

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

ACC

10000/109/1543

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

10600/109/1543

PUBLIC FINANCE
JAN. - SEPT. 1944

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

27 SEP Recd
26 September 1944

13075/P

SUBJECT: Expenditure of Public Funds.

TO : All RPOs and SPUs.

1. You are directed to call the attention of all Regional Commissioners to the necessity of exercising the greatest care in avoiding any expenditure of public funds in respect of activities or services which are not essential to the proper functioning of ACC/ASC.

2. Establishment Memorandum No. 5 (amended version of 2 August 1944) set out the procedure to be followed with regard to expenditure on messes, billets and offices. There are, however, other types of expenditure calling for particularly careful authorization. Owing to the multifarious nature of ACC/ASC activities and the special circumstances in which ACC/ASC frequently finds itself it is not feasible to issue specific lists of the various types of expenditure which call for special consideration. The guiding principle however must be that expenditure should only be incurred which is essential for ACC/ASC properly to fulfill its functions.

3. One particular type of expenditure can be quoted as a case in point. From time to time certain Regions have made payments for the printing of reports on general or specific Regional activities. Such expenditure should only be incurred on specific instructions from this Headquarters. Should Regional Commissioners consider that the printing of any such report would be advantageous to the work of ACC/ASC or that it would be of material interest to the Combined Chiefs of Staff or other higher echelon, they should notify this Headquarters and request the necessary authorization from the Executive Commissioner. Any such expenditure incurred without the authorization of this Headquarters is liable to be charged against the personal account of the officer incurring it.

4. You will also bring this matter to the attention of all Provincial Commissioners.

For the Acting Chief Commissioner:

Joint Dir 2273
Finance Sub-Commission.

SH P/A

Ref 253/34/CA

20th September, 1944

SUBJECT: Payments for Publications

TO : Finance Sub Commission

1. Reference your letter at 32, please see Executive Commissioner's remarks at 33.

2. I would be grateful if you would prepare the circular as suggested by you.

see 34
G. W. I. Shipp
G. W. I. SHIPP
Lt. Colonel

H.C.C.

Please

ap

2272

33

Lt Col. Shygi.

Ex. Comm. will wait to see
32. In his view CA 9.5.
Suggestion in the last
sentence of para 31 is
a good one.

EL 18/9

I agree

EL 18/9

I concur with F80's suggestion
in 6. No further action other than

MS/9/15

785017

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
A.P.O. 394.

13603/F.

16 September 1944.

17 SEP Recd

SUBJECT : Payment for "Vesuvius emergency operation".

TO : Executive Commissioner.

1. You may recall that shortly after my return from London on 15 May you inquired whether the printing of the books known as the "Vesuvius Emergency Operation" had been paid out of public funds.
2. I instructed the regional accountant of Region III that any request for funds should be referred to me; The regional accountant stated that no approach had been made to him and that he would notify me accordingly if such a request were received.
3. Accounts are now sent direct to this Headquarters by ~~some~~ accountants. An item has now been discovered by the sub-accountant of Naples Province, Capt. John Luzzum on 10 May 1944, approved by Lt/Colonel James Kincaid, for lire 120,000. The voucher describes the payment as being for "Books on the Final Report on The Vesuvius Emergency Operation". The quantity was 2,000 at lire 60 each. Payment was made to M. & V. Masula, Monteroduni 24, Naples, per invoice No. 76 of 8 May 1944 for "Libri di 60 pagine con quattro tavole su carta patinata lucida".
4. It is regretted that no earlier notification of this payment was obtained and I consider that the regional accountant of Region III should have enquired of his sub-accountants, particularly the one in question, if such a payment had been made. I should like to stress, however, that this Sub-Commission cannot control the expenditures of provincial or regional commissioners at the source, and can only hope to pick up delinquents at the Head-quarter level.
5. I should like to know whether you wish any further action taken in this matter. The publication by Brigadier General Ihms of the book on Military Government in Rome constitutes a retro-active precedent; and this matter appears to be in the hands of the Acting Chief Commissioner.

see 35
2571

31

- 2 -

6. Finally I am doubtful if correspondence with Lt/Colonel Kincaid will result in anything more than unpleasantness; it would be most unlikely that he would produce dollars 1,200 from his own pocket. If it will assist you I can prepare a circular letter to all RFOs instructing them to make it generally known that any publication of the type discussed must receive authority from this Headquarters before a contract is reached.

A. J. Grasse

Colonel,
Joint Director,
FINANCE SUB-COMMISSION.

2270

HEADQUARTERS
ALLIED CONTROL COMMISSION
E.C. & M.C. Section
APO 394

Ref/253/Ca.

4 Sept. 1944.

EXECUTIVE MEMORANDUM (Revised)

: Cancelling Executive Memorandum No. 10 of 12 Feb 44.

NUMBER

10)

INSTRUCTIONS TO FINANCE OFFICERS IN REGIONS
TRANSFERRED TO THE ITALIAN GOVERNMENT

1. (a) The instrument of surrender, between the Italian Government and the United Nations reserves very broad authority to enable the Finance Sub-Commission to carry out its functions.
- (b) Even after the Italian Government takes over legal responsibility for new areas, it may not file at that time to function effectively throughout such areas. Consequently, it may be necessary for Finance Sub-Commission personnel in the field as well as at Headquarters to perform activities in the same manner as they have been performing them under Allied Military Government conditions. Gradually, as the Italian government can more effectively administer the area, certain of the functions performed by financial personnel of Allied Military Government will be performed by the Italian Government.
- (c) Further instructions will be issued from time to time indicating the changes in procedures to be followed, as a result of arrangements worked out between Headquarters of the Finance Sub-Commission and the Italian Ministries of Finance and Treasury.
2. Allied Financial Agency
The functions of Allied Financial Agency in Allied Military Government territory will remain unchanged from those of Allied Military Financial Agency. In Italian Government territory, Allied Financial Agency will continue existing procedures in furnishing funds to Allied military formations and for the administrative expenses of the Allied Control Commission, for supplying funds to the Sub-Commissions of the Commission and in receiving the proceeds of sales of Allied Control Commission imports sold locally. In Italian Government territory, the Italian Government is expected to Finance local and State deficits and prior approval of the Joint Directors of Finance Sub-Commission must be obtained for any advance of AEC funds which would constitute an exception to this rule. It is expected that at some future date, there will be taken to withdraw from circulation yellow seal currency and British Military Authority notes.
3. Deficits, Revenue and Expenditure Control
(a) When territory is transferred from Allied Military Government to Italian Government jurisdiction, the change is facilitated by the existence of

1. (a) The instrument of surrender, between the Italian Government and the United Nations, reserves very broad authority to enable the Finance Sub-Commission to carry out its functions.

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3. Budgets, Revenue and Expenditure Control

(a) When territory is transferred from Allied Military Government to Italian Government jurisdiction, the change is facilitated by the existence of approved budgets on the 35 or 108 forms for all State and parastatal offices, provinces and communes. An AMG budget procedure was modelled on the Italian system to break in the continuity of control will occur, and as new provinces are turned over to the Italian Government the information will be incorporated into the Italian Government budget in force for the area. From the date of the transfer of territory no cash advances or authorizations of credit of any kind may be made by Finance Officers in the field. All financing of State and local government functions will be the direct responsibility of the Italian Government. The Combined Chiefs of Staff require that sufficient control and scrutiny of Italian Government expenditures be maintained so that the Allied Control Commission is satisfied that the amounts of such expenditures are reasonable and appropriate. Accordingly, arrangements have been made with the Italian Government to submit current and past revenue and expenditure data, with a break-down by provinces, showing the purpose of all expenditures, including military expenditure, public debt, salaries, and the source of revenue.

(b) Budgets have been prepared and are in operation for all divisions of the State Government for the current financial year (1st July, 1944 to 30th June, 1945),

2269

- 2 -

and these budgets will be adjusted from time to time as new areas are brought under Italian jurisdiction. Control over expenditures has been strengthened by the re-establishment of the Corte dei Conti, which maintains close liaison with, and regularly reports all its operations to, the Finance Sub-Commission. Each Italian Ministry is required to report detailed figures of expenditures authorized and disbursements made. Verification of these figures is obtained from the monthly returns from the Treasury section of the Bank of Italy and the Ufficio di Collegamenti. The budgets of communes and provinces cover the current calendar year, and with the re-establishment of the Central Commission for Local Finance, the proper normal Italian controls are in operation. General control over all local government expenditures is obtained through periodic reports from the Ministries of Treasury and Interior.

(c) Finance Sub-Commission Headquarters will review the material submitted to it by the Italian Government. Headquarters in certain instances may ask Finance Officers in the field to provide additional statistics and to check certain parts of such data, or otherwise to investigate governmental expenditure and revenue problems in the areas to which they are assigned.

(d) In view of the inflationary situation that exists and the need for reducing the deficit in Italian State and local budgets, it is the function of the Finance Sub-Commission and Finance Officers in the field to study the governmental expenditures and revenue situation constantly with a view to ascertaining--

- (i) What expenditure can be reduced or eliminated;
- (ii) What changes in existing budgetary control should be made by Italian State or local government;
- (iii) What changes should be made in tax laws and revenue administration.

4.

Customs

(a) Italian customs activity will be retained in all areas not specifically reserved to Allied Naval or military operations, and to the latter as and when they are released. The Finance Officers will maintain liaison between Army and Navy Operations Officers and the Italian Customs service to the end that a continuous customs barrier may be maintained on the perimeter of reserved areas.

(b) Close contact with the principal Italian Customs Officer of the Region will be maintained.

(c) Failure of personnel of the R. Guardia di Finanza or of the Capitaneria di Porto properly to perform customs related functions should be immediately reported.

(d) The principal customs officers will be visited from time to time and a report submitted on any irregular or unusual features.

in accordance with the

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(d) The principal customs officers will be visited from time to time and a report submitted on any irregular or unusual features.

(e) The Italian Customs service will function in accordance with the existing Customs laws and regulations except as regards the levying and collection of Customs Import and Export duties and Licence Fees, which, with the exception of Petroleum, for which duty-inclusive retail prices have been fixed, are to be treated as temporarily suspended. A directive on this subject will shortly be issued.

(f) Internal taxes, e.g. the Imposte Fabbricazioni (Manufacturing Taxes), are not suspended and remain chargeable on all importations for civilian use. The Imposte sull'Entrata is chargeable on all imports or export commercial transactions subject thereto under existing Italian law.

5.

Financial Institutions

(a) The function of supervising social and private insurance institutions, post office financial services, stock exchanges, banks, and all other financial and credit institutions is primarily the responsibility of the Italian Government. Finance Officers in the field will give every assistance possible to aid the government supervisory agencies, including the Banca d'Italia, performing their tasks efficiently.

- 3 -

(b) Finance officers will keep Headquarters advised of important financial developments in their areas, will make suggestions and recommendations for the formulation of policy, and will call to the attention of Headquarters any matters which should be discussed with the Italian central government.

(c) An impartial representative in the field, Finance officers will perform a vital function in observing and reporting how the broad financial directives of the central government (anti-inflation program - prohibition of financing of speculative activity, credits to be made available to necessary productive enterprises, etc.) are applied in the provinces.

(d) The accounts and safe deposit boxes which have been blocked are to remain under such restrictions, subject to licensing through the appropriate Italian governmental channels.

(e) Information as to any additional persons or institutions to be blocked should be furnished to Headquarters, Finance Sub-Commission for transmittal to the Italian government for appropriate action.

(f) The administration by the Italian Government of the blocking program will be diligently observed. Any violation of the general principle that the use of funds is to be withheld from dangerous fascist elements will be reported to Headquarters, Finance Sub-Commission, at once.

6. Foreign Exchange and Trading with the Enemy

The Italian Government will maintain a system of foreign exchange control and will control all trade communications with any area other than Italian areas under Allied Control. Violation of such Italian control or laxness in the enforcement of such controls will be reported by Finance Officers in the field to Headquarters in order that appropriate representations may be made to the Italian authorities.

7. Financial and Economic Intelligence

Finance Officers in the field will obtain and furnish to Headquarters all categories of financial and economic intelligence that will be of assistance to Headquarters in dealing with its varied functions. Headquarters will from time to time request Finance Officers in the field to make certain studies and obtain certain financial or economic information or intelligence.

8. General

Finance Officers in the field will be the means for obtaining relevant information on subjects of interest to the Finance Sub-Commission, of which the Finance Sub-Commission and agreed

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8. General

Finance Officers in the field will be the means for obtaining relevant data and information on subjects of interest to the Finance Sub-Commission, of checking to see that programs desired by the Finance Sub-Commission and agreed to by the Italian authorities are carried out, and to report whether Italian personnel are properly discharging their functions in the field of finance or are unfit to carry on such activities. Headquarters Allied Control Commission will keep Finance Officers in the field generally informed of the programs which it is working out with the Italian Government and will furnish from time to time general or specific directives covering things to be done by all or certain Field Finance Officers.

DISTRIBUTION:

"C" Plus Group 2 List "A"

for
M. E. LUSA,
Brigadier,
Executive Committee
2288

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.C. SECTION
APO 394

Phone: 28
478808

Ref/253/28/CA

16 August 1944

SUBJECT : General Orders No. 2

TO : AMG 5th Army.

Reference your 1113 of 14 August 44 General Order No. 2 (revised) has today been sent to the Printer. It is noted that you desire 5000 copies and these will be forwarded to you as soon as possible. Additional copies will be retained at this HQ to meet your future demands.

JH
NORMAN E. FISKE
Colonel,
Deputy Executive
Commissioner.

2267

copy on file 624

785017

HEADQUARTERS
AMG 5TH ARMY
A.P.O. 464 U.S. ARMY

14th August 1944

1113

SUBJECT : General Order No. 2.

TO : R.C. & M.G. Section, HQ, ACC.

18 AUG Recd

1. Reference is made to letter of HQ, ACC, R.C. & M.G. Section dated 1 August 1944 (Ref/253/ /CA.).

2. It is presumed that a new supply of revised printed copies of General Order No. 2 is being prepared. No such revised copies have been received by the Headquarters as yet. In view of possible developments it is requested that the despatch of a supply be expedited and that an initial quantity of at least 5,000 copies be sent to this Headquarters as early as possible. An additional 10,000 copies should be available for sending to this Headquarters upon request.

For the Commanding General:

E.B. Mayne
E.B. MAYNE,
Colonel, UDF,
Chief of Staff,
AMG Fifth Army.

BBM/313.

Copy to:

Finance Sub-Commission, HQ, ACC.
Regional Legal Officer, HQ, Region VIII.

Rec 28

pl 148

copy to file 624



HEADQUARTERS
ALLIED CONTROL COMMISSION
FO 394

Ref: 53/20/2..

EXECUTIVE MEMORANDUM)

NUMBER

73)

PAST DUE BILLS

Part I

DEBTS CONTRACTED BY THE FASCIST ITALIAN GOVERNMENT

1. The following procedure will be adopted by Finance Officers in AMG territory in relation to the payment of debts contracted by the Fascist Italian Government.

2. No payment shall be made on any obligation incurred by government agencies while under the jurisdiction of the Fascist Italian Government except

(a) Where it can be clearly demonstrated that the non-payment of any such bills would be injurious to Allied interests because the production of goods necessary to the war effort might thereby be reduced; or might hamper or restrict any essential industry or undertaking at present in operation; or so affect any undertaking or service as to have an adverse effect of the rehabilitation of liberated Italy; or

(b) Where it can be proved that the non-payment of any such bills would result in the claimant becoming a vagrant and a charge on the State.

No payment shall be made under the principles (a) and (b) above until claims have been presented and examined, admitted, and payment approved by the Director and Intendants di Finanze, and subsequently by the proper AMG Finance Officer, and that the expenditures to which the accounts relate are not specifically prohibited by any law at present in force. Such payments shall be separately accounted for in order that at any time it may be possible to know the amount and purpose of such payments. The payment of war damage claims is specifically excluded from the provisions of this order.

3. No payments shall be made under principles (a) and (b) in paragraph 2 in excess of the amount required to meet these conditions.

4. In AMG territory no cognisance should be taken of any debts of the Fascist Italian Government (including the debts of auxiliary units of the State) unless claims are made that the non-payment of such debts would have results as expressed in paragraph 2 (a) and (b) above. Claims will be dealt with as described in Part IV.

PART II

DEBTS CONTRACTED BY THE ITALIAN LIBERATED STATE

2. No payment shall be made on any obligation incurred by government agencies while under the jurisdiction of the Fascist Italian Government except:

- (a) Where it can be clearly demonstrated that the non-payment of any such bills would be inimical to allied interests because the production of goods necessary to the war effort might thereby be reduced; or might hamper or restrict any essential industry or undertaking at present in operation; or so affect any undertaking or service as to have an adverse effect of the rehabilitation of liberated Italy; or
- (b) Where it can be proved that the non-payment of any such bills would result in the claimant incurring a variant and a charge on the State.

No payment shall be made under the principles (a) and (b) above until claims have been presented and examined, admitted, and payment approved by the Director and Intendente di Finanza, and subsequently by the proper AIC Finance Officer, and that the expenditures to which the accounts relate are not specifically prohibited by any law in force. Such payments shall be separately accounted for in order that at any time it may be possible to know the amount and purpose of such payments. The payment of war damage claims is specifically excluded from the provisions of this order.

3. No payments shall be made under principles (a) and (b) in paragraph 2 in excess of the amount required to meet these conditions.

4. In AIG territory no cognizance should be taken of any debts of the Fascist Italian Government (including the debts of auxiliary units of the State) unless claims are made that the non-payment of such debts would have results as expressed in paragraph 2 (a) and (b) above. Claims will be dealt with as described in Part IV.

---PART II---

DEBTS CONTRACTED BY THE ITALIAN LIBERATED STATES

1. Immediate payment shall be made of all outstanding bills relating to expenses contracted and incurred by the Italian liberated States, or by auxiliary units of the State, as from the date of the liberation of the particular areas concerned; provided that such expenditures have been approved by the body charged with that duty under Italian law, and also that such expenditures are not contrary to any law, decree, order or regulation in force at the time of payment.

PART III

ARREARS OF SALARIES AND WAGES

1. Claims for the payment of arrears of salaries or wages will not be admitted except under the following conditions:

- a. The claimant must establish by documentary evidence that he is, or was, an employee of the State, province, commune or other State agency, and that his salary has not been paid for the period claimed.

copy of the bill 226/P

PART III (Cont '6)

- b. That no payments may be made to former employees of the Fascist Party or its dependent organizations, or to former members of the Fascist Party with the qualification of Mercia su Roma, Squadrista or Scarpia Littoria;
- c. That the claimant was not paid through causes beyond his control;
- d. That, if the claim to the payment of arrears of salary or wages relates to a period when the claimant was under detention or restraint on a major charge (delitto), he has been found to be blameless, and if he had been suspended or discharged from service in consequence of such charge, he has been reinstated in his former position or office;
- e. That all sums received by him or his dependents, covering the period in question, from his employing agency, or as relief or other assistance, shall be deducted from any amounts due as arrears.

PART IV

TREATMENT OF CLAIMS

Part due bills under Part I, and Arrears of Salaries or wages under Part III.

1. Claims should be made in writing by the agency or individual to the Prefect of the proper province, and he, with the Intendente di Finanza, will make appropriate recommendations to the Provincial Finance Officer as to whether the circumstances are bona fide.
2. The Prefect and the Intendente di Finanza should reject summarily any claims to arrears of salaries or wages that do not comply with the conditions stated in part III. The Prefect must keep a record of all claims made and of their disposal.
3. If the arrears of salaries or wages that would be payable under this order amount to more than two months salary and allowances, the initial payment of such arrears shall not be more than the equivalent of two months salary and allowances. The balance of any arrears due will be paid in bi-monthly instalments, the amount of each instalment being not greater than the initial payment.
4. Any payments made under the authority of this instruction will be by the grant of a credit opened with the Provincial State Treasury; and will be charged to the proper capitolo of the appropriate budget, and cleared through the office of the Intendente di Finanza as a special account.

The Italian Government has made similar provisions regarding past due bills for that part of Italy under its jurisdiction.

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DISTRIBUTION:

Action R.O's III, IV, V, VIII and IX and "2"
Info. SCIO's 5 & 8 Armes
Admin. Section
Economic Section

M. S. LUSH
Brigadier
Executive Commissioner

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.C. Section
APO 394

1 August 1944

Ref/253/ /Ca.

SUBJECT: General Order No. 2.

TO : Distribution below.

1. Reference is made to Article III of General Order No. 2 relating to access to safe deposit facilities.
2. For some time the Finance Sub-Commission HQ has been considering a change in the present system, under which access to safe deposit boxes was allowed in Military Government territory only in the presence of an AMG representative. The Combined Chiefs of Staff have now given their approval to the recommendation that only the opening of these boxes belonging to persons whose accounts or boxes have been blocked by AMG order need be supervised by an AMG representative. Access to all other boxes is to be free.
3. In view of the fact that the former policy in dealing with safe deposit boxes is embodied in General Order No. 2 it will be necessary formally to amend such General Order. It is proposed to substitute for the present Article III the following:

"No access to safe deposit boxes will be permitted to those persons or their representatives whose accounts, or safe deposit boxes in those cases where accounts do not exist, have been blocked by order of the Allied Military Government. Such boxes will not be opened except in the presence of a representative of the Allied Military Government."

4. Without waiting for the formal amendment of General Order No. 2, you are authorized immediately to advise all banking institutions and other interested persons in your Region or Army area of the new regulations governing access to safe deposit boxes. All banks and employees thereof will be held strictly accountable for the proper enforcement of these new regulations and they should be so informed.

5. With respect to the territory under the control of the Italian Government, it is anticipated that the Ministry of the Treasury will issue an instruction putting the new policy into effect, with the difference that blocked boxes will be opened in the presence of an Italian official rather than

access to safe deposit facilities.

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DISTRIBUTION:

R.O.'s Regions I, II, III, IV, V, VI, VII, VIII, IX & X.

F.O. Foggia Province.

SCAD's Fifth & Eighth Armies.

Econ. Section

Admin. Section

P.R.O.

NOELAN E. FISKE,
Colonel,
Deputy Executive
Commissioner.

2364

copy in file 624

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 324
TEL: 478604

13153/P

30 July 1944

SUBJECT: Letter to Regional Commissioners.

31 JUL Recd

TO : Executive Commissioner.

1. With reference to a conversation with Major Talbot I attach a draft of a letter which should be sent to Regional Commissioners.
2. I shall be grateful if the letter can be distributed as soon as possible.
3. The letter has been agreed with the Legal Sub-Commission and the Vice President of the Administrative Section.

A.P. Grassman Smith

Colonel,
Joint Director,
Finance Sub-Commission.

Lt Col Shipp

1. This (1) is, as it were, an advance amendment of Art III of S.O. 1942. It will see that para 3 above & P. Admin. approval is also kept.
2. These are the principal alterations which have been agreed. (See draft of 22/7/44)
3. ? Would Finance Sub-Commission be agreed? Yes *pl*
Yes *pl*
Yes *pl*

DRAFT

Article III of

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relating to access to safe deposit ~~the~~ facilities.

2. For some time ^{the} Finance Sub-Commission III has been considering a change in the present system, under which access to safe deposit boxes was allowed in Military Government territory only in the presence of an AMG representative. The Combined Chiefs of Staff have now given their approval to ~~the~~ ^{the} recommendation that only the opening of those boxes belonging to persons whose accounts or boxes have been blocked by AMG ^{need be supervised by} order ~~be supervised by the presence of~~ an AMG representative. Access to all other boxes is to be free.

3. In view of the fact that ~~the~~ ^{the} former policy in dealing with safe deposit boxes ~~is~~ ^{is} embodied in General Order ~~II~~ No. 2 it will be necessary formally to amend such General Order. It is proposed to substitute for the present Article III the following:

" No access to safe deposit boxes will be permitted to those persons or their representatives whose accounts, or safe deposit boxes in those cases where accounts do not exist, have been blocked by order of the Allied Military Government. Such boxes will not be opened except in the presence of a representative of the Allied Military Government."

4. Without waiting for the formal amendment of General Order No. 2, you are authorized immediately to advise all banking institutions and other interested persons in your Region or Army Area of the new regulations governing access to safe deposit boxes. ~~It should be stressed~~ to the banks, however, that this revision of regulations does not lift in any way the restrictions ^{prohibition on opening} on safe deposit boxes belonging to persons

all other boxes is to be free.

3. In view of the fact that ~~the~~^{the} former policy in dealing with safe deposit boxes ~~was~~^{is} embodied in General Order ~~11~~¹ No. 2 it will be necessary formally to amend such General Order. It is proposed to substitute for the present Article III the following:

" No access to safe deposit boxes will be permitted to those persons or their representatives whose accounts, or safe deposit boxes in those cases where accounts do not exist, have been linked by order of the Allied Military Government. Such boxes will not be opened except in the presence of a representative of the Allied Military Government."

4. Without waiting for the formal amendment of General Order No. 2, you are authorized immediately to advise all banking institutions and other interested persons in your Region or Army Area of the new regulations governing access to safe deposit boxes. ~~It should be stressed~~ to the banks, however, that this revision of regulations does not lift in any way the ~~restrictions on safe deposit boxes~~^{prohibition on opening} belonging to persons whose accounts or boxes have been blocked by this order, and that such persons, or their representatives or agents may have access to their boxes only in the presence of an AEG representative. All banks and employees thereof will be held strictly accountable for the proper enforcement of these ^{new} regulations governing blocked safe deposit boxes and they should be so informed.

5. With respect to the territory under the control of the Italian Government, it is anticipated that the Ministry of the Treasury will issue an instruction putting the new policy into effect, ~~with the~~^{with the} difference that blocked boxes will be opened in the presence of an Italian official rather than an AEG representative.

HEIN/adm. 30 July 1944.

15741

785017

REMS

4 Col Sharps

BELT

I have not been in on this and presume it originated when I was in UK. reply 1/18

1. Opposite is a new proposed Lane House on 'PAST DUE BELTS'

2. Mr. has been determined at house and between kept Finance & myself and then in the road - spending from becoming the 3rd draft - I think it is all right now - at any rate I can understand it which was as the Lane with the first draft.

3. I suggest it be memorialized & be in sign. I can't think her head working. So Lane, with it.

1/31/7

Col Rafter, Smith.

for notes. Do the kind draft opposite

1. Opposite to a house proposed across from

on "PAST DUE BILLS"

2. This has been determined and house and
between kept Finance Agency and
the in the room - Spending from
becoming the 3rd draft - I think it
all right how - at any rate I can
understand it while we had the
and bid the first draft.

3. I suggest it be incorporated in the
in Sept. I don't think we need
worry so long with it.

21/7

Col. Rafter, Santa

we spoke. Does the kind draft opposite
look all right to you?

1. P. 44
2. C. 44

Draft approved by Col. A. P. Dickey which
Finance Commissioner has with addition of final sentence
to Para. 2 as revised.

4. P. 44.

By: E. E. L. TIMMONS
for: MACE.

W. J. P. 44

3. Probably the whole
Memorandum should be
redrafted, but I shudder
to think of the burden upon
the Legal Sub Com. if
we must draft this
type of technical directive
for all the Sub Committees.
J. J. [unclear]

RCMG.

Above are comments of Legal Sub Com.
The CLO points out that no legal point is
involved and that the Legal Sub Com. feels
that it cannot accept responsibility for the wording
of Exec Memos for Sub Coms. where no legal point
is involved, and that Sub Coms must accept the
responsibility for wording their own documents
satisfactorily. As will be seen the wording is open
to criticism and the paper should be returned to
Finance for reconsideration. It is understood
that the Finance Sub Com. staff includes some
capable lawyers who will appreciate the points made.

R. H. [unclear]
CLO [unclear]

23 JUL 1944

Subject Proposed Draft General
To Col Wilier Memorandum
7. July 51

(1) The objections raised by Talbot are not substantial. As I read the directive it does not deal with "other debts" so far as Para. 4(ii) is concerned. Para 2(V) is really a saving clause and good draftsmanship would perhaps require different arrangement and the addition "Notwithstanding however that nothing herein contained shall prevent the etc".

2. There are however other aspects which go to the substance which Talbot entirely overlooks!

- (i) I do not understand and why Paras ~~3 & 4~~ are combined 3 & 4 are not combined with Para. 1.
- (ii) I do not understand Para 4(ii) d.

Phone 481894

253
21 JUL 1944
Thru Min. of Finance
Phone 489091 Ext 421HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
Budget Sub-Section
APO 394

21 July 1944.

B/41

SUBJECT: Proposed Draft Executive Memorandum.

TO : R.C. & M.G. Section, for
Executive Commissioner.

1. Submitting herewith, for your approval and signature, proposed draft executive memorandum.
2. Draft has been approved by Joint Directors, Finance Sub-Commission.

Audley H. F. Stephan
AUDLEY H. F. STEPHAN,
Lt. Col., F. A.,
Chief Budget Officer.

CG/t

22 JUL 1944

Admiral Scott (f Legat Stc)

1. I don't think you have ever seen this (opposite on cover).
2. Para 1 is wrong. Since it implies that the memorandum concerns only payment of debts contracted by the Italian Fascist Govt whereas para 2 (w) & para 4 (w) refer to all debts. *Fixed 22/7*

785017

253
21 JUL Recd

18

HEADQUARTERS
ALLIED FINANCE COMMISSION
FINANCE SUB-COMMISSION
APO 394
ZELS 476604

19 July 1944

13004/T

SUBJECT: "Presenti alla Bandiera".

TO : Senior Finance Officer
AMC Rear Eighth Army.

1. With reference to para 2 of your OA/14 dated 30 June, relating to "Presenti alla Bandiera", your action in blocking these funds is approved.

2. Payment of the "Bandiera" is being made in Italian Government territory and E.O. No. 108 of 6 April 1944 extended the term during which claimants can apply for the grant to three months after conclusion of peace.

3. This decision has not however been republished in Military Government territory pending provision of the necessary safeguards to ensure

a) that nothing shall be done which will improve the basis on which dependents of those who have served, or who are now serving, with hostile forces, may claim benefits.

b) that on the other hand every effort is made to provide the fullest protection possible for dependents of those now serving or soon to serve with the Allied Forces.

4. The matter is being discussed further with the Italian Government along these lines and you will be advised of the policy agreed upon as soon as possible.

For Captain MILTON W. STONE, U.S.A.R.

Colonel,
Joint Director,
Finance Sub-Commission.

10/82

Copy to EC & ES Section
Economic Section.

2257

S.O.A.C.

AM 5 Army
AM 6 Army

For information to:

Regional Coordinator, Region I	
"	II
"	VI
"	VII

1. Reference is made to Article 1, Section 3, "Social Insurance and Welfare Institutions", in the above proclamation.

2. Effective at once, the general prohibition of "payment of family allowances to dependents of: (a) Persons engaged in military service; (b) unemployed prisoners of war; and (c) Italian workers in Germany or other enemy or enemy occupied territory" is rescinded, notwithstanding the terms of Article 1, Section 3, and lawful payments shall be made to such dependents, subject to the following provisions:

(a) All further benefit payments by Comares or by the Istituto Nazionale della Previdenza Sociale with respect to dependents of men serving in Fascist Republican or German military service, or with respect to Italian workers in enemy territory for whom payment of family allowances was arranged under an agreement with the German government, are prohibited.

(b) No restrictions are placed on the public assistance which communes are authorized and expected to give to the needy, on the basis of their verified needs, and nothing in sub-paragraph (a) above, shall be construed as preventing such public assistance.

(c) Benefit payments provided by law will be resumed immediately, retroactive to 31 March, 1944, for dependents of men whose last known status was that of a member of the Italian Armed Forces in liberated territory and whose families were deprived of further benefits by the Fascist Republican Government on 31 March, 1944.

(d) Benefit payments provided by law will be resumed or continued in the cases of men of the regular Italian Armed Forces held as Allied prisoners of war and also in the cases of men of the regular Italian Armed Forces interned or imprisoned by the enemy, except those who subsequently elected the option of joining the Fascist, Republican or German armies.

(e) Benefit payments provided by law will be made to dependents of all men who are now serving or who enter service of the regular Italian Armed Forces. In the instance of men entering the regular Italian Armed Forces, who previously served in regularly constituted bands of patriots cooperating with the Allies, the period of effective service in the latter may be included for the purpose of calculating payments due, provided it is documented and certified by competent military authorities.

/2.....

3. For obvious reasons, it is desirable that the lifting of the general prohibition in Article 1, Section 3, of Proclamation No. 4 and the provisions of the present directive be publicized through available local channels.

Elmer W. Stutz

ELMER W. STUTZ,
CAPTAIN, U.S.N.R.,
ACTING CHIEF COMMISSIONER.

QUINTO GENERALE
COMANDO: ALIANTA DI CANTONATO
ATO 394

6 Luglio 1944

OGGETTO: Proclama No. 4 del Governo Militare Alleato (Militar V. Indietro)
Sintesi di informazioni di guerra - data 25/6/1944.

AL : Comandante R. Generale

Regione II

" V

" VII

" VIII

" IX

" X

L'Ufficio di Servizio degli Affari Civili

AMS, Quarta Armata

AMS, Ottava Armata

Per informazioni a:

Comandante Regionale

Regione I

" VI

" VII

" VIII

1. E' fatto riferimento all'art. 1, Sez. 3, "Istituti di Assicurazione e Benessere Sociali" nel suddetto Proclama.

2. Con effettuazione immediata, il divieto generale di realizzare i "pagamenti degli assegni familiari a favore dei dipendenti (a) dalle persone che prestano servizio militare, (b) dei prigionieri di guerra non rilasciati sotto la loro parola di onore e (c) dei lavoratori italiani in Germania o altro territorio nemico o occupato dal nemico" e annullato, nonostante le condizioni dell'art. 1 Sez. 3, gli i pagamenti prescritti dalla legge saranno fatti a detti dipendenti allo seguenti condizioni:

(a) E' escluso ogni ulteriore pagamento, da parte dei Curati o dell'Istituto Nazionale della Previdenza Sociale, a favore delle persone a carico di coloro che prestano servizio nell'esercito fascista repubblicano o in quello tedesco, o a favore delle persone a carico di lavoratori italiani in Germania, per le quali sia stata effettuata la corrispondenza degli assegni familiari in seguito ad accordo col governo tedesco.

(b) Non viene posta alcuna restrizione all'assistenza pubblica, che puo e deve essere data ai beneficiari dei Curati, nei casi di comprovata necessita, e niente nel suddetto numero (c), di cui sopra, deve essere inteso

Comitato Regionale

Regione I
" II
" VI
" VII

1. E' fatto riferimento all'art. 1, Sez. 3, "Istituti di Assicurazione e Benessere Sociali" nel suddetto Proclama.

2. Con effettuazione immediata, il Divieto generale di realizzare i pagamenti degli assegni familiari a favore dei dipendenti (a) dalle persone che prestano servizio militare, (b) dai prigionieri di guerra non rilasciati sotto la loro parola di onore e (c) dai lavoratori italiani in Germania o altro territorio nazico o occupato dal nazico" e annullato, nonostante le ordinanze dell' art. 1 Sez. 3, ed i pagamenti prescritti dalla legge saranno fatti a detti dipendenti alle seguenti condizioni:

(a) E' sospeso ogni ulteriore pagamento, da parte dei Comuni o dell' Istituto Nazionale della Previdenza Sociale, a favore delle persone a carico di coloro che prestano servizio nell'esercito fascista repubblicano o in quello tedesco, o a favore delle persone a carico di lavoratori italiani in Germania, per le quali sia stata effettuata la corresponsione degli assegni familiari in seguito ad accordo col governo tedesco.

(b) Non viene posta alcuna restrizione all'assistenza pubblica, che puo e deve essere data ai bisognosi dei Comuni, nei casi di comprovata necessita, o niente nel sotto-governo (c), di cui sopra, deve essere inteso come un impedimento a tale assistenza pubblica.

(c) Con decorrenza dal 31 Marzo 1944, e con effettuazione immediata, saranno nuovamente corrisposti i pagamenti previsti dalla legge a favore di coloro la cui ultima ordinazione conosciuta era quella di appartenenti alle Regie Forze Armate Italiane in territorio liberato o le cui famiglie furono private di ogni ulteriore pagamento il 31 Marzo 1944 dal Governo fascista repubblicano.

(d) Verranno nuovamente corrisposti o continuati i pagamenti a favore delle famiglie degli appartenenti alle Regie Forze Armate Italiane, internati o prigionieri del nazico, ad eccezione di coloro che successivamente abbiano optato per l'esercito fascista o per quello tedesco.

(e) Saranno corrisposti tutti i pagamenti previsti dalla legge ²⁵⁵ a favore delle persone a carico di tutti coloro che prestano attualmente servizio nelle Regie Forze Armate Italiane. Per coloro che abbiano prestato servizio

in base regolamento costituito di partigiani o che si
arrivare del Regno Esercito Italiano, il periodo di servizio in tali bened,
primo documentato e certificato dalle competenti autorità militari, sarà
computato agli effetti del calcolo del pagamento dovuti.

3. E' desiderabile per ragioni ordinarie che l'attribuzione del divieto
generale nell'Art. 1, Sez. 3, del Provviso No. 1 di 1 provvedimenti del
presente Ordine siano inseriti nello più note pubblicazioni.

(Handwritten signature)

MILITARY W. STONE,
CAPTAIN, U.S.M.R.,
ACTING CHIEF COMMISSIONER,
(IL FUNZIONANTE COMMISSARIO CAPO).

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

130047

1 July 1944

SUBJECT: Richianti Payments by Istituto Nazionale Previdenza Sociale.

TO : Regional Finance Officer, Region III
 " " " " IV
 " " " " V
 " " " " VIII
 " " " " IX
 " " " Rome Region
 Senior Finance Officer, AMG 5 Army
 " " " AMG 8 Army

1. In conformity with the enclosed Directive by the Acting Chief Commissioner, there has been prepared a provisional instruction to Istituto Nazionale della Previdenza Sociale. Copies in both English and Italian are enclosed. The English copies will be retained for your information and that of the Finance Officer in each province under your jurisdiction. The Italian copies, except one for the Regional file, will be delivered by the provincial Finance Officer to the provincial offices of Istituto Nazionale della Previdenza Sociale.
2. This instruction implements the policy laid down in the directive of the Acting Chief Commissioner. If questions arise regarding its proper application, they should be referred to this Headquarters. It is regarded as vital to the fullest possible cooperation of Italian military personnel with Allied forces, that dependents of members of Italian armed forces not cooperating with the enemy receive the benefits provided by law for them.

For Captain Ellery W. Stone, U.S.N.R.

W. Stone
Colonel,
Joint Director,
Finance Sub-Commission.

For information only to:
Regional Finance Officer,
Region I
" II
" VI
" VII

2254

785017

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

4 July, 1944

SUBJECT: Instruction Concerning Payments to Dependents of Persons Called to Arms.

TO : Provincial Offices of Istituto Nazionale della Previdenza Sociale.

1. All further payments by the Institute with respect to dependents of men serving in Fascist Republican or German military service, or with respect to dependents of Italian workers in Germany for whom payment of family allowances was arranged under an agreement with the German Government, are suspended. It is not intended, however, to leave such dependents without the possibility of obtaining necessities of life. Therefore, no restrictions are placed on the public assistance which outlays are authorized and expected to give to the needy, on the basis of their verified need. Accordingly, all families affected by the above suspension will be advised of their right to request, and if needy, to receive, occasional public assistance.

2. Payments provided by law will be resumed immediately, retroactive to 31 March, 1944, for dependents of men whose last known status was that of a member of the Italian Armed Forces in liberated territory and whose families were deprived of further benefits by the Fascist Republican Government on 31 March, 1944. Such payments will cease upon termination of military service or upon verification of termination, where present status is unknown. Determination of the facts will be made as promptly as possible in all cases of this class, but meanwhile, benefit of the doubt will be given to the family.

3. Payments provided by law will continue in the cases of men of the regular Italian Armed Forces held as Allied prisoners of war and also in the cases of men of the regular Italian Armed Forces interned or imprisoned by the enemy. The latter cases will be examined individually on the basis of the best documentation available, and those who subsequently elected the option of joining the Fascist Republican or German armies will be excluded.

4. Payments provided by law will be made to dependents of all men now serving or who enter service of the regular Italian Armed Forces (including special corps legally considered part of such forces and entitled to the same benefits). In the instance of men entering the regular Italian Armed Forces, who previously served in regularly constituted bands of patriots or partisans, the period of effective service in the latter may be included for the purpose of calculating payments due, provided it is documented and certified by competent military authorities.

5. In doubtful cases within any of the aforesaid classifications, the Institute may, upon request, refer the case to the competent military authorities for their decision.

was arranged under an agreement with the German Government, are suspended. It is not intended, however, to leave such dependents without the possibility of obtaining necessities of life. Therefore, no restrictions are placed on the public assistance which exiles are authorized and expected to give to the needy, on the basis of their verified need. Accordingly, all families affected by the above suspension will be advised of their right to request, and if needy, to receive, occasional public assistance.

2. Payments provided by law will be resumed immediately, retroactive to 31 March, 1944, for dependents of men whose last known status was that of a member of the Italian Armed Forces in liberated territory and whose families were deprived of further benefits by the Fascist Republican Government on 31 March, 1944. Such payments will cease upon termination of military service or upon verification of termination, where present status is unknown. Determination of the facts will be made as promptly as possible in all cases of this class, but meanwhile, benefit of the doubt will be given to the family.

3. Payments provided by law will continue in the cases of men of the regular Italian Armed Forces held as Allied prisoners of war and also in the cases of men of the regular Italian Armed Forces interned or imprisoned by the enemy. The latter cases will be examined individually on the basis of the best documentation available, and those who subsequently elected the option of joining the Fascist Republican or German armies will be excluded.

4. Payments provided by law will be made to dependents of all men now serving or who enter service of the regular Italian Armed Forces (including special corps legally considered part of such Forces and entitled to the same benefits). In the instance of men entering the regular Italian Armed Forces, who previously served in regularly constituted bands of patriots or partisans, the period of effective service in the latter may be included for the purpose of calculating payments due, provided it is documented and certified by competent military authorities.

5. In doubtful cases within any of the aforesaid classifications, the Institute may require interested parties to sign a declaration pledging to refund, under penalty, any moneys received to which they are not entitled.

6. This directive is provisional and temporary in character and may be subsequently modified or supplemented as circumstances may require.

F. J. Frueh
Colonel,
Joint Director,
Finance Sub-Commission.

2253

QUARTIERE GENERALE
COMMISSIONE ALIATA DI CONTROLLO
APO 394

4 Luglio 1944

OCCUPATO Istruzione circa i pagamenti ai Dipendenti Richiamati Alle Armi.

A : Le Sedi dell'Istituto Nazionale della Previdenza Sociale.

I. E' sospeso ogni ulteriore pagamento, da parte dell'Istituto, a favore delle persone a carico di coloro che prestano servizio nell'esercito fascista repubblicano o in quello tedesco, o a favore delle persone a carico di lavoratori italiani in Germania per le quali sia stata effettuata la corresponsione degli assegni familiari in seguito ad accordo col Governo tedesco. Non si vuole, tuttavia, togliere a queste persone le possibilità di ricorrere alle necessità della vita. Pertanto, non viene posta alcuna restrizione all'assistenza pubblica, che può o deve essere data ai bisognosi dei Comuni, nei casi di comprovata necessità. Perciò, tutte le famiglie colpite dalla restrizione di cui sopra saranno informate del diritto che loro compete, di richiederlo, e nel caso di bisogno di ricevere, la pubblica assistenza da parte del Comune.

II. Con decorrenza dal 31 Marzo 1944, o con effettuazione immediata, saranno nuovamente corrisposti i pagamenti previsti dalla legge a favore di coloro la cui ultima condizione conosciuta era quella di appartenente alle regie forze armate italiane in territorio liberato, e le cui famiglie furono private di ogni ulteriore pagamento il 31 Marzo 1944 dal Governo fascista repubblicano. Tali pagamenti avranno termine all'atto della cessazione del servizio militare, o, nel caso che non sia conosciuta la condizione attuale, all'atto della verifica della cessazione. Nel più breve termine possibile, saranno effettuati accertamenti per tutti i casi di questa categoria; in Intanto, sussistono il dubbio, le famiglie riceveranno i pagamenti.

III. Verranno continuati i pagamenti a favore delle famiglie degli appartenenti alle regie forze armate italiane internati o prigionieri del nemico. Questi ultimi casi saranno esaminati volta per volta in base alla migliore documentazione disponibile; e coloro che successivamente abbiano optato per l'esercito fascista o per quello tedesco saranno esclusi dai pagamenti.

IV. Saranno corrisposti tutti i pagamenti previsti dalla legge a favore delle persone a carico di tutti coloro che prestano servizio attualmente o che prestavano servizio nel Regio Esercito Italiano nel territorio liberato, inclusi i casi speciali considerati legittimamente facenti parte di tale esercito od aventi diritto agli stessi benefici. Per coloro che abbiano prestato servizio in bande regolarmente costituite di patrioti o partigiani e che si arruolino nel Regio Esercito Italiano, il periodo di servizio in tali bande, purché documentato e certificato dalle competenti autorità militari, sarà computato agli effetti del calcolo dei pagamenti dovuti.

785017

II. Con decorrenza dal 31 Marzo 1944, e con effettuazione immediata, saranno nuovamente corrisposti i pagamenti previsti dalla legge a favore di coloro la cui ultima condizione conosciuta era quella di appartenente alle forze armate italiane in territorio liberato, o le cui famiglie furono private di ogni ulteriore pagamento il 31 Marzo 1944 dal Governo fascista repubblicano. Tali pagamenti avranno termine all'atto della cessazione del servizio militare, o, nel caso che non sia conosciuta la condizione attuale, all'atto della verifica della cessazione. Nel più breve termine possibile, saranno effettuati accertamenti per tutti i casi di questa categoria; ma intanto, sussistendo il dubbio, le famiglie riceveranno i pagamenti.

III. Verranno continuati i pagamenti a favore delle famiglie degli appartenenti alle forze armate italiane internati o prigionieri del nemico. Questi ultimi casi saranno esaminati volta per volta in base alla migliore documentazione disponibile; e coloro che successivamente abbiano optato per l'esercizio fascista o per quello tedesco saranno esclusi dai pagamenti.

IV. Saranno corrisposti tutti i pagamenti previsti dalla legge a favore dello stesso a carico di tutti coloro che prestano servizio attuale o che prestavano servizio nel Regio Esercito Italiano nel territorio liberato, inclusi i corpi speciali considerati legalmente facenti parte di tale esercito ed aventi diritto agli stessi benefici. Per coloro che abbiano prestato servizio in bando regolante costituito di patrioti o partigiani e che si arruolino nel Regio Esercito Italiano, il periodo di servizio in tali bande, purché documentato e certificato dalle competenti autorità militari, sarà computato agli effetti del calcolo dei pagamenti dovuti.

V. Qualora esistano dei dubbi in casi che rientrano in una qualunque delle suddette categorie, l'Istituto può richiedere alle parti interessate di firmare una dichiarazione con la quale si impegnino di rimborsare qualunque somma ineluttabilmente percorsa.

VI. La presente disposizione ha carattere provvisorio e temporaneo, e può essere successivamente modificata o ampliata secondo le esigenze.

E. J. F. C. L. 2
Colonello,
Co-Direttore,
Sotto Commissione di Finanza.

785017

253

B. F. 6 JUL 1944

CAB. 11

44237

JKD/mg

HEADQUARTERS REGION IV
Allied Control Commission
APO 394



3 July 1944

TO : Provincial Commissioners, Roma, Viterbo,
Littoria and Frosinone.

SUBJECT : Advances of Funds to Provinces, Communes, etc.

FILE No.: R4/372

1. With the return of conditions to normalcy, the practice of direct advances of cash by CAOs to Communes, must cease.
2. The Banca d'Italia is now open in every Provincial Capital in the Region and all advances, either to the Province or to the individual communes, must be made by the Banca d'Italia.
3. To secure these advances, the approval must be secured of the CAO concerned, the Prefect of the Province and the Provincial Commissioner; acting through the Provincial Finance Officer. Budgetary figures must be produced and approved.

John J. Dunlop, Brigadier
Regional Commissioner

Copies to:

Provincial Commissioners, Terni, Rieti, Perugia

All Divisions

✓ HQ ACC (RC & MG Section)

HQ ACC (Economic Section)

112
2251

253
SUBJECT: - Tax Law and "Presente alle Bandiere"

C.A. Be
3945 10
Rear Eighth Army

- 4 JUL 1944

04/14

30 Jun 44

Executive Commissioner's Branch,
H. Allied Control Commission.

Copy to: Economic Section, HQ AGC.

1. I am attaching copy of instructions for the application of the decree of the Minister of Finance of the Republican Fascist Government, dated 20 Nov 1943 and which concerns tax revisions instituted by that government. It is for your information in the event you have not previously seen same.

2. I am now receiving requests that payment of a Fascist instituted grant known as "Presente alle Bandiere" or "Present of the Flag" be allowed. From what information I can gather it is a sum of money paid to the wife or other dependent of Italian soldiers who were killed or otherwise died in service. In some instances the funds are in the hands of the Post Office or Cassa to make payment, said funds having been received prior to our occupation. In Eighth Army area the policy has been to advise holders of such funds to deposit same in a bank in a special account pending instructions as to the disposition thereof. Banks have then been told to make no payments from said accounts until they receive instructions from AGC Finance Officers. Would appreciate instructions and information relative to this matter for future guidance.

3. Have inquired as to whether any form of currency other than Banca d'Italia notes are in circulation in the North and have been told by various bank officials that they have no knowledge thereof.

J.M. Whalen

T.M. WHALEN, Capt. AGC
Senior Finance Officer
for Group Captain,
Officer Commanding,
AGC Eighth Army.

See Whalen's file 4/7
Contin. to Section regarding action 2550
Noted 8/3/44 4/7

PL 253

10A

HEADQUARTERS
(Adv.)
ALLIED CONTROL COMMISSION
APO 394

NEF/mrd
27 June 1944

Dr. Francesco Giannini
19, Via S. Basilio
Roma

Dear Dr. Giannini:

I am informed that investigations heretofore made revealed that most of the personnel and documents of both the Istituto di Credito per le Opere di Pubblica Utilita and the Istituto di Credito per le Opere Pubbliche have been moved to the North of Italy.

We are continuing to examine the matter and I shall inform you of any later developments.

Sincerely yours,

NORMAN E. FISKE
Colonel
Deputy Executive Commissioner

2241

12 JUL Recd
ADVANCE HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13086/P

25 June 1944

SUBJECT: Loans by Blair & Co.

TO: Deputy Executive Commissioner.

With reference to the note on the above-mentioned subject by Sig. Giannini dated 21 June 1944, I write to inform you that investigations hitherto made have revealed that most of the personnel and documents of both the Istituto di Credito per le Opere di Pubblica Utilita and the Istituto di Credito per le Opere Pubbliche have been moved to the North of Italy.

We are continuing to examine the matter, and will keep you duly posted.

A. J. Grassie
Colonel,
Joint Director,
Finance Sub-Commission.

*Dr. Francesco Giannini
19, Via L. Basilio*

Original letter in file
226

21 JUL 1944

ALLIED CONTROL COMMISSION

SICILY REGION HEAD OFFICE

APO 194

APO/198

June 21, 1944

Subject: Centralisation of Payments through A.F.A.

To : Provincial Commissioners

(For all officers concerned).

M/R

1. APO/198 dated June 8, 1944 directed that all payments on behalf of the Export Division, A.C.C. Region I, in respect of goods purchased for export and charges incidental thereto, be centralised through A.F.A. Palermo branch.

With effect from July 1, 1944 the centralisation of payments through A.F.A. will be extended to include all expenditure by A.C.C. Region I on behalf of the Economic and Supply Division, with the exception of A.C.C. civilian employees' salaries and such petty expenses which call for immediate settlement in cash.

2. Payment will be made only on presentation to A.F.A. of properly certified documents.

3. The Director of the Economic and Supply Division, A.C.C. Region I, will furnish to the Chief of A.F.A., Via Bari 8, Palermo, a list of A.C.C. officers or commissioned rank authorised to certify invoices for payment, together with three specimen signatures in each instance.

4. No payment will be made against any document unless it bears the words:-

"Certified correct and approved for payment"

and the signature of an A.C.C. officer authorised in the stamp page 3.

5. No document shall be sent by A.F.A. Directly to any bank-

benefit of the Export Division, A.C.C. Region I, in respect of goods purchased for export and charges incidental thereto, be centralized through A.P.A. Palermo branch.

With effect from July 1, 1944 the centralisation of payments through A.P.A. will be extended to include all expenditure by A.C.C. Region I on behalf of the Economic and Supply Division, with the exception of A.C.C. civilian employees' salaries and such petty expenses which call for immediate settlement in cash.

2. Payment will be made only on presentation to A.P.A. of properly certified documents.

3. The Director of the Economic and Supply Division, A.C.C. Region I, will furnish to the Chief of A.P.A., Via Bari 6, Palermo, a list of A.C.C. officers or commissioned rank authorized to certify invoices for payment, together with three specimen signatures in each instance.

4. No payment will be made against any document unless it bears the words:-

"Certified correct and approved for payment"

and the signature of an A.C.C. officer authorized in the terms here 3.

5. No payment will be made by A.P.A. directly to any beneficiary or agent in respect of any invoice or charge relating to Provinces other than Palermo.

Persons in those categories will not be received or interviewed at A.P.A. Offices.

6. The following procedure will govern all payments:-

(a) The authorized Certifying Officers in the Provinces **2247** forward all certified documents to the Director, Economic and Supply Division, A.C.C. Region I, N.Q.

Page 2.

(B) The Director, D. A. S.D. will examine the documents, and, if satisfied, he will pass them to the Chief of P.F., for payment, together with Payment Vouchers 1/7 3.

(C) The Chief of A.P.E. will be responsible for issue of payment and will dispatch payment to the Authorized Certifying Officer in the Province.

(D) The Authorized Certifying Officer, will be responsible for making payments to the recipients properly entitled thereto, and for obtaining acquittance on Payment Voucher 2/7 3.

(E) The Authorized Certifying Officer will ensure prompt return of all payment vouchers, completed and signed, to the P.F. Failure to obtain a proper receipt from the payee might involve the officer concerned in personal financial responsibility.

7. Responsibility for the security of documents on which payments are made rests entirely and in all circumstances upon the Economic and Supply Division, A.C.C. Region I.

Colonel
A.M. HANCOCK
Colonel
Regional Command

DISTRIBUTION: "B"

Economic and Supply Division	10
Finance Division	10
Stores	20
	<u>40</u>

203 7 10 JUN Recd

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 354

8 June 1944.

Reference: 3002/F

Subject: Protection for Currency
Movements Overland.

To: G - 5 (Finance), AFHQ, WPAF.

1. In view of the recent lack of success in securing enlisted guards for overland movements of currency which are to be carried out by the Allied Financial Agency, because of the shortage of enlisted personnel in the AOC, it is suggested that the provisions of U.S. Army Regulation 1835 - 140 be extended by RAFOUA instructions to require Provost Marshals to provide Armed guards for movements of currency for the Allied Financial Agency as well as movements of currency for U.S. Army Disbursing officers.

2. Similar instructions might be directed to the commanding officers of British troops in Italy, by AFHQ.

3. Upon receipt of authority to do so, officers of the Allied Financial Agency will make requests in writing for appropriate guards, addressed to commanding officers suggested by AFHQ, before proceeding with any large shipments of all items currency to Rome or to Italian territory north of that city.

For Lieut. General MARION MACFARLAND.

(Signed) E. H. Foley, Jr.

Colonel,
Joint Director,
Finance Sub-Commission,
Executive Officer,
Economic Section.

Per

Copy to: Allied Financial Agency

80 1 6-5 (Finance), AFHQ, MAY.

i. In view of the recent lack of success in securing enlisted guards for overland movements of currency which are to be carried out by the Allied Financial Agency, because of the shortage of enlisted personnel in the AOC, it is suggested that the provisions of U.S. Army Regulation AR35-140 be extended by HAFQMA instructions to require Provost Marshals to provide armed guards for movements of currency for the Allied Financial Agency as well as movements of currency for U.S. Army Disbursing officers.

ii. Similar instructions might be directed to the commanding officers of British troops in Italy, by AFHQ.

j. Upon receipt of authority to do so, officers of the Allied Financial Agency will make requests in writing for appropriate guards, addressed to commanding officers suggested by AFHQ, before proceeding with any large shipments of AM lire currency to Rome or to Italian territory north of that city.

For ident. General HAZEN SACCHALANI.

(Signed) E. H. Foley, Jr.

Colonel,
Joint Director,
Finance Sub-Commission,
Executive Officer,
Economic Section.

Per

1 Copy to : Allied Financial Agency

Headquarters.

1 Copy to : Allied Financial Agency Naples.

1 Copy to : Allied Financial Agency Bari.

1 Copy to : Allied Financial Agency CAS (Naples).

1 Copy to : Executive Commissioner, AOC.

[Handwritten signature]

1/4

This matter taken up by phone with Maj. Attayer, and he advises that the matter was taken up with Col. Adams, who advised the matter of issuing additional rations would be left up to Col. Kirkwood, Maj. Attayer advised Col. Kirkwood of this and the matter is now closed. If any further question arises, Maj. Attayer will get in touch with us.

FJP.

PQ

ALLIED MILITARY GOVERNMENT
INTER OFFICE MEMO

5

From: Economic Section

JBT/sem

SUBJECT: Payments to Refugees ⁴

REF No. ES/11

TO: Executive Commissioner, C.A. Branch

22 March 1944

1. Re: LDP/49/720 dated 14 Mar. 44, it is considered that an increase in subsidie payments should not be made for the reason given in para 4 of the above quoted letter.

2. It is recommended instead that application be made for an increase in the issue of rations and necessities in kind.

J. Bruce Thompson Major RA

D. S. ADAMS
Colonel, C. E.
Executive Officer
Economic Section

see 7

2244

U-1820

253

18 MAR Recd

A-B-1

H

EX-100
 REFUGEE AND DISPLACED PERSONS SUB-COMMISSION
 ALLIED CONTROL COMMISSION
 Office of the Director

RMB/AMH

TOP/AS/Y-32

14th March, 1944.

SUBJECT: "Sussidio" (Cash) Payments to Refugees.

TO : Executive Commissioner,
 Allied Control Commission.

1. Mr. Patrick Murphy Eskin, Vice-Director Intergovernmental Committee on Refugees; Chaplain (Rabbi) E. Debach; the Camp Commandant, and others acquainted with the increase in cost of subsistence, believe the present "sussidio", or cash, payments to ex-internees in Fossoli Camp is insufficient.

2. These ex-internees receive basic rations of flour, pasta, rice, and olive oil up to 50% of their daily needs and a cash allowance of 25 Lira per day for adults and 15 Lira per day for children. The cash payment is paid by Italian provincial authorities.

3. Foodstuffs have increased sharply in price and so have other necessities which must be purchased from this allowance: such as soap, tooth-brushes and the like. The loss of purchasing power is said to be the cause of black-marketing operations by inmates of the Camp who struggle in this to increase their income to meet living expenses.

4. It is recommended that consideration be given to an increase in "sussidio" payments to 25 Lira per day for adults and 15 Lira per day for children. In this connection it is pointed out that the largest amount known to be paid by Italian authorities as "sussidio" to refugees heads of families, living free, is 25 Lira per day, without any rations in kind. An increase to ex-internees will, no doubt, be used as a lever to increase "sussidio" payments to others who are also complaining, with even more cause, that the increase in cost of food-stuffs and living necessities makes it impossible for them to live on their sussidio.



Robert Kilwood
 ROBT. A. KILWOOD,
 Colonel, FA.
 Director.

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

Ref: 253/3/CA.

15th March 1964.

SUBJECT: Charitable donations.

TO : Acting Chief Finance Officer.

I approve expenditure of 50,000 lire by S.C.A.C.,
Ass: G Army to Bishop of Ischia referred to in your 13021/7
of 10 March 1964.

2241
Signature,
Executive Commissioner.

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APC 394

13021/F

10 March 1944

SUBJECT: Charitable donations.

TO: Executive Commissioner.

I attach a copy of a letter addressed by SCAC, AMG Eighth Army, to the Finance Officer of Campobasso Province instructing him to make a charitable gift of 50,000 Lire to the Bishop of Isernia.

In Sicily, Group Captain Benson received verbal authorization from Maj-Gen Lord Rennell of Rodd to make such donations as and when he thought necessary. Only one such payment was made, for which I understand written authority, ex post facto, was granted by the Chief Civil Affairs Officer.

I shall be grateful if you will grant authority for the payment to the Commune of Isernia.

I have instructed SCAC, AMG Eighth Army that no further grants will be made without obtaining prior authorization.

A.P. Craffey-Smith
2240
A.P. CRAFFEY-SMITH,
Colonel,
Acting Chief Finance Officer.

APCS/FTF

C
O
P
Y

AMG H.Q. Eighth Army

Subject:- Payment to the
Comune of Isernia.

Ref CA/14

22 Jan 44.

Finance Officer Campobasso Province,
through S.C.A.O.

1. In accordance with verbal instructions given to you by Group Captain Benson, you are hereby authorized to pay the sum of Lire 50,000 (Fifty Thousand Lire) to the Bishop of Isernia.
2. This sum is a gift to the people of the Comune of Isernia in appreciation of the excellent work which they have done in clearing up the ruins of their badly damaged town and endeavouring to restore normal conditions.
3. It must be clearly understood that this sum is to be expended on assistance to the poor, particularly those who have been rendered destitute as a result of the bombardment.

/s/ BENSON

Group Captain
Officer Commanding,
AMG H.Q. Eighth Army.

Copy to C.F.O.
AMG H.Q. 15 Army Group.

2239

1A
 DISSEMINATED
 ALLIED CONTROL COMMISSION
 AEC 354

12 February 1944

EXECUTIVE MEMORANDUM)

SUBJECT: 10)

TO: Regional Commissioners,
 Regions I, II, VI.

INSTRUCTIONS TO FINANCE COMMISSIONS IN
 REGIONS TRANSFERRED TO THE ITALIAN
 GOVERNMENT.

1. The instrument of surrender between the Italian Government and the United Nations reserves very broad authority to enable the Finance Sub-Commission to carry out its functions.

Even after the Italian Government takes over legal responsibility for Regions I and VI, it may not be able at that time to function effectively throughout such areas. Consequently, it will be necessary for Finance Sub-Commission personnel in the field as well as at Headquarters, to perform activities in the same manner as they have been performing them under AMG conditions. Gradually, as the Italian Government can more effectively administer the area, certain of the functions performed by financial personnel of AMG will be performed by the Italian Government. For example, in lieu of making advances to Communes, Provinces and local representatives of State agencies, global advances will be made from Headquarters to the Italian State, which in turn will advance the money to the various States, Provincial and Communal authorities.

Further instructions will be issued from time to time indicating the changes in procedures to be followed, as a result of arrangements worked out between Headquarters of the Finance Sub-Commission and the Italian Ministry of Finance.

2. AMG or AFA

The word "Military" will be taken from the title and the organization will be known hereafter as "Allied Financial Agency" (AFA).

The organization of AFA and the procedure to be followed is that currently in effect under AMG including that embodied in the memorandum of 14 November 1943, regarding AMG's branch accounts.

The functions of AFA in AMG territory will remain unchanged from those of AMG. In AMG territory, AFA will continue existing procedures in furnishing funds to the British and American military formations, and for the administrative expenses of ...C.O., for supplying funds to the Sub-Commissions of AMG to purchase local product.

1. The instrument of surrender between the Italian Government and the United Nations reserves very broad authority to enable the Finance Sub-Commission to carry out its functions.

Even after the Italian Government takes over local responsibility for Regions I and II, it may not be able at that time to function effectively throughout much of the field. Consequently, it will be necessary for Finance Sub-Commission personnel in the field as well as at Headquarters, to perform activities in the same manner as they have been performing them under ASC conditions. Gradually, as the Italian Government can more effectively administer the area, certain of the functions performed by financial personnel of ASC will be performed by the Italian Government. For example, in lieu of making advances to communes, provinces, provinces and local representatives of State agencies, financial advances will be made from Headquarters to the Italian State, which in turn will advance the money to the various States, provincial and communal authorities.

Further instructions will be issued from time to time indicating the changes in procedures to be followed, as a result of arrangements worked out between Headquarters of the Finance Sub-Commission and the Italian Ministry of Finance.

2. ASC or ASC

The word "Military" will be taken from the title and the organization will be known hereafter as "Allied Financial Army" (AFA).

The organization of AFA and the procedures to be followed in that currently in effect under ASC including that embodied in the agreement of 14 November 1943, re-opening AFA branch accounts.

The functions of AFA in ASC territory will remain unchanged from those of AFA. In ASC territory, AFA will continue existing procedures in furnishing funds to the British and American military formations, and for the administrative expenses of AFA, for supplying funds to the Sub-Commission of ASC to purchase local products and in receiving the proceeds of sales of ASC imports sold locally. If the Italian Government in any part of Regions I or II is not in a position to provide funds to local government authorities, regional offices of AFA may be called upon to furnish such funds. It is expected, however, that in the near future, this category of advances can be handled centrally through the Italian Government which will receive a global advance from AFA HQ. Somewhat later, it is expected that AFA will cease furnishing AFA lire to the Italian Government. The Italian Government by that time will have printed lire currency which it will use for its own purposes and will also furnish to AFA to be used for the functions which AFA will continue. It is also expected that at some future date, steps will be taken to withdraw from circulation yellow seal currency and AFA notes and British and American coins.

Existing credit agreements and arrangements between AFA and banks in ASC territories will be allowed to expire. Thereafter, the policy will be to finance banks in ASC territory through the medium of the Italian Government and the Bank of Italy or any other agency designated by the Italian Government.

3. ACCOUNTING.

Until such time as advances to the Italian Government authorities are centralized in a single monthly advance, the accounting functions and procedure in the field and at Headquarters will be the same as at present. In any event, the accounting functions and procedure will remain the same with regard to advances of funds to the Allied Military formations and with regard to accounting for expenditures and revenues of AOC.

The accounting functions will be greatly simplified once the advances for Italian Governmental expenses are centralized by periodic lump sum advances. When that occurs it will be the function of the Headquarters Accountant to maintain the records of all transactions with the Italian Government. Similarly, when the situation exists that the Italian Government furnishes ARA to ARA, the maintenance of the record of the transaction will be the function of the H.Q. Accountant. When ARA pays out to the Allied military formations and for AOC expenditures, the line received from the Italian Government, the functions and procedure of the Regional Accountant will remain as under AMI.

In addition, the Regional Accountant will be responsible for seeing that all supplies imported by the Industry and Commerce Sub-Commission, Public Health Sub-Commission and Displaced Persons Sub-Commission are properly accounted for. The Regional Accountant will, of course, have to handle all outstanding accounting problems left from the AMI period as well as from the period of transition to AOC conditions.

4. MILITARY EXPENDITURES AND REVENUES OF THE ITALIAN STATES, PROVINCIAL AND COMMUNAL AUTHORITIES.

Until such time as HQ of Finance Sub-Commission instructs otherwise, Finance Officers in the field will continue to follow AMI procedure (see instructions of November 23, 1943) in controlling expenditures by Italian Governmental authorities and in determining what advances from ARA are needed to meet deficits. Even when the Italian Government is able to deal with budgetary and expenditure problems throughout AOC territory, it is expected that, in accordance with directives from the G.O.S., strict control will be exercised over expenditures by Italian authorities, because, in the interest of inflation control it is necessary to keep Italian Governmental expenditures to a minimum. The G.O.S. require that sufficient control and scrutiny of expenditures by Italian authorities be maintained so that AOC is satisfied that the amounts of such expenditures are reasonable and appropriate.

Accordingly, arrangements will be worked out with the Italian Government, to submit current and past revenues and expenditure data with a breakdown by Provinces showing the purpose of all expenditures including military expenditures, public debt, salaries, etc., and the source of revenues. In addition, the Italian Government will be asked to order all Divisions of the State Government and the Provinces and Communes under its jurisdiction to prepare budgets covering requirements of the remainder of the financial year for the State and for the next fiscal year for Provinces and Communes and giving a breakdown into quarterly periods commencing January 1, 1944. With this data, future require-

procedure of the Regional Accountant will remain as under AEC.

In addition, the Regional Accountant will be responsible for seeing that all supplies imported by the Industry and Commerce Sub-Commission, Public Health Sub-Commission and Displaced Persons Sub-Commission are properly accounted for. The Regional Accountant will, of course, have to handle all outstanding accounting problems left from the 1943 period as well as from the period of transition to AEC conditions.

4. EXPENSES, REVENUES AND FINANCIAL STATE, PROVINCIAL AND COMMUNAL AUTHORITIES.

Until such time as HQ of Finance Sub-Commission instructs otherwise, Finance Officers in the field will continue to follow AEC procedure (see Instructions of November 23, 1943) in controlling expenditures by Italian Governmental authorities and in determining what advances from AFA are needed to meet deficits. Even when the Italian Government is able to deal with budgetary and expenditure problems throughout AEC territory, it is expected that, in accordance with a directive from the C.E.S., strict control will be exercised over expenditures by Italian authorities, because, in the interest of inflation control it is necessary to keep Italian Governmental expenditures to a minimum. The C.E.S. requires that sufficient control and scrutiny of expenditures by Italian authorities be maintained so that AEC is satisfied that the amounts of such expenditures are reasonable and appropriate.

Accordingly, arrangements will be worked out with the Italian Government, to submit current and past revenue and expenditure data with a breakdown by Provinces showing the purposes of all expenditures including military expenditure, public debt, salaries, etc., and the sources of revenue. In addition, the Italian Government will be asked to order all Divisions of the State Government and the Provinces and Communes under its jurisdiction to prepare budgets covering requirements of the remainder of the financial year for the State and for the next fiscal year for Provinces and Communes and giving a breakdown into quarterly periods commencing January 1, 1944. With this data, future requirements can be estimated.

HQ Headquarters will review the material when submitted to it by the Italian Government. HQ may in certain instances ask POs in the field to provide additional statistics and to check certain parts of such data, or otherwise to investigate governmental expenditure and revenue problems in the areas to which they are assigned.

The total amount required by the Italian Government to meet the difference between approved expenditures and Italian revenues including borrowings from the Bank of Italy and from other banks and from the public, having been agreed to by the Finance Sub-Commission with the Italian Government, the latter will inform HQ how it plans to expend this total sum in the various Regions and Provinces under ACC control in... perhaps also under ASG control. ASG branch offices will be instructed by HQ as to the amounts to be made available to the Royal Treasury Section of the Branches of the Bank of Italy, against receipt on form P/12.

In view of the highly dangerous inflationary situation that exists and the need for reducing the deficit in Italian State and local budgets it will be the function of the Budget and Revenue Section at HQ and the FOs in the field to study the governmental expenditures and revenue situation consistently with a view to ascertaining:

- (i) What expenditures can be reduced or eliminated;
- (ii) The effectiveness of the assessment and collection of taxes, imposts and revenues due to the state, provinces and communes; and
- (iii) What changes in existing budgetary control, revenue administration or tax law should be made by Italian state or local governments.

5.

CUSTOMS.

Italian customs activity will probably be resumed in all areas not specifically reserved to Allied Naval or Army activities. As reserved areas are released, Italian Customs activities will probably be instituted. The F.O. will maintain liaison between Army/Navy operations officers and the Italian Customs service to the end that a continuous customs barrier may be maintained on the perimeter of reserved areas.

Close contact with the principal Italian Customs officer of the Region will be maintained.

Failure of personnel of the R. Guardia di Finanza or the Capitaneria di Porto properly to perform customs related functions should be immediately reported.

Copies of all monthly transaction reports will be obtained from the principal customs officer and forwarded to HQ with comment.

The FO will visit the principal customs offices from time to time and report his findings and reactions.

The Italian customs service will be expected to function under the "Regulations for the Execution of the Customs Law" published in 1927 as amended to and including June 30, 1947.

- (4) That expenditure can be reduced or eliminated;
- (11) The effectiveness of the assessment and collection of taxes, imports and revenues due to the state, provinces and communes; and
- (111) That changes in existing budgetary control, revenue administration or tax law should be made by Italian state or local government.

5. CUSTOMS.

Italian customs activity will probably be resumed in all areas not specifically reserved to Allied Navy or Army activities. As reserved areas are released, Italian Customs activities will probably be instituted. The F.O. will maintain liaison between Army/Navy operations officers and the Italian Customs Service to the end that a continuous customs barrier may be maintained on the perimeter of reserved areas.

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Copies of all monthly transaction reports will be obtained from the principal customs officer and forwarded to HQ with comment.

The FO will visit the principal customs offices from time to time and report his findings and reactions.

The Italian customs service will be expected to function under the "Regulations for the Execution of the Customs Law" published in 1927 as amended to and including June 30, 1943.

Policy with reference to customs treatment of Allied military shipments including payment of duties will be determined in the future.

6. FINANCIAL INSTITUTIONS.

To a very large extent, the function of supervising banks, social and private insurance institutions, Post Office savings banks and stock exchanges, that was the function of the CFE under AMG, will become under ACC the responsibility of the Italian Government. The Controller of Financial Institutions at HQ and FO in the field will keep themselves posted on the activities of these financial institutions in order that, through the medium of HQ of Finance Sub-Commission, matters for correction, improvement, etc., may be taken up at HQ with Italian Governmental authorities. It is our purpose to ensure that financial institutions function in such manner as to aid the Allied military

effort and to assist the Italian nation in returning to normal economic and financial conditions. In addition, from time to time, specific instructions may be issued to FOs in the field to investigate certain financial institutions or obtain information as to their activities.

It is also the function of the Finance Sub-Commission working through appropriate Italian Governmental bodies to seek to establish financial services which do not now exist, to fill needs which may from time to time become apparent. FOs in the field will submit to HQ any information and views on the matter which they have.

In a decree to be issued by the Italian Government, the progress of freezing control of existence under AMS is to be continued in force. It will be the function of HQ and of the FOs in the field to see that this programme is effectively carried out by Italian financial institutions and that names of institutions and persons whose accounts should be blocked or controlled are furnished through HQ to the Italian Government, so that appropriate action may be taken.

Furthermore, any undesired unblocking of accounts or loosening of transactions by the Italian authorities should be reported to HQ in order that the matter may be taken up with the Italian authorities.

7. FOREIGN EXCHANGE AND TRADING WITH THE ENEMY.

The Italian Government will maintain a system of foreign exchange control and will control all trade and communications with any area other than Italian areas under Allied control. Violation of such Italian control or laxness in the enforcement of such controls will be reported by FOs in the field to HQ in order that appropriate representations may be made to the Italian authorities.

8. FINANCIAL AND ECONOMIC INTELLIGENCE.

FOs in the field will obtain and furnish to HQ all categories of financial and economic intelligence that will be of assistance to HQ in dealing with its varied functions. HQ will from time to time request FOs in the field to make certain studies and obtain certain financial or economic information or intelligence.

9. GENERAL.

FOs in the field will be the means for obtaining relevant data and information on subjects of interest to the Finance Sub-Commission, of checking to see that programmes desired by the Finance Sub-Commission and agreed to by the Italian authorities are carried out, and to report whether Italian personnel are properly discharging their functions in the field of finance or are unfit to carry on such activities. HQ ACC will keep FOs in the field generally informed of the programmes which it is working out with the Italian Government and will furnish from time to time general or specific directives covering things to be done by all or certain FOs.

In a decree to be issued by the Italian Government, the programme of freeing control of existence under ASG is to be continued in force. It will be the function of HQ and of the POCs in the field to see that this programme is effectively carried out by Italian financial institutions and that names of institutions and persons whose accounts should be blocked or controlled are furnished through HQ to the Italian Government, so that appropriate action may be taken.

Furthermore, any undesired unblocking of accounts or loosening of transactions by the Italian authorities should be reported to HQ in order that the matter may be taken up with the Italian authorities.

7. FOREIGN EXCHANGE AND TRADING WITH THE ENEMY.

The Italian Government will maintain a system of foreign exchange control and will control all trade and communications with any area other than Italian areas under Allied control. Violation of such Italian control or laxness in the enforcement of such controls will be reported by POCs in the field to HQ in order that appropriate representations may be made to the Italian authorities.

8. FINANCIAL AND ECONOMIC INTELLIGENCE.

POCs in the field will obtain and furnish to HQ all categories of financial and economic intelligence that will be of assistance to HQ in dealing with its varied functions. HQ will from time to time request POCs in the field to make certain studies and obtain certain financial or economic information or intelligence.

9. GENERAL.

POCs in the field will be the means for obtaining relevant data and information on subjects of interest to the Finance Sub-Commission, of checking to see that programmes desired by the Finance Sub-Commission and agreed to by the Italian authorities are carried out, and to report whether Italian personnel are properly discharging their functions in the field of finance or are unfit to carry on such activities. HQ AOC will keep POCs in the field generally informed of the programmes which it is working out with the Italian Government and will furnish from time to time general or specific directives covering things to be done by all or certain Field POCs.

By Command of Lieut. General MASON MACFARLANE.

M. S. LUSH
Brigadier,
Executive Commissioner.

16131