

Clarification required. Presume sequestered German funds cannot be used to pay past debts due to Italians by Germans. Are these to be settled by Prefect if urgent and equitable for past Fascist debts or must they await final settlement between GERMANY and ITALY stop that organization and hospitals concerned. Please confirm that all payments on German behalf such hospital since the surrender are concern of 15 ARMY GROUP only and sequestered funds unusable.

HEADQUARTERS

26 MAY 1945

A. C.

Dist

Action - Finance SC
Info - A/President
Chief Commissioner
Exec Comm
Econ Sec
File 2
Float

CONFIDENTIAL
~~SECRET~~

3564

see M. 16

29/5

785017

4608
87
Translation

The Chief of Cabinet of the Presidency of the
Council of Ministers

30021/34048/9.6

Rome, 25 May 1945

MAY 24 1945

Dear Admiral,

referring to the letter addressed to you
on May 6th, 1945, by H.E. the President of the Coun-
cil of Ministers, and according to his instructions,
I enclose a copy of a communication of the Ministry
of Treasury, and - shall be grateful if you will kind-
ly let me have the opinion of the Allied Commission on
this matter.

I remain,

Yours very truly,

B.

E.C. DIST - 24 MAY 45

ACTION: Econ Sect (a)

(FINANCE S/C)

INFO: CHIEF COMMR

Ex COMMR

Admiral Ellery W. Stone
Chief Commissioner of the
Allied Commission - Rome

e.o.

BU

29
5

3560
3560

see 92

(CAPT. ARNOLDY) @

Translation

COPY

TREASURY DEPARTMENT

General Direction for Currency

Rome, 16 - 5 - 1945

N. 1841/458

TO THE PRESIDENCY OF THE COUNCIL

ROMESubject: Re-introduction
of Italian State- and
Bank-notes.And for the attention of
General Direction of Treasury
General Direction of Customs
Bank of Italy - Central Admin.ROME

With the liberation of the territories of North Italy, and with the possible though may be restricted re-opening of the frontiers, this Ministry is preoccupied by the repercussions which the re-introduction from abroad of an important amount of Italian State- and Bank-notes by military and civilian Italian repatriated citizens might have on the currency circulation of the Kingdom.

Pointing out the need of an efficacious control at the said frontiers, the Ministry begs the Presidency to contact the Allied Commission submitting to its attention the regulations which it seems necessary to issue for the vigilance service at the frontier.

It is well known that the regulation about currency which are still in force forbid to export and re-introduce Italian State- and Bank-notes, except for people going abroad or coming from abroad, who are allowed to take with them L. 450 in State notes, of small value; it is also known that the Treasury Department can issue regulations in derogation to the general regulations concerning this interdiction.

We do not deem it advisable to modify the above mentioned regulations, for it is still necessary to prevent the re-introduction of the notes which have been abusively exported (this may have been done on a large scale by the German troops and by runaway ex-gerarchi), and also because the problem of the amount of State-notes which can be taken abroad by travellers amount which it will be necessary to re-examine) is not at present, urgent.

On the other hand, this Ministry perfectly realizes the conditions in which repatriated prisoners and interned civilians, formerly expatriated, may find themselves; and how aggravating strict regulations might appear to them.

The above mentioned considerations have been duly examined in a meeting held on the 14th in this Ministry, attended by the representatives of the Administrations concerned, a representative of this Presidency and of the R.G. di Finanza. 3562

In this meeting, it was decided to increase the amount of Italian currency which it was possible to re-introduce, and the following regulations for the frontier service have been issued:

1. Prisoners of War - to allow the free introduction in the Kingdom of

With the liberation of the territories of North Italy, and with the possible though may be restricted re-opening of the frontiers, this Ministry is preoccupied by the repercussions which the re-introduction from abroad of an important amount of Italian State- and Bank-noted by military and civilian Italian repatriated citizens might have on the currency circulation of the Kingdom.

Pointing out the need of an efficacious control at the said frontiers, the Ministry begs the Presidency to contact the Allied Commission submitting to its attention the regulations which it seems necessary to issue for the vigilance service at the frontier.

It is well known that the regulation about currency which are still in force forbid to export and re-introduce Italian State- and Bank-notes, except for people going abroad or coming from abroad, who are allowed to take with them L. 400 in State notes, of small value; it is also known that the Treasury Department can issue regulations in derogation to the general regulations concerning this interdiction.

We do not deem it advisable to modify the above mentioned regulations, for it is still necessary to prevent the re-introduction of the notes which have been abusively exported (this may have been done on a large scale by the German troops and by runaway ex-generals), and also because the problem of the amount of State-notes which can be taken abroad by travellers amount which it will be necessary to re-examine) is not at present, urgent.

On the other hand, this Ministry perfectly realizes the conditions in which repatriated prisoners and interned civilians, formerly expatriated, may find themselves; and how aggravating strict regulations might appear to them.

The above mentioned considerations have been duly examined in a meeting held on the 11th in this Ministry, attended by the representatives of the Administrations concerned, a representative of this Presidency and of the R.G. di Finanza.

In this meeting, it was decided to increase the amount of Italian currency which it was possible to re-introduce, and the following regulations for the frontier service have been issued:

- 1) Prisoners of War - to allow the free introduction in the Kingdom of
 - L. 10.000 for the soldiers
 - L. 20.000 for the officers.
- 2) Interned civilians and civilians who are coming back from territories in which the Italian lira was officially in circulation:

up to L. 10.000 indistinctly, at the discretion of the control organs at the frontier.

The sums exceeding the above mentioned amount will have to be deposited to the Branch of the Bank of Italy, territorially competent for the residence of the person concerned.

(85)
- 2 -

To unblock the above mentioned sums, special Committees should be created in the branches of the Bank of Italy; according to their own judgement and to the elements they might have, they would decide about the restitution up to

- 1. 50.000 for the persons mentioned in n. 1
- 2. 25.000 for the persons mentioned in n. 2.

Beyond such limits, and also in dubious cases, this Ministry should be consulted for the necessary decisions.

Final and detailed regulations will be issued - restricted to the organs in charge of frontier control - as soon as the Presidency will have agreed after consulting the Allied Commission.

S. THE MINISTER

Soleri.

e.o.

3561

3561

Ex Come

To See 12. You will like it
Comes from AFHQ and NOT
AT76 5 Aug. IV Corps a Pleinente
Repin!

CSO

I think (judging from last war in 1st sentence)
that it is repeat of a telegram sent to CCS.

10/23/50.

3560

785017

4608
CONFIDENTIALPX 79929
MAY 221325B1929
MAY 222025B
ROUTINEFrom: AFHQ SIGNED ALEXANDER GITE FHGEG
To: HQ ALCOM

MAY 23 1945

CONFIDENTIAL

This is MAT 706.

Financial activities of French Occupational Forces in
PIEDMONT Region ITALY. In TENDA, BRIGA, and BRAGLIO area French
Civil Committee has closed banks and decreed only French francs
are legal currency. Lire being taken up by French at ratio of
2 to 1. In VAL'AOSTA French are paying for supplies in French
francs at rate of 50 francs equals one dollar. Similar situations
exist elsewhere in Region, notably in AOSTA province.

Dist

Info-Action - Finance SC

Info - A/President

Chief Commissioner

Econ Sec

Exec Comm

File 2

Float

3553

fals 85A
SEE MIN 13-14**CONFIDENTIAL**

1A

(CAP. ARNOLD)

8H

Chief Commissioner.

Attached is submitted for your information/signature/approval.

A financial plan.

EC
19/5 Plo implement last sentence
Para 6 DS/17/5
Eus
CC (4)

CFA Action accordingly
DS/15/5

Office of Executive Commissioner:
Action Taken

21 May, 1945

3558
R. H. Simmons
mayd
Finance S/C

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION.

17 May 1945.

TO: The Executive Commissioner.

MAY 18 REC'D

It is likely that you have received detailed reports from your representatives in the north. However, I am forwarding a few extracts of general interest from a report, dated yesterday, from my Joint Director, Colonel Menapace, written in Milan:

1. "Establishment of an AC office in Milan for Northern Italy. The CINAI has repeatedly pressed for this, doubtless because this would be a pretty solid recognition of their authority to determine policies for the North. I have advised Mr. Antolini that this would be unwise from Finance point of view. We have told the CINAI that they should present their suggestions and requests to the RFO's, and that these will pass them on to AC Finance Sub-Commission. By this means, we shall be able to orient policy toward accords with the Ministries, Banca d'Italia, etc., in Rome on all the problems regarding currency, operations of Banca d'Italia, and other matters which must be treated on a national basis. Otherwise we should have conflicts on many points."
2. "Another example of the committee's autonomous attitude is this: when I told Longhi that Mattioli and Orsi had been designated as Commissari of BCI and Credito, temporarily and for the express purpose of convoking the Boards, he unhesitatingly declared that the committee will not accept these appointments. He said they have no objections to these men personally, but they will not accept appointments themselves since they concern the North. He went further and said that they will not recognize the head office of Banco di Roma as having jurisdiction over its branches in the North because they consider that the Commissario of that bank in Rome is not qualified for the post."
3. "Parallel problems, of course, run all through SIC/AC up here, and our whole group has had many discussions of this aspect of the situation. A firmer attitude in

82

- 2 -

our organization is developing. Mr. Antolini has requested Col. Walker (IV Corps SCAO) to instruct the CINAI to postpone any further payments, by industrial commercial and banking firms to their employees of the bonus which I described in my letter of 12 May to you via Col. Penick. Walker is endeavoring to persuade the committee to hold this matter in abeyance until it can be considered by the Italian Government because of its national importance. However, if persuasion does not succeed it is intended to tell the committee that it is the desire of AMG that this be considered as an order."

4. "The whole matter will doubtless be solved when an understanding is reached between the Rome cabinet and the CINAI, and this step is urgently necessary if constant conflicts are to be avoided."
5. "Longi's position in regard to the Commissari of BCI and Credito, incidentally, was uncompromising, even though I insisted on their temporary nature, because he saw this matter as a point of authority in the North. Naturally, this question involves the whole area of government and is something for the Rome government and local CINAI to work out. At the time, however as you will appreciate, this does impose on AMG perhaps some deviation from the line of handling the situation up here with a "light rein", since the avoidance of unrest and keeping of law and order require AMG to assure the smooth functioning of governmental machinery and the economic life of the area."
6. "The matter of channels of AC/AMG operation also needs clarification. I have told the RFOs' to communicate ~~immediately~~ directly with Finance Sub-Commission, but to send copies to the FO IV Corps who will send them on to SFO 5th Army. I suggest that directives be sent to RFOs directly, with copies to SFO 5th Army for himself and FO IV Corps, and to 8th Army RFO for the rest of the North."

See Mins
8, 9, 10, 11.

File 85C

A. J. Grassley

Brigadier,
Joint Director,
FINANCE SUB-COMMISSION.

3553

785017

13012/P.

11 May 1945.

My dear Mr. Prime Minister:

I received your letter 34284/34045/9.6 of 6 May 1945.

I can assure you that the Allied Commission has also had under constant study the possibility that currencies, including Italian lire, might be imported into Italy, particularly across the northern frontiers.

Proclamation # 2 of the Allied Military Government forbids the importation or exportation of currencies of all countries including Italian lire. The northern frontiers have been closed by order of AFHQ and instructions have been issued to enforce the terms of Proclamation # 2.

My financial advisors are satisfied that practicable steps have been taken to control the importation and exportation of currencies; and they will keep H.E. Soleri informed of the effects of the control measures and of any other important developments.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USN
Chief Commissioner 3554

His Excellency Ivanoe Bonomi,
The President of the Council of Ministers,
Italian Government,
R o m e.

BELT/ht.

(Camp Arnoldy) (AP)

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

Folios 79+80 transferred to
file 4616/EC

0610

785017

460847

Ex Commr

77

ACB
MAY 091454E

FOR INFORMATION ONLY

E/135
MAY 100839B
ROUTINE

From: 15 ARMY GP LIAISON

To: 15 ARMY GP INFO ALCON

MAY 11 1950

IN CLEAR

Cold reserve Italian Republican Govt reported located
PORTIERA N1703.

Dist

Info-Action - Finance SC
Info - A/President
Chief Commissioner
Exec Comd 2
Exec Sec
File 2
Plent

HEADQUARTERS

10 MAY 1950

A. C.

in 78

3552

(Capt Arnold)

PA

3552

12/15

785017

~~SECRET~~

MAY 071320B

D/9974

MAY 072030B
OF PRIORITY

MAY 8 RECD

From: CAPTAIN ALLAN (HY LYON DIST DELTA BASE)

10: ACTION ALCON ROME, BRITISH TROOPS IN SICILY FOR INFO AFHQ, SHAF
MAIN

FOR INFORMATION ONLY

~~SECRET~~

Exchange of German diplomats in TOARMINA is subject.

1. Diplomats claim return of impounded monies as follows:
Minister WEMMER, 92166 lire; Dr PERKUNDE, 47606 lire.
2. Request arrangement be made to transfer credits soonest
to German legation BERNE.
3. Confirm urgently that credits as shown para 1 are
correct. That arrangement will be made to effect transfer.
Diplomats at present without money. In reply address HY LYON
DISTRICT DELTA BASE Section.

Dist

Action - Finance SC
Info - A/President
Chief Commissioner
Exec Comm
Econ Sec
Liaison Div
File

see M.76

HEADQUARTERS
3551
MAY 1945

A. C.

~~SECRET~~

(Capt Arnold)

785017

4608

74

translation

The President of the Council of Ministers
3428/34048/9.6

Rome, 6 May 1945

Dear Admiral,

MAY 7 REC'D

the Minister of Treasury told me that he very much feared that in the present circumstances, Italian currency might be introduced in the kingdom through the land and sea frontiers, as well as by air.

This would be a violation of definite regulations formerly issued by the Italian Government, and have serious repercussions on the monetary circulation; it seems therefore necessary and urgent to prevent its taking place.

I share His Ex. Celery's preoccupation, and I send you a copy of the main regulations on the subject, asking you to take the necessary action.

The Italian Government thinks it would be necessary to establish a strict control at the land and sea frontiers, and in the airports, and that the censorship organs should get orders to prevent Italian currency from being introduced by means of correspondence coming from abroad; that the sums which should be found ought to be sequestered, kept as deposits, and information sent to the nearest branch of the Banca d'Italia.

I trust you will examine this question which is so important and urgent, and I would very much appreciate some information about the orders which will be issued for control.

Truly yours,

S. I. Bonomi

Admiral Billy W. Stone
Chief Commissioner
Allied Commission
R O M E

E E DIST - 7 May 45

ACTION: Economic Sec(3)

(for Finance S/C)

INFO

Chief Economic

3553

Comm.

e.e.

B013/5

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

785017

4608

161

Executive Comm

73

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

4 May 1945.

13081/F.

SUBJECT: Financing of Italian Missions Abroad.

TO: The Ministry of Foreign Affairs.

MAY 5 REC'D

1. I refer to your memorandum 6/1149/534 of 26 April 1945, the subject of which has already formed the subject of conversations between representatives of your Ministry and this Sub-Commission.

2. It has, I think, always been clear that the final agreement on the amount of Italian diplomatic expenses is given by the Allied Commission to the Ministries of Foreign Affairs and Treasury. It is, however, necessary that the Italian missions in the various countries consult with the Allied Missions as to the amount and nature of proposed expenditure (based, I of course assume, on the budgets laid down by you) in order that the latter may advise the Allied Commission as to the reasonableness of the expenditure.

(Signed) A.P. GRAFFLEY-SMITH

Brigadier

Joint Director,
Finance Sub-Commission.

BELT/adm.

(CARL ARNOLDY) 

35495

785017

11608-9 Executive Comm (72)

HEADQUARTERS ALLIED COMMISSION
AIO 394
FINANCE SUB-COMMISSION

13081/7

4 MAY 1945

SUBJECT: Financing of Italian Missions Abroad.

TO : The Ministry of Foreign Affairs.

REC'D
MAY 5

1. I refer to your memorandum 6/4411/540 of 23 April, 1945.

2. The latest available information on the subject of your memorandum was conveyed to the Divisione Generale Valute, Ministry of the Treasury (Att. Dott. Jacchi) in our letter 13081/7 of 1 May, 1945. It is suggested that the problem be discussed with the Treasury.

(Signed) A. CRAFTBY SMITH

Joint Director,
Finance Sub-Commission.

REC'D/72d

3547

785017

4608

JAC/hjp

27 April 1945

TO: Joint Directors, Finance Sub-Commission, Hq A.C.

I am directed by the Chief Commissioner to forward you a copy of AFHQ Administrative Memorandum No. 26 attached.

Admiral Stone suggests that at Joint Military Finance Committee meetings the Allied Commission should be represented alternately by Brigadier Graffey-Smith and Colonel Menapace.

J. A. Quayle
J. A. QUAYLE
Major, R. A.
Staff Officer to CC

cc: Exec Comm'r

3548

28
X

(JAS. RIVELY)

785017

4608470
RESTRICTED

DCK/fs

ALLIED FORCE HEADQUARTERS
APO 512

ADMINISTRATIVE MEMORANDUM)

NUMBER

26)

24 April 1945

JOINT MILITARY FINANCE COMMITTEE

APR 26 RECD

1. Section II, AFHQ General Orders Number 6, 1943 is rescinded by separate action.

2. The Joint Military Finance Committee (JMFC) is hereby reestablished with composition and terms of reference as shown below:

a. Composition

Chairman	Fiscal Director, MTOUSA.
Vice Chairman	Financial Adviser (British)
Members	Fleet Supply Officer, US 8th Fleet.
	Fleet Supply Officer, Royal Navy.
	US Claims Officer.
	Vice President Claims Commission (British).
	Financial Adviser, RAF
	Financial Adviser, G-5, AFHQ
Secretariat	Joint Secretariat, composed of one member of the staff of the Financial Adviser, British, and one member of the staff of the Fiscal Director, MTOUSA.

b. Terms of reference:

(1) Insure the co-ordination of Allied military financial policy in the Mediterranean Theater of Operations and advise the CAO thereon.

(2) Receive from spending special staffs and services and other bodies responsible for originating directives having any financial bearing all proposed directives common to all forces prior to issuance, to insure co-ordination with the policies and technicalities of the respective Allied financial services.

3. In the discharge of its duties the JMFC will work in close co-operation with the Allied Commission. To assist to this end and to assure direct liaison, the Allied Commission will be invited by the JMFC to have a representative present at each scheduled meeting of the committee.

INFO COPY 4/EC

RESTRICTED

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PA

4

R E S T R I C T E D

AFHQ Administrative Memo #26 (Cont'd)

4. The JMFC may at its option add such members as may be desirable, and co-opt such other persons as may be necessary for the conduct of its duties.

5. In those forces in which instructions are signed and issued by or on behalf of a chief of a staff or service section, the responsibility for reference to the JMFC of proposals having a financial bearing which may affect some other force, will lie with the officer who will eventually sign and issue the instructions. In those forces in which instructions are signed and issued by an agency which is not responsible for the content of the instructions, responsibility for reference to the JMFC will rest with the general or special staff section having primary interest.

BY COMMAND OF FIELD MARSHAL ALEXANDER:

C. W. Christenberry
C. W. CHRISTENBERRY
Colonel, AGD
Adjutant General

DISTRIBUTION:

C

R E S T R I C T E D

785017

66

Ref: 4608/66/DC.

23 April 1945.

SUBJECT: Post Liberation Value of the Lira.

TO : S.O.(M) Liaison Staff
(Rome)
c/o RAAC.

64

1. Reference your IS/13a/608 dated 14 April 1945.
2. Our comments on the proposition for the proposed broadcast are as follows:-

65

We consider that any broadcast dealing with the post liberation value of the Italian lira would be highly dangerous. Relationship between the lira and the United States yellow seal dollar and the BMA pound is defined in Proclamation No. 2. It is likely that this procedure will be followed throughout Northern Italy but it would be most undesirable to make a flat statement that there will not be an alteration in the exchange rate.

So far as concerns the value of the lira expressed in purchasing power, to which presumably the B.L.O. is referring, it is obviously quite impossible to make any pronouncement on this quite unpredictable subject.

Chief Staff Officer,
To the Executive Commissioner.

Copy to: Economic Section. (Ref. 24042/F of 21 April 45)

13012

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3543

H. P. [Signature]
23/4

785017

4608

(65)

~~CONFIDENTIAL~~HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

CONFIDENTIAL

13012/F.

21 April 1945.

SUBJECT: Post Liberation Value of the Lira.

TO : Office of the Executive Commissioner.

(61) APR 21 REC

(64)

1. Reference your 4608/61/EC of 16 April and attached letter from S.O.(M) Liaison Staff (Rome) of 14 April.

2. I consider that any broadcast dealing with the post liberation value of the Italian lira would be highly dangerous. Relationship between the lira and the United States yellow seal dollar and the BMA pound is defined in Proclamation No. 2. It is likely that this procedure will be followed throughout northern Italy but it would be most undesirable to make a flat statement that there will not be an alteration in the exchange rate.

3. So far as concerns the value of the lira expressed in purchasing power, to which presumably the B.L.O. is referring, it is obviously quite impossible to make any pronouncement on this quite unpredictable subject.

A.P. Grainger Smith
BrigJoint Director,
FINANCE SUB-COMMISSION.

See (66)

3543

(MASON RUBY)

785017

LS/13a/608

SECRET

S.O.(M) Liaison Staff
(Rome);
c/o R.A.A.C.

14th April, 1945

To: Office of Executive Commissioner,
Allied Commission.

APR 15 REC'D

Subject: POST LIBERATION VALUE OF THE LIRA

1. The B.L.O. in the SAVONA area telegraphs
as follows:

"Essential you give broadcast on
post liberation value of the Italian
lira. At present population in SAVONA
is convinced that lira will be worth
nothing on liberation. Only system of
currency is barter and exchange. Kinds
of currency existing:

1. Pre-war
2. Badoglioian
3. Republican
4. German
5. Cheques

2. Your comments are requested on the
desirability of a broadcast of the kind suggested.

3542

Major,
S.O.(M) Liaison Staff

785017

Subject: POST LIBERATION VALUE OF THE LIRA

1. The B.L.O. in the SAVONA area telegraphs as follows:

"Essential you give broadcast on post liberation value of the Italian lira. At present population in SAVONA is convinced that lira will be worth nothing on liberation. Only system of currency is barter and exchange. Kinds of currency existing:

1. Pre-war
2. Badoglioian
3. Republican
4. German
5. Cheques

"

2. Your comments are requested on the desirability of a broadcast of the kind suggested.

RECEIVED
1 JUN 1945

R. T. T. T.

3542

Major,
S.O.(M) Liaison Staff

Dec (66)

10/4/12

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

HEADQUARTERS ALLIED COM. SION

APO 394

Office of the Executive Commissioner

Tel. 451

16 April 1945

Ref. 4608/61/EC.

SUBJECT: Post Liberation Value of the Lira.

TO : Economic Section (For Finance S/C).

Attached letter from S.O. (M) Liaison Staff (Rome) dated 14 April is passed to you for information and preparation of any necessary reply.

3541

JCB
Chief Staff Officer,
To Executive Commissioner.

see M62+63.

PAV/S

Noted

878119

see 64

see 65, 66

IS/13a/603

S.O. (M) Liaison Staff
(Rome),
c/o R.A.A.C.14th April, APR 15 1945
REC'DTo: Office of Executive Commissioner,
Allied Commission.Subject: POST LIBERATION VALUE OF THE LIRA1. The E.L.O. in the SAVONA area telegraphs
as follows:

"Essential you give broadcast on
post liberation value of the Italian
lira. At present population in SAVONA
is convinced that lira will be worth
nothing on liberation. Only system of
currency is barter and exchange. Kinds
of currency existing:

1. Pre-war
2. Badoglio
3. Republican
4. German
5. Gaques

2. Your comments are requested on the
desirability of a broadcast of the kind suggested.

Gibson

3540

Major,
S.O. (M) Liaison Staff

Subject: POST LIBERATION VALUE OF THE LIRA

1. The B.L.O. in the SAVONA area telegraphs as follows:

"Essential you give broadcast on post liberation value of the Italian lira. At present population in SAVONA is convinced that lira will be worth nothing on liberation. Only system of currency is barter and exchange. Kinds of currency existing:

1. Pre-war
2. Badoglioian
3. Republican
4. German
5. Cheques

"

2. Your comments are requested on the desirability of a broadcast of the kind suggested.

Gibson
W. J. Gibson

3543

Major,
S.O. (M) Liaison Staff

Jul
N 67

Lu 66

PK 59901
APR 14 1945

SECRET

FOR INFORMATION ONLY

Exec Commr
59
D/7669
APR 14 1945
ROUTINE
APR 15 RECD

AFHQ SIGNED ALEXANDER CITE PHOEG
ACTION TO ALL MAT ADDRESSEES AND TO HQ ALCON ROME

~~SECRET~~

This is MAT 636.

Currency problem in BOLSANO and TRENTINO is subject.

1. Indications are that Germans have treated BOLSANO and TRENTINO in Northern ITALY as part of GERMANY (AUSTRIA) and have introduced Reichsmarks. Not known what composition of currency circulation is at present.

2. Until Reichsmarks can be withdrawn should we declare exchange rate between lire and marks and if so should rate be ten lire per reichsmark. It is planned to call in all reichsmarks in exchange for lire at earliest opportunity, but metropolitan lire may not be adequate in volume unless new supplies are uncovered in North. In such circumstances call in of reichsmarks would have to await arrival of new currency, unless A.M. lire are to be used. Your views requested soonest.

Dist

Info-Action - Finance
Info - A/President
Chief Commissioner
Exec Comm
Recd Sec
File

HEADQUARTERS
15 APR 1945
C.

SECRET

3538

785017

4608
HEADQUARTERS ALLIED COMM'ION

Office of the Chief Commissioner

APO 394

13053/F

3 April 1945

APR 4 1945

My dear Mr. Prime Minister,

It has been brought to my attention that certain highly-placed officials of insurance companies in Rome are corresponding with insurance offices and companies in foreign countries that are on the proscribed lists of the Allied Governments. Such correspondence has been conducted through the medium of the ordinary postal services, which are liable to Allied censorship, and excerpts made by the censorship authorities disclose use by these same companies of telegraphic and other facilities at the exclusive disposal of the Ministry of Foreign Affairs.

The conditions under which my advisers have agreed to the active functioning of the Italian insurance companies, which have been confirmed by a communication from the Allied Governments made known to the Ministry of Industry, Labor and Commerce, have precluded the resumption of such contacts. The only foreign correspondence now permissible is limited commercial correspondence to certain Allied countries under conditions already known to you.

It is a matter for some concern that certain interests are endeavouring to evade restrictions well known to them by facilities of this nature, and I shall be grateful if you will ensure that all the companies are warned that such evasions are regarded most unfavourably by the Allied authorities.

Yours very truly,

/s/ Ellery W. Stone

ELLEERY W. STONE
Rear Admiral, USNR
Chief CommissionerHis Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

Ex. Commr. ✓

3539

PA 7/4
4/4

785017

COPY

ALLIED FORCE HEAD QUARTERS
PSYCHOLOGICAL WARFARE BRANCH

27th March, 1945

TO : The Chief Commissioner, Allied Commission
Rome.

FROM : Assistant Deputy Director, PWB AFHQ.

SUBJECT : Italian Treasury Bond Issue.

Dear Admiral Stone,

I thank you for your letter of 23rd March about the new Italian Internal Loan, and confirm that PWB will do anything in its power to assist this loan.

I have already included a paragraph agreed with your Finance Sub-Commission in our weekly directive, which has been issued today, and will include similar paragraphs as long as required. I have also cabled to London and New York asking that the BBC and the American radio shall afford suitable publicity to this initiative of the Italian Government.

I have also written to Florence instructing our Headquarters in that city to give all possible transport facilities for posters and other material which the Italian ministry may desire to distribute within the military zone. I have also enquired whether we can assist with printing facilities in that city. Mr. Minifie, the Deputy Head of our organization in Florence, was in Rome yesterday and I fully explained the matter to him and he will do what is possible to assist the Italian officials.

I am going to Bari myself tomorrow and will take similar action there.

The Italian Government Bill advertising this issue is being distributed by PWB on as wide a basis as possible. I would add in this connection that PWB will always be pleased to assist the Italian Government or individual Italian Ministries in the distribution of films prepared by the Government until such time as the normal machinery for the distribution of films has been re-established. I would however, suggest that requests for the distribution of Italian Government Films should be addressed to PWB through the Allied Commission as we do not wish to undertake such duties in Liberated Italy unless it is the Commission's desire that we should do so.

3537 3538

Yours sincerely

(O.A. Raleigh Radford)

E.C. DISTBN - 31 MAR

ACTION - FINANCE S/C

INFO - C. COM

EX. COM

P.R.B.

PA
K.H.

785017

4608

23 March 1945

13030/F

Psychological Warfare Branch,
Via V. Veneto, Rome
Attn: Mr. Radford

Dear Mr. Radford:

Reference is made to your conference with the Joint Director of the Finance Sub-Commission and officials of the Italian Treasury and the Banca d'Italia of Friday 23 March 1945 concerning the new internal loan being issued by the Italian Government.

Since this is the first attempt by the Italian Government to raise funds to combat inflation and to aid rehabilitation, it is extremely important. Any assistance which your organization can provide in producing motion pictures, in printing posters or disseminating information concerning the loan in any other way will be very much appreciated.

/s/ Ellery W. Stone

Ellery W. Stone,
Rear Admiral USNR
Chief Commissioner

cc: Exec. Comm'r. ✓
Chief Comm'r.

JJL:rs

(MAS R)

3533
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4688

55
JAQ/hjp

9 March 1945

SUBJECT: Purchase of American Newspaper Clippings

MAR 10 1945

TO : Joint Directors, Finance Sub-Commission, Hq A.C.

Reference attached memorandum 13010/P of 12 Feb 1945, this matter has been referred to G-5, and in conversation on 8 March 1945 Brigadier General Spofford instructed Major Quayle that since the purchase of American newspaper clippings had been made "in furtherance of the wishes of the Army Commander", the account had better be met.

J. A. Quayle

J. A. QUAYLE
Major, R. A.
Staff Officer to CC

cc: Executive Commr.

3535

12/3

folios 51-53 transferred - file (54)
4613/EC.

Letter CC4611 of 5 March 45. Foreign
Exchange Control with enclosures

9 March 45.

W. Middleton

3534

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

Folio 50

Letter from Bonomi dated 19 Feb 45
"economic situation Gov't employees". Transferred
to file 5213 folio 6.

PA 1/3

J. Middleton
3532
encl.

COS-
Please see me
WWS
cc

HEADQUARTERS ALLIED COMMISSION
APC 384
FINANCE SUB COMMISSION

14 February 1945

FEB 26 1945

CC 451
FEB 18 RECD
PP 13071
APCS
JGL
-BLT
HGC

FILE : 13075/F

SUBJECT : Subscription to News Clipping Service.

TO : The Chief Commissioner.

1. Attached is the file and payment voucher No. 69 of December 1944 account of S.F.O. A.M.O. 5th Army, representing a payment of lire 15,040 for Brig. General Hume's Press Clipping Service.

?
No. 2. Subsequent to a conversation with you in which you instructed me to disallow this voucher, I learned from Brig. Graffey-Smith that an earlier payment was authorized by a letter signed by him, which was discussed with you by Brig. Lush. This letter is quoted as authority for voucher No. 69 of the December account. ✓

3. In view of the above, do you wish this voucher to be disallowed or this voucher allowed and instructions issued countermanding the authority of the letter of 7 November 1944?

Pass This one. I
will discuss with
Gen Truscott when I
am up - a future
SUCS!

EWS

J. J. Lawler
Cmde. U.S.C.G.R.
Joint Director
Finance Sub Commission

3532

Noted
2/2/45

HEADQUARTERS
ALLIED COMMISSION
FINANCE SUB-COMMISSION
ACCOUNTING SUB-SECTION.

Tel; 439161 Ext 259

Ref; I381L/F/A/4

30 January 1945.

Subject; Subscriptions to News-Clipping Services.

FEB 26 1945

To: Chief Accountant,
Finance Sub-Commission,
H.Q. Allied Commission.

1. We enclose for your perusal Payment Voucher No. 69 of the December 44 account of SFO AMG 5 Army, representing a payment of Lire 15,040 for Brigadier General Hume's Press Clipping Service.
2. An authority to meet the cost of the News Clipping Service was given by Colonel Graffey Smith under reference I3167/F of 7 November 44. We think it right, however, to bring this December payment to your notice in view of the fact that a payment for precisely the same amount was made in November 44.

9 Feb 1945
This payment is to be
disallowed by specific
order of Admiral Stone.

J. J. Zander
Chief, USCAR
Joint Director Fin. Sub Com.

35316 apt RA.
G. H. Terpin

G.H. TERPIN, CAPTAIN, R.A.

785017

This copy to:-

Escau de Commissioner

21 February 1945

13030/F

H. S. Lyman General,
President of the Council of Ministers

FEB 23 1945

Dear Mr. Prime Minister,

Reference is made to my letter of 2 February 1945 suggesting the repudiation of certain Buoni del Tesoro ordinari said to be circulating as supplementary currency in the north.

More recent information of which you have undoubtedly been informed by your Minister of Treasury indicates that there is no lack of new currency in the north and that Buoni del Tesoro ordinari are not circulating as supplementary currency.

My advisors and I feel, as does your Minister of Treasury, that under these circumstances it would not be feasible to attempt any repudiation.

/s/ Hilary W. Stone

Hilary W. Stone,
Rear Admiral, USNR
Chief Commissioner

JJL:rd

3530

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
TEL: 478604

13010/2

18 February 1945

FEB 20 1945

SUBJECT: Purchase of American Newspaper Clippings.

TO : Chief ~~Commissioner~~.

1. This memorandum summarizes the developments from 26 June, 1944, to date on the news clipping service subscribed to from AG/AFG funds at the order of Brig. General E. M. Hume, SCAG, AGC 5th Army.
2. On 26 June, 1944, Finance Sub-Commission was advised by Regional Finance Officer, Region IV, that in auditing the account of AGC 5 Army sub-accountant, an item of Lire 30,150 was found representing a payment for press clippings furnished by Burrelles and Romilse Press Clippings Bureau in the U.S. The actual dollar payment in the U.S., it was found, was effected by one Captain C. A. Harwell out of his personal bank account, it being understood that he would be repaid in lire through AGC 5 Army. The total cost of the two services for three months was indicated to be \$301.50. The sub-accountant referred the payment voucher for Lire 30,150 to Major John Ames, Executive Officer, AGC 5 Army, who obtained General Hume's own signature on the payment voucher.

3. On 3 July, 1944, Colonel E. H. Foley, Jr., Joint Director, Finance Sub-Commission, wrote an official letter to General Hume, the relevant parts of which read as follows:

"The War Department has microfilmed press clippings concerning AGC/AFG activities since November, and such clippings have been given wide distribution among higher ranking Military Government officers in Italy and North Africa. In addition, the Public Relations Officer has for some time had a selection of clippings from U.S. and U.S., which is available for perusal. From such information as we now have, we feel that the payment in question should be disallowed. Our conclusion that the expenditure was essentially private in nature appears to be reinforced by the circumstance that the original payment was made from a personal account.

3523

We should be very glad to reconsider this matter if you should care to indicate any circumstances which might have caused our attention making this a proper payment from public funds. Otherwise, we suggest that the matter be settled by your making available Lit. 30,150 to Captain Harwell, who should then reimburse AGC."

4. On 20 July, 1944, General Hume replied as follows:

The clippings were ordered in furtherance of the wishes of

785017

Chief Examiner.

1. This memorandum summarizes the developments from 26 June, 1944, to date on the news clipping service subscribed to from AG/AGC funds at the order of Brig. General E. R. Hume, SCAG, AG 5th Army.
2. On 26 June, 1944, Finance Sub-Commission was advised by Regional Finance Officer, Region IV, that in auditing the account of AG 5 Army sub-accountant, an item of Lire 30,150 was found representing a payment for press clippings furnished by Burrelles and Rosilse Press Clippings Bureau in the U.S. The actual dollar payment in the U.S., it was found, was effected by one Captain C. A. Harwell out of his personal bank account, it being understood that he would be repaid in Lire through AG 5 Army. The total cost of the two services for three months was indicated to be \$304.50. The sub-accountant referred the payment voucher for Lire 30,150 to Major John Ames, Executive Officer, AG 5 Army, who obtained General Hume's own signature on the payment voucher.
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3523

We should be very glad to reconsider this matter if you should care to indicate any circumstances which might have escaped our attention making this a proper payment from public funds. Otherwise, we suggest that the matter be settled by your making available Lit. 30,150 to Captain Harwell, who should then reimburse AGC."

On 20 July, 1944, General Hume replied as follows:

"The clippings were ordered in furtherance of the wishes of the Army Commander in order that Allied Military Government might, so to speak, watch the pulse and temperature of the American people with regard to their reaction towards what is being done by Allied Military Government with the Fifth Army. The services purchased are such as a Public Relations Officer would normally subscribe to in the pursuit of his functions. There being no such officer now at this headquarters, it is necessary for me to discuss matters with the press constantly, in accordance with the Army Commander's policy. To follow that, I must be fully informed of how the press is reacting. The clippings were not desired for historical purposes and therefore are

- 2 -

valuable only if received with reasonable promptness such as is the case with those ordered from legitimate newspaper clipping bureaus. Subscriptions to newspaper clippings is a common and well recognized administrative procedure in the U.S. War Department and similar establishment when a knowledge of the public's reactions is important.

It is noted that certain microfilmed press clippings from the War Department have been given distribution among higher ranking military Government officers in Italy and North Africa. While this is doubtless the case, such material has reached Allied Military Government, Fifth Army, only on three occasions and in all three of them the copies were so old that they were of historical interest only. The last such material received at this headquarters was several months ago. The file at AGC headquarters that is available for perusal is hardly of much practical use to a military headquarters in the combat zone nearly six hours distant.

The material was not ordered as a private venture, as the writer has no interest in this other than in connection with his official duties. He placed the order in the exercise of his best judgment. The same is true of other clippings not yet received. It seems hardly fair to expect the writer to pay this sum from private funds to Captain Harwell for the reason stated. That Captain Harwell in the first instance made payment for his personal account is a purely incidental procedure and was of his own choosing, not being so ordered by me."

5. Colonel Foley then instructed the Chief Accountant of the Finance Sub-Commission as follows: "In view of General Hume's explanation that the clippings were ordered 'in furtherance of the wishes of the Army Commander', I suggest that the item be removed from suspense and settlement of it made."

6. On 31 October, 1944, the Senior Finance Officer, AMG 5 Army, applied for permission to renew the press cuttings subscriptions, stating "... I am instructed by the SCAO, AMG 5 Army, to inform you that the U.S. newspaper clippings service is necessary to this Headquarters because of the fact that the Commanding General, Fifth Army, desires that AMG Headquarters, Fifth Army, keep itself and him informed as currently as possible of the reactions in the U.S. press to the conditions affecting Italian civilian life in ^{the} ~~the~~ its aspects in the areas under his command."

7. It will be seen that the reasons advanced were similar to those previously stated by Brig.- General Hume on which authority had been given by Colonel Foley. It was considered that if the Senior American Finance Officer in the Allied Commission had seen fit to authorize a payment necessitated by the wishes of an American Army Commander it was undesirable for the Senior British Finance Officer to reverse this policy. Accordingly on the 7th November authority was given for the news clipping service to be borne out of AMG funds. My recollection is that I mentioned this matter ^{in the} ~~in the~~ to the Executive Commissioner but I cannot confirm this action nor that the subject was discussed with you. It is this letter from Finance Sub-Commission that

three of them the copies were so old that they were of historical interest only. The last such material received at this headquarters was several months ago. The file at AGC headquarters that is available for perusal is hardly of much practical use to a military headquarters in the combat zone nearly six hours distant.

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7. It will be seen that the reasons advanced were similar to those previously stated by Brig.- General Hume on which authority had been given by Colonel Foley. It was considered that if the Senior American Finance Officer in the Allied Commission had seen fit to authorize a payment requested by the wishes of an American Army Commander it was undesirable for the Senior British Finance Officer to reverse this policy. Accordingly on the 7th November authority was given for the news clipping service to be borne out of AMG funds. My recollection is that I mentioned this matter ^{officially} ~~in a letter~~ to the Executive Commissioner but I cannot confirm this action nor that the subject was discussed with you. It is this letter from Finance Sub-Commission that is quoted as authority for Voucher Number 69 in the December accounts of the Senior Finance Officer, AMG 5 Army, representing payment Lire 15,040 for the clipping service.

8. In a letter reference 13075/P of 14 February 1945 Com. Lawler requested your decision whether Voucher Number 69 should be allowed or disallowed and the authorising letter of 7 November 1944 cancelled. In my opinion it would be difficult to justify the reversal of the policy authorised by Col. Foley. The change of Commander at 5 Army may make it possible to withhold subsequent authority. But I would expect that Brig.-General Hume has already convinced the new Army Commander that the maintenance of an interesting and detailed news clipping service is to be desired. This is a subject which would be better discussed in conversation between General Truscott and yourself rather than by correspondence restricted to the financial field.

As Secretary Hume

COPY: Executive Commissioner. ✓

Joint Director,

FINANCE SUB-COMMISSION

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

Folios 43 to 44 transferred to file 4613/EE.
Cable FX 29107 of 18 Feb 45 of AFHQ Sub Enclage Cate.
minute 44.

9 March 45

T Middleton
epc

785017

4608
~~SECRET~~

EX-100000

FX 27904

FEB 161535

1/2146

FEB 162018A

ROUTINE

FROM: AFMC SIGNED ALEXANDER CITE PHOTO

TO : AGWAR FOR CCS FOR CCAC REPEATED FOR INFORMATION TO AMBRO FOR BRITISH CHIEFS
OF STAFF AND HQ COMZONS MAIN BEYOUNG AND HQ ALGOM

FEB 17 1945

Refer MAT 526 of 9 February this is MAT 538.

Based on further information from U S and U K missions in indicated countries,
corrected amounts for respective Italian diplomatic missions follow:

SWEDEN 73500 Kroon, KING 880 Pounds, ARGENTINA 168000 Pesos, TANGIER 166000
Pesetas.

LIST

INFO-ACTION: Finance S/C

INFO: A/President

Chief Commissioner

Executive Commissioner

Ext Sec

Tn S/C

File 2

Float

CONFIDENTIAL

3527

HEADQUARTERS

17 FEB 1945

~~SECRET~~

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Chief of Staff.

Tel : 478604

Ref : 13116/F

Date: 14 February 1945.

SUBJECT: Tariff Rates for Requisitioned Hotels.

FEB 15 1945

TO : Regional Commissioner -
Lazio-Umbria Region.

1. I have been informed by DD Claims and Hirings that the Acting Provincial Supply Officer, Perugia Province has agreed to an increase in hotel tariff rates in that province. Copies of the Claims and Hirings letter and that of the Acting Provincial Supply Officer are attached.

2. As you will note from paragraph 5 of the Claims and Hirings letter, the agreement made in Perugia will cause serious trouble for the Italian Requisitioning Authorities, upon whom the responsibility rests for financial settlement with hotels occupied by the Allied forces, both in Italian Government and Military Government territory.

3. I therefore ^{direct} request that you instruct the Acting Provincial Supply Officer to withdraw his letter of agreement and to inform accordingly all persons to whom a copy had been sent.

By Command of Rear Admiral Stone.

M. S. LUSH

Brigadier,
Chief of Staff.

3528

3528

(Copy passed for CC files)

785017

SUBJECT : Allied Military Occupied Hotels -
Method of Indemnity

41 Claims & Hirings
CMF
CH/41/H/48
12 Feb 48

Chief Budget Officer,
Finance Sub - Commission,
Allied Commission, CMF.

1. I refer to telephone conversation (Major Hall - AD Hirings) and to letter from Acting Provincial Supply Officer AMO, Perugia Province, to Prefettura Perugia copy to Commissario dell'Ente del Turismo.

2. It is noted from this letter that the Acting Provincial Supply Officer has agreed an increase in tariff rates for hotels in that province of 500% over the latest published Italian prices in respect of 1st, 2nd and 3rd category hotels and 600% in respect of 4th category hotels.

3. As you are aware, the question of fixing a tariff rate for hotels has proved completely incapable of solution to date. The payment on account system agreed between the Allied Military Authority and the Italian Government has been evolved largely for this reason and at the direct request of Finance Sub - Commission, Allied Commission.

4. As you are also aware, the Ministry of Industry and Commerce, Italian Government, are at the present time endeavouring to draw up a tariff rate for the various six-monthly periods from the Allied occupation of Italy to date.

5. The agreements made in the above letter are out of all proportion and will cause serious trouble for the Italian Requisitioning Authorities unless some action is taken immediately by your Sub - Commission to have the agreement cancelled. This is particularly necessary as a copy of the letter has been sent to the Central Tourist Organisation, responsible in normal times for the fixing of tariff rates for hotels.

(J.I. Littlewood)
Lieut. Colonel
for Colonel
DD Claims & Hirings

Copy to : Director of Hirings,
Claims Commission & Hirings Directorate (Br),
AFHQ - with copy of AMO letter referred to.
Ufficio delle Requisizioni,
Direzione Generale Genio,
Italian Ministero della Guerra.

3525

C O P Y

Soggetto:Prezzi delle camere d'albergo.

ALLIED MILITARY GOVERNMENT
LAZIO UMBRIA REGION
PERUGIA PROVINCE
ECONOMICS AND SUPPLY DEPT.

31 DEC 44

Sup : 13

Al Prefetto
Presidente Consiglio Prov. Econ.
All'Associazione Commercianti
della provincia di Perugia
Al Commissario dell'Ente del Turismo (Per informazioni)

1. Questo ufficio ha approvato l'aumento dei prezzi delle camere d'albergo, come segue:
I prezzi segnati nell'Annuario Alberghi d'Italia edizione 1944, (incluso aumento del 15% come da autorizzazione datata 10 Maggio 1940) sono soggetti ad un aumento del 500% in caso di Alberghi di 1a, 2a, 3a, categoria e del 600% in caso di Alberghi di 4a categoria.
2. Questi aumenti devono essere considerati come aventi effetto dalla data della liberazione di Perugia, 20 Giugno 1944.

Capt. U. D. F.
Act. Prov. Sup. Offr.

Copied
f. to Illegibile
23 Gennaio 1945

3523

HEADQUARTERS ALLIED COMMISSION

AFC 304

EXECUTIVE MEMORANDUM)

NUMBER)

PAYMENT FOR AIR TRAVEL WITH MATS AND ATO OF NATIONALS
OF COUNTRIES NOT RECEIVING LEND-LEASE FACILITIES

FEB 13 1945

12 February 1945

1. Instructions have been received that in future (a) the transport by MATS or ATO of nationals of countries receiving lend-lease facilities will be charged against lend-lease account, and (b) the transport of nationals/countries not receiving lend-lease will be paid for in cash.
2. AC is not concerned with the accounting for the transport referred to in 1 (a) above, which will be handled by the U.S. transport agencies concerned.
3. With regard to 1 (b), the individuals to be transported fall under two categories, (a) individuals whose travel orders are not obtained by AC, and (b) individuals whose travel is sponsored and travel orders issued by AC, (e. g. Italians travelling on AC business, or nationals of countries not receiving lend-lease transported by Displaced Persons and Repatriation Sub-Commission).

4. AC is not concerned with the procedure for the transport referred to in 3 (a), as payment of the transport charges will be made by the agency sponsoring the travel.

5. With regard to 3 (b), namely nationals of countries not receiving lend-lease whose travel is sponsored and whose travel orders are made out by AC, the payment of the transport charges will be made by AC. The procedure will be as follows:-

(a) Establishment Section, Regional Executive Officer ³⁵²³ give Office or Officer responsible for issuing the travel orders of the individual for whom the ticket is required an extra copy of the orders. The Establishment ^{Section} Regional Executive Officer etc. will ascertain the price of the ticket and indorse it on the extra copy of the travel orders.

(b) The traveller will present this extra copy of the travel orders to the Headquarters Commandant or Regional Headquarters Sub-Accountant. The latter will pay over the price of the ticket as shown on the copy of the travel orders, which he will retain as a supporting document

4608 of Chief of Staff 37
14/2 P/A

will be charged against lend-lease account, and (b) the transport of nationals/countries not receiving lend-lease will be paid for in cash.

2. AC is not concerned with the accounting for the transport referred to in 1 (a) above, which will be handled by the U.S. transport agencies concerned.

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5. With regard to 3 (b), namely nationals of countries not receiving lend-lease whose travel is sponsored and whose travel orders are made out by AC, the payment of the transport charges will be made by AC.

The procedure will be as follows:-

(a) Establishment Section, Regional Executive Officer 3523 give Office or Officer responsible for issuing the travel orders an extra copy of the individual for whom the ticket is required an extra copy of the orders. The Establishment Section, Regional Executive Officer etc. will ascertain the price of the ticket and indorse it on the extra copy of the travel orders.

(b) The traveller will present this extra copy of the travel orders to the Headquarters Commandant or Regional Headquarters Sub-accountant. The latter will pay over the price of the ticket as shown on the copy of the travel orders, which he will retain as a supporting document to his cash book.

(c) The Sub-Accountant issuing the funds will charge the payment to "Air transport paid for nationals of countries not receiving lend-lease".

-2-

6. For purposes of reference the countries receiving lend-lease are:

Argentina	Australia
Belgium	Bolivia
Brazil	Canada
Chile	China
Colombia	Costa Rica
Cuba	Czechoslovakia
Dominican Republic	Ecuador
Egypt	El Salvador
Ethiopia	France
Greece	Guatemala
Haiti	Honduras
Iceland	India
Iran	Iraq
Liberia	Mexico
Netherlands	New Zealand
Nicaragua	Norway
Panama	Paraguay
Peru	Poland
Saudi Arabia	South Africa
Turkey	United Kingdom
U.S.S.R.	Uruguay
Venezuela	Yugoslavia

3252

Brigadier,
Chief of Staff.

Distribution "A"

Plus 150 copies for Finance Sub-Commission

785017

4608
~~SECRET~~

FX 23579
FEB 091359A

D/1265
FEB 092130A
ROUTINE
FEB 10 1945

From: AFHQ SIGNED ALEXANDER CITE FIGEQ

To: AGWAR FOR CCS FOR CCAC REPEATED FOR INFORMATION TO AMGO FOR BRITISH CHIEFS OF
STAFF AND HQ COMZONE MAIN ETOKSA AND HQ ALCOM

FOR INFORMATION ONLY

~~SECRET~~

Refer TAM 398 of 18 December this is MAT 526.

Financing of Italian diplomatic missions is subject.

1. Italian Ministry of Foreign Affairs and Ministry of Treasury have now presented a tentative plan for financing Italian diplomatic missions for January and February, 1945.

2. Instructions have been given, with the approval of AG, for utilization of following local currency amounts, if available, by the respective Italian missions in January and February, 1945: SWEDEN - Krona 98,000 PORTUGAL - Escudos 540,000 SPAIN - Pesetas 1,599,160 TANGIERS - Pesetas 252,000 ARGENTINA - Pesos 240,000. Italian Ministry of Foreign Affairs has indicated that these are the minimum amounts required at the present time, and that it is hoped that reductions can be made by closing offices and institutes and repatriating personnel. It should be noted, however, that because of lack of up-to-date information Italian Government cannot be certain that the above-mentioned local currency amounts will actually be available.

3522

3. With regard to SWITZERLAND, TURKEY and EIRE, Italian Government requests permission to finance its diplomatic missions in these countries by drawing on its post-liberation dollar and sterling accounts. In the case of SWITZERLAND, Italian

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see 19.36

~~SECRET~~
- 2 -

34

(FX 23579 continued)

Government does not consider it advisable attempt draw on its blocked Swiss Franc assets, that equivalent sums be unblocked in favor of the Republican Fascists. Plans being laid to send a competent Italian representative to SWITZERLAND to examine the whole situation; until this is done it is recommended that Italian Governments suggestion be followed. Sums requested for these 3 countries and approved by AC: SWITZERLAND - Swiss Franc 327,408 EIRE - Pounds 980 TURKEY - Turkish Pounds 113,843 Plasters 12 TAM 398 provides that dollars and sterling will be drawn on equally. Neither Italian Government nor AC is aware of exact channels that would be used to effect the dollar exchange transfers and therefore Minister of Treasury has requested that entire amounts needed in SWITZERLAND, EIRE, and TURKEY be made available by local currency advances from the American and British Missions, immediate repayment being effected in WASHINGTON and LONDON by debits to Italian post-liberation dollar and sterling accounts. It is recommended that this be adopted as interim procedure, and that if it is desired that the exact procedure specified in TAM 398 be followed you forward information as to what banking channels the Italian Government could use in making dollar remittances to all neutral countries. Unless there are strong reasons to the contrary, it is suggested that the local currency advance procedure be continued, for it would eliminate delays in transfer of American share which might result in double requests to British Missions and other complications.

4. Italian Government has also raised question of financing the Italian Missions in RUMANIA and BULGARIA. Minister of Treasury states that he believes the mission in RUMANIA has sufficient funds at its disposal for the time being. ³⁵² It is expected that an Italian official from RUMANIA will shortly visit ROME and that he will be able to clarify the situation. For BULGARIA the Minister has requested 3,000,000 Leva for January and February. Since BULGARIA is an ex-enemy country and does not

(FX 23579 continued)

appear to be covered by TAM 398. your views on this question are urgently needed.

5. Minister of Treasury has also included AFGANISTAN in the list of countries to be financed by drawing on dollars and sterling, a figure of 400 Pounds sterling for the 2 months being given. We understand that the question of the Italian mission in AFGANISTAN is currently under discussion between British Foreign Office and Government of INDIA, and we desire an indication of what answer is to be given to the Italians on this point.

6. Reference para 13 of TAM aigram 24, comprehensive report of Italian external assets given in second interim report on ITALY's foreign exchange position (31 October 44) of Finance SubCommission, AC.

DIST

INFO-ACTION: Finance S/C
INFO: A/President
Chief Commissioner
C.O.S.
Pol Sec
Econ Sec
File



~~SECRET~~

3510

3520

785017

13212/F

2 February 1945

FEB 2 1945

My dear Mr. Prime Minister:

The Directors of the Finance Sub-Commission have recently discussed with H.E. Marcello Soleri, Minister of Treasury, the implications of the news from the north that the manufacture of currency has broken down completely and that Buoni del Tesoro Ordinari are being used as supplementary currency. We feel that it would be eminently desirable, at this time, to take what action we can to relieve the Italian state of the burden of redeeming bonds used as supplementary currency in the north and to increase the difficulty of the Germans and of the Fascist government in financing their operations. We do not propose any attempt to repudiate currency, since it is indistinguishable, except on very close examination, from currency used in liberated Italy.

In order to achieve this purpose, any actual repudiation would have to be affected by AMG officers, but the statement of repudiation must come from your government. We would suggest that the Italian Government give wide publicity, by every means within its power, to an announcement containing, in substance, the following:

"After today the following types of Buoni del Tesoro Ordinari, issued in enemy occupied territory will not be honored:

- (a) All bonds having the face value of 10,000 lire or over, issued since 1 September 1944.
- (b) All bonds on which date of issue and date of maturity are identical.
- (c) All bonds issued in enemy occupied territory after today."

I would appreciate hearing your views on this matter.

Yours very truly,

ELMER W. STONE

3519
ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

cc: COS
cc files

see M.31732
PA 7/2

785017

~~SECRET~~~~SECRET~~

13025/F.

24 January 1945.

Subject: Authority and duties of Officers of AF dealing with Remittances.

TO : G-5 Section, Allied Force Headquarters, APO 512.

1. Reference G5/123.7, dated 13 January 1945, enclosing TAM 421 dated 13 January 1945, and our letter 13025/F dated 20 January 1945.

2. The following British and American officers who have been assigned to duty with the Allied Financial Agency have been and are authorized to authenticate, now and in the future, the signature of persons designated by the Banca d'Italia to operate accounts, including specifically accounts which are utilized to effect remittances from the United States and the United Kingdom to Italy. In authenticating documents prepared by the Banca d'Italia to Banks in the United States and the United Kingdom, relating to remittances to persons or organizations in Italy, these officers have been and are operating within their proper duties as assigned by my orders:

Lieut.-Col. J. H. Penick (A) - O-104466	AFHQ
Major E. J. Gits (B) - 39258	-do-
Major D. B. Mathias (A) - O-522683	-do-
Lieut. J. H. Cicala (A) - O-1688473	-do-
Major J. P. Meyer (A) - O-520284	AFHQ Naples
Major S. L. Anderson (A) - 214674	AFHQ Rome

Specimen signature of these officers are given in an annex to this letter.

3. Authority to designate additional officers for duty with the Allied Financial Agency is vested in the Joint Directors, Finance Sub-Commission, who are at present Colonel A. P. Grafftey-Smith (B) 35329 and Commander J. J. Lawler (A) USCGR. Specimen signatures of these officers are given in an annex to this letter.

4. Additional officers designated for duty with the Allied Financial Agency by the Joint Directors, Finance Sub-Commission, are assigned the function of authenticating the Banca d'Italia signatures by order of the Chief of the Allied Financial Agency, now Lieut.-Col. James H. Penick, O-104466, Specialist Reserve (A).

~~SECRET~~~~SECRET~~

see Minute 29

2/2

785017

~~SECRET~~~~SECRET~~ 27

8. Specifically, the signature of Major E.J. Gits, Deputy Chief of the Allied Financial Agency, who authenticated for transmission letters of the Banca d'Italia, dated 12 January 1945, to the banks named below, is a true signature of this officer and he is hereby certified to have been operating within the duties assigned by my orders in transmitting these letters and documents:

<u>Addressee</u>	<u>Addressee</u>
Barclays Bank Ltd., 168 Fenchurch St., London, E.C. 3.	Lloyds Bank Ltd., 80 Gracechurch St., London, E. C. 3.
Midland Bank Ltd., 122 Old Broad St., London, E. C. 2.	National Provincial Bank Ltd., 15 Bishopsgate, London, E. C. 2.
Westminster Bank Ltd., Head Office, 41 Lothbury, London, E. C. 2.	Bank of America National Trust and Savings Association, Calif.
First National Bank & Trust Co. of New Haven, Connecticut.	First National Bank of Chicago, Illinois.
National Bank of Commerce, New Orleans, Louisiana.	First National Bank of Baltimore, Maryland.
First National Bank of Boston, Massachusetts.	National Bank of Detroit, Detroit, Michigan.
First National Bank in Saint Louis, Missouri	Fidelity Union Trust Co., Newark, New Jersey.
Chase National Bank, New York.	National City Bank of New York, New York.
Manufacturers Trust Co., New York.	Cleveland Trust Co., Cleveland, Ohio.

~~SECRET~~~~SECRET~~

3517

~~SECRET~~

CONFIDENTIAL

Addressee

Mellon National Bank,
Pittsburgh,
Pennsylvania.

First Wisconsin National Bank
of Milwaukee,
Wisconsin.

Addressee

Industrial Trust Co.,
Providence,
Rhode Island.

Riggs National Bank of
Washington,
District of Columbia.

(Sgd.)

MILBY W. STONE
Rear Admiral, USNR
Chief Commissioner

351/3

~~Secret~~

~~Secret~~

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

Folios 21 to 25 transferred to file 4613/EC.
"Letter 27 Dec folio 13012/E Subject "Enclav. Control."
Folios 24 and 25.

3515
Y. Middleton
Cpl

9 March 45.

785017

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

DC:EDW

11.05/ES

18 Dec 44

19 DEC 1944

TO: Finance Sub-Commission (Attn: Col. Graffley-Smith)

SUBJECT: Participation of Italians in International and Economic Organizations

1. I would appreciate it if you could have a memorandum prepared on the possibility and desirability of Italians participating in the International Monetary Fund and the Bank for International Reconstruction.

2. Such a memorandum would be the basis for a request for further information and indications of present thinking in Washington and London on this subject.

3. I assume that a certain amount of thinking has already been done on this subject, both here and in the United States and United Kingdom. It seems to me that Italy is going to need more financial help than is now in sight; therefore, that every avenue of additional funds should be explored. When the Bank for International Reconstruction really "gets off the ground", it may be possible for it to participate in the financing of Category "D" imports into Italy.

HARLAN CLEVELAND
Executive Director
Economic Section

3512.

Copy to: C of S.

23/12

785017

4608
HEAD-QUARTERS
ALLIED MILITARY GOVERNMENT
LAZIO UMBRIA REGION
APO 394

FINANCE DIVISION

F/461/IV

19 Dec. 44

20 DEC 1944

Oggetto: Pagamenti ai dipendenti di
prigionieri civili.

Alla : Ragioneria Centrale, ex Ministero Africa Italiana, Roma

Copy to: File F/16/R

" " Chief of Staff
HQ. Allied Commission

" " Alfredo Marziale
Via 20 Settembre 65, Roma

1. Accludo nella presente copia di una lettera ricevuta
da Alfredo Marziale con data 8 Ottobre 44.

2. Questa Divisione non può occuparsi di quel che riguarda
l'assegno di Lit. 13.500 alla Banca Nazionale del Lavoro poichè lo
sblocco dei conti è ora pertinenza del Ministero del Tesoro.

3. Prego corrispondere direttamente con il Sig. Marziale
e fare quanto può essere necessario per soddisfare la sua richiesta.

E. R. Legh-Jones
E. R. Legh-Jones
W/Cdr. R.A.F.
Regional Finance Officer

3513
Chief of Staff - This refers to your letter 4608/18/COS of
13 Dec. 44, subject: Payment of Monetary Allotments.

785017

18

Tel: 289081 Ext 289

13 December 1944.

Ref: 4608/18/008

SUBJECT: Payment of Monetary Allotments.

TO : Regional Commissioner, LAZIO-UMERIA Region.

17
Attached letter dated 8 Oct 44 from Alfredo MARZIALE complaining that he has not been receiving payment of monetary allotment due, is passed to you for appropriate action.

3512
Brigadier,
Chief of Staff.

Incl:
as above

see 19

11/12

Tre lation

To Commodore Stone,
Chief Commissioner of the Allied Commission

The undersigned, whose son is a civilian prisoner in Kenya gets every month an allotment of the Department for Africa; this allotment has been increased of 70%, but since the date of this increase, no payment has been made of what was due to him. There seem to be a check of L. 15.000 in the Banca del Lavoro, but an authorization is required. The Ministry for Africa said that the Allied Commission hadn't given any order.

I am a tradesman with a numerous family, and I hope you will kindly intervene in my favour.

Truly Yours,

s/ Alfredo Marsiale

Via XX Settembre, 65

R o m e

8 Oct. 44.

See 18

Trans. e.o.

3511

4608

~~SECRET~~

F 63233
DEC 051047

C/2891
DEC 051630
ROUTINE

From: SIGNED SACRED CITE THORO
To: AICOM ROME FOR CRAWSHAW

6 DEC 1944

P/A

HEADQUARTERS

DEC 1944

FOR INFORMATION ONLY

~~SECRET~~

landed cost imported coal. Following is summary of cables CIVIED 13 from TROOPERS and VX 72142 from AQWAN on subject.

In arriving at an approximate landed cost of imported coal which Allied Commission can pass to Italian Govt as a basis on which they can fix internal selling price, the following information is furnished.

(a). A figure of 30 dollars per tons should be used as the estimated US average landed cost of coal furnished by the US Government to ITALY including SICILY for civilian use.

(b). A figure of 115 shillings per tons should be used as the estimated UK average landed cost of coal furnished by the UK to ITALY including SICILY for civilian use.

(c). It is understood that AC/AMG will weigh estimated UK and US landed costs by quantities furnished by US and UK(?) respectively and thus determine an approximate UK/US combined weighted average landed cost for coal to give to Italian Govt for internal pricing purposes only. If this is done AC/AMG should inform the Italian Govt that quoted cost is the best estimate available now and is without prejudice to the price to be charged the Italian Govt when more accurate costs are known.

3516

~~SECRET~~

DIST

ACTION FINANCE FOR
CHIEF ACCOUNTANT
INFO CHIEF COMMISSIONER
CoS
ECON (2), FILE

785017

15
Tel: 289

8 8
Ref : 4608/15/COS

2 December 44.

SUBJECT: Financial assistance.

TO : Economic Section.

ISA.

Attached letter dated 1 December 44, from Maria Puccio - Pizzo together with translation, is passed to you for appropriate action.

encl
Chief Staff Officer,
To the Chief of Staff.

3503

PA
12

8 8 15A.

Translation

Rome, December 1st, 1944.

To Commadore Stone
Chief Commissioner
A.C.

15A

The undersigned, Maria Puccio-Rizzo, an American citizeness, as from the enclosed certificate, finds herself in such poor circumstances that she had to sell all she possessed. Her husband salary is too small for them to live on it. She asks for some financial help to enable her to buy what she most needs.

/s/ Puccio Maria in Rizzo

Piazza Prati Strozzi, 34.
R o m e

3508

15

DEPARTMENT OF HEALTH

CITY OF NEW YORK

BUREAU OF RECORDS

THIS IS TO ANNOUNCE THAT A

is on file in the Department of Health bearing the name of _____

_____ Maria Puccio _____

born at 109 Hudson Ave. _____ Boro, BKlyn _____ Fathers name _____

Vincenzo _____ on _____ October 6th. _____ 1917 _____ Mothers name

Critelli _____

Majot

No. _____ 39992

Registrar

Commissioner of Health

77

25-2353-17B

Form 85 H.

3507

785017

12 November 1944

2677 REGIMENT

OFFICE OF STRATEGIC SERVICES

COUNTRY Italy
 SUBJECT Political and Economic Views of
Mattioli, Italian Finance Repre-
sentative to U.S., on Eve of De-
parture on his Mission

SOURCE Z, EXODUS
 SUB SOURCE Mattioli

ORIGINAL REPORT NO JR-1186
 DATE OF REPORT 8 Nov. '44
 EVALUATION C-3

CONFIRMATION }
 SUPPLEMENT }
 CORRECTION }

DATE OF INFORMATION 30 October 1944
 PLACE OF ORIGIN Rome

NUMBER OF PAGES 2
 ATTACHMENTS
 THEATRE MED-HQ.DET.

THEATRE DISTRIBUTION
AC-CC
AMG
G-5, AFHQ
G-2, 5 Army
AC-ES
MAAF-PRO
ONI
AC-PS
RAAC, G-2

1. Mattioli considers the Italian economic situation extremely grave. He believes that his mission is not to seek charity from America, but that it will deal with financial and monetary problems, and explore the ground with a view to early re-establishment of Italian economy in respect to the United States. Mattioli has confidence in the revival of Italy, which he believes will begin as soon as the necessary favorable conditions are established. This, he says, is what he hopes to do. He believes the United States is in a position to help Italy immediately.
2. He considers Italy's ability to meet Allied financial claims against her is still remote, and contingent upon the reorganization and clarification of Italy's finances. Reorganization of a promising sort, however, is a definite possibility according to his view of the situation.
3. Mattioli views with tolerance the presence of leftist parties in the government. He says he realizes participation in the Government by the Socialist and Communist parties must be considered a necessity, as they represent - to a greater or lesser degree - the two movements whose collaboration is essential to a democratic Italy. He considers Togliatti, leader

CONFIDENTIAL

CLASSIFICATION

MID	ONI	A-2	STATE	TREAS	DEF	NSA	AMB	EC	SEC	JICA	L		
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CONFIDENTIAL

JR-1186

OFFICE OF STRATEGIC SERVICES

-2-

Of Italian Communists, a man of great ability and intelligence, and believes that Italian leaders of this movement have strong personalities and would remain, therefore, reasonably independent from Moscow. At the same time he believes there is no need to exaggerate the "danger" of Communism in Italy, and particularly the subjection of that party to Moscow. Mattioli affirms that through close economic cooperation between Italy and America, favorable conditions may be created for employment of Italian manpower, thus avoiding the dangers of leftist political movements. Togliatti's participation in the government makes such a danger less likely, he states. He points to the Demo-Christian party as a factor in Italian political life. He believes in political unity, and that the Italian government should be supported by all political parties in its work of reconstruction, and be given an opportunity to reach political-economical-financial agreements with the United States.

4. Mattioli's view on Italian intervention in the war with Japan is that the majority of Italian political parties are in favor of it, but that no decision will be taken until participation in the Pacific war is considered by Italians as a political necessity. He thinks it is wrong to believe that Italy intends to bargain with the Allies, viz., that Italy's intervention in the war against Japan is contingent on her being accepted as an ally. Mattioli believes that Italy's effective participation in the war requires as a prerequisite that Italians first be convinced that intervention would bring them a new status among the United Nations.
5. While in America, Mattioli intends to contact people in authority on matters to be discussed, and others close to President Roosevelt who could advise the President on Italy's urgent needs. Italy's economic conditions make it imperative that his conversations in the United States should succeed. Failure of his mission would in probability cause a tremendous disappoint and moral collapse.

- - - - -

3502

CONFIDENTIAL

785017

Office of the C. of Staff
4608
(9)

13025/f

10 November 1944

15 NOV Recd

My dear Mr. Ambassador,

Further to my letter of 3 November, 1944, the Allied Financial Agency has been instructed to forward to you a list of American nationals who may receive loans in November or in subsequent months.

A complete list of all loans made up to 30 September 1944 was forwarded to the United States Consulate General, Naples, on 1 November. These include payments made by AGO/AGC officers in the field to the end of August 1944, since, under the accounting system, the transactions of such officers are not reflected on AFA's books until the month following that in which they occur.

Any loans made in November will not, therefore, be notified to you until the end of December 1944.

Very truly yours,

(sgd)

ELBERT W. STONE
Consul General, USAR
Acting Chief Commissioner

The Honorable Alexander Kirk
U.S. Representative to the
Advisory Council for Italy
Via Vittorio Veneto, 119
Rome

3503

3501

Copy sent to SO to C C.

785017

Office of the Chief of Staff

Tel: 451

Assistance to American nationals.

4608/8/008.

Economic Section (For Finance Sub-Comm)

3 Nov

4.

1. Attached is (a) a letter from Mr. Kirk dated 1st Nov 44 to the Acting Chief Commissioner, and (b) his acknowledgement.

2. I would be grateful if you would take the necessary action and draft a reply to paragraph four of Mr. Kirk's letter for the Acting Chief Commissioner's signature as soon as possible.

350;

(S/Cdr) H. M. MASON

Chief Staff Officer,
To the Chief of Staff.

Owing to Finance
Sub-Commission becoming
Financial Advisors to
A/C.C. & dealing direct
with his office - It was
replied to direct on
10 Nov. 44 (Ref. 13025/F) -
Sent Enc 9

ITM 4/4

6/n

4608/COS
13025/F

3rd November, 1944.

My dear Mr. Ambassador,

I have passed your letter of 1st November about financial assistance to American nationals to our Finance Sub-Commission who will instruct Finance Officers to cease payment of loans forthwith.

If some November loans have already been made, I have asked them to prepare a list as requested in your paragraph four, which will be forwarded to you as soon as possible.

Yours very truly,

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner.

The Honorable Alexander Kirk
U.S. Representative to the
Advisory Council for Italy
Via Vittorio Veneto, 119.
R O M E .

3501

785017

UNITED STATES REPRESENTATIVE
Advisory Council for Italy

8B

Rome, November 1, 1944

Urgent

My dear Commodore Stone:

The consular offices at Palermo, Naples and Rome have now been authorized by the Department of State to extend financial assistance to qualified American nationals in their respective consular districts. The Swiss will continue temporarily to make such loans to qualified Americans in the other liberated Italian areas north of Rome.

In order to avoid making duplicate payments it would be greatly appreciated if the Finance Officers of the Allied Commission could be requested not to make any further loans in November or in subsequent months to qualified applicants but to refer such applicants to the respective consulates or to the Swiss for this purpose.

A list showing the provinces contained in the Naples, Palermo and Rome consular districts is attached.

In case some November loans have already been made before the notification to discontinue such loans is received, it would be appreciated if a list of the persons receiving such loans showing the names and addresses and the amount of the loan in each case, could be sent to me for the information of the Naples, Palermo and Rome consular offices and of the Swiss representative.

Sincerely yours,

A. KIRK.

Enclosure:

List showing provinces
included in Palermo, Naples
and Rome consular districts.

3503

Commodore Ellery W. Stone, USNR,
Acting Chief Commissioner,
Allied Commission
Rome.

CONSULAR DISTRICTS.ROME

Rome - Ancona - Aquila - Ascoli Piceno - Cagliari (Sardinia) - Campobasso -
Chieti - Grosirone - Macerata - Nuoro (Sardinia) - Perugia - Pesaro Urbino -
Pescara - Rieti - Sassari (Sardinia) - Teramo - Terni - Viterbo - Littoria.

NAPLES

Naples - Avellino - Bari - Benevento - Brindisi - Foggia - Lecce - Matera -
Potenza - Salerno - Taranto - Catanzaro - Cosenza - Reggio Calabria.

PALERMO

Palermo - Caltanissetta - Castrogiovanni - Girgenti (Agrigento) - Trapani -
Messina - Catania - Ragusa - Siracusa.

4608
1
6057
RML/ht.

The Hon. Alexander Kirk,
United States Ambassador,
R.O.M.C.

28 October 1944.

Dear Mr. Kirk,

Reference is made to your letter of 27 October 1944 concerning the payments of the Swiss Legation in Washington for the purpose of defraying the expenses of the representation of Italian interests in the United States.

As we originally requested by means of a message from O.G.S. received by us on 15 August 1944 to authorize the release of an amount not to exceed \$5,000 per month for this purpose. This was discussed with the Italian Government which verbally authorized the payment of \$3,000 per month and stated that a request would be made of the Swiss Government for information as to the reason for a need of \$5,000 per month. The payment of \$3,000 per month was authorized on 25 August 1944.

On 3 September 1944 the Political Section A.G.S. delivered to Finance Sub-Commission the phrase of the telegram received from the Department of State Washington stating that \$5,000 is needed asking the Department to be informed urgently why \$5,000 had not been authorized.

On 10 September 1944 Finance Sub-Commission notified Political Section that the Italian Government was waiting information from the Swiss Government before authorizing advances of \$5,000 premium.

Two other messages from the Department of State requesting the Italian Government to increase the amount available were delivered by the Political Section to the Finance Sub-Commission on 20 and 27 September. This matter was again discussed with the Italian Government who stated it was still waiting information from the Swiss Government. The Italian Government also requested that the Department of State be asked to inform the Swiss Legation that the Italian Government would appreciate receiving information supporting the need of \$5,000 per month. The Finance Sub-Commission notified the Political Section of this reply on 30 September 1944 and also the informed Political Section that the payments for August, September and October had been omitted.

R O M O.

Dear Mr. Kirk,

Reference is made to your letter of 27 October 1944 concerning the payments of the Swiss Legation in Washington for the purpose of defraying the expenses of the representation of Italian interests in the United States.

Message originally requested by means of a message from C.C.S. received by us on 10 August 1944 to authorize the release of an amount not to exceed \$5,000 per month for this purpose. This was discussed with the Italian Government which verbally authorized the payment of \$3,000 per month and stated that a request would be made of the Swiss Government for information as to the reason for a need of \$5,000 per month. The payment of \$3,000 per month was authorized on 25 August 1944.

On 6 September 1944 the Political Section A.C.C. delivered to Finance Sub-Commission the purchase of the telegram received from the Department of State Washington stating that \$5,000 is needed making the Department to be informed urgently why \$5,000 had not been authorized.

On 10 September 1944 Finance Sub-Commission notified Political Section that the Italian Government was waiting information from the Swiss Government before authorizing advances of \$5,000 premium.

The other messages from the Department of State requesting the Italian Government to increase the amount available were delivered by the Political Section to the Finance Sub-Commission on 20 and 27 September. This matter was again discussed with the Italian Government who stated it was still waiting information from the Swiss Government. The Italian Government also requested that the Department of State be asked to inform the Swiss Legation that the Italian Government would appreciate receiving information supporting the need of \$5,000 per month. The Finance Sub-Commission notified the Political Section of this reply on 30 September 1944. **3488** Some time informed Political Section that the payments for August, September and October had been submitted.

end
30/10

P/A

- 2 -

6/

The Italian Government had not paid the lire counter value of the \$9,000 already remitted although frequent requests were made for repayment by the Finance Sub-Commission.

On 20 October 1944 Mr. Ortona of the Foreign Office delivered to Finance Sub-Commission a letter from the Minister of Treasury dated 13 October 1944 authorizing payment of \$5,000 per month beginning from 1 July 1944. This letter, two copies of which were sent to the Ministry of Foreign Affairs, instructed that the Ministry should immediately repay the equivalent amount in lire. The Political Section was notified of this communication on 20 October 1944.

Requests have been daily of the Foreign Office for payment of the lire counter value of the dollars; as yet no payment has been received and no payment order in dollars has been sent.

Very truly yours,

WILLIAM M. STONE
Comptroller, USIA
Acting Chief Commissioner.

cc- Pol. Sec
Fin. Sec
COS ✓
"a" files

3497

3497

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

4608

JA

Copy 5

Finance - Info

EMS/dfe

A/CC 100.

23 October 1944

24 OCT Recd

My dear Mr. Minister:

Thank you for your courtesy in forwarding me a copy of your financial report dated 29 September.

Very truly yours,

ELLERY W. STONE
Commodore, USNR
Acting Chief Commissioner

His Excellency Avv. Marcello Soleri
Minister of the Treasury
Italian Government
Rome

cc: C of S Section ✓
'A' Files

3493

27/t

460849 Copy for C. of Staff Sec.

ESS/nt.

HPI 12/10

vul

17 October 1944.

20 OCT Recd

My dear Mr. Prime Minister,

Reference is made to the recent budget message by Minister of Treasury Soleri. We are in agreement with his conclusions that the time is not propitious for a large loan to attempt to cope with the budget deficit and that despite the serious efforts of the Minister of Finance no substantial increase in revenue can be expected in the near future.

Although we are thus in accord generally that the income of the State cannot be substantially increased in the near future, on the basis of our study of the Italian budget and methods of expenditure control for the past year we do feel that certain adjustments, which can readily be made, should result in savings which to some extent will be effective in ameliorating the present unbalanced condition of the State budget.

On the basis of this study we would like to propose creation of a Cabinet Committee on Economy in State Expenditures and we feel that the following recommendations which are, however, very general in nature merit the serious consideration of such a committee:

- (a) Analysis of the budget discloses the presence of a great number of "enti" which are supported at public expense. It is our feeling that those functions which are properly governmental could probably be better administered by direct governmental agencies. This should enable the Government to consolidate many functions and to abolish many "entres" with the attendant saving. Judging from recent newspaper comments a thorough study by an Economy Committee to simplify the "enti" structure would be favourably received by the Italian people.

- (b) It also appears to us that many divisions and bureaus presently existing in the Ministries were created by the Fascist Party to provide sinecures. In addition we have found situations where more than one individual poses as head of a division, each drawing his full salary. We feel that a further study of this situation could bring about far-reaching economies.

My dear Mr. Prime Minister,

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/s....

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(c) The more or less independent status of State road administration under its old organization has recently been changed and made an integral part of the Government, reporting directly to a member of your Cabinet. We feel that there are comparable situations such as the railways, monopolies, telegraph and telephone systems which might well be studied by an Economy Committee to determine whether these bodies should be made an integral part of the Government as in the case of State roads or should be returned to private ownership. A change in either direction would effect economies in the State administration. In addition it is our feeling that if any of these enterprises were returned to private ownership the taxation yield to the State would exceed so-called profits now accruing to the State.

(d) We feel that the present list of Parastatal Agencies receiving contributions from the State should be re-examined with a view to eliminating those which are not performing governmental functions. We would also suggest such a committee should seriously consider a change in the present method of determining the amount of State contributions so that amounts would be specified by law and not left to the personal judgment by the Minister or some subordinate official.

(e) Throughout the budget we find "Fusilli" being used to make funds available to the head of a State organization in order to give financial assistance to public employees. There appears to be no justification in public administration for this practice and the potential dangers are obvious.

(f) We feel that the practice of making "pro memoria" appropriations/limit and with the understanding that the disbursements will be covered by the post facto appropriations is an open acknowledgment of the lack of adequate thought in the preparation of the budget. We cannot consider too highly the budgetary practice of the Royal Italian Navy in this respect in that they plan their work, dividing the budget request into periods of time corresponding to the periods of the performance of the work so that expenditure control can be exercised throughout the period. The universal application of this procedure throughout the Government is recommended.

(g) We have observed a practice of understating the sum needed in preparing a budget request in reliance on supplementary appropriation at a later date. This invalidates the budget and tends further to fortify the habit which is not peculiar to the Italian Government, of relying on supplementary appropriations which are created without adequate review.

- 3 -

In addition to these very general observations the officers of the Finance Sub-Commission have prepared, as a result of their study, detailed comments on specific "capitoli" of the budget. I should be very glad to make available to any committee you may want to appoint these comments and the services of the officers who prepared them.

Yours very truly,

15/6 May W. Stone

WALTER W. STONE
Commodore, USNR.,
Acting Chief Commissioner.

His Excellency Ivanoe Bonomi
President of the Council of Ministers
Italian Government.

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