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

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SUGGESTIONS,
JAN., FEB. 1944

2008

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SUGGESTIONS, PLANNING FUTURE OPERATIONS
JAN., FEB. 1944

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4
Col Faley Smith

Re 1-5.

Paras 2, 3 and 8 contain ideas which
 are new and not considered

St

Finance Sub. Committee

(Morgan Revenue Section)

Some of 1-5 may be of interest to you though I

do not think that the ideas are very new.

P. B. Smith
 Chief
 Rev. N. G. Sect.

Note

Col. Grogan Smith spoke. His P. B. in Solene has disagreed
 with the Finance Section some of the points which he has raised.

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W. S. P.

P. B. Smith

2010

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HEADQUARTERS
ALLIED CONTROL COMMISSION
REGION II

25 Feb 44

U-2287

Ref. A 13019

18 Feb 44

Subj. Suggestions for Planning of Future Operations.

To: R.C. and M.G. Section, A.C.C. Hq, Naples.

1. There is forwarded attached, the report based on the experiences of the CAO of the city of Salerno, containing some interesting suggestions which might be of value in the planning of future A.M.G. operations.

G.H. McCaffrey
Lt. Col., Inf.
R.C.

CHM/pjh

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ALLIED MILITARY GOVERNMENT
 COMMUNE OF SALERNO

Salerno 29.I.1944

Ref. N° 469

Subject: Planning for future operations

From: C.A.O. Salerno Town

TO : S.C.A.O. Salerno Prov.

I have the honour to request that the following report and suggestions be forwarded to higher authorities subject to your approval and comments : -

1° SECURITY DOCUMENTS - Owing to some lack of inter service co-operation the complete records of the Fascist Party were destroyed by Allied Troops who did NOT realize their value in particular when Fascist H.Q. were taken over. Should this occur on the Continent, and in Germany in particular, the results would be disastrous to the United Nations war effort. Also the work of A.M.G. would be much more difficult in the selection of suitable employees for state and local administration if such records are not available.

2° INFLATION

CASH - On arrival in Italy no small currency was available to the Forces, either U.S., B.M.A., A.M.G., or Italian, with the result ⁴⁵⁸¹ that Troops ~~was~~ ^{were} unable to purchase anything except at extortionately high prices, no change ever being available. All small change was hoarded by the civilian population, nor had the Banks any in hand.

CURRENCY - In order to avoid a repetition of the experiences which the Allied Forces have had, in France with the B.E.F., in North Africa and also in Italy, of price inflation this problem needs careful consideration by the planning staff.

The prices of every commodity rose to an exorbitant level within a few days of the arrival of the Allied Forces. Whilst it is known to

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the population in these countries that the Allied Forces are better paid than their own Troops, the additional knowledge that the rate of exchange is high encourages the local merchants to increase their prices. e.g. the posting of Proclamation n°3 in Italy showing the value of the £ I at L.400 and the \$ I at L.100 had the immediate effect of increasing prices out of all reason. As stated previously the Troops were not in possession of local currency of low denomination which was an additional cause of overcharging.

Would it be possible, when the rate of exchange is much higher than was the normal rate for all ranks to draw in cash only an amount approximate to the normal rate and the remaining amount to be credited to the soldier's a/c at home either the United States, Gt. Britain, Canada or whatever part of the world to which they belong? e.g. Rate fixed L.400 to £ I allow only L.200 to the £ to be drawn in cash whilst in occupied territory and the remaining L.200 to be credited to the account of the person concerned in his home country, or for non-transferable Victory Bonds to be issued to personnel when pay is drawn.

This would have the effect of :-

- 1° when Troops return to their respective countries on demobilization they will have to their credit the amount which they would have spent in occupied territory if allowed to take full advantage of the high rate of exchange. 4583
- 2° keeping prices down as Troops would not be in possession of an excess of local currency.
- 3° the reduced amount of cash available would under these conditions purchase the same, or approximately the same quantity or amount as local prices should remain normal.
- 4° the civilians would not have prices raised to such a level that it makes the purchase of ordinary commodities either impossible or a very severe strain on their pockets.

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- c) BLACK MARKET - This has been a grave source of trouble to A.M.G. administration and its control, or preferable extinction, is made infinitely more difficult by the surplus amount of cash in circulation. The shortage of food supplies and the very serious deficiency of rail and motor transport to bring vegetables, fruit etc in quantity into the cities has contributed largely to the successful operations of the Black Market.
- d) SHOPS - No shop to be allowed to re-open unless in possession of a permit issued by A.M.G. on which is clearly stated that the proprietor gives his assurance in writing that the prices charged in his shop will not be excess of those current prior to the date of occupation. The success of this method has been proved by observation kept on shops which were only permitted to sell certain commodities to Troops on production by them of a written pass issued by A.M.G. with the result that stocks were conserved and prices remained normal until such time as stocks were exhausted.
- 3° TRANSPORT - All transport required should be requisitioned either by the Forces or A.M.G. and a central registry kept by the latter. All these vehicles given a registered number to be painted on the vehicle, and the driver, if any, registered as an employee of the Forces or A.M.G.. Cars of doctors and other essential services to be included under A.M.G. authorities ONLY. 4578
- 4° ALLIED NATIONALS - The immediate relief of all Allied Nationals who are in Concentration Camps or under Town or House restraint. The release, feeding, clothing and general care of these unfortunate people is of paramount importance; in addition their reports and experiences will have considerable political importance after the cessation of hostilities.

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From information received no adequate measures were taken in Italy to assist such persons and the only relief allowed in the early stages was L.9 per day - on this it is impossible to sustain life.

5° NEWSPAPER - A news sheet, or newspaper, published under F.S.S. and/or A.M.G. supervision is essential at the earliest possible moment.

Reasons:- it keeps the public in touch with current events and is the best medium to propagate orders etc, from the Forces and A.M.G.

6° CHARITABLE INSTITUTIONS - Many of such institutions are not, or ever have been, supported by the political parties or the local administration. A ruling is required to authorize such relief when needed, owing to the fact that the local authorities are reluctant to include such donations in their financial budget and in times of crisis voluntary contributions cease.

7° CIVILIAN LABOUR - Owing to the fact that the Services are giving extra rations to civilian workers in addition to the present high rate of wages it is extremely difficult for civilian sources to obtain labour. e.g. as the rate for unskilled labour is L.50 per day - the Municipal street cleaners whose pay, prior to the arrival of the Allied Forces, was L.23.50 a day now demand L.50 per day.

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It is also difficult to obtain sufficient labour for the demolition of dangerous buildings and the clearance of debris etc.

It is understandable that labour which assisted the Allied Forces in the early stages when this town was under bombardment should be paid higher than the normal rate. When the bombardment ceased this rate would have been reduced to the normal level, which would have assisted in keeping food prices down.

Is it possible in future operations to issue an order that all

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able bodied men between the ages of say 18 to 40 must ~~be~~ register
for employment thereby forming a pool on which to draw labour as,
and when, required.

Thus avoiding the volunteer system and the necessity of bribing
labour with extra rations to work for the Allied Forces.

W. Turner-Coles

W. TURNER-COLES Major
C.A.O. Salerno

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