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ACC

10000/109/1785
(VOL. IV)

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10000/109/1785
(VOL. IV)

ACC, MONTHLY REPORTS
(MAR. - JUNE)
MAR. - AUG. 1944

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

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

MONTHLY REPORT

AUGUST 1944.

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APO 394

Ref/498/CA.

28 September 1944.

MONTHLY REPORT FOR AUGUST

General Remarks

1. July was the harvest month. Normally August is the first month in which results can be seen from the Amassi or, as it is now called, the Granai del Popolo. Collection of grain has proved moderately satisfactory although no Region is within close range of its target. But there are signs that the results will be better than normal and that the measures taken to make the country more self-supporting than usual will have some success.

2. It is natural that great attention should be paid by journalists and visitors to the situation in ROME. Here is the capital city, articulate and not very well fed. But compared with other cities in the line of advance, ROME has fared probably better and taking into account the almost complete absence of destruction of buildings, the Romans through their swollen Press, both Italian and Allied, complain too loudly. It is true that the present ration in ROME is not a generous one. It is nevertheless enough to live on and considering the difficulties of importation all that can be expected by the Romans under the circumstances. They have suffered little and are by no means starving nor homeless nor lacking in many of the amenities cut off from most of the great cities in Europe.

3. There are three other problems which are to the fore. Here in ROME it is easy to forget the numerous daily casualties occurring in the country districts from the presence of many thousands of mines strewn about the fields and the paths and the sides of the roads. Victims are found among the farmers and the road workers and the ordinary villagers. Attempts have been made to organise mine clearance companies from the Italian Army without success, chiefly due to lack of equipment. Except for the initial clearance by the Allied Armies in their advance nothing has been done to rid the country of mines which are a danger to life and a check on reconstruction far worse than any temporary shortage of food in ROME. It is hoped that the Italian Government will soon have civilian detachments trained in mine clearance.

4. In the devasted areas already referred to it is apparent that the Italian Government will not have time to rebuild or repair houses for the many thousands of homeless people before the winter sets in. Various improvisations are being considered but it is likely that a large scale evacuation of population will be necessary under a billetting scheme.

5. Transportation difficulties are constant and pressing, and it is feared will increase with the advance of winter. The country has considerable resources of its own transport, but much of it is immobile through the absence of spare parts, and especially tyres. This is a problem for which no real solution has been found; it

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6. In the forward areas there has been little advance and A.M.G. Armies have been able to turn more attention to local government, harvesting and the like. Food and transport remain difficulties, not only in forward areas, but particularly in the harvest Regions where it is only with great difficulty that the grain can be taken from the threshing floors to the depots. Lack of POL again creates a difficulty in threshing grain.

7. Great progress/..

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7. Great progress has been made in placing upon the Ministries of the Italian Government more responsibility, especially in the fields of agriculture, industry and commerce. The Ministry of the Interior also has shown progress in the appointment of prefects and other local government officials. Epuration moves slowly but Commissions of the Italian Government are being set up to deal ministerially with this problem.

8. The Shipping Sub-Commission has instituted a new scheme for the better employment of schooners in aid of civilian supplies. Schooner transport has been woefully short in the past due to operational needs, but it is hoped that this natural and very necessary coastal traffic will soon be set in motion, thereby avoiding the necessity of road and rail transport.

9. August saw the amalgamation of three A.C.C. Regions, II, III and VII, in the south of Italy into one Region with Headquarters at NAPLES. This new Region was called Southern Region and was organized in zones instead of Provincial Teams. The Headquarters of the zones, which consist of a varying number of Provinces, are located where Allied Military concentrations or installations exist. A considerable saving in personnel was made available for the Northern Regions by this amalgamation. At the other end of Italy the advance of the Armies renders control more difficult. This was overcome to a certain extent with the holding of fortnightly meetings at SIENA for forward Regions and A.M.G. staffs of Armies. These meetings proved a great success.

10. All the above problems and many others were fully ventilated and discussed at a Regional Commissioners' Conference held for the first time in ROME on August 22nd when, under the chairmanship of Captain Stone, the meeting was privileged to be addressed by the Supreme Allied Commander. The Italian Press was admitted for the first time and dealt fully with the points discussed. This has resulted, it is believed, in a better appreciation of the work of the Commission and the many problems with which it has to deal.

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PART I

R.C. & M.G. Section

AMG FIFTH ARMY.

1. Owing to the almost static military situation there is little to report. It is the first halt since the Garigliano and to compare it is to remark on the reduction of both transport and personnel.

2. There are now only 47 officers, of whom five are in hospital. 17% of transport has been written off, all of it military vehicles, and the prospect of more failing owing to old age leaves a most disturbing situation.

3. GROSSETO Province was handed over to the Region VIII as from midnight 8 August.

4. In LIVORNO the situation is still unsatisfactory as the town remains evacuated om orders of the military authorities. At the moment only about a thousand civilians are working on military installations in the town. However, electricity, water and sewage are now functioning.

5. With military operations still confined south of the river the situation at PISA shows no change.

6. The harvest has been the main preoccupation and its gathering has proceeded very satisfactorily. To facilitate payment for its collection the banks were opened in LIVORNO and Southern PISA Province on 7 August and there were further openings in the Corps area on 21 August. All demands for POL for harvesting were met.

7. Refugees have been handled effectively with the co-operation of the Refugee Branch. The policy of the retention of refugees as near to their homes as possible is being pursued, only a few having to be evacuated to Corps area.

8. Patriots are behaving well and have been found useful for many duties including the handling of refugees. Certificates are still being issued but only a small proportion of the claimants receive them.

AMG EIGHTH ARMY.

9. At the beginning of the month the Provinces of SIENA, MACERATA, ANCONA, PERUGIA, AREZZO, and FIRENZE were being administered, but operational movement of the Armies resulted in SIENA and FIRENZE being handed over to Fifth Army AMG on 21 August. MACERATA was handed over in the normal course of events to Region V on 18 August.

10. The beginning of the month was notable for the occupation of the City of FLORENCE, which was first entered by the AMG team on 4 August. An extraordinarily difficult state of affairs prevailed, for at that time the enemy still occupied the northern half of the city. Only one bridge over the Arno was intact and that was heavily mined and in the city was a population of 410,000 in great distress

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10. The beginning of the month was notable for the occupation of the City of FLORENCE, which was first entered by the AMG team on 4 August. An extraordinarily difficult state of affairs prevailed, for at that time the enemy still occupied the northern half of the city. Only one bridge over the Arno was intact and that was heavily mined and in the city was a population of 410,000 in great distress. Sporadic shellfire and sniping continued even after the enemy withdrew on 11 August. Despite all difficulties supplies were taken in an administration set up without delay. Great help was rendered by Patriots in mopping up snipers and patrolling the city. As already mentioned this city was later handed over to FIFTH Army AMG.

11. Many small townships were entered, some much damaged, the area most effected being in the vicinity of the Gothic Line, where devastation is on a scale comparable with that in the area of the Volturno.

12. The new area occupied covers some of the richest agricultural land in Italy. Harvesting is completed so it has been unnecessary to import flour but milling has been done under great difficulty. Electrically driven mills are nearly all at a standstill and August was a period when a shortage of POL occurred.

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13. Public Health is generally good and there are no epidemics, but the almost total lack of serviceable civilian ambulances makes the evacuation of civilian casualties almost impossible. This problem was paramount at FLORENCE where the civilian hospitals were for some time inaccessible and casualties had to be taken elsewhere. The Army obligingly loaned some ambulances for a time and with other improvisation casualties were dealt with, but the problem remains generally unsolved.

14. Refugees were handled as a routine and nothing unusual occurred. It is estimated that the total number evacuated during the month was 17,700.

REGION I (SICILY)

15. In this Region the collection of grain has been the chief concern during the month of August. At the beginning of the month a sullen indifference everywhere confronted grain collecting officials, and everywhere a defeatist attitude on the part of Italian officials was present. Dissatisfaction with the price, the natural disinclination of the Sicilian to part with his wheat, the appeal to his cupidity, which successful black market operations would make, all join together to make "Granai del Popolo" a difficult assignment. There is, moreover, a lack of vehicles for officials responsible for grain collection which is seriously hampering the campaign. Every possible step is being taken to get the local Italian administration to rectify this. There is no place for complacence. It will be extremely difficult to amass enough grain to ensure the full ration for Sicily until the next crop season. But results appear better than was at one time anticipated.

16. The new ration scale has been authorised. It provides 200 grams of bread per day and 550 grams of pasta per week per person, or the equivalent. 2700 metric tons of sugar were received during August and a three months ration will be distributed early in September - remainder to be kept on hand.

17. Popular opinion revolves around and depends upon food. Some discontent has existed during most of August over the food ration. An increase in the ration was announced to come into effect on 12 August but it was not possible to increase it until 18 August because of the slowness of the amassing of grain.

18. Some activity of the Separatists has continued, with occasional meetings, but no violence. Political parties continue to be active. It is believed that the Christian Democrats will benefit by the fact that one of their members, Aldisio, has become the High Commissioner for Sicily.

19. 17987 quintals of potatoes have been amassed.

20. Sufficient sulphur oil and caustic soda are on hand for a two months ration of soap, but additional sulphur oil is necessary to maintain this soap ration.

21. 7043 tons of steam coal and 7000 tons of Sardinian coal were received.

22. The electric power situation for the Island is improved owing to the completion of the PORT EMPEDOCLE plant.

23. The health of the Island population continues to be well above the average. There is some increase in infectious diseases and in typhoid and malaria. Amoebic

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24. All Communes with refugees from the mainland have been visited during the month. Refugee camps at SIRACUSA and TAORMINA have been closed and the staff cut to the minimum. Both camps can be reopened at short notice, when repatriation begins, and will be used as staging camps.

25. The railroad outlook has greatly improved with the reopening of the standard gauge railroad lines over the Island. The necessary movement of grain and food can now be ensured, subject to deliveries of coal. The gaps in the railroad lines between PALERMO and MESSINA, between MESSINA and CATANIA and the SIMETO Bridge between CATANIA and PALERMO, have been completed and were opened to traffic on 28 August.

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REGION III (CAMPANIA)

26. There was comparatively little political activity during the month, Bonomi's speech on armistice terms resulting in pessimistic rumours among the civilian population. On the other hand, Churchill's farewell speech was most favourably received. In the City of Naples Unione Femminile Italiana was organized, a women's organization demanding equal suffrage rights for women.

27. The ACC Provincial Offices in AVELLINO and BENEVENTO were closed respectively on 17 August and 27 August.

28. The olive oil ration continued at 200 grams (about 7 ounces) per month and there was much dissatisfaction expressed in the Province of SALERNO and in the City of NAPLES on its distribution. Toward the end of the month fruits and vegetables, potatoes in particular, became scarce in the City of NAPLES. The Prefect of the Province of NAPLES had issued two decrees regulating the shipment of potatoes and other vegetables and fruit, but was required by an order from HQ ACC to rescind these decrees, with immediate effect in the NAPLES market, both in reduced supplies and in higher prices. Deliveries of grain for manufacture of flour were on the average 150 tons per day less than the amount required.

29. 2,000,000 candles (weight 100 tons) were produced for ROME. 429 tons of hemp and hemp products and 2 tons of silk were shipped to the United Kingdom. Prospects appeared good for meeting the quotas for collection of wheat for the Granai del Popolo.

30. Crime showed a further slight decrease. Prison population declined to 8150, from 8600 a month earlier.

31. Smallpox showed a decrease of over 45% in the Province of NAPLES and presented no problem in the other Provinces. Typhoid fever persisted throughout the Region and reached epidemic proportions in the City of [redacted].

32. Uncontrolled movement of individual refugees into the City of NAPLES from the south caused a problem. At one time during August there were almost 1200 refugees living in and about the railroad station in the City of NAPLES under deplorable sanitary conditions.

33. Cash held by banks reached a total of 1,600,000,000 lire, compared with 1,000,000,000 lire in January and deposits reached a total of 22,600,000,000 lire, compared with 5,000,000,000 lire in January.

34. Region III was merged into Southern Region on 28 August 1944.

REGION IV (LAZIO)

35. On 1 August Rome Region was absorbed and Region IV was in control of its full complement of territory with the exception of PERUGIA Province, which is still under Army Control. On the 15 August the Provinces of FROSINONE, LITTORIA and ROME came under Italian Government jurisdiction.

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36. It was becoming evident during the month that the food situation in ROME City was serious and that the shortage was not due to teething troubles which would cure themselves. It is not proposed to ventilate here an extremely complex problem which is being fully explored by competent authorities but malnutrition is evident. At the same time the importance of ROME as a capital city should not obscure the difficulties which exist elsewhere in the Region. In the Provinces the supply situation is only fairly good when compared with ROME. By any other standard it is serious, as the population is not predominantly food producing and growers find the attractive prices of the ROME market hard to resist.

37. Returning to affairs in ROME, during the month 6358 tons of rationed food were distributed in addition to the daily flour ration of 306 tons, whilst other produce amounted to approximately 700 tons daily. The latter is only about 50% of the normal supply.

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38. The largest acqueduct carrying ROME's water supply was permanently repaired, electricity continued on a strictly rationed basis and a gas service of 1½ hours daily was commenced.

39. The state of crime is low but there is an increase in thefts of vehicles.

40. Sponsored by Monuments and Fine Arts Sub-Commission an exhibition of Masterpieces of European Paintings was opened on 27 August. Proceeds, after expenses have been covered, are being devoted to the restoration of Italian national monuments damaged by war.

41. In the Provinces the collection of grain is fairly good though hindered by a POL shortage at the beginning of the month. Prospects for oil and wine are good.

42. This Region includes the devastated area of CASSINO and its neighbourhood, where, it is estimated, there are 25,000 homeless people. Despite every precaution these people have drifted back and whilst suffering little hardship during the summer months, their housing during the winter will be a great responsibility for the Italian Government. A large scale evacuation may be yet necessary.

43. In this area mine clearance is also a serious matter. Despite every endeavour no assistance could be obtained other than that provided by two Italian Mine Clearance Companies, ill trained and equipped. Little impression has been made on the thousands of mines awaiting removal before large areas can with safety be approached.

REGION V (MARCHE, ABRUZZI E MOLISE)

44. On 31 August Campobasso Province was divorced from Region V and taken under the wing of the newly formed Southern Region. CAMPOBASSO is now Italian Government Territory and according to reports already the old type of intrigue and improper influence are being used in making Provincial appointments. MACERATA was handed over to the Region by AMG EIGHTH Army on 19 August. At the beginning of August the ANCONA team was set up, and at the end of the month the PESARO team was in operation. The last two Provinces are, of course, still under the jurisdiction of EIGHTH Army AMG.

45. The main activity in the Region during the month has been the harvest. This is coming in faster than it can be dealt with. Already over 1,000,000 quintali have been collected and there is every hope of reaching the quota during the next few weeks, always providing that ANCONA - PESARO collections have not been destroyed by the incidence of war.

46. Two Provinces - AQUILA and CHIETI - are deficiency provinces in grain, but these deficiencies are being met from ASCOLI-PICENO and CAMPOBASSO. Very considerable dissatisfaction is expressed at the fact that provinces such as MACERATA should be placed on a lower flour and grain ration than certain deficiency provinces in the South of Italy. It has been quite impossible to enforce this lower ration and it is a source of considerable embarrassment to AMG Officers.

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47. In the AVEZZANO District there is an exportable surplus of approximately 50,000 tons of potatoes. These are sold by the Consorzio at 600 lire per quintal, but when purchased direct from the farmers, on what appears to be an organised black market from ROME, up to 1800 lire is paid. Strenuous efforts are being made to stop this but the CC.RR are lax and diffident in their dealings with this type of malefactor.

48. Communications, which were bad throughout the Region owing to the fact that for the best part of nine months a battle took place over it, are improving. For instance, in CAMPOBASSO Province up to the time of handing over to Southern Region, 100 bridges have been built since last September. It is imperative that this work should have priority in this mountainous district, the highest in Italy, against the coming of the snows, or else there will be great difficulty in distributing supplies.

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49. In this same area there must be at least half a million mines, and an average of 18 casualties daily are being reported. Two mine disposal companies (Italian), which arrived were so short of equipment and transport that they have been of very little use.

REGION VI (SARDEGNA)

50. The High Commissioner has shown himself co-operative. He is faced with a major task of considerable difficulty, as he has to prepare to reduce the ration scales. Sardinia has never conformed to the scales laid down in the rest of Italy and unfortunately, when the basic ration was increased in July from 150 grams of flour daily to 240 grams, the opportunity was not taken to correct the higher Sardinian scales. The already generous Sardinian workers' scales were, in fact, increased. As there were ten food demonstrations in July and seven more in August, the prospects now of reducing the ration scales without trouble, in spite of the good seasonal food outlook, are small.

51. Politically the scene is one of frustration as there are seven parties and they all participate in the Government with a result that the smaller factions are over represented and so there are no majorities in the committees. It is in these circumstances that the value of AGC officers is apparent for they stand disinterested behind this instability.

52. The beneficial effects of the reduction of the Italian Army in the island have been felt but a reservoir of transport will ultimately be missed.

53. After the reasonably satisfactory results of the first treason trial it is hoped that there will be no further procrastination over other important trials which are pending.

54. Health has been satisfactory in spite of a disquieting upward trend of malaria earlier. The figure for the month of July of approximately 500 cases compares with 2,400 for the previous year, which is very satisfactory.

55. A Boy Scout camp has been held, the first for many years, thanks to the enterprise of the Roman Catholic Church.

56. The Island, as is known, has escaped major war damage and its remoteness from operations has left the people ignorant of the immensity of the Allied war effort. Its possibilities are great especially with regard to its mineral wealth. The moment is one of hesitation and the Sards are looking to the Allies for leadership.

REGION VII (CALABRIA)

57. As elsewhere politics are one of the principal subjects discussed, but no noteworthy action occurred. Remarkable certainly were events in the small village of CASTROVILLARI which was declared a republic by the Sindaco. This unusual situation was countered by appointing a new Sindaco, whereupon the republic collapsed.

58. The food situation in this Region is good and stocks on hand will last

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...ally to 240 grams, the opportunity was not taken to correct the higher Sardinian scales. The already generous Sardinian workers' scales were, in fact, increased. As there were ten food demonstrations in July and seven more in August, the prospects now of reducing the ration scales without trouble, in spite of the good seasonal food outlook, are small.

51. Politically the scene is one of frustration as there are seven parties and they all participate in the Government with a result that the smaller factions are over represented and so there are no majorities in the committees. It is in these circumstances that the value of ACC officers is apparent for they stand disinterested behind this instability.

52. The beneficial effects of the reduction of the Italian Army in the island have been felt but a reservoir of transport will ultimately be missed.

53. After the reasonably satisfactory results of the first treason trial it is hoped that there will be no further procrastination over other important trials which are pending.

54. Health has been satisfactory in spite of a disquieting upward trend of malaria earlier. The figure for the month of July of approximately 500 cases compares with 2,400 for the previous year, which is very satisfactory.

55. A Boy Scout camp has been held, the first for many years, thanks to the enterprise of the Roman Catholic Church.

56. The Island, as is known, has escaped major war damage and its remoteness from operations has left the people ignorant of the immensity of the Allied war effort. Its possibilities are great especially with regard to its mineral wealth. The moment is one of hesitation and the Sards are looking to the Allies for leadership.

REGION VII (CALABRIA)

57. As elsewhere politics are one of the principal subjects discussed, but no noteworthy action occurred. Remarkable certainly were events in the small village of CASTROVILLARI which was declared a republic by the Sindaco. This unusual situation was countered by appointing a new Sindaco, whereupon the republic collapsed.

58. The food situation in this Region is good and stocks on hand will last until 10 October.

59. With the virtual termination of the vegetable and fruit season prices show a tendency to rise. As an example meat has increased in price recently from 100 lire per kilo to 120 lire per kilo.

60. A comparison of the ordinary retail price of certain commodities and their corresponding black market price may be interesting:

Commodity	Normal price, lire p.Kg.	Black market price, lire p.Kg.
Bread	L. 5.00	L. 50 - 60
Olive Oil	" 32.50	" 90 - 100
Cheese	" 115 - 135	" 200
Sugar	" 20.00	" 180 - 200
Flour	" 5.00	" 150

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61. Transportation is difficult both for food supplies and miscellaneous traffic, although this Region has the advantage of road, rail and sea transport. Road vehicles are insufficient for requirements and there is a shortage of railway trucks. 550 tons of ACC traffic and 400 tons of Italian civilian traffic was handled by the railway as compared with over 15,000 tons of military supplies. 170 tons of fertilizer at MATERA have now been awaiting transport for over a year.

62. At the end of the month the value of all contracts let for work on military highways, including bridges, amounted to L.31,634,000 of which L.10,000,000 has already been spent. Road maintenance is unsatisfactory due to lack of material and the wherewithal to transport it.

63. The Minister of Public Works visited CALABRIA during the month and directed that national aid for the reconstruction of war damage to dwellings would cease.

64. Public utility projects recommended are to cost L.1,320,812 and include four contracts for the repair of sewers and two for the repair of aqueducts. The electricity supply is being severely curtailed.

65. Public health is good and there is nothing unusual to report.

66. Public safety shows a satisfactory situation and an increase in the efficiency of the police service. Crimes of violence have decreased and the perpetrators of five recent murders were all arrested within a short time.

67. Region VIII was merged into Southern Region on 28 August 1944.

REGION VIII (TOSCANA)

68. Up to the end of August only one of the nine Provinces which make up this Region had passed to Regional control. This was the Province of GROSSETO, which was handed over by FIFTH Army on 9 August.

69. Public morale is good and while it is not easy to sense the drift of public opinion there appears a general feeling of relief that "the war has passed". If the food problem is successfully solved there is unlikely to be much difficulty in TUSCANY.

70. Within GROSSETO Province every commune with the exception of GIGLIO has a properly constituted Giunta. Provincial Local Government will be complete and working by the first week of September. Strong teams for the Deputazione and the Giunta have been chosen and appear to be generally approved.

71. Amassing is going well.

72. Agitation against the daily wage for unskilled labour of L. 65 a day continues; a demand for at least L.80 a day is supported by the Camera del Lavoro. The usual 70% increase has already been granted.

73. Some Patriots have been rearmed in GROSSETO to assist the Carabinieri to comb out Fascist bandits in the hills near MONTE AMIATA.

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74. All schools will be ready to function for the regular autumn session. Defascistization is practically completed.

75. Road surfaces are generally good. PONTE MUSSOLINI (Route 1), just South of GROSSETO, is likely to fall in the first flood, while the bridges over the CANALE DIVERSIO and the ALBEGNA are not well constructed. If any of these bridges become unsafe the only alternative to PONTE MUSSOLINI is the bridge at ISOLA and difficulties in its construction are being encountered. If Route 1 is cut, the shortest way to FOLLONICA and the North would be via Route 74 and via SCANSANO, both narrow hilly detours.

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INTERNEES & DISPLACED PERSONS SUB-COMMISSION.

76. This month 628 Maltese were repatriated to TRIPOLI, about three and a half million lire being converted for their use.

77. There were no evacuations of Yugo Slav refugees to Middle East and only 1397 of them arrived at BARI from Yugo Slavia.

78. Brickfield Camp, TARANTO was lent to 52 Area for the accommodation of 1500 French, mainly from Alsace and Lorraine. Their history is curious; conscripted by Germans they were taken prisoner by the Russians, to be released by the intervention of Gen. De Gaulle. Then repatriated through Persia and marooned in Italy.

79. A detailed survey of the Southern Camps has been made with a view to UNRRA taking them over, with the exception of BARI. If this project is approved UNRRA will provide staff thus releasing Internees and Displaced Persons Sub-Commission personnel for use in the North.

80. Problems of ventilation, inoculation, feeding, water supply and sanitation need careful supervision. With the exception of children's diseases the record of the Sub-Commission is a good one. Dealing with refugees, many of whom have suffered years of hardship, necessitates a standard of hygiene which cannot be relaxed.

81. The Children's Summer Centre, FIUGGI, is operating successfully and has been expanded to 75 beds.

82. Record Bureau: At the present time a total of 48,533 Displaced Persons is recorded, of which the location of 41,181 is known. 63 nationalities are represented.

83. Finance: Relief payments in the form of loans to certain Allied Nationals have commenced. Payments have been made to several hundred Poles and Yugo Slavs and it is expected the same facility will exist for Greeks shortly. The Czechoslovak Mission has expressed a desire to participate. Norwegians continue to receive their payments through the Swiss Legation.

84. Prefects have been notified by the Italian Government that relief payments will be made by them through Ente d'Assistenza to all ex-Internees on the basis of 30 lire to the head of a household and 20 lire for each additional member not living in Allied Camps. Those in Allied Camps receive 25 lire and 15 lire respectively.

ITALIAN REFUGEE BRANCH.

85. Movement of Refugees:

Received in Main Transit Camps	-	13,847.
Dispersed through Main Transit Camps	-	10,156.
To Rome	-	8,717.
Local Communes	-	1,383.
Miscellaneous	-	56.

Received and dispersed through forward camp - 7,544, of which 1,625 were absorbed in GROSSETO Province, and 5,919 were dispersed locally.

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In addition approximately 25,000 were dispersed by Army AMGs.

86. Main Camps:

(a) Aversa Camp. Transferred to Follonica Camp. Thus Aversa Camp became entirely a camp for Displaced Persons.

(b) Cesano Camp. This was handed over to Region IV. The camp staff and stores were used to set up two camps in EIGHTH Army area. One for 3,000 at CASTIGLION FIORENTINO and one for 1,000 at S. MARIA DI ANGELO (Near Assisi).

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(c) Cine Citta Camp. Our section of this camp was handed over to Region IV and the camp staff and stores used to set up a camp at FOLLONICA in Region VIII.

(d) Foggia Camp. This camp was closed and arrangements made through AFI to move it to ANCONA by sea.

87. Dispersal Area: Refugees in the South are still extremely restless. Many are arriving in NAPLES and other important towns, causing serious congestion. Some of these travellers are authorised by AMG, or Sindaco; some are without authorisation of any kind.

88. The repatriation of refugees, i.e. return to their homes of war refugees and of people who fled from the Allied Armies, is under M. ZANIBONI, Minister for Refugees. The numbers of war refugees, i.e. people who have become homeless because of the war, have shrunk considerably. More than 75% of the persons passing through our hands are repatriation cases, i.e. people wishing to return South to their homes. Of these, some had been moved North by the Germans, but the majority had fled in an attempt to avoid the advance of the Allied Armies.

PATRIOTS BRANCH.

89. To achieve closer contact with the new Northern Regions when they assume control of their territories a forward echelon has been established in FLORENCE.

90. The Italian Government has set up an Italian Patriot Committee under the Chairmanship of the Prime Minister to handle the Patriot problem. The Committee includes representatives of the Ministry of War, the Ministry of Press and Information and the Presidency of the Council.

91. Intelligence Teams for Regions IX, Piemonte, Liguria, XI and XII have been formed for the purpose of collecting and collating information on German occupied Italy. Detailed information is being supplied about industrial works which it is hoped to save, locations of bands and their leaders, and the activities of Patriots.

92. Patriot Representatives of the CLN and Military Centre Groups are carrying out their task of distinguishing between genuine and bogus Patriots in the Army areas and in Regions IV and V. In practice this work is carried out in cooperation with the Communal and Provincial Patriot Committees. Certificates are being awarded and it is hoped that in the rear areas this work will be concluded by the end of September.

93. The work of re-establishing Patriots in civilian occupations has progressed on the whole more slowly than was hoped. However, Communal and Provincial Patriot Committees are everywhere in being and they are being encouraged and exhorted by every means in the power of this HQ. In FLORENCE it was found that the Patriots

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94. Arrangements have been made to establish seven Patriot camps to receive Patriots on their way South to the Italian Army Recruitment Centres or to their homes. In Regions IV and V owing partly to the time which has elapsed since the territory was liberated, very few Patriots have volunteered to join the Italian Armed Forces. Arrangements are being made to make it possible for any Patriot in this area who may desire to volunteer to be given another chance to do so. In FLORENCE, through the courtesy of MMIA, arrangements have been made to make possible recruitment on the spot of up to 1000 Patriots.

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95. Patriot camps, which will be established at suitable roadheads, will be operated by Italian Patriots. Most of the necessary equipment is being provided by the Italians. Rations will be on the refugee scale. The problem of securing motor transport to be used in connection with these camps has presented some difficulty but it is hoped that empty Allied lorries and trucks returning from the forward area can be used to transport these Patriots.

96. The Italian Liaison Section is carrying out its routine activities of daily contacts with the two recognised Patriot organisations, the Italian Home Office, War Office, Air Ministry and High Command.

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PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. Labour relations, laws and regulations:

(a) The Decree Law concerning suppression of the Fascist Syndical Organisations and liquidation of their respective patrimonies is under further consideration.

(b) This Commission has given instructions concerning "what to submit", "when to submit" and "how to submit" to the Italian Ministry in regard to future legislation proposals.

(c) The delegations from the British Trade Unions Congress and the delegation of American Labour Unions are now viewing the Italian Labour Field.

2. Wages, hours and labour conditions:

(a) To bring about uniformity in the industrial family allowance schedules, a proposal for adjustment and a slight increase is now being discussed with the Italian Ministry.

(b) Much confusion exists among workers and employees as to the dates and payments for National holidays. A formal request has been made to the Italian Government for a clarifying new Decree Law.

(c) Prices have risen so much more rapidly than have wages and there has been such ineffective control over black market activities. Some suggestions and the course of action that should be taken in the wage adjustment field have been submitted.

(d) The small Labour Commission staff was again called upon to perform multitudinous Labour duties at Headquarters and in the field, with the Armies moving up and new territories being occupied.

(e) Manpower shortages have been reported and are being investigated wherever complaints are made.

3. Social insurance, benefits and training:

(a) This Commission with the concurrence of the Finance Sub-Commission has agreed to the proposed nominations of Commissioners for various Social Insurance Institutes.

(b) On the matter of "epurazione", Dr. Livio Malfettani, functionary and commissioner of the "Istituto Malattie" was suspended pending the outcome of a normal hearing with respect to charges of fascist activity filed against him by the High Commissioner.

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4. Statistics, manpower and registration problems:

(a) The commencement of a Labour Statistical Service has been inaugurated and will provide useful information for the future.

(b) Tentative plans for an enquiry into unemployment have been prepared. A report was also prepared on cost of living in Italy.

(c) The proposals for the increase of salaries of State employees presented by the Italian Government have been under study, alternative proposals are being prepared.

(d) Several wage agreements, the most important being that of the Sicilian sulphur mines, were examined and reports prepared upon them. 3525

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5. Region I Summary:

(a) A strike occurred at the beginning of the month at the Imera Group of sulphur mines CALTANISETTA. After a short talk with the workers, work was resumed.

(b) The Labour and Wages Control Committee investigated the question of raising the wage of unskilled labour, a report was submitted to the Allied Forces Local Resources (Sicily) Board and accepted.

6. Region II Summary:

(a) Complaints have been received from all the Provincial Directors that no funds have been provided by the Ministry for salaries and office expenses since the end of June last.

(b) The Communist Party is very active, particularly in the "Camera del Lavoro".

7. Region IV Summary:

(a) Registration and classification of unemployed workers continued (approximately 2511 persons were placed during the month).

(b) Much difficulty has been experienced because of military units leaving the area before paying civilian employees.

(c) The disparity between cost of living and income levels increases. Insufficient supply to serve the demand due to inadequate control of distribution transportation is indicated.

8. Region V Summary:

(a) There are people in this part of Italy who are making money but generally they are the fascist landowners who get a high price for their commodities in the legitimate market and a much higher price in the black market. If wages are to remain fixed, the price of consumers goods must be fixed, and it is of no value to say "our legal price is such" when there is nothing on the legal market to buy.

9. Region VIII Summary:

(a) Reports that the labourers were receiving wages of 80, 90 and 100 lire per day, were reliable and widespread. A few hundred persons are involved at present and they will have to accept the reduction, particularly since in the adjoining province of LIVORNO the Army is trying to get 12,000 labourers at 65 lire per day.

(b) In GROSSETO Province the Trade Union organisation movement is making rapid advances.

FINANCE SUB-COMMISSION

10. Direct suspension of Italian personnel by the Finance Sub-Commission terminated in ROME on 15 August when full administrative responsibilities were assumed by

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FINANCE SUB-COMMISSION

10. Direct suspension of Italian personnel by the Finance Sub-Commission terminated in ROME on 15 August when full administrative responsibilities were assumed by the Italian Government. Files and information have been made available to the various ministerial committees which are now charged with defascistization duties. Supervision is exercised over such committees, who render progress reports to the Sub-Commission. No one previously suspended by ACC is to be reinstated without permission.

11. As has been mentioned in earlier monthly reports, commercial bank interest rates are based on the Banca d'Italia 4½% rediscount rate and this combination of rates necessarily is an important factor in maintaining the high interest rate paid on government borrowings. In preparation for floating a new long-term government loan at a rate lower than 5% when substantially all of Italy is liberated, many discussions have taken place looking toward a reduction of the rediscount rate, commercial rates, and B.T.O. rates. Agreement among Treasury representatives, Banca d'Italia representatives and commercial bankers has finally been achieved and

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it has been decided to lower the rediscount rate and the commercial rate one half of one per cent with a similar reduction to follow shortly in B.T.O. rates. A continuing study of the situation will be made in the hope of effecting another decrease of one half of one per cent within another month.

12. In ROME for the period 1 - 31 August, the excess of purchases of Buoni del Tesoro Ordinarii over payments was 3.5 billion lire. The significance of this development may be realised from the fact that the comparable figure for ROME in July was only 312 million lire.. Net investment in BTOs for all liberated Italy south of the 11 May line (roughly south of the northern boundaries of NAPLES - CAMPOBASSO Provinces), was approximately 2 billion lire; ROME city in one month has almost tripled this figure. It is striking evidence of financial confidence.

13. The total gross revenue collections for the 38 liberated Provinces for the year ended 30 June 1944 amounted to 13,105 million lire is in respect of the 27 old liberated Provinces. The equivalent figures for the first month of the fiscal year 1944/45 are 291 and 228 million lire respectively. The collection result of the newly liberated Provinces is naturally poor, die to almost complete lack of communications in the immediate battle area and in some cases to the destruction of tax offices or the evacuation of office staffs. The results for the 27 liberated Provinces indicate that the improvement in revenue is being well maintained.

14. Two further tobacco factories have been liberated, at FLORENCE and at CHIARAVALLE. Both at present are out of production. The former is believed to be undamaged but access is not permitted at present owing to mines. The latter is badly damaged. The one at FLORENCE produced large quantities of handmade cigars. The two factories produced about 2,500 metric tons of cigarettes annually, sufficient to provide 30 cigarettes weekly for 1.5 million smokers. Owing to the expansion of liberated territory total production is insufficient to provide more than a ration of 20 grams of tobacco (20 cigarettes) weekly to the estimated 7.5 million smokers. A national rationing scheme is now being worked out. Production is being stepped up by longer factory working hours.

15. Expenditure of 50 million lire was authorised for urgent public works made necessary by the flooding of the Pontine and Littoria marshes. Provision had already been made for expenditures for anti-malarial measures in these districts. No clear policy has yet been stated by the Italian Government regarding the repair or reconstruction of war damaged properties or the rehabilitation of devastated areas. In AMG territory, financial control is directed to ensure that any work approved is primarily of military necessity. Much additional work is urgent and vital to the resumption of civilian life; and with the approach of winter the situation becomes acute. The problem is one which cannot fairly be considered piecemeal, and the financial aspect of any programme of national reconstruction is only one of other equally important facets, e.g. the availability of essential imports and the rehabilitation of key industries. The settlement of isolated projects tends to unfair discrimination and to become inequitable to all devastated areas. Any programme must therefore be comprehensive, putting into true perspective the needs of each district compatible with, and related to, the national resources and power of recovery.

16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 70 [illegible]

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15. Expenditure of 50 million lire was authorised for urgent public works made necessary by the flooding of the Pontine and Littoria marshes. Provision had already been made for expenditures for anti-malarial measures in these districts. No clear policy has yet been stated by the Italian Government regarding the repair or reconstruction of war damaged properties or the rehabilitation of devastated areas. In AMG territory, financial control is directed to ensure that any work approved is primarily of military necessity. Much additional work is urgent and vital to the resumption of civilian life; and with the approach of winter the situation becomes acute. The problem is one which cannot fairly be considered piecemeal, and the financial aspect of any programme of national reconstruction is only one of other equally important facets, e.g. the availability of essential imports and the rehabilitation of key industries. The settlement of isolated projects tends to unfair discrimination and to become inequitable to all devastated areas. Any programme must therefore be comprehensive, putting into true perspective the needs of each district compatible with, and related to, the national resources and power of recovery.

16. In the state budget estimates for financial year 1st July 1944 to 30th June 1945, the total estimated expenditure is 39,808 million lire for the 22 provinces and 8,485 million lire for the central administration and Rome Province. This latter figure is a revised estimate and shows a considerable reduction in the estimate first submitted. The original budget for the Central Administration and Rome Province was 18,490 million, and after careful examination this was reduced by 10,006 million lire. Thus an economy was effected which almost exactly equals the total estimate revenue receipts for the whole financial year.

17. Preparations are nowwell under way for the operation of the remittance system in Italy by the Banca d'Italia. It is intended that the Banca d'Italia will eventually provide the entire machinery. However, at first the Banca will serve the area north of the Provinces of ROME, FROSINONE and CAMPOBASSO, for dollar remittances, and the whole of Italy for sterling remittances. Meanwhile approval by CCS is awaited for the Banco di Napoli to effect remittances in the Provinces of ROME (including ROME City), LITTORIA, FROSINONE and CAMPOBASSO.

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18. In centralising as much as possible in the Banca d'Italia the entire remittance plan, it is intended that the Banca d'Italia, rather than AFHQ, will provide lire on behalf of the Italian Government to effect remittance disbursements, but the foreign exchange proceeds will be subject to Finance Sub-Commission control. Eventually CCS will be requested to channel all remittances to the Banca d'Italia. Italian banks designated by the Banca d'Italia will act as paying agents throughout Italy.

FOOD SUB-COMMISSION

19. The distribution of rationed foodstuffs throughout liberated Italy has continued through the month as before, but the bread ration of 300 grams authorised in July for territory south of the winter line has been maintained. Olive oil and meats have had to be restricted in their issue to large urban areas due to the relative shortage of stocks. Stocks will last on the present basis to the end of this year. If no more imports come in, rationed items will be reduced to flour, sugar, and milk, by the beginning of 1945.

20. To make the local grain harvest go further experiments in mixing flour with barley meal have been carried out successfully, and milling at 95% extraction has made no appreciable difference in the quality of the bread which is being produced.

21. Dried vegetables were withheld from issue during the month so that they might be conserved for winter issue, whenthere is normally not a plentiful supply of fresh vegetables.

22. Particular attention was paid to the feeding of ROME. Transport was easier than in previous months so that full ration of bread (200 grams) olive oil, sugar, meat or stew, dried vegetables, soup, and salt was issued. Milk was made available for hospitals, invalids and babies. Some 160,000 meals were provided daily in communal kitchens. In addition to large imports of fruit and vegetables, some 16,000 tons of grain and miscellaneous items were brought into the city. As a further measure of alleviation, steps were taken during the month to relax restrictions and to increase the amount of market produce that could be brought into ROME on cycles and horse drawn vehicles.

23. Hitherto, too much emphasis has been laid on the quantity of local resources available. The heavy demands, authorised and unauthorised, made on local resources by the Armed Forces has been something of a drain on availabilities. The amount of local resources available has fallen considerably short of estimates so that purchases by the Armed Forces and the serious shortage of all forms of transport have mitigated against distribution on a higher scale of the available supplies.

24. The purchase of sheep on hoof for Indian troops is making a serious drain on the animal population.

25. Discussions have taken place with the Italian Ministry of Agriculture regarding the form and contents of a Decree for the amassing of the new crop of olive oil. Agreement was reached and the Decree has been issued. Prices are now under discussion and it is hoped to issue these early in September.

26. Recommendations have been made to the Economic Section that sufficient

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26. Recommendations have been made to the Economic Section that sufficient imports of wheat should be made to enable the extension of 240 grams of flour equivalent to all Italy as liberated and to furnish supplementary rations to hospitals, refugees, heavy workers, and religious institutions, and that sufficient imports of sugar, dried vegetables, milk and meat to meet estimates forwarded to AFHQ on 18 July 1944 should be arranged.

TRANSPORTATION SUB-COMMISSION

27. Railways: Owing to less spectacular advances by our troops during the latter part of August the long distance between railhead and forward troops has diminished. The west coast railhead has reached CECINA, south of LEGHORN. Rail line 65 has reached AREZZO, and line 87 has railheads at EASTIA and ASSISI. The branch line from this route, FOLIGNO-ANCONA, entered ANCONA at the beginning of September, and line 86 is being extended to MARZOCCA. Work on the section ORTONA-ANCONA has commenced.

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28. Authority has been given for the Italian Government to increase all fares on State and Private railways and the publication of the Decree is awaited.

29. In Southern Italy the REGGIO CALABRIA Railway Division is entirely operated by Italians under the supervision of one ACC Divisional Superintendent. In NAPLES our officer is waiting to take over.

30. An ACC officer has been posted to ANCONA, and others are being nominated for Northern Divisions.

31. Roads: Sixteen new officers joined the Roads Section during August.

32. The Italian Government Decree standardising Road Haulage rates is operating both in Italian Government Territory and Military Government Territory.

33. E.N.A.C. is being formed, and will shortly be in operation.

34. An Italian Truck Coy is hauling from PIOMBINO to FLORENCE. Permission has been asked to form a Truck Battalion of at least three companies.

35. New Regional demands for transport are presenting difficulties.

36. ROME is being fed by the use of civilian trucks only in conjunction with rail transport.

37. A Maintenance Section is being formed, which will be responsible for maintenance of all ACC load carrying vehicles. Spare parts are materialising. The Lancia and Super Garages in ROME are now both controlled by this Sub-Commission.

38. Tyres are still a problem, but information has been received that a consignment is on the way. Repair plants are operating on C-1 tyres drawn from P.B.S.

39. Water: Movement for ACC goods by sea is now incorporated in the overall A.F.H.Q. commitments, and not limited to what can be moved by schooners, Forecasts are required for movement a month ahead. This is done by the use of a standing allotment of schooner tonnage to ACC - 27,000 tons D.W. - then by additional allotment of further schooner or coaster space.

40. The new system for movement of goods by schooner under which all bids are required to come to ACC Headquarters is not sufficiently established to give a criterion of its operation.

41. Allotments of schooners for voyages are made at a daily meeting by representatives of ACC, MEDBO, and COGENA.

42. Coal: During August several Lignite Mines were examined and some will probably be restarted, One mine can produce a fuel which will be able to replace the imported coal used at the ROME Electric Plant.

43. Coal destined for the electricity generating plant was transferred to the gas works, which gave gas to ROME on 28 August, a month earlier than was expected.

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44. The clearing of FIUMICINO as a coal discharging port was discussed.

45. It was decided that a berth at CIVITAVECCHIA, served by rail, should be made for discharging coal to ROME.

46. Negotiations with the Ministry of Communications for the transfer of the "acceptance, discharge, and distribution" of coal and coke to the Italian Government, under ACC control, have been brought to a successful conclusion.

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PUBLIC WORKS AND UTILITIES SUB-COMMISSION

47. Time was spent in August in preparing, on special orders, a report stating why the Sub-Commission had not accomplished more, indicating obstacles to progress and what had been done to surmount them. In amplification, reports were also obtained from 10 Regional Engineers, listing actual experiences over about a year. Vehicles for transport of structural materials, always lacking from the earliest days, so continue at the present time.

48. Relations with the Minister of Public Works are satisfactory. Frequent conferences are held.

49. Some of the matters negotiated with the Minister cover :

Organisation of Genio Civile.
Organisation of Cantonieri Gangs.
Contractors with Fascist records.
Excessive cost of works (certain areas).
Defascism (Work of special Commission appointed).
"Bonifica" works.
Financing of projects.
Raising sunken ships in ports.
Establishment of pool of Italian Engineers including electrical specialists, ready to move northwards at short notice.
Careless preparation of projects, and inaccurate estimates, submitted by Genio Civile.

50. The only Public Works officer in SARDINIA is being withdrawn as an experiment, with transfer of responsibility to Italian agency. If successful, the same procedure may be followed in SICILY, or elsewhere in Southern Italy. Schemes costing up to 500,000 lire need no longer be submitted by Italians to Regional Engineers for approval, unless controlled materials are involved.

51. Reports from Region IV show 27 towns with between 25% and 100% houses uninhabitable. Of these 14% are uninhabitable to the extent of more than 60%. A small scheme was approved for re-housing at CASSINO. The Italian Government proposes to set up by Decree a special body to deal with housing (matter still under discussion and negotiation).

52. Following the eruption of Vesuvius (March 1944) a project of over 200 million lire was approved in August; remedial measures to minimise dangers of landslides in the autumn.

53. Officer strength of Sub-Commission as on 31 August was 19 at HQ and 43 in the field (Regional Engineers and their staffs). Since the total establishment should be 74 there is a deficiency of 12.

54. Estimates of war damage to public works and buildings in Italy, recently put at over 2700 million dollars, may have been conservative. A Fund of 600 million lire set up last February (repairs to Military highways and bridges) was raised to 1,000 million lire.

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55. Miscellaneous: Considerable information was furnished in August to UNRRA. Position as to ownership of materials of bombed properties is being investigated. If used in the general interest, they would assist greatly in executing adjacent first-aid repairs, without involving transport. Responsibility for raising sunken ships in ports is still under discussion, i.e. Allied Navies, Italian Ministry of Marine, or this Sub-Commission.

56. Electrical: Of the large hydro-electrical stations 50% are totally destroyed and beyond repair. Dissolution of Central Electricity Board in July trebled the work of the Electrical Division of the Sub-Commission. Importation of 60,000 Kw generating plant might save up to 90,000 tons of shipping per month, and reduce re-employment if factories can be re-started. Electrical situation at present is "desperate".

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57. Remarks: Mine-clearance problems extremely serious. Reconstruction of public works hindered. Physical reconstruction and rehabilitation may be delayed for years, unless systematic mine-clearance is undertaken. Bonifica works in PONTINE MARSHES started in August, to cost about 48 million lire. Problems far greater than these are likely in the PO VALLEY and north thereof, where cities and whole tracts of country may be flooded. Ministry of Public Works pressed very strongly (under instructions Administrative Section) to expedite work of his Commission, dealing with "Defascism". Applications from Gas, Water and Electricity companies continued to be received, seeking to increase charges to consumers.

58. Highways, Bridges and Public Works: In August 83 new contacts put in hand for roads and bridges, and 33 others for miscellaneous projects. Expenditure was 127 million lire, and 59 million on miscellaneous works. Total expenditure (January to end of August) was nearly 700 million lire. Transport vehicles loaned by Armies and in use in Southern Region (military highways and bridges only) were 172, but due to poor condition never more than 50% were available at any one time. No serious difficulties encountered with labour. New system inaugurated under which bulk POL coupons are available to Regional Engineers, for contractors on military works projects. It is hoped by this means to eliminate confusion and shortages of past months. On 31 August 230 bridges were either completed or under construction. Problem constantly increasing in magnitude as Armies move northwards.

AGRICULTURE SUB-COMMISSION

59. The development of power and drive in the Ministry of Agriculture still proceeds slowly. There is difficulty evidently in finding suitable personnel, and the Commission of Epuration, like those in other Ministries, has not yet passed judgement in the case of any of the suspended officials; difficulty also arises from the fact that the Ministry covers the field of Alimentation, as well as Agriculture, Forestry and Fisheries, and the available energy is used in too many directions.

60. August was a month of many Reports. Overshadowing all others in importance, is the Crop Production Plan for 1944-45. At the end of the month the first rough draft of this was submitted to Economic Section. The Report should be completed and printed in English and Italian about 1st of October, and will contain complete Crop Plans for the whole of Italy, Province by Province; estimated farm requirements (fertilizers, insecticides, etc.) for maximizing production from these plans, and estimated minimum required imports. Re-habilitation plans for Forestry and Fisheries are also included.

61. Agriculture: In last month's report, there should have been noted the setting up, by the President of the Council of Ministries, of a Commission on Agricultural Contracts. This was a direct result of pressure brought to bear by this Sub-Commission on the Ministry of Agriculture.

62. Progress of the "Granai del Popolo" scheme remains reasonably good, in spite of transportation and other handicaps. Harvest control officers are having to be withdrawn, because transportation is not available for them, and this is bound to have an adverse effect.

63. Good progress was made during the month in the formulation of a Decree to

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63. Good progress was made during the month in the formulation of a Decree to control the collection of olive oil; greater difficulty is being found in arriving at a final price schedule.

64. Forestry: A preliminary distribution plan for charcoal and fuelwood has been circulated in Regions IV, V and VIII; as soon as figures are obtained, a detailed plan will be prepared and submitted.

65. A detailed report, on charcoal production and distribution, was prepared, and covered the charcoal situation in 21 Southern Provinces of Italy, all Sicily and all Sardinia. The report gave recommendations for increasing the production, supplies on hand and the estimated production from July 1944 to April 30, 1945. It is estimated to be 56% of normal consumption.

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66. Fisheries and Hunting: The month of August, saw several important developments in this Division's programme to rehabilitate the Italian Fisheries Industry. With equipment and supplies, requisitioned from U.S. and U.K., arriving at Italian ports, the Division asked the Ministry of Agriculture to form a Government organisation which would distribute the supplies in such a way as to exercise a control of fishing and minimize transportation difficulties. The organization has been set up, and will assist to re-furnish Italian fishing, controlling supplies at just prices, and securing financial credits from Banks. Allocation of naptha and other coal products is based now on the quantity of fish unloaded at market.

67. The Ministry has been asked to revise the procedure of granting Hunting Permits; under Fascism Permits were issued by the Questura only after C.O.N.I., the Sports Federation Headquarters, approved the request. This undemocratic system has been changed, and now the Questura only will be responsible for the issuance of the Permit.

INDUSTRY SUB-COMMISSION

68. Foreward: The main objective of the past month's work in this Sub-Commission has been to effect the transference of the executive work from the Sub-Commission to the Italian Ministry of Industry, Commerce and Labour. The following steps have been taken towards this end.

69. Firstly, the representation of the Sub-Commission within the Ministry of Industry, Commerce and Labour has been further strengthened in order that continuous daily liaison may be maintained not only with the Minister himself, but with the various industrial experts working under him in the Ministry.

70. Secondly, regular weekly conferences are now held every Wednesday between the Minister, supported by his experts to advise him on technical matters on the Agenda, and the Acting Director, who has the assistance of the appropriate expert officers of the Sub-Commission. This practice has been found to be very effective both in ironing out difficulties that may arise with the Italian Government and also in accelerating the clearing up of outstanding matters.

71. Thirdly, arrangements have been made by the Italian Government for the selection of individual experts to deal with the more essential key industries - who can work side by side with the officers of this Sub-Commission who may have that particular industry under their control. As ye t, however, it has been found impossible in certain situations for this Sub-Commission to hand over all its executive work. An example of this is the cement industry where the military services involved notified ACC that they were prepared to hand over various of the less efficient cement plants. As in some instances the military merely withdrew their control and at the same time stripped the factories of their stocks of coal, clinker, gypsum, sacks and even leather belting, the Sub- Commission had immediately to take on executive responsibility and arrange for an emergency programme for the production of cement for civilian needs.

72. Governmental Decrees: Work during the month has been concentrated mainly on [illegible] decrees by the Italian Government.

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72. Governmental Decrees: Work during the month has been concentrated mainly on three forthcoming decrees by the Italian Government.

73. The first, and the most difficult, was the decree for the control of the hemp industry and the manufactured products thereof. Terms were finally agreed between the Hemp Control Division of this Sub-Commission and the Minister, but the decree has not yet received Cabinet sanction, and negotiations are, therefore, continuing. It is satisfactory to note that new prices were established during the month for the forthcoming hemp crop.

74. The second decree deals with the control of the leather industry by means of a rigid control of the flow of tanning materials to the tanners. This decree has now been agreed between the Government and this Sub-Commission and its publication is pending. New prices for leather were finally agreed and approved, and it is considered that the final settlement of prices will have the effect of markedly increasing the availability of this commodity.

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75. The third decree to be mutally agreed between this Sub-Commission and the Government was the decree regularising the position of the Ente Zolfi Siciliani.

76. Reports: The main report drafted by this Sub-Commission during the month was the first part of the Emergency Programme for Industrial Rehabilitation. This report, which had to be completed within a very short space of time, taxed the energies of all the officers of the Sub-Commission to the utmost. It covered six key industries and outlined the Sub-Commission's programme for the rehabilitation and maintenance of those industries during the calendar year 1945.

77. The second in importance of the reports prepared by this Sub-Commission during the past month was that which was compiled for the representative of UNRRA. This report gives a brief history of the activities of the Sub-Commission since the beginning of the campaign up to date, and enumerated at some length the difficulties which confronted it and the steps taken to overcome them. It also embodied on broad lines the Sub-Commission's proposals for the future.

78. Surveys: Amongst the many surveys compiled by the officers of this Sub-Commission during the past month the two most important are that of the C.I.S.A. Viscosa Factory at ROME, where it is hoped that next year both rayon and fiocco can be produced, and of the Soda Solvay Works at ROSSIGNANO where the production of caustic soda will be eventually possible on a large scale. The problem of the manufacture locally of carbon bisulphide has been actively studied and a programme evolved for its production, which is in course of implementation.

79. Industrial activities: During the month under review the battle area has remained substantially unchanged, no new centres of industry or important plants have been liberated, and attention has largely been directed to amplifying action already initiated or to completing information previously available only in part.

COMMERCE SUB-COMMISSION

Materials Division.

80. Owing to greatly reduced personnel, especially in Southern Region, great difficulty is being experienced in dealing with current work. It is hoped to assign Italian officials to act as co-ordinating agents in the Provinces.

(a) Leather: Considerable belting has been produced by four factories operating in Regions III and IV. Prof. Enrico Simoncini was appointed Commissioner for leather for all Italy, being responsible for leather operations and control.

(b) Tobacco: No sea movements of tobacco were made during August. The ship "Senio" was procured through efforts of Commerce Sub-Commission to carry a three months supply of tobacco to CATANIA and PALERMO during first week of September.

(c) Matches: Arrangements have been completed for the distribution of matches throughout Italy by the national organisation of Consorzio Industrie Fiammiferi (C.I.F.) including all those domestically produced and imported from abroad.

(d) Paper: An AFLR (I) Board meeting, held on 21 August decided to remove from the list of controlled items sheet and rolled paper of all kinds, except printing paper. Newsprint situation continues to be acute. No imports have been received

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gives a brief history of the activities of the Sub-Commission since the beginning of the campaign up to date, and enumerated at some length the difficulties which confronted it and the steps taken to overcome them. It also embodied on broad lines the Sub-Commission's proposals for the future.

78. Surveys: Amongst the many surveys compiled by the officers of this Sub-Commission during the past month the two most important are that of the C.I.F.A. Viscosa Factory at ROME, where it is hoped that next year both rayon and ficcco can be produced, and of the Soda Solvay Works at ROSSIGNANO where the production of caustic soda will be eventually possible on a large scale. The problem of the manufacture locally of carbon bisulphide has been actively studied and a programme evolved for its production, which is in course of implementation.

79. Industrial activities: During the month under review the battle area has remained substantially unchanged, no new centres of industry or important plants have been liberated, and attention has largely been directed to amplifying action already initiated or to completing information previously available only in part.

COMMERCE SUB-COMMISSION

Materials Division.

80. Owing to greatly reduced personnel, especially in Southern Region, great difficulty is being experienced in dealing with current work. It is hoped to assign Italian officials to act as co-ordinating agents in the Provinces.

(a) Leather: Considerable belting has been produced by four factories operating in Regions III and IV. Prof. Enrico Simoncini was appointed Commissioner for leather for all Italy, being responsible for leather operations and control.

(b) Tobacco: No sea movements of tobacco were made during August. The ship "Senio" was procured through efforts of Commerce Sub-Commission to carry a three months supply of tobacco to CATANIA and PALERMO during first week of September.

(c) Matches: Arrangements have been completed for the distribution of matches throughout Italy by the national organisation of Consorzio Industrie Fiammiferi (C.I.F.) including all those domestically produced and imported from abroad.

(d) Paper: An AMLR (I) Board meeting, held on 21 August decided to remove from the list of controlled items sheet and rolled paper of all kinds, except printing paper. Newsprint situation continues to be acute. No imports have been received during the period under review.

(e) Textiles, Clothing and Shoes: Jurisdiction over textiles owned by various merchants and held on the premises of the Consorzio Italiano Manufatti was turned over to the Italian Ministry of Industry, Commerce and Labour. Repair rate of salvaged shoes has been increased to 6000 pairs per week during the month. The Pirelli plant has started manufacture of rubber soles and heels.

Resources Section:

81. A method of procedure is in course of preparation whereby the discovery of controlled materials will become the responsibility of the Italian Government in ACC territory.

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Requirements and Release Section.

82. Important materials such as cement, nails and commercial gases remain in critically short supply. It may prove expedient, after approaching the Director of Works and PBS, to indent for imports to fill essential civilian requirements.

Fuel Section.

83. Owing to the move to ROME it was necessary to invent a modification whereby the existing circulation permits and petrol ration cards could be extended until the end of September. It proved impossible to get permits and ration cards printed in time to issue for 1 September.

Foreign Trade Section.

84. There has been difficulty in obtaining shipping. Quantities of goods are awaiting shipment, but lack of an Export Officer on the East coast of Italy retards all exports considerably. The first consignment of silk cocoons from Turkey has now arrived and will be distributed to filatures for reeling.

Price Section.

85. There is increasing interest on the part of the Government towards standardising procedures relating to prices. The situation with respect to landed costs of imported supplies is still confused owing to AFHQ being unable to notify us as to landed costs of many items, forcing us to make our own estimates. An inter-ministerial committee has been set up by the Government and it is hoped that this will form a nucleus for more extensive price work in months to come.

SHIPPING SUB-COMMISSION.

86. During the month of August the chief subjects with which the Shipping Sub-Commission was concerned were :-

(a) The alteration in the operation of schooners.
(b) The planning of ACC requirements.

87. (a) As an initial step towards the operation of schooners a meeting was held at which it was mutually agreed that of the total of approximately 60,000 tons of schooners 25,000 tons would be allocated to the RASC and Water Transport Companies for Services requirements.

(b) All schooners over 500 tons to be allocated to P.S.T.O. Med. for operation as an addition to the coaster fleet for Services requirements, and small schooners presently utilised by the Navy for harbour craft to be continued in that service.

(c) This left a total of some 27,000 tons d.w. of schooners available for civil requirements, under the direction of the Allied Control Commission. In order that a complete control could be maintained as to the cargoes these vessels carried, a Schooner Control Committee was set up comprising a representative of COGENS, a representative of ACC and a representative of the Mediterranean Shipping

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88. So far as the planning of requirements is concerned, this has now been presented and is under examination at AFHQ. It totals some 90,000 tons for the month of September, but gives priorities which will probably reduce the quantity considerably below that figure. On examination the Ministry of War Transport has agreed that it will be responsible for the tonnage under their own control for the carriage of timber from Southern Italy to Sicily to make lemon and orange boxes for shipment to the UK. A representative of the Ministry of War Transport will proceed shortly to co-ordinate these shipments.

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89. It is obvious, however, that this programme as presented by ACC will not be possible of fulfilment by ordinary schooner traffic, and a complete examination, therefore, is being made as to what contribution can be made towards it by a reduction in the military traffic or the allocation of outside shipping at the expense of other programmes. It will be several days before clarity on this subject is achieved. The main items, however, continue to be coal from SARDINIA and phosphates from TUNISIA. The Ministry of War Transport in LONDON, under pressure from the Mediterranean Shipping Board, has agreed to allocate five vessels approximately 5000 tons dw. each, which vessels will be utilised for these commodities.

90. As a matter of general interest on the shipping situation, ten Italian steamers have now arrived in GIBRALTAR from SPAIN, and one in CASABLANCA from PORTUGAL. These are being put into a fit state at GIBRALTAR to proceed to South Italy, but it is likely that extensive repairs will be necessary before they are fit for service.

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PART III

ADMINISTRATIVE SECTION.

1. Defascism: The Italian Government has expressed itself as not dissatisfied with the progress that it is making in two spheres of defascism, the punishment of those who have lent themselves to breaches of the old constitution or have obtained benefits improperly, and those who have corruptly obtained material benefits.

2. It has, however, expressed its dissatisfaction with the present method of purging the administration which is based on the individual consideration of each case. It is a lengthy process and includes the suspension of the person whose case is being investigated. An alternative method therefore is being considered to ensure the quick purging of officials.

3. Proposals for dealing with private firms and companies under Fascist control are under discussion.

4. Mine Clearance: A programme for the instruction of civilians in this work has been drawn up by the Ministry of War and approved in principle by this Section. These instructional squads of soldiers will be available on 15 September and will form centres of instruction in areas situated close to the more heavily mined areas. On completion of the instruction at the end of September the students are to be formed into working parties for mine clearance work. Some difficulty is being encountered in procuring the necessary equipment and transportation.

INTERIOR SUB-COMMISSION.

5. Local Government: A summary has been prepared and issued to AMG Armies shewing the primary steps necessary to reorganise local government. Italian official appointed to take charge of the Administration of ELBA.

6. Prefects and Officials: Arrangements were continued for maintaining supply of Prefects and other officials who may be required for forward Provinces, including planning for the 45 Provinces still in enemy hands. To meet shortage of Prefects the Ministry has been urged to promote efficient Vice-Prefects and suggestions have been made for transfer of Prefects. New Prefects and other officials sent to ASCOLI, ANCONA, FLORENCE and LIVORNO.

PUBLIC SAFETY SUB-COMMISSION.

7. Policing Forward Areas: Mobile CC.RR attached to Armies have continued their good work in policing newly occupied territory. As they move forward their places are taken by those supplied from replacement centres. A new centre has now been established in FLORENCE to hold 2200 and arrangements are in hand to form another centre at ANCONA. The SCAOs of FIFTH and EIGHTH Armies have expressed their satisfaction at the excellent services rendered by CC.RR under difficult conditions.

8. Patriots: A good deal of the time of Public Safety Officers in forward areas has been occupied in dealing with patriots. The difficulty has been to distinguish

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8. Patriots: A good deal of the time of Public Safety Officers in forward areas has been occupied in dealing with patriots. The difficulty has been to distinguish between genuine partisans and undesirable characters who seize the opportunity to form themselves into armed bands, robbing and plundering the country side. By constituting the CC.RR as the law enforcing authority and withdrawing weapons from the patriots, the situation has been kept well in hand.

9. Public Security: Questori have been sent from a reserve pool in ROME to Provinces at the request of Army SCAOs or RCs. Inspectors from the Ministry of the Interior have been despatched to report on public security conditions in SICILY, SARDINIA and SIENA.

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10. Rations, Uniform and Equipment: Complaints that the rations allotted to Finance Guards and Agents of Public Security are inadequate are being sympathetically examined with the Sub-Commissions concerned. The uniform and equipment of all police agencies is still unsatisfactory, especially as regards transport. In spite of these conditions the police carry out their duties locally.

11. Epuration: Commissions have been set up to carry out the epuration of all Police, Fire Brigade and Prison officials. As yet these Commissions have made little progress. All OVRA officials and agents will be suspended from duty until their cases have been examined by the Public Security Epuration Commission.

12. Prisons: The problem of Italian Military prisoners which threatened to create acute overcrowding in civil jails has been solved. Although Italian Military prisoners will become a civilian responsibility after 30 days imprisonment, they will be kept in military jails. In many districts the prison population is decreasing owing to the expiration of sentences imposed by AMG in 1943. In SICILY as a result of the special drive on grain collection, overcrowding has increased. The repair work on four damaged prisons is being speeded up. If necessary, stockade prisons will be constructed in SICILY.

13. Control of Civilian Movement: In consequence of the handing over of new territory to the Italian Government, the instructions regarding civilian movement have been revised and consolidated in Executive Memorandum No.77. Civil Affairs Officers, Italian officials and the Italian public have been notified of the existing restrictions.

PUBLIC HEALTH SUB-COMMISSION.

14. General: The Italian Government has undertaken the rehabilitation of hospitals.

15. Supplies: Glass tubing is urgently required for the packing of biologicals produced locally.

16. Disease:

(a) Typhoid epidemic at BENEVENTO is being investigated and prophylactic measures have been instituted.
(b) V.D. the campaign continues.
(c) Typhus. The Typhus Control Unit will, during the autumn, instruct local teams throughout Central and Southern Italy in typhus control measures.
(d) Smallpox figures in NAPLES City and NAPLES Province show a definite decrease.
(e) Malaria. The work of the Malaria Control branch has been outstanding and has resulted, almost everywhere, in a marked reduction of cases as compared with 1943.

17. Veterinary: Foot and Mouth Disease and Swine Fever are both wide spread and steps to combat them have been taken. Supplies of veterinary biologicals have been distributed.

18. Welfare: The Ministry of [illegible]

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18. Welfare: The Ministry of Interior has increased the rates of assistance to political ex-internees.

19. Health: Infant mortality figures in ROME are high but it is anticipated that the distribution of powdered milk will result in a decrease in these figures.

LEGAL SUB-COMMISSION.

The following is a summary of activities during the month :

20. Office of Chief Legal Officer: Handling of all legal matters connected with restoration of territory on 15 August. Consideration of "Sanctions against Fascism". Examination has been given to the attitude of Italian Military Tribunals at BARI toward trial of cases involving Allied interests. Consideration of duties and functions of Property Control.

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21. Office of Chief Counsel. Preparation of revised proclamations 1, 2 and 4. Revised General Order No.2 and General Order No.32 (agricultural rents). Examination proposed decree for restoration of property and other rights taken away by Fascists legislation on racial or political grounds.

22. Italian Branch: Supervision of the "Epuration" of the Magistracy under the provisions of DLL 159 of 27 July. Contacts with ROME Jewish and Intergovernmental Refugee Committees on draft law to repeal racial legislation. Settling text of draft decree of marriage of members of Allied Forces in Italian territory. Determining the functions of Property Control in relation to the evolution of Italian administration. Extension of Italian Amnesty decree to territories restored to Italian Administration.

23. Office of Chief Judicial Officer: AMG court in Region II condemned Gaudie Martiere to 28 years imprisonment for murder of an Allied soldier and De Birade Michele to 20 years imprisonment for sabotage.

EDUCATION SUB-COMMISSION.

24. Italian Government Territory: This territory has required recently little attention. We are having to help in regard to the large new printing of textbooks (375,000 in PALERMO; 1,120,000 in NAPLES).

25. Region IV: LITTORIA, FROSINONE and ROME Provinces were handed over to Italian Control on 15 August. School lunches were served to 8,757 school children and plans are under way for increasing this number; 546 school administrative officials have been examined for fascism, of whom 175 were suspended. The printing of 1,039,000 elementary school textbooks for Region IV and V was launched. VITERBO, RIETI and TERNI Provinces are on their way to being in as favourable a situation. All school departments are functioning vigorously; many communes opened summer sessions. PERUGIA was visited and preliminary steps taken toward getting the educational machinery to function. Epuration proceeded at the University of ROME and examinations were held. Preliminary work was started at the two Universities in PERUGIA.

26. Region V: Eight Provinces are organized for the reopening of schools. School heads appointed; vetting under way; budgets prepared; directives issued; Sindaci are getting school quarters in shape; Fascist books are being confiscated. Conditions at the two Universities in MACERATA Province were investigated.

27. Region VIII: GROSSETO and SIENA Provinces were organized, defascising is proceeding, plans are completed for re-opening of schools. Preliminary arrangements are under way for the printing of 1,039,000 elementary school textbooks for Regions VIII and IX. The University of SIENA was the victim of an Army requisition.

28. Regions in General: A meeting of Regional Education Officers and the HQ Staff was held early in August. The two most urgent problems now before schools in both Italian Government Territory and Military Government Territory, are the printing and distributing of the millions of elementary school textbooks, and the making of buildings available and weather-tight for the winter.

PROPERTY CONTROL SUB-COMMISSION.

29. General: On 8 August Insurance Section, Finance Sub-Commission, assumed full

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PROPERTY CONTROL SUB-COMMISSION.

29. General: On 8 August Insurance Section, Finance Sub-Commission, assumed full responsibility for all Insurance Companies in Italy and PC was relieved of this responsibility.

30. Regions: Reconsignment of properties to owners is going forward at an increasing tempo. Property Control offices in Regions II and VII were closed and records and files moved to office of PCP, Southern Region. In Region IV, PCP took into protective custody properties of numerous Fascist Organisations. The work of examining and completing records of United Nations' properties is nearing completion. In the FLORENCE area some difficulty was encountered because of operational activities. Much evidence of pilfering and looting was found.

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MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

31. Region IV: Inspections of the damaged sites in LITTORIA and FROSINONE Provinces, and VITERBO. In most of these cases repair projects have been difficult to initiate because of shortage of material and labour, both of which are needed by other claims in the devastated regions.

32. Deposits of Works of Art in the vicinity of FLORENCE: Steps have been taken to guard and check over the works of art placed in the deposits in the country South of FLORENCE. There are 23 such deposits around FLORENCE. Eight of these were accessible, the rest were in enemy territory. In FLORENCE, steps have been taken to salvage valuable records from the ruins of buildings mined by the Germans. Italian Superintendents have been organised to assist.

33. Region III: Final arrangements for the handing over of this Region's work to Italian Authorities have been made.

34. Art Exhibition: An exhibition of masterpieces of European Painting was opened in the Palazzo Venezia, ROME.

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PART IV

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS

POLITICAL SECTION.

1. On the 15 August the Provinces of LITTORIA, FROSINONE and ROME (including the capital) were handed back to the Italian Government. On the occasion Bonomi issued a statement, rather sober in nature, in which he asked the Italian people not to expect miracles but assured them that the Government was well aware of the task confronting it and willing to tackle it. It may be said that the Government has indeed worked very hard during the month. The Council of Ministers has met frequently and dealt with some major matters. It has set up a committee for national reconstruction, realising fully that at the moment emergency measures must take precedence over long range planning. It has sanctioned the nomination of special commissioners for "concessionary enterprises affecting the public services or engaged in activities recognized to be of general interest" and on 31 August announced its intention of complying with the request of the CGIL delegates (presented 9 August) to take some action, in cooperation with the Allies, to protect the workers against the rising cost of living. And, in the meeting of 31 August, it avowed its intention to attack the Sicilian question laying plans for "strengthening the administrative apparatus" of the island with a view to combating the Separatist movement and to proceed to "concrete and organic resolution of the latifundia problem". These are only the principal activities; there were the usual routine and administrative matters. Epuration has proceeded with vigor, the most sensational event being the suspension of 309 out of the 420 senators.

2. Party life has also been full and in general events of the month have clarified the aims of the various elements. Noteworthy was the "alliance" of the Socialists and Communists (8 August) who announced a common programme for more active participation in the war, intensification of application of anti-fascist sanctions and protection of the workers against their difficult economic straits and dangers from reactionary forces. Their avowed hope is to bring the Christian Democrats (with whom they are already working in harmony on the labour front) into the pact but the latter have so far not given their assent. The Liberals followed suit, announcing on 13 August their fusion with the old Democratic Liberal party, an old pre-war group of some strength particularly in the South. This fusion is particularly interesting as it brings into the Government representation from a group outside the Committee of Liberation; an action which the Leftist parties view with some suspicion, Nenni calling the Liberal Democrats "a Trojan horse within the citadel of democracy". The young and hopeful Catholic Communists received another blow when it was categorically stated by Cardinal Salotti that the terms Catholic and Communists were mutually contradictory.

3. In the matter of foreign affairs the month has seen a crescendo in Italy's anxiety about her future. Demands have been repeated that the Allies should clarify their policy and at various times specific requests have been made in the press for Allied status, Lend Lease, UNRRA and permission to put more Italian troops in the field. It was widely understood that Signor Bonomi took advantage of Mr. Churchill's visit, which was followed with intense interest, to put at least some of these demands directly to him. Interest has been kept high by a series of speeches or gestures from the Anglo-Saxon world. Mr. Churchill's visit was of

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4. On 25 August Signor Soleri, Minister for Treasury, gave a press conference in which he discussed with some frankness the financial situation of the country, pointing out among other things that Italian finance could not be established on any solid basis until the currency situation was clarified and for that the cooperation of the Allies was essential. This was taken up by the press and a statement

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on our currency policy may now be added to the list of things that the Italians would like to have. Their increasing frankness in stating what they want has had some justification - in Italian eyes at least - in the deeds of the patriot bands who distinguished themselves particularly in the fighting around FLORENCE and have thus been a factor in resuscitating national pride. To such a point indeed that Count Sforza, speaking on 21 August, did not hesitate to touch on territorial matters, affirming the "Italianita" of TRIESTE and suggesting that FIUME might well become a free city, the seat of a new league of nations. And the deeds of the Patriots as well as the kind words spoken about the Armed Forces by Allied officers at the last ACC Regional Commissioners' Conference have also served to bring to the fore the plight of war prisoners on which Italians would like action from us.

5. The Regional Commissioners Conference held on 22 and 23 August was for the first time open to the Italian press. Particular attention was given to the reports of the Economic Section and, as said above, the Services Sub-Commissions. Allowing the Italian press to be present may well have had some political value; it was clear from the articles that followed that many Italians had not realised the scope of the work of ACC. Further, the Acting Chief Commissioner's statement that ACC supported the Bonomi Government in the same spirit as that indicated in the statement of the Ministers without Portfolio (issued to express their solidarity at the time of the handover of ROME) was undoubtedly a factor in giving the Government stability and putting an end to any lingering rumours of its approaching dissolution under Allied disfavour.

PUBLIC RELATIONS BRANCH.

6. News Production: Regular press releases were issued to the Italian Press, PWB, Allied correspondents and neutral correspondents on all aspects of ACC activities including UNRRA liaison.

7. Press Conference: The Italian Press was admitted for the first time to the Regional Commissioner's Conference with excellent results. The Branch arranged two press Conferences between Brig. Gen. O'Dwyer and Allied and Italian correspondents, respectively. The former covered the Italian Economic situation and the latter the ROME food conditions and general economic plans. Both Conferences were well received.

8. Journalists:

(a) Italian: Contact with editors of ROME newspapers was maintained to explain ACC policies and to request assistance on problems needing public co-operation. The first ACC/PRB accrediting cards were issued to Italian journalists. Curfew passes were issued to newspaper workers, journalists automobile problems were adjusted, and two Italian photographers were issued with permits to photograph non-military subjects.

(b) Allied: Interviews arranged and information given to some twenty British and American correspondents.

(c) Allied Political Correspondents: The first four arrived and became an ACC responsibility. They represented The Times, Daily Express, and Daily Telegraph, (LONDON), and Tass Agency (Soviet Union).

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(d) Neutral Correspondents: Weekly background briefings were held.

9. Relations with Italian Government: Publicity was arranged and put into effect for the Italian Armed Forces including the first Allied recognition of Italian war correspondents. Epuration of the Italian Press was carried out in collaboration with the Italian Government Committee, the Federazione Stampa, and Security Branch. Long term arrangements for radio and cinemas were discussed with the Sottosegretariato delle Stampa and the PWB.

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10. Miscellaneous: The Allied Publication Board, with concurring PRB vote, froze further issues of newsprint because of shortage of imports. Extensive scheduling of story possibilities made for the March of Time film unit photographing ACC help to Italy. Publishing arrangements made for 75,000 copies of Art Guide to FLORENCE for use of the Troops. Plans started to make films of Italian Army, Navy and Air Force. Contacts maintained with Prime Minister Bonomi and Cabinet members. Regular services of Weekly Bulletin, Daily Home Digest and Trend of Correspondents' copy continued. Material gathered for history of ACC.

WAR MATERIALS DISPOSAL AND ITALIAN PW SUB-COMMISSION.

War Materials Disposal.

11. The work of this Sub-Commission was for the most part of an administrative nature and the small staff was inundated with requests by individuals and representatives of firms for authority to collect derelict vehicles from the surrounding countryside and roads. A few permits were issued, in the most part, to collect parts from derelict vehicles, and in every case the parts were required so that the work on a certain vehicle could be completed and the vehicle put back on the road to do duty under ACC direction.

12. A reconnaissance was made of the RIETI and ALBANO area. In RIETI an inspection was made of the weapons which had been collected into a small Armament Shop, where an excellent job of cleaning and servicing weapons was being done by Italian labour. The weapons are held at the disposal of the Italian War Ministry.

13. In ALBANO a considerable quantity of water pipe and 30 litre tanks were found and put at the disposal of the Public Works and Utilities Sub-Commission.

14. Workshops in ROME and the immediate vicinity were visited and a check made of salvaged vehicles with a view to ascertaining their ultimate destination.

Italian Prisoners of War.

15. The repatriation of Italian Prisoners of War was increased and the release from PW status of approximately 65,000 paroled PW in SICILY was completed. The number of military PW returned for the month was 1030.

16. Prime Minister Bonomi accepted an invitation to send representatives to visit localities in Italy, and to inspect the conditions under which PW cooperators are employed.

17. Requests for repatriation for specialists, required for Allied Control Commission and Italian Government activities, and a few individual cases justified for compassionate reasons, were submitted for consideration.

18. Plans for expediting certain repatriations were made and a policy of active cooperation with the Italian Red Cross was initiated.

COMMUNICATIONS SUB-COMMISSION.

19. Telecommunications:

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COMMUNICATIONS SUB-COMMISSION.

19. Telecommunications:

(a) Telephone: Two additional NAPLES-ROME circuits have been made available, permitting the opening of a restricted service to civil use of this important channel. Many urban telephone services have been restored, including the towns of CAMPOBASSO, ISERNIA, VENAFRO, TERMOLI, LANCIANA, CHIETI, AVEZZANO, AQUILA, TERAMO, ASCOLI, FLORENCE, SIENA, GROSSETO, etc. Inter-urban service limited to intra-provincial calls has been authorised in the Provinces of FOGGIA, CHIETI, PESCARA, AQUILA, TERAMO, AVELLINO, BENEVENTO, CAMPOBASSO, FROSINONE, LITTORIA and ROME: inter-urban circuits are now approaching completion in many areas. Full inter-provincial service is authorised and available in all Provinces south of the above.

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(b) Telegraph: Telegraph service has been authorised in all Provinces listed above; in few cases are circuits available, but they are also now approaching completion in many districts. The telegraph service from ROME to the South has been improved, but is still inadequate, and many telegrams from NAPLES and BARI are still arriving by post. Arrangements to effect improvement, which include transfer of equipment from SICILY, are in hand. Submarine telegraph cables to SICILY and SARDINIA have been handed over to the Italian authorities; so far only the SICILY circuit is restored to operation. The Italian Foreign Office has been authorised to resume cablegram communications, in clear or in cipher, with all Italian Missions, etc., abroad, except that in ARGENTINA. (This service was previously restricted to the Embassies at MADRID, LISBON and TANGIERS).

20. Postal:

(a) Internal and foreign mail services have been restored in the additional Provinces of FOGGIA, CHIETI, PESCARA, AQUILA and TERAMO.

(b) PALERMO and BARI were closed as foreign mail transfer ports, leaving only NAPLES, and a few transfers through CATANIA.

(c) Some 17,000,000 letters (about 70 tons), including about 12,000,000 PW letters, have been dealt with in the foreign mail service since the opening of services early this year.

ARMY SUB-COMMISSION.

21. The planning, organisation and initial training of the Italian Combat Groups has gone according to the time programme. The limiting factor has been the provision of equipment. The training scale of arms and vehicles for the first two groups has now been issued.

22. On 10 August, GOC attended a conference at Public Relations for the Italian Army and observer reporters. GOC put forward the urgent necessity for more publicity to be given the Italian Army, not only in its combattant role but in its work behind the lines, providing labour on docks, engineer units, L of C signals, muleteers etc. It was decided that every effort would be made to get the Italian people Army-minded and several interesting articles have since appeared in the ROME newspapers on the achievements and activities of the Italian Army.

23. In an order of the day to the Italian Army, Count Casati, War Minister, reproduced part of GOC's report at the last Regional Commissioners' Conference in which due recognition and praise is given to the Italian Army and urges all ranks to make greater efforts to drive the enemy out of the country.

24. Arrangements are being made for the division of responsibility for rationing the Italian Armed Forces between the British and American Governments. This constitutes an amendment to the last sentence of this Sub-Commission's report for the month of July.

NAVY SUB-COMMISSION

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NAVY SUB-COMMISSION

25. During the month of August the active cruisers of the Italian Fleet carried out the normal programme of ferrying troops and civilians in the Western Mediterranean. Destroyers and smaller vessels were employed in escort work. The three older battle-ships returned from Malta and have been reduced to reserve in Italian ports. The work of the TARANTO dockyard proceeded satisfactorily. Supplies of food and medical stores for the fleet were adequate and the introduction of a single ration scale for combat and non-combat troops has simplified administration. As far as possible the Italian Navy utilises its own stocks of Naval Stores and every assistance is given to them to obtain materials from local resources. Essential items not available from these sources are supplied mainly from British Naval stocks. The clothing situation was unsatisfactory and will remain so until the arrival of materials ordered from the United Kingdom, when the Italians will manufacture their uniforms in their own factories.

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26. Steps are being taken to obtain favourable publicity for the work of the Italian Navy, and details which are being worked out in conjunction with the Public Relations Branch include the production of a short film, shewing the work of the Italian ships during the past year.

AIR FORCE SUB-COMMISSION

27. The Italian Air Force continued to support the Allied Air Forces actively. The Fighter Wing has been carrying out fighter sweeps over enemy territory and has a good record. The Bomber/Transport Wing continued to drop supplies. The SeapLane Wing continued to work as part of the Mediterranean Coastal Air Force.

28. The Operational Control of the Italian Air Force has now passed out of the hands of the Air Force Sub-Commission. While this loss of operational control is regretted, there is no doubt that it is a sound move, as it ensures complete co-ordination of the effort of the Air Forces as a whole.

29. Under the new Government, General Piacentini has been appointed Air Minister and Chief of Staff of the Italian Air Force.

30. Among many other problems there have been two outstanding ones. Firstly, the ceiling of manpower in the Italian Air Force, and secondly the question of rations. A somewhat arbitrary decision was made to reduce the ceiling from 32,000 to 22,000. This would have had serious repercussions in respect of Italian Air Force personnel on loan to the Allied Forces in substitution for Allied manpower. The ceiling, however, has now been permanently fixed at 31,000.

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CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
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MONTHLY REPORT

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

CONFIDENTIAL

Ref/498/CA.

30 August 1944.

MONTHLY REPORT FOR JULY

General Remarks

1. July is the harvest month in Italy and though the wheat was late this year all eyes were turned towards the crop, which in most areas was well above average. The farmers were anxious about labour and gasoline for their threshing machines: the townspeople thought the generous price for wheat might seriously affect the price of bread (which it has not): the Italian Government and the Allied Control Commission wondered how much of the abundant crop would find its way to the Government grain depots. Generally speaking the harvest has begun well. Imported soldiers of the Italian Army helped the farmers in FOGGIA: helped also to maintain the labour markets for the Allied military authorities and to keep down exorbitant demands for wages by the harvesters. Where gasoline and oil was lacking the farmers reverted to the customary method of treading out the wheat by oxen. The intensive campaign for Granai del Popolo continued and collections of grain began to come in. Strenuous efforts by the officials of Allied Control Commission and in most (but not all) areas, by Italian Government officials, have been made to start the campaign with success. It is too early to prophesy the results.

2. Established in ROME, with the Headquarters of the Allied Control Commission alongside, the Italian Government had its first opportunity of functioning in the capital of the country and with the proper machinery of Government. The focus naturally turned to ROME and conditions in ROME were regarded as a mirror of those throughout the country. This is not so. ROME was not occupied until June 5th and although the city has suffered little material damage, much dislocation has taken place which can only be remedied in time. Conditions in South Italy and in the Provinces outside ROME are undoubtedly better than within.

3. In the North, AMGs with both Armies have done outstanding work. Their problems were manifold, but they overcame them. Law and order were kept: food was supplied in spite of grievous shortages of transport: refugees were passed back for dispersal in neighbouring Provinces: patriots, a new problem, were dealt with tactfully and firmly.

4. The procedure of Provincial teams, from the Region, rapidly following up and sometimes accompanying the AMG staffs in the Armies has proved successful.

5. AMG Regions have continued to employ to the maximum the Italian machinery and personnel of local government, who generally have been helpful and effective in spite of grave difficulties caused by devastation, lack of communications, and

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5. AMG Regions have continued to employ to the maximum the Italian machinery and personnel of local government, who generally have been helpful and effective in spite of grave difficulties caused by devastation, lack of communications, and mines. Civilian casualties from these remnants of battle have been tragic and numerous.

6. In the areas handed over to the Italian Government the reduction of Allied officers of the Allied Control Commission has been maintained gradually: the props on which the Italian Local Government is so prone to lean are being withdrawn and more responsibility is thrown on to the local authorities. There are some, especially in the cities, who think that the withdrawal is premature. But it is essential if the policy of the Allied Nations is to be implemented: and experience shows that it is right.

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7. At the end of his last report on Sicily, Colonel A. N. Hancock, the Regional Commissioner, writes as follows :

"SICILY has now been under AMG or ACC counsel for just over one year. Perhaps the greatest fault - or is it praise - that can be found in Region I is a too rapid return to a state of normal peacetime economic activity together with local politics and slow administration. As for over three thousand years, SICILY still suffers from internal disunion and too great a spirit of selfish independence and local patriotism. The grain campaign - which is still being run under the High Commissioner even if greatly aided by ACC pressure - will be the touchstone of SICILY's ability or failure to administer herself. For the future, the prosperity or poverty of SICILY is a matter for SICILY herself to make - there is little more ACC can do for her."

8. This will become true for the areas in Italy as time goes on.

9. The two problems which face the Commission are food and transport. In the South the peak of the food problem can be said to have passed - so long as the new crop can be distributed. North of the Garigliano in the devastated areas, food is not so plentiful: the basic bread ration from this line to the front line is 200 grams compared with 300 grams in the South. Other forms of food are as short. The same applies to ROME. In the country districts to the East and North of ROME the general food situation is easier, though the basic bread ration remains at 200 grams. Transport is the difficulty. It is inadequate. Food cannot be brought from the producer to the consumer areas. It is even difficult to carry petrol to the threshing machines and grain from the threshing floors to the collection depots.

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PART I

R.C. & M.G. SECTION

AMG EIGHTH ARMY.

1. The end of July found the Army on the banks of the Arno, with the Southern portion of PISA in our hands. The capture of SIENA intact on the 2nd July was followed on the 20th by the fall of LIVORNO with the port area in a ruinous state but the rest of the town mainly undamaged. During the month the latter remained under intermittent shell fire.

2. In SIENA the usual problems of power, light and water presented themselves, the former impossible to deal with at present, while the latter promised to be in fair order in about a month. Banks were sound, lacking only currency. They were opened on 20th July. The University was closed for summer vacation and so presented no problem. Being the centre of a rich agricultural district the food situation was not pressing. SIENA was handed over to AMG Eighth Army on 22nd July.

3. The supply situation grew more satisfactory during the month as the much needed items such as salt and sugar came through. The Army is in a corn growing area with an excellent harvest being gathered, so import of flour is not an immediate necessity. POL is being distributed to promote grinding of flour locally thus relieving transport. In SIENA the stockpile for FLORENCE was established and with the opening of PIOMBINO and the retention of an RASC Transport Coy until replaced, the situation is not unsatisfactory.

4. LIVORNO does not present as bad a picture as was at first thought. There is a possibility of getting an alternative supply of water for some 60,000 people and as the present population is 35,000 against a normal 140,000 the situation will be well covered. There is a fine hospital with a potential capacity for 2,000.

5. The patriots have been most useful. In LIVORNO they marked minefields and acted as guides and police. They respond to tactful handling and the issue of certificates and proclamations has a very good effect. Similar services were rendered elsewhere but at SIENA they presumed complete political freedom even within sound of the enemy guns. Patriot Liaison Officers sent by HQ AOC were very welcome. Some Italian officers have been sent up by the Ministry of War to facilitate enlistment in the Italian Army.

6. In other branches affairs remain satisfactory. The Granai del Popolo collections are good. There is a little hooliganism but crime in the towns shows no unusual increases.

AMG EIGHTH ARMY.

7. The rate of advance slowed down during the month mainly owing to the increased resistance offered by the enemy in the hills South of FLORENCE. By the end of the month, however, the whole of the Provinces of SIENA and MACERATA and most of AREZZO, PERUGIA and ANCONA had been occupied. This meant a population of abou' 2,000,000 under Army AMG administration. These provinces are mainly agricultura

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8. The Provinces of RIETI and TERNI were handed over to Region IV on the 10th and 30th July respectively.

9. Of the places occupied during the month one was the port of ANCONA where only 6,000 people were found on arrival out of a population of about 90,000. 35% of the town has been destroyed. The once attractive town of AREZZO was reported 30% destroyed and had a population of 1500 out of the normal 31,000. The Prefect was not there to welcome the Allies but fled with funds belonging to the Province to the tune of 17,000,000 lire.

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10. Many patriots were encountered and although a few were troublesome the majority were disarmed without incident and were cooperative. Some assisted to gather mines and explosives and others even volunteered to rebuild the railway from TERNI to TODI.

11. TERNI has a very considerable labour problem. The steel mills have been totally destroyed and the 7,000 employees have little prospect of returning to their old employment for a long time to come. This is the first purely industrial town to be encountered and therefore emphasises problems which will arise if similar destruction occurs in the industrial north.

12. Useful work has been done in the whole area by Italian welfare organisations although they have been handicapped by lack of supplies. They have shown themselves calm and efficient under great difficulties.

13. More refugees have been encountered, which is to be expected when an advance slows up, when they come over to us from no mans' land and the devastated areas in the battlefield zone.

REGION I (SICILY)

14. During July the grain campaign overshadowed all other forms of activity in Sicily absorbing AMG, the Italian Army, Carabinieri and Government officials, as well as affecting politics, Separatism and crime. Even the black market has reacted to the new conditions. It brings back memories of the first efforts to feed Sicily just a year ago.

15. The quota of grain to be collected this harvest has been fixed at 5,100,000 quintals, sufficient to feed the rationed part of the population for one year. By 30th June 6802 quintals had been collected; by 31 July this figure had risen to 234,251 quintals. Great difficulties beset the collection of the grain and already nearly 5000 persons have been denounced for infringement of regulations with confiscations amounting to over 10,000 quintals. Transportation facilities provided for the Granai del Popolo have been adequate but tyre troubles are severely felt.

16. In the field of politics Separatism has been more subdued this month in a belated attempt to appease the authorities and particularly the new High Commissioner - Aldisio, who is credited with the intention of crushing the Movement.

17. After a year as the first part of Italy and Europe to be liberated it seems that Sicily is likely to miss the greatest opportunity in her history of becoming an important part of Italy. Many of her difficulties are of her own making. Internally disunited and extra-political she is unready to make common cause with the mainland and share its burdens, whilst her actions arouse deep suspicion on the part of Italians. A great deal depends on the influence of the High Commissioner in the next six months, for by firm handling he can do much to steer Sicily to a brighter future.

18. It is not generally realised that Sicily has already a lively export trade. The value of goods exported to the principal buyers in the last twelve months is as follows :

Great Britain £1,666,[illegible]

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12. Useful work has been done in the whole area by Italian welfare organisations although they have been handicapped by lack of supplies. They have shown themselves calm and efficient under great difficulties.

13. More refugees have been encountered, which is to be expected when an advance slows up, when they come over to us from no mans' land and the devastated areas in the battlefield zone.

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15. The quota of grain to be collected this harvest has been fixed at 3,100,000 quintals, sufficient to feed the rationed part of the population for one year. By 30th June 6802 quintals had been collected; by 31 July this figure had risen to 234,251 quintals. Great difficulties beset the collection of the grain and already nearly 5000 persons have been denounced for infringement of regulations with confiscations amounting to over 10,000 quintals. Transportation facilities provided for the Granai del Popolo have been adequate but tyre troubles are severely felt.

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18. It is not generally realised that Sicily has already a lively export trade. The value of goods exported to the principal buyers in the last twelve months is as follows :

Great Britain	343,666,110	lire.
U.S.A.	21,626,000	"
Malta	242,614,225	"

Nearly all the commodities exported are the products of the fertile soil and include items such as lemons (525,892 cases), lemon oil (180,000 Kgs.), nuts, oranges and orange oil.

19. Prices and cost of living continue to rise and taking the index figure for January 1944 as 100, in June it had increased to 129,95.

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REGION II (APULIA, LUCANIA)

20. The Communist party has continued its ascendancy to the point where it is now provocative. This is most marked in POTENZA and BRINDISI Provinces. Previous uneasiness has turned among the intelligent classes of Italians to fear that some violence will occur if the Allies do not stand near them. Provincial governments still lack teamwork and initiative as they do not feel the staunch backing of the present Italian Government. They have become more suspicious lately that the Allies will leave them "on their own" entirely, despite assurances to the contrary.

21. In the majority of provinces the collection of wheat is well ahead of normal and MATERA Province has already exceeded its total collection for 1943. Barley collection is somewhat behind, for the reason that producers are awaiting a decision of the Italian Government on their appeal that Barley should be considered as food for livestock in many localities.

22. Otherwise, in the grain collection campaign, almost all the problems have been solved with satisfaction except transportation and policing. The transportation problem, rail and motor, with continued shortage of gasoline, tyres and spare parts has become more acute than before. This shortage has now reached the point that the successful collection and distribution of grain is dependent largely upon how quickly and in what quantity rail transport and/or transport can be made available.

23. The Carabinieri and Questura have proved fairly effective in providing police for the grain campaign. Road blocks are in operation throughout the Region. Many arrests for grain violations have been made and more than 1,000 quintals of grain has been confiscated by these road block groups.

24. The food situation in this Region remains satisfactory.

25. The supply of leafy vegetables has lessened, but tomatoes and melons are fairly plentiful. Fruits remain satisfactory.

26. The wine surplus in APULIAN Provinces remains unchanged or in a worse position. Producers are now beginning to pour it out to make room for the new crop. There is still an excess of 300,000 tons remaining in the Region.

27. The new crop of grapes, almonds and tobacco continues normal in condition.

28. The usual labour unrest prevails in TARANTO Province. Otherwise, no serious labour disputes have occurred.

29. A few small imbroglios occurred among troop units. Chiefly between Italian soldiers and French Colonial troops in BRINDISI and TARANTO Provinces. In each instance local commanders and ACC officers handled the situation and managed to prevent serious disorders on a large scale.

30. The civilian population as a whole remains orderly.

31. The general health of the people continues to be very good. For the third successive month there has been no outbreak of an appreciable nature of any communicable disease.

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32. The small epidemic outbreaks of foot and mouth disease in TARANTO, MATERA and POTENZA Provinces now appear to be stabilized.

33. During the month the Italian Provincial Committees have handled practically all the Italian refugee problems in this Region. Large numbers of Italian families have been surging into the Region, especially into BARI, trying to return to their homes in other parts of Italy, especially to NAPLES. This at a time when rail transport was very critical, caused some distress.

34. Although there has been an inflow of over 2,300 Italian refugees during July, there has also been an outflow into those parts of Italy where travel is allowed. Therefore, the total refugee population in this Region has probably remained static at around 30,000.

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35. The unannounced "freezing" of rolling stock for movement of military supplies during the middle of the month was almost fatal to the distribution of civilian supplies and to the grain campaign. Only by superhuman efforts could grain be moved for bread. BARI and LECCE Provinces are living from hand to mouth insofar as bread and pasta are concerned.

36. There are some healthy signs of competition in trade since ordinary consumer goods formerly hidden are beginning to show in some quantity on the open market. However, transportation difficulties, scarcity of raw materials, and machine spare parts still tend to restrict revival of trade.

37. Prices of ordinary goods remain high and beyond the reach of the ordinary housewife. Bank savings and deposits continue to increase and surplus funds continue to flow into the central bank.

38. Black market dealings in sterling and Blue Seal dollars increased somewhat during the month.

REGION III (CAMPANIA)

39. The various political parties remain active and continue in their attempts to control public offices, but no party has a definite programme or policy and therefore party membership tends to reduce rather than to increase. The general public continues to be more interested in food than in politics. The change to Italian Government and the withdrawal of ACC officers have caused general uneasiness which in some cases amounts to actual fear.

40. The food situation was good until the latter part of the month, when purchases for BARI caused shortages and higher prices. At the end of June the population of the City was estimated to be 932,919 and the number of persons having a right to bread and pasta 935,847. On 30 July the total number of ration cards issued was 886,353.

41. The flour ration was increased from 160 grams to 240 grams per day, consisting of 200 grams of bread and 78 grams of pasta.

42. The olive oil crop is extremely good. It is hoped that mines will be cleared in the northern part of the Region in time to assist in the harvesting.

43. The water system for the City of NAPLES continued to operate satisfactorily and under excellent conditions from source to the pumping stations. Chlorination of the entire water supply has been considered advisable, but has been found to be impracticable because of the lack of chlorine and chlorinating equipment.

44. Coal for the gas works in the City of NAPLES came in quite regularly and two months' supply of coal was on hand at the end of July. The SALERNO gas works commenced supplying gas for heating and cooking.

45. There was a slight lessening of civilian crime. Fewer crimes of violence were reported and black market offences decreased. There were 21 cases of forgery

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40. The food situation was good until the latter part of the month, when purchases for ROME caused shortages and higher prices. At the end of June the population of the City was estimated to be 932,919 and the number of persons having a right to bread and pasta 985,847. On 30 July the total number of ration cards issued was 886,353.

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46. Relations with Military Police were good, apart from the French, but conduct of Allied troops did not show any marked improvement. There was too much drunkenness on the part of soldiers and sailors, and many reports of crimes of violence committed by them were received. American Negro troops and French Colonial troops were concerned in a number of these cases, and the conduct of Canadian troops in AVELLINO leaves much to be desired. The increase of French troops in the AVELLINO area caused alarm among the civilian population, and after dark there was in fact a voluntary curfew.

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47. Smallpox showed an unseasonable incidence in the Province of NAPLES and BENEVENTO, approaching epidemic proportions in the cities of AERAGOLA and FRATTAMAGGIORE. 416 cases of smallpox were reported in the Province of NAPLES and 106,913 vaccinations were administered in the Province. Typhoid fever has persisted in all Provinces, but has not been unseasonable.

48. Telephone service from NAPLES to ten other cities was established for Italian Government use. At the end of the month, telegrams could be sent to all parts of Southern Italy, with an average delivery time of two hours. No long distance telephone service was given to the public.

49. Delivery of letters and postcards was established on 1 July to the City of ROME and VATICAN CITY, on 17 July to the Provinces of CAMPOBASSO and ROME, and on the 24 July to the Provinces of FROSINONE and LITTORIA.

50. Cash holdings and deposits with the banks increased.

51. Sales and exchanges for the month exceeded redemptions by 260,000,000 lire. Unofficial meetings of the NAPLES Borsa were inaugurated to stop clandestine dealings. Prices were slightly lower, with the unofficial prices quoted in NAPLES about two points higher than the daily newspaper quotations in ROME, a disparity which no one could explain.

REGION IV (LAZIO)

52. The need to economize in personnel dictated a reorganization in the administration of ROME and at the end of the month ROME Region ceased to exist as a separate entity and was absorbed by Region IV.

53. The month of July was the harvest month over most of the Region. In the Southern Provinces the harvest yield was below normal, owing to war devastation, the withdrawal of labour, and the difficulties caused by minefields. In the Northern Provinces the crop was excellent. Anxiety was felt owing to the absence of POL required for the agricultural machinery, but in fact the Italian farmers, working long hours and using hand methods, have garnered most of their excellent harvest. The outlook for potatoes, olives and grapes remains good.

54. Progress was made in the construction of road bridges. An excellent bridge carrying the Via Salaria into RIETI was built in exceptionally rapid time. This bridge was ceremonially opened by the Regional Commissioner on 10 July. In the Provinces as a whole the Genio Civile got to work on the construction of the many bridges required.

55. Two other problems are of paramount importance: transportation and electric power. On every hand the same difficulties were met with. The lack of transport and the lack of electric power impinged upon practically every aspect of the work of the Region.

56. Political: No very definite developments took place during the month of July. Reports of activities of the Communist Party were received from TERRACINA and from the Province of VITERBO. In neither case was the movement very widespread though potential political tension exists in the numbers of Port workmen evacuated during [illegible] to VITERBO, TUSCANIA and other places in

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57. Industry and Commerce: The paper manufacturing Industry in FROSINONE and ROME Provinces is being rehabilitated to supply newsprint, book and other papers sufficient for local consumption and will shortly be able to provide substantial exportable surpluses. Transportation of materials of construction and of raw materials to the plants makes progress slow. Several woollen mills, pasta factories, cement factories and a shoe factory are being resuscitated. Threshing proceeds slowly due to shortage of POL. Spoilage of grain will occur unless supplies of POL are made available more rapidly.

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58. Public Utilities: Survey of all generating facilities was made and necessary orders given to initiate repairs. Orders were issued rationing electricity and limiting it to essential users.

59. Postal: Services resumed in ROME, LITTORIA, and FROSINONE Provinces, limited to ordinary letter and P.C. mail not exceeding 210 grams weight. 872 Kgs. of POW mail was distributed.

60. Public Safety: Rapid strides have been made in the reorganisation of the Police Services, which as a result have regained confidence, and are taking a pride in their appearance. Their efficiency is good according to Italian standards. The prisons have been checked and there is no overcrowding. All courts are functioning and there is no delay in bringing prisoners to trial.

61. Public Health: The general health of the people remains the same as at the time of the last report. Malaria is still on the increase but this is to be expected. Typhoid has been reported in the VITERBO area but vaccine in sufficient quantities has been furnished.

62. Refugees: In the early part of the month there was a threatened wave of refugees from the AREZZO district. On the whole, however, the local inhabitants "Stayed put" even in the battle area. The main problem was the beginning of a cross surge of uncontrolled repatriation.

63. Opening of Schools: Practically all schools, elementary and secondary, have opened and are functioning in LITTORIA and FROSINONE Provinces - often under unbelievably difficult conditions in makeshift locations. In ROME, VITERBO and RIETI, schools have begun to function in a number of communes which had less than four months of schooling during the year, and the rest of such communes are rapidly being got ready to open schools.

REGION V (MARCHE, ABRUZZI E MOLISE)

64. After the first wild enthusiasm in the Northern Provinces following their liberation, the population remains favourably disposed to the Allies and appreciates the problems facing AMG in the new Provinces.

65. On the whole Italian Provincial Government has taken over administration fairly well. Some changes of Prefects and heads of Departments have been necessary and are to be anticipated from time to time.

66. The rationing system is felt to be unnecessarily rigid. CAMPOBASSO is on a higher cereal ration than other Provinces, which are all grain producers, and this discrimination is likely to affect the collection of grain and to render cereal rationing more difficult in the other Provinces.

67. Despite gloomy prophecies the harvest proceeded satisfactorily. Threshing is hindered by a shortage of POL, due partly to a reduction in deliveries and partly to transportation difficulties. However, it is hoped that the threshing will only be delayed and ultimately all the harvest will be dealt with.

68. Water supply is now generally satisfactory although the restoration of supply

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68. Water supply is now generally satisfactory although the restoration of supply to PESCARA City was a particularly big problem. Everything possible is being done to complete repairs before winter sets in. Limited electricity for milling and essential needs is available.

69. Health is very satisfactory and an Italian malariologist has been appointed. Italian welfare organisations are functioning well.

70. Refugee Camps were opened during the month at ASCOLI, TERAMO and CHIETI. As elsewhere there has been an unauthorized movement of refugees which has caused considerable anxiety. A plan for billetting in the Communes is nearing completion and should help to arrest the movement South.

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71. In the Region's new Provinces practically all roads are open to traffic and the Italian civil engineering organization is being reorganized for their maintenance and repair.

72. Telephone and telegraph communications are so much damaged that it will be months before they can be restored. Every effort is being made to get the postal service operating, but the limitation of transport has its effect here.

REGION VI (SARDEGNA).

73. Recent incidents have revealed a tendency towards reprisals against ex-Fascists. Of particular note is the formation of "Action Squads" during a strike at NUORO. These "Action Squads" are somewhat reminiscent of the "Enforcers" of the Fascist regime.

74. The Christian Democratic Party continues to make constant progress. The Party is most active in fighting Communism and is strongly supported by the Clergy of the Island.

75. A new clandestine Fascist sheet has appeared in the latter part of the month. It is entitled "Repubblica Sociale" and is believed to be printed in CAGLIARI. The initial issue attempts to belittle the progress of the Allied Armies by stating that the invasion of Normandy has been a failure and that Allied claims in the Pacific are largely exaggerated. It also speaks of a new 'secret weapon' which the Germans will soon bring to bear and which will change the entire course of the war.

76. Strikes took place at NUORO, CAGLIARI, IGLESIAS, and CARBONIA. The CARBONIA strike involved over 8,000 workers. The cause of the strike was :

(i) Protest against the black market and demands for authoritative control of prices.
(ii) Demands for increases in paste and bread rations.
(iii) Demands for wage increases.

77. The food situation remains fairly satisfactory but the poor suffer considerably from the high prices of foodstuffs in the markets. The normal difficulties in regard to the supply of fresh produce to the population in the more densely populated areas obtained, due mainly to the lack of transportation and inadequate refrigeration facilities. Considerable supplies of fresh fish were available but distribution to the populated areas presented difficulties for the reasons just stated. The shortage of sugar and complete lack of olive oil is very much felt. A small consignment of olive oil is expected shortly from the mainland.

78. Thirty tons of soap has arrived for distribution to hospitals and other institutions. Two tons of caustic soda has also been imported and are being distributed to a soap factory in each of the three Provinces. This should make available a supply of soap to the general public for an estimated period of one month.

79. Orders have been received from Allied Military Authorities for 2,230 tons of various metal products from the metal mines in the IGLESIAS AREA. There is an exportable surplus of breathing and welding oxygen of between 300,000 and 400,000

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80. 288,300 fire bricks and 101 tons of refractory cement was shipped to the mainland for the Allied Forces and further supplies of the above are awaiting shipment.

81. The harvest has progressed normally though somewhat retarded by lack of supplies and materials. Practically no grain will be lost through failure to harvest. Crop yields are only about average due principally to lack of fertilizer.

82. As regards the Granai del Popolo the warehousing of grain began early in July at a slow rate increasing to about 4,000 qtls per day by the end of the month. Provincial Committees have proved valuable in planning but the Communal Committees vary from very good to poor.

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83. Control is somewhat below a desirable standard due mainly to shortage of Carabinieri and guards, and to scarcity of transport.

84. Threshing has proceeded well but owing to lack of spare machinery parts, more than the usual amount of animal threshing is necessary with consequent reduced control. All grain was harvested without binder twine because the twine did not arrive in time. This, with the shortage of mechanical threshers and difficulty of transporting grain has accounted for relatively slow rate of collection.

85. Prospects for the olive harvest are good and should yield enough oil to meet Regional needs given adequate processing facilities.

86. The condition of roads remains satisfactory although secondary and inter-Communal highways are becoming increasingly worn to the extent of slowing up bus traffic, food distribution and mail deliveries.

87. The transfer of the work and maintenance formerly performed by the AA.SS to the Genio Civile is taking place.

88. The water situation generally continues satisfactory except that for CAGLIARI City which threatens to become critical about October next. The position is being closely watched particularly as this matter is of vital concern to the Allied Garrison.

89. The general health situation in SARDINIA is quite satisfactory. No medical supplies were received during the month but as existing supplies had not been exhausted the delay has so far caused no inconvenience. The primary morbidity rate of malaria with the exception of a few isolated areas, is still well below last year's figures for the corresponding period.

90. Road transportation continues to be hampered by lack of efficient vehicles and spare parts. It is considered however, that Italian officials are not organising existing resources to the best advantage.

91. Inflation is still a burning question but relatively the situation is calmer at the moment, probably due to more food being available. Money is still being deposited with the banks to a satisfactory degree, and revenue returns are increasing.

REGION VII (CALABRIA).

92. Owing to difficult supply position in July it was not possible to distribute the increase of 550 grams per week. However, as from 1st August 350 grams of pasta or flour per week will be distributed to those Communes which have had a satisfactory return of ration cards, and it is hoped that by August 15th the stock position will permit the introduction of the full scale of 550 grams flour or pasta per week.

93. Partly because of the price being too high, and partly because of differences in national diet, dehydrated soup, meats and stews do not go well, and the Consorzio Agrario are left holding large stocks. The black market price of tinned meat is lower than the official one.

94. The collection of olive oil has been proceeding slowly. Up to 31 July 83,600 quintals of oil had been shipped to NAPLES from REGGIO and CATANZARO Provinces.

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[illegible] remains satisfactory although secondary and minor communal highways are becoming increasingly worn to the extent of slowing up bus traffic, food distribution and mail deliveries.

87. The transfer of the work and maintenance formerly performed by the AA.SS to the Genio Civile is taking place.

88. The water situation generally continues satisfactory except that for CAGLIARI City which threatens to become critical about October next. The position is being closely watched particularly as this matter is of vital concern to the Allied Garrison.

89. The general health situation in SARDINIA is quite satisfactory. No medical supplies were received during the month but as existing supplies had not been exhausted the delay has so far caused no inconvenience. The primary morbidity rate of malaria with the exception of a few isolated areas, is still well below last year's figures for the corresponding period.

90. Road transportation continues to be hampered by lack of efficient vehicles and spare parts. It is considered however, that Italian officials are not organising existing resources to the best advantage.

91. Inflation is still a burning question but relatively the situation is calmer at the moment, probably due to more food being available. Money is still being deposited with the banks to a satisfactory degree, and revenue returns are increasing.

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94. The collection of olive oil has been proceeding slowly. Up to 31 July 23,600 quintals of oil had been shipped to NAPLES from REGGIO and CATANZARO Provinces.

95. There has been a gradual decline in black market prices which after all are a barometer of economic conditions. The reasons are several; first, the increased price to grain growers and the consequent greater attraction of the Granai del Popolo scheme; secondly, the increased ration scale; and thirdly, the greater availability of seasonal vegetables and fruits in the market.

96. From a farmer's point of view the harvest is satisfactory both as to yield and quality, and harvesting is proceeding under ideal weather conditions. Collection, however, is another story. So far 83,000 quintals have been collected against a target figure of 290,000 quintals.

97. The principal source of fertilizers for the Region is the Montecatini Factory at CROTONE. This is ready to start production as soon as supplies of phosphate, due from North Africa early August arrive. Stocks of raw pyrites (obtained within the Region) are at a satisfactory level despite transport difficulties.

98. Owing to lack of transport stocks of wine are already very high. Storage of the new vintage will be difficult unless these stocks can be moved. Much economic hardship among the considerable proportion of the population connected with the industry is likely to result.

99. There have been five cases of smallpox at NICASTRO, limited to patients in the hospital there, where the original case contracted in NAPLES was treated. The Medico Provinciale has tightened quarantine measures.

100. There has been no movement of Refugees into the Region during the month. The lot of those already settled in Communes in the Region remains unenviable, and many are trying to return to their homes despite instructions issued by Prefects to the Sindaci that they are not to move without permission of the Italian Government.

ROME REGION.

101. At the end of the month ROME was absorbed into Region IV so that in future its activities will be reported on by that Region.

102. The administration of ROME has been attended by a mass of detail but generally speaking the month was without untoward incidents. Admittedly, the food ration is a bare minimum and consideration is being given to an increase at an early date. Through under-nourishment the people are restless and this is one of the reasons for the political situation being more tense.

103. As a measure of the supply problem of so large a city 7,986 tons of imported foodstuffs were distributed during the month. 93 tons went to soup kitchens and 99 tons to hospitals. These figures indicate a distribution of rationed foods of 164 grams per person per day, 160 grams of which was flour. This is 40 grams less than the amount decided upon and failure to supply the full scale was due to limitations of transportation. By the end of the month 172,400 meals per day were being served from soup kitchens and 53,000 in industrial kitchens.

104. Between 4,000 and 5,000 quintals of fresh vegetables and fruit were reaching the market daily by the end of the month.

105. The water supply, due to enemy action, continues to be unreliable and much work must be done before the autumn rains. Failure of temporary repairs has deprived certain areas in the city of water for periods of one to ten days.

106. Supply of electricity is also insecure. 400 tons of coal per day is necessary to maintain a reasonable output of current but only 250 tons are being received. Apart from this the unaccustomed use of standby steam driven generators brought another problem. The level of the Tiber fell so that water supplies for the condensers were endangered and a dam had to be built to step up the water level. Restrictions in the lighting supply has caused a heavy demand for candles which is being partly met by arrangements for increased local production. 50 [illegible] per

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107. The incidence of crime is low and there is no serious trouble to report. One incident received publicity at the time and can be related. Allied soldiers held a dance to which Italian girls had been invited. A section of the male population resented this and when the girls left the hall the hair of one of them was cut off. Allied soldiers intervened and there was a clash between them and Italian civilians. Steps have been taken to avoid repetition of this incident by arranging for Carabinieri to patrol with Allied Military Police.

108. Health is satisfactory and there has been nothing in the nature of an epidemic. Hospitals are however badly administered.

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109. Several hundred escaped German prisoners have been rounded up as also have a large number of criminals released by the enemy from REGINA COELI Prison before retreating.

110. There are 40,000 registered unemployed at the present time. ROME has no industry worth mentioning so the influx of men unsettled by the course of events cannot be absorbed. Later when transportation becomes freer and rehabilitation schemes are organised there should be a considerable demand for labour.

111. Allied Courts disposed of 764 cases and referred 3000 to Italian Courts. The latter are falling into arrears and drastic action may soon be necessary.

112. Relations with the Church in welfare matters have been excellent and its assistance has been invaluable.

113. Bank deposits by the public increased by approximately 1079 million lire.

ITALIAN REFUGEE BRANCH.

114. Movement of Refugees:

(a) Received and dispersed by forward Corps Camps in Army areas - 17,867.
(b) Received in Main Transit Camps - 9,334.
(c) Dispersed through Main Transit Camps - 9,755.
(d) Dispersal from Main Transit Camps to Regions as follows :-

Region I	-	110
" II	-	2636
" III	-	1149
" IV	-	4548
" V	-	866
Mis'al.	-	446
Total:		9755

115. Main Camps:

(a) By July 1st, CAPUA and NAPLES Camps were closed.
(b) Most of AVERSA Camp was handed over to Int. & Displaced Persons Sub-Commission, Italian Refugee Branch retained a reduced staff to empty the camp of refugees.
(c) CESANO Camp was in full operation by the beginning of this period. The main difficulty was that the numbers of incoming refugees were nearly as great as the number of refugees dispersed, owing to transport difficulties.
(d) CINE CITTA Refugee Camp opened early in July. The chief difficulty being the lack of an adequate water supply.
(e) ROCCASECCA Camp was closed and transported to CINE CITTA Camp.
(f) FOGGIA Camp was closed and is now awaiting transport to move to ANCONA.
(g) Camps in ROME Area were declared the responsibility of ROME Area.

116. Transportation: Road transport from any source other than civilian sources has been extremely difficult to find. Rail transport has been used only for

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116. Transportation: Road transport from any source other than civilian sources has been extremely difficult to find. Rail transport has been used only for bringing refugees from :

(i) Railhead to ROME.
(ii) ORTONA to BARI.

117. Dispersal Areas: Refugees in the South are restless. The authorities have failed to prevent them from troking North by every conceivable means of transport. The inevitable result being that NAPLES, and other cities are far beyond capacity. This movement has been encouraged by various unauthorised statements on the Italian radio and press, and by various authorities issuing unauthorised passes to refugees.

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INTERNEES AND DISPLACED PERSONS SUB-COMMISSION.

118. The main features of the month's activities were :

(a) The despatch of 983 Jewish refugees to the United States.
(b) The collection of approximately 600 Maltese for despatch to TRIPOLI in August.
(c) The opening of SANTA CESAREA as an Orphan Camp for about 1,000 children whose ages ranged from a few months to 14 years. The orphans were flown from Yugoslavia and were organised into groups of 25 under trained teachers.

119. A Children's Summer Centre at GIUGNI has been opened. Some 87 children of 7 nationalities have already been registered to spend from 14 days to two months, according to health requirements.

120. Food supplements on medical grounds have been supplied to 830 Allied Nationals weekly. ACC is supplying milk, meat, sugar and dried soup. An endeavour is being made to obtain from Army sources tea, cocoa, cornflour, custard powder and margarine.

121. Record Bureau: At the present time there are recorded in the Record Bureau a total of 40,000 displaced persons representing 56 nationalities. Of this number the location of 38,000 is known to the Record Bureau. 30,000 of them have been evacuated from Italy. Since arriving in ROME the Record Bureau has obtained information on 6,175 other persons. This includes displaced persons and other nationals who normally lived in ROME. It does not include a large group of other nationals who normally lived in the Vatican.

122. Repatriation: The movement of Jewish refugees to NAPLES for embarkation to the United States started on 9th July and persons began to arrive at the AVERSA Refugee Camp on 11th July. At AVERSA Camp, P.B.S. had set up a portable shower unit and a disinfector. All refugees went through these units and were then given a medical inspection by P.B.S. medical personnel who also vaccinated and inoculated where necessary. On 17th July all refugees were embarked and loading was completed that day.

123. Finance: During the month the finance officer's activities dealt with almost every conceivable financial problem that a refugee could present - letters of credit, foreign exchange, bank accounts in general and blocked bank accounts in particular, investment securities, relief funds, relief rates for ex-internees, advances for British and American Nationals, and conversion of currency for departing refugees. Arrangements were made for approximately one thousand Polish refugees to receive an emergency payment of an amount not to exceed four thousand lire each.

PATRIOTS BRANCH.

124. Formation of the Patriots Branch: Patriot bands which are many of them large and highly organised bodies, have been created in various centres of German occupied territory in Italy and have received considerable encouragement and active help and instructions from the Allied Command. It is therefore clearly one of our chief tasks to look after the individual

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125. Patriots, although mostly Italians, may be of any nationality, and are defined as being those in the ranks of genuine fighting bands who have carried arms, engaged in sabotage or secured important military information to the benefit of the Allied war effort.

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126. A pool of Italian patriot representatives has been formed to assist Allied officers who are concerned in identifying patriots and in handling patriot problems. Nine pairs of representatives (one each representing the C.L.N. Group and the Military Centre Group) have been despatched to Army areas and further teams are being organised for Regions.

127. It is the task of the Patriots Branch to direct the rehabilitation of all patriots in liberated territory, and to coordinate the policy of HQs AAI and AOC with regard to future operations in enemy territory. To this end a message in poster form signed by General Sir Harold ALEXANDER was designed and distributed in forward areas. A form of certificate of merit was prepared and approved at the same time and certificates have been sent to Regions and to the two Armies for distribution through the recognised "Band" leaders to individual patriots.

128. Handling of Patriots South of the Line: Plans have been drawn up for dealing with patriots. Although many are used for a short while by the Army in their own area as guides and as patrols and for reconnaissance work, the intention generally is to direct nearly all of them into civil life. About 50% return to their own homes and occupation locally. Of the remainder some will be used for police duties or as drivers, others will be employed on engineering work, and on mine clearance; and arrangements have been made for recruiting and passing back volunteers for service in the Italian Army and Air Force. Communal Committees are being set up to assist Provincial Commissioners in this work, and to help weed out bogus applicants among the genuine patriots. The problems of collecting and disposing of the patriots' arms is in hand. The arms will be used for future operations as directed by AAI.

129. Information and Publicity: Reports are being received from Patriot representatives and from the leaders of the patriot bands. Information from these reports is extracted and passed on when relevant, for use by P.R.O., P.W.B. and the press. Italian newspapers are closely scrutinised. Information is being collected about conditions in enemy occupied territory in order that suitable plans can be made for handling patriot problems in that territory when it is liberated.

130. Italian Liaison: Liaison is maintained with the Italian Ministry of War through an Italian senior officer who is responsible for coordinating the work of the Groups which are recognized - the C.L.N. Group and the Military Centre Group.

131. Policy: Directives have been issued as required in agreement with AAI and other authorities. It is fair to say that the task of ensuring that these directives are acted upon by all Allied officers concerned and by the leaders of the patriot bands is well in hand. The broad political aspect of the patriot problems has been borne constantly in mind, and very close liaison is being maintained with those Allied officers and officials who are concerned with the political future in Italy.

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PART II.

ECONOMIC SECTION.

LABOUR SUB-COMMISSION.

1. Labour Relations, Laws and Regulations.

(a) Petitions and threats of work stoppage received by this office on the following: Postal Telegraph, railways, tobacco, provincial employees. The above were presented to the Ministry with policy that such could be considered by ACC when presented properly by the Italian Government.

(b) Agreement reached for sulphur mine wage and working conditions in joint conference with Industry Sub-Commission and the Ministry.

(c) A request for approval of unauthorised wage increases in the Tosi Dock-yards was left with this Sub-Commission at a conference held in the office of the Minister. The following regulations or procedures were offered:

(i) uniform interpretation of wage increase order;
(ii) required procedure for submission or requests for wage changes;
(iii) plan for the uniform study of wages throughout Italy.

(d) The following laws in draft were submitted to this Sub-Commission for approval:

(i) Suppression and Liquidation of Fascist Confederations;
(ii) arbitration by Labour Offices or Ispettorato of disputes arising from wage increase order of 7.December.1943.

(e) The general "Labour Charter" was found not acceptable by the new Ministry.

2. Wages and Hours and Working Conditions.

(a) Food ration in Rome Area was increased, still not satisfactory.

(b) Price of wheat and cost of bread held to a minimum.

3. Social Insurance, Benefits and Training.

(a) Desire indicated by the Ministry for new appointment of Commissario of Previdenza Sociale, Malattia and Infortuni.

(b) Provision of Proclamation No.4 prohibiting payment of family allowances to dependents of the military, POW's and workers in Germany rescinded by ACC, and only allowances to the dependents of those working for the enemy were prohibited.

4. Statistics, Manpower and Registration Problems.

(a) A tentative plan was approved and is being put into force in Rome for the comparative study of industrial wages in Italy.

(b) A collection made of weekly budgets of 12 familes; later extended to 100 families for a period covering several weeks.

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(b) A collection made of weekly budgets of 12 familes; later extended to 100 families for a period covering several weeks.

5. Region II Summary. The following disputes were settled satisfactorily:

(a) sit down strike at S.G.P.E., Bari;

(b) political strike of a few hours duration in Taranto dockyard.

6. Region IV Summary.

(a) Order issued in Rome by SCAO 5 Army recognising increases over collective wages in effect 1 September 1942.

(b) Social security agencies established in Rome under policy of Labour Sub-Com.

7. Region VII Summary. Labour dispute pending involving the Societa Elettricita delle Calabria. The employees demanding same adjustment as in S.M.E.

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FINANCE SUB-COMMISSION.

8. The Finance Sub-Commission has undertaken a comprehensive programme to defascistize Italian financial institutions. 130 officials and other personnel have been suspended from the Banca d'Italia, the Royal Mint, Istcambi, Banco di Roma, I.R.I., L.M.I., Credito Italiano, Banco Commerciale Italiano, Banca Nazionale del Lavoro, and other organisations.

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

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

11. Until this year the Conserzii, on receiving wheat, have issued paper accepted by the provincial group of participating banks. After sale of the flour to the millers at a much lower price, the Consorzii repaid the participating banks to the extent of the proceeds of sales. The balance, representing the subsidy and the operating costs of the amassing system, were guaranteed by the Government and bore interest ranging from 6 to 7½% until they were liquidated at the end of the fiscal year. Actually these balances have not been liquidated since 1940 so that the financing of the last four crop years has been drawing a high rate of interest. After conference with the Ministries of Agriculture and Treasury, the Banca d'Italia and the Corte dei Conti, this system has been changed. The Consorzii have been instructed to submit budgets for operating expenses and will obtain funds as do other governmental agencies, without payment of interest. All participating banks have been instructed to present claims for the oustanding balances of past years for immediate payment, thus ending this interest burden. All participating banks have been instructed to present all balances of the current crop year for payment at a reduced interest rate of 6 per cent, at the end of each thirty day period, thus cutting the effective interest rate on this year's crop to one-half of one per cent.

12. Delay has been encountered in implementing the directive laid down in ES 41. This document states that local subsidies shall be provided to finance the same of imported supplies wherever such supplies cannot otherwise be sold at not more than a 25 per cent increase over the wholesale price listed in the directive. The delay was caused by the objection of the Ministry of the Treasury to the principle involved. However, the Minister of the Treasury has now instructed the Minister of the Interior to authorise the provincial officials to provide the subsidies required. A decree has been prepared providing 400 million lire for this purpose.

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

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Discussions are under way for the production in the United States of the 50 and 100 denomination notes representing 75% of the total quantity of the new currency contemplated. It is hoped that with production of the large denomination notes (500's and 1000's) in Italy and the small denomination notes (50's and 100's) in the U.S., the total amount of currency required will be produced within 6 to 7 months. Lengthy discussions have been held with officials of the Italian Ministry of the Treasury and of the Banca d'Italia on this matter and every effort is being made to produce the required amount of currency by 15 February, 1945.

14. On 29th July, Niccolo Introna, Deputy Director General, was named by the Council of Ministers as Commissioner of the Banca d'Italia, and Ameeto Pettinari, Director of the Bari and Naples branches, as Vice Commissioner. Arture Atti, the

Commissioner...../

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Commissioner named last winter for Southern Italy, died during July. Introna, the new Commissioner, is a career man, having been with the Banca d'Italia from its foundation. Pettinari was the Vice-Commissioner in Southern Italy and continues in the same post. Vincenzo Azzolini, the former Governor, has now been imprisoned by the Italian Government.

15. During July a decision was taken by the Council of Ministers to place the supervision of banking institutions under the Ministry of the Treasury. In accordance with this decision, the Inspectorate (Ispettorato per la Difesa del Risparmio e l'esercizio del credito) which is charged with credit control has been assigned to the Treasury. At the same time, the industrial financing organisation of the government, I.M.I. (Instituto Mobiliare Italiano) was also put under the Treasury.

16. The Treasury has also made strenuous attempts to secure control of I.R.I. (Istituto per la Ricostruzione Industriale), the financial holding company of the Government. I.R.I. owns the three biggest commercial banks in the country and the largest part of the key heavy and armament industries of Italy. Were the control of I.R.I. to pass to the Treasury, this Ministry would literally be able to decide the economic future of Italy. The Finance Sub-Commission's adviser to I.R.I. has made arrangements to re-activate the organisation. A team consisting of a representative each from the Ministry of Finance, Onofrio Pompucci, and the Ministry of the Treasury, Sergio Fortis, who are technically competent and work well together, have been put in as temporary heads until the government can come to a final decision as to the control of I.R.I. The most probable outcome is that the Board of Directors of I.R.I. will consist of a sufficient number of Ministers or their representatives to give representation to the major national economic and political interests. The actual operation of I.R.I. would be conducted by a technician as managing director within the lines of general policy laid down by the Board.

FOOD SUB-COMMISSION.

17. Supplies.

(a) In July the main problem was the movement of supplies from base to forward areas. To meet the demands for food in the forward areas, Food Sub-Commission warehouses were opened at the Ports of CIVITAVECCHIA and PIOMBINO, and inland at ORVIETO and SIENA.

(b) 11,614 tons of imported supplies were delivered to ROME during the month, again after constant struggles for all forms of transport. Supplies for AMG Fifth and Eighth Armies have involved long road hauls from CIVITAVECCHIA to SIENA for AMG Eighth Army and to CECINA for AMG Fifth Army. In addition to the maintenance requirements, 15 days supplies have been built up for the City of FLORENCE. An added strain has been thrown on to SIENA depot by reason of the cessation of the mills in AREZZO through lack of POL to mill grain.

(c) The movement of locally produced grain constitutes a daily problem.

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(c) The movement of locally produced grain constitutes a daily problem. Difficulty was experienced in moving it from FOGGIA to MATERA to less productive areas, deficiency of railcars being the bottleneck. Despite a surplus of 40,000 tons waiting to be moved from MATERA, imported grain had to be used to avoid a complete breakdown in the supply programme in LECCE and BRINDISI.

18. Food Processing. Allocation of the tomato paste pack of 21,550 tons was made to 22 plants in the NAPLES-SALERNO area. Allocation to these plants was based on their location in relation to the areas of tomato production to economise in transport. The yeast factory in ROME is being restarted with an output of three tons per day. Conferences have been held in ROME with directors of 11 processing plants in Northern Italy, to plan for their rehabilitation as soon as possible after liberation.

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19. Rationing. The increase in the basic ration from 200 grammes to 300 grammes of flour for all normal consumers in South Italy, Sicily and Sardinia became effective 1 July. The overall Heavy Workers entitlement was maintained at the June level however, necessitating a re-adjustment in the value of the supplementary ration cards "A" and "B". Owing to the late harvest in Sardinia and the insufficiency of supplies due to erroneous stock reports, delay in issue of increased rations was inevitable.

20. Warehousing and Forwarding Division. This division has been set up under the Food Sub-Commission to deal with the warehousing and forwarding of all supplies, including Food, Agricultural, Industrial and Medical Supplies and has assumed full operating responsibilities.

21. General. Important discussions have been held with Finance Sub-Commission in preparing plans for setting up a Government Department for handling all accounting for all imported supplies. Estimates have been prepared and submitted to AFHQ covering the total requirements for the whole of Italy, Sicily and Sardinia for a three monthly period October to December 1944 and a five monthly period October to February 1945.

TRANSPORTATION SUB-COMMISSION.

Railways.

22. Considerable progress has again been made in forward railheads, but the rapid military advance caused a distribution problem, which could only be met by combined efforts of rail, road and water. The nature of Military requirements has severely limited tonnage available for ACC on the two rail routes NAPLES - ROME, opened during the month, but fullest cooperation and assistance has been given by Army Movements during difficult circumstances.

23. In Southern Italy, Reggio Calabria Railway Division has been handed over to ACC for supervision, and plans are in hand for the training of other ACC personnel in methods of supervising Italian railroad operation, in order to facilitate conversion from purely military to civil administration. Grain traffic emanating from Matera, Potenza and Bari Provinces has been satisfactorily dealt with, and NAPLES area continued to move large tonnages, including a glut of potatoes.

24. Continued review of railways not in use for military purposes is maintained, and experienced railway engineers are examining the feeder private railways to ROME and the railways connecting valuable lignite mines with the main railway routes. Thanks are due to the Director General of Military Railway Services for continued and ready help.

Roads.

25. Roads Section has reorganized and expanded to cover increasing responsibilities. Sub-Sections have been established as follows :

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1. Administration.
2. Operations.
3. Accounting.
4. Maintenance.
5. Inspections.
6. Supply of Spare Parts.
7. Tyres.

26. Transport requirements exceed availability. In February, AFHQ authorized 1000 trucks. To-date, 922 have been received. In May ACC submitted a further requisition for 2000 trucks. None have yet been received.

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27. ACC plan to use all available civil transport. Companies have been formed in most Provinces. They operate on standard Tariff Rates published by the Italian Government. Companies are charged for gasoline, oil, parts, and operating expenses, balance being credited to Company. Where military vehicles are used by civilian companies, same rates are charged for haulage; any excess o over expenditure is credited to ACC. About 3000 trucks, civilian and military, are operating under this scheme, which is working very satisfactorily.

28. Spare parts, and especially tyres, are a problem. No part of ACC requisition for tyres to AFHQ in June has yet been supplied.

29. A few miscellaneous tyres have been received, and ACC are repairing C - I tyres in various plants under their control. Inner tubes are urgently needed. A supply of tyres and batteries would enable ACC to place 50% more civilian transport on the road.

Water.

30. During July urgently needed supplies for ROME [illegible] and schooner transport generally increased. Coasters for special goods were arranged. On July 18 a new instruction for schooners was issued by MEDBO, by which all civil bids were required at a weekly Schooner Committee Meeting. As this reversal of ACC arrangements could not be made at once, an allotment for August of 1260 d.w. tons (nearly all schooners under 50 tons) was made. These schooners to be operated by COGEMA, not under ACC supervision but to carry ACC and civil goods. As far as possible with this limitation of authority the existing scheme of ACC Tn. Shipping Memo No.1 is being operated until September. A review of all schooner needs, Service, ACC and civil, has been ordered prior to a September allotment according to needs.

Coal.

31. The month opened and closed with the problem of the supply of coal for ROME, but great efforts enabled the Power Stations to operate although difficulties remain. Proposals to bring coal to FIUMICINO and CIVITAVECCHIA are being considered. It is intended to repair the rail connections to RIBOLLA and PIETRAFITTA Lignite Mines, with their stocks of over one hundred thousand tons.

32. Conferences have taken place with members of Italian State Railways with a view to their taking over the discharge, handling and distribution of coal in parts of Italy. The Government is considering the prices of coal and coke.

PUBLIC WORKS AND UTILITIES SUB-COMMISSION.

33. The month of July proved the soundness of the reorganisation. Relations with the Ministry of Public Works have improved. In the field staff distribution still appears to be almost insoluble but the proposed amalgamation of the Southern Regions and the subsequent handing of responsibility to the Italian [illegible]

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34. Owing to the recent advance the work of the Sub-Commission has increased some ten times.

35. The Pontine Marshes besides being a responsibility of this Sub-Commission is now a cause for concern to Public Health for anti-malarial measures are held up owing to difficulties of finance.

36. Town planning, transport maintenance, material supplied by the Allies, payment of road gangs were all discussed with the Italian authorities. By decree the ANAS, the Fascist highway organization, has been dissolved.

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37. Complying with Italian Ministry practice the Sub-Commission is prepared to organise ship salvage.

38. Many hundreds of bridges have been destroyed. Repairs to forty one were begun in July, of which 22 were in Regions III and IV. Bridges and highway contracts in hand involved a total of some 500 million lire. Transport for road maintenance improved slightly but the POL situation deteriorated jeopardising supplies to civilian contractors. Plans to deal with the situation were made in consultation with Pet. Sec. AFHQ. Materials are short with the additional embarrassment that they are mainly in the hands of firms closely associated with the old regime.

39. Electricity Staff has now the addition of a number of Italian experts. Power plants are now being cleared of debris and examined. The position is not encouraging for only some 5% of 600,00 Kw of power can be made available by first aid methods as against a total loss of some 90%. It must be emphasised that whereas AGC was not to indulge in long term planning a short term policy with regard to power is of no use at all. Complete rehabilitation alone is feasible and that would take from one to three years. It may be that certain machinery may have to be imported but the possibilities of the north are not being overlooked. Small portable plants are being requisitioned. Power in Southern Italy is in complete control and a rationing scheme for ROME now in practice. The Electrical Reconstruction Committee Italy has been formed under AAI to supersede the Central Electricity Board to coordinate Military and civil requirements. The dissolution of the C.E.B. has thrown a heavy burden on the Sub-Commission.

40. In Region I, Messina is 75% cleared and bridge building is being pushed forward to release Bailey Bridges to the Army. In Region II quarries have been reopened and a satisfactory state exists with regard to highways which is true also of Region III in its heavy programme. In Region IV the electricity position is serious with only 5% supplies available, while water supply constitutes a serious problem, affecting the City of Rome. A dam to raise the level of the Tiber has been completed to assist operation of the City Power Stations. Region VII has a drought which has affected the power situation. Elsewhere affairs are satisfactory with the usual emphasis on electricity without which the country will not come to life.

AGRICULTURE SUB-COMMISSION.

Reconstruction of Italian Agriculture Forestry and Fisheries Control

41. Rather slow progress has been made during the month in getting the Ministry of Agriculture to strengthen its control. Many of the senior officials went North with the Republican Government, and some of those remaining in ROME are regarded with suspicion, and have not as yet been called back into service. Forestry and Fisheries Directorates are taking shape fairly rapidly; the former by building up staff under the acting chief who came with the Ministry from Salerno, and the latter by the dissolution of the Commissariato Generale per la Pesca (a Mussolini creation 1939). Fisheries control is now being transferred to a Directorate in the Ministry building.

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42. The aim of every officer in this Sub-Commission, and of every Agricultural officer in the field, is to work himself out of a job at the first opportunity from south to north; to this end everything possible is being done to energise the Italian officials and to improve Italian control. Accordingly intensive work has continued on a complete programme and plan for Italian agriculture 1944-45, and in connection therewith a complete and detailed estimate of farm input requirements (fertilizers, insecticides, seeds etc.) for the coming crop year is also in course of compilation. As an aid towards completing these plans, and in passing executive duties to the Italians, a seventy-five page booklet "Re-activation of Italian Agriculture" has been compiled and is being circulated to Allied Officers and to Italian officials. It is printed in English and

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Italian and will reach every Commune as close to the front line as possible. It contains all basic memoranda, decrees, ministerial directives and other official releases concerning organizations and programmes as agreed upon by the Italian Minister of Agriculture and the Agriculture Sub-Commission.

Agriculture.

43. Two new Decrees came into force:

(i) On control of threshing;
(ii) On penalties for grain delivery violation - strengthening the hands of legal authorities.

44. Progress of the crop collection (Granai del Popolo scheme) is retarded by shortage of fuel for threshing and of transport. Greater opportunity is therefore given for disposal by illegal methods, but nevertheless good progress is being made in many areas; indeed in some provinces the collection is ahead of the same period in years under Fascist control.

45. Purchase and stockpiling of many types of vegetable seeds and field seeds for export to Allied nations continued throughout the month.

Forestry.

46. A plan for the production, allocation and transportation of charcoal and fuel wood for all southern Italy under Italian Government control, has been prepared and distributed. A similar plan is in preparation for the rest of the country.

Fisheries.

47. Production is showing notable increases. Preservation of fish in oil and salt is progressing to such an extent that considerable exports could now easily be made both from Sicily and Sardinia. Permission for night fishing as far north as FIUMICINO has been obtained. Except for the port of NAPLES, and a few other restricted areas, the night fishing method (LAMPARA) - probably the most productive in Italy - is being practiced all over the west coast from FIUMICINO to REGGIO CALABRIA, around the Sicilian coast and along certain coastal areas of Sardinia.

INDUSTRY SUB-COMMISSION.

48. The current month has seen the divorce of Industry from Commerce Sub-Commission, and it is hoped that a greater concentration on essentials will be possible.

49. A scheme for the reactivation of industry on a priority basis, to be undertaken by the Ministry of Industry, has been drawn up. This scheme provides for the establishment within the Ministry of an Industry Advisory Board, which will cover the entire industrial field.

50. The liberation of large areas of territory has uncovered a considerable

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50. The liberation of large areas of territory has uncovered a considerable number of plants of importance to the Italian national economy, and reconnaissance of factories as far north as LEGHORN has been made.

51. The gravest problem, which confronts Italian industry is the wholesale destruction by the enemy of generating stations, priority has been given to a survey of their condition, as upon them will depend the possibility of operating the plants which they supply.

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52. Surveys have therefore been made of the important heavy industrial plants at TERNI, with particular reference to the hydroelectric power stations, including the giant Galleto Unit and the Valdarno Generating Station at NERA MONTORO. It is considered that with the exception of last mentioned, their repair will be a long term project, and the industries dependent upon them will consequently be paralysed until repair is made.

53. Other surveys have been made covering chemical industries, including the extensive Solvay and Ammonia Plants at ROSIGNANO, rubber processing plants of the Pirelli Company, and additional fertiliser production possibilities in Central Italy.

54. The chief textile manufacturing districts are still behind the enemy lines, and no substantial addition has therefore been made to productive capacity in liberated Italy. As in other industries one of the greatest obstacles to resumption will be lack of power, followed closely by lack of raw materials, upon the importation of which the Italian textile industries have always largely depended.

55. Leather production remains unsatisfactory, chiefly owing to the shortage of tannin, but a second factory has commenced production and another has recently been liberated and reports are awaited. A civilian expert is being sent to Italy to advise on the rehabilitation of this key industry.

56. Hemp maintains the average of the last four months, except for canvas which showed an increase of 100%.

57. Investigations of mines uncovered recently are being made especially of lignite and mercury in Tuscany, and of pyrites near Grosseto, where there is an exportable surplus of 200,000 tons.

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PART III.

ADMINISTRATIVE SECTION.

1. Defascism. The new consolidating decree was published on the 29th July and is in the hands of ACC officers in the Field and of Italian Prefects. The work of organising the Ministerial Commissions is in hand.

INTERIOR SUB-COMMISSION.

2. Local Government. During the period covered by the report the Italian Government submitted for approval a large number of names for appointment or for transfer. Having regard to experience gained by some of the nominees whilst working under AMG considerable negotiation and screening has had to take place. After alternative proposals were made agreement has been reached on the appointment of 10 Prefects, 4 Directors General, a Secretary General and seven members of the Giunta Consultiva of Sardinia.

3. Executive Memorandum No. 39 dealing with local government organisation and administration has been revised. This document summarises the position of and the arrangements connected with local government organisation, made since the Sicilian landing and its revision was necessary to give effect to developments which have occurred and experience gained since its original production. It has been issued by R.C. & M.G. Section.

4. Officials. As mentioned in previous reports, experience has shown that AMG with Armies have at times found no administrative officials in newly liberated provinces. To cater for these circumstances, arrangements were made in collaboration with the Italian Government for the provision of a small team containing the minimum number of officials (including a Prefect) which would be necessary to restart the administration. Such teams were prepared to proceed to PERUGIA, [illegible], TERAMO and ASCOLI.

In the Provinces mentioned, however, it was discovered that sufficient satisfactory officials had remained at their posts and the personnel who were ready to move at short notice were not called forward. A Prefect, however, was provided and sent to Macerata.

Similar preparations are being made to cover the following provinces should the need arise, viz: Pisa, Livorno, Florence, Pistoia, Lucca, Apuania and Ancona, and areas further North.

5. Interviews. The Director has seen his Excellency Bonomi in his capacity of Minister of the Interior on frequent occasions. In addition, interviews have taken place with the Under-Secretary of State Canevari, Sorrentino, the Chief of Cabinet and his successor, Berruti. The subjects concerned have included nominations for Prefect and Sindaco of Florence (each of whom was also seen), refugees going North and their interference with military movement, teams of officials, and other senior appointments.

PUBLIC SAFETY SUB-COMMISSION.

6. Commanding General, Royal Carabinieri. On 21st July General Taddeo ORLANDO formerly Minister of War, was designated Commanding General of the Royal Carabinieri with HQ in Rome.

7. Public Security. On 27th July Dr. Luigi FERRARI formerly President of

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8. Policing Forward Areas. During the month all requests from Armies and Region VIII for CC.RR to police newly occupied territory were met. New replacement centres were opened at Grosseto (west coast) and Chieti (east coast) to deal with CC.RR reporting for duty from liberated territory.

9. Strength of Royal Carabinieri. Urgent representations have been made that a total strength of 55,000 officers and men is totally inadequate to cope with the duties which will devolve on the Royal Carabinieri when the whole of Italy is occupied. Already 41,982 CC.RR are fully employed and the thickly populated industrial north has yet to be policed.

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10. Royal Finance Guards: The HQ of the Royal Finance Guards has been established in Rome with General Morricoa remaining in command. Owing to the ceiling imposed on CC.RR and GG.FF strength, on 31st July the GG.FF were taken off the Italian Army ration strength and placed on civilian (heavy workers) rations this being a substantial reduction in quantity.

11. Conduct of Troops. The behaviour of Allied troops generally leaves much to be desired. The conduct of French Colonial troops towards the Italian civil population is disgraceful, and the attitude of indifference adopted by junior French unit commanders when crimes are reported to them encourages indiscipline. At Taranto and Brindisi clashes between French soldiers and sailors and Italians in which firearms and hand grenades were used, resulted in five persons being killed and twenty injured. In three cases Allied Military police came to the assistance of the Italian police and in one instance machine guns were used to restore order.

12. Prisons. Overcrowding remains the chief problem in prison administration but, part from the question of military prisoners, the position is steadily improving. Progress is being made with the rebuilding problem, while a number of prisons requisitioned by Allied Military authorities have been released. The detention of Italian military prisoners in civil prisons is still under discussion with the authorities concerned.

PUBLIC HEALTH SUB-COMMISSION.

13. General. The lack of ambulances is a serious problem in both forward and rear areas. The question of the re-organisation of the Italian Nursing Service is one in which it is felt that the initial steps should be taken by the Italian Government.

14. Supplies. Expected shipments of medical supplies to cover the inclusive July to December period have not yet arrived. Latest information indictaes that they may be expected between the 19th and 29th August.

There is an acute shortage of glass ampules due to scarcity of long flame coal; the lack of transport is hampering the distribution of other medical supplies but it is hoped that the Italian Government will soon take over the responsibility for the distribution for medical supplies to Regions I, II, III, VI and VII.

15. Disease.

(a) V.D. The V.D. incidence among troops in the PBS-Naples area has fallen to 120 per thousand for June. In Region VI the venereal rate is very satisfactory, being as low as 60 per thousand and in some units even 37 per thousand. The hospital accommodation for infected women has improved in Region II and there is some diminution in the number of cases being admitted.

(b) Smallpox. Contimues in Naples City and Province. Total number of cases to date is 870 and the total number of vaccinations is 446,257. The disease is in a mild form, six deaths only have occurred in debilitated children who might otherwise have been expected to recover.

(c) Malaria. As a result of enemy sabotage, large areas of country in Region IV and Rome Region are flooded. This will increase the incidence

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(c) Malaria. As a result of enemy sabotage, large areas of country in Region IV and Rome Region are flooded. This will increase the incidence of malaria. Energetic measures, including airplane dusting are being taken to cope with the existing conditions.

16. Veterinary. Foot and mouth disease is now widespread in Southern Italy but the mortality is low and it is hoped that sufficient vaccine will soon be available. An incidence of Sheep Pox has occurred in Brindisi.

Large quantities of crystal violet hog cholera vaccine are now available.

17. Welfare. The condition of all Italian welfare agencies is such that it is felt that a strong governmental policy of complete re-organisation is essential.

Legal Sub-Commission..../

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LEGAL SUB-COMMISSION.

18. Handled all legal matters connected with restoration of territory as of 20th July and proposed restoration as of 15th August 1944; consideration of "sanctions against fascism" decree and matters relating to unsatisfactory situation as to Italian Courts at Bari.

19. The Chief Council worked on the preparation of General Orders having to do with the agricultural and general economy of Italy.

20. Defascistisation decree approved and passed on 27th July 1944. Re-organisation of Ministry of Justice and High Court of Cassation well under way. New legislation promulgated to meet present conditions and eliminate all traces of fascist republican enactments. Judicial officials having taken refuge in Rome are gradually being reposted to their original seats.

21. Work in HQ and in the provinces was hampered by lack of personnel. The BENTIVEGNA case was the first open General Court in Rome. As the accused was a Communist and a patriot it became a political event. In Naples from 22nd December 1943 to 19th July 1944 the Allied Military Courts disposed of 25,961 cases. Allied Military Courts in Rome have, it is thought, made a generally good impression.

EDUCATION SUB-COMMISSION.

22. (a) Italian Government Territory. The most pressing problems are: school buildings still to be derequisitioned, old or inactive or undependable proveditori, expurgated epuration, and in agricultural districts, absence of children from school.

(b) Littoria. In this devasted province all elementary schools except one and all secondary schools except two (2000 children) have been opened. Several hundred teachers have been brought from Rome and are working under primitive conditions. School officials have been looked over and 72 officials have been vetted and 21 dismissed. School lunches have been brought to six communes and 3,900 textbooks for each of the elementary grades.

(c) Rome. 76 members of the governing body of Rome University have been epurated.

PROPERTY CONTROL SUB-COMMISSION.

23. Command. The DPC, Lt.Col. C.R.S. Harris (B) was injured in a traffic accident on 9th July and he has since been invalided to England. Colonel C. Carroll (A) is now acting DPC.

24. Field Work. Satisfactory progress in controlling and caring for Allied properties has been made in all areas which we have occupied. Plans have been made for taking over in the Northern areas.

25. Policy. The following is under review:-

(a) The degree of control to be exercised over commercial concerns in AMG areas and in transferred territory.
(b) De-sequestration and its consequences.
(c) Means of insuring a continuing responsibility of the Italian Government for the care of sequestrated properties.
(d) Liability for management fees.

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(d) Liability for management fees.
(e) Return of properties to owners.
(f) Reports to owners.

MONUMENTS, FINE ARTS & ARCHIVES SUB-COMMISSION.

26. General. MFAA problems of Regions I, II, VI and VII being in the hands of the Italian Government, and Region III about to be handed over, the major concentration of works is in the devastated portions of Lazio and Tuscany. Information passed to SHAEF about matters of interest re MFAA in the Western Theatre. Works of Art in Italy from centres outside Italy are being traced.

27. Field Work.

(a) Armies. Four MFAA officers are at present at work in the forward areas with 5th and 8th Armies. One of these belonging to Region VIII is in charge of controlling.../

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of controlling and protecting the deposits in the vicinity of Florence where most of the art objects from that city are stored.

(b) Rome. MFAA officer is busy with repair work in the vicinity of Rome and with arranging two great exhibitions of works of art for Allied troops in Rome.

(c) Region V. Damages are minor except in Ancona City where they are heavy.

28. Relations with Italian Government and Church. Close relations established and maintained with the Italian Director General of Monuments and Staff and with Director General of Archives at Rome. Relations also established with President of the Pontifical Commission for Sacred Art; Vatican Fine Arts authorities have given every facility for checking the deposits stored in the Vatican. Check of art objects stored at Vatican from the deposit at Montecassino completed with note of German pillage.

29. Publications. The Lists of Protected Monuments have been completed. Soldiers Guides to Rome and Florence published.

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PART IV.

POLITICAL SECTION, PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB- COMMISSIONS.

POLITICAL SECTION.

1. The first half of the month was taken up by the transfer of the Government and the HQ. of the Allied Control Commission to Rome where it was announced they would alike begin to operate on July 15th. This move was carried out successfuly and the first meeting of the Council of Ministers in Rome was in fact held on that date. A symbolic link with the past was forged when Orlando was invited to assume his duties as head of the Camera dei Diputati and the Marchese della Torretta was named President of the Senate. On the 15th too the Allied Advisory Council announced the transfer - to take place on the 20th - of the Provinces of Naples (excluding the Commune of Naples), Avellino, Benevento, Foggia and Campobasso, to the Government. At the same time it was announced that Frosinone, Littoria and Rome Provinces, including the capital itself, would follow on August 15th.

2. It has been a month of considerable accomplishment for the Government. For one thing the various defascistisation decrees have been collated. Special courts have been set up to try Fascist crimes and these courts are empowered to give the death sentence, although, perhaps with some irony, at the same time Italy went back to her old position of "moral supremacy" by abolition of capital punishment which the Fascists had brought into the old code. Sforza was named High Commissioner for Fascist sanctions (July 28th). These sanctions can be resumed under the following headings: cancellation of Fascist political sentences, punishment of Fascist crimes, defascistisation of state administration and confiscation of wealth acquired through Fascist connections. Epuration of the various governmental branches is being handled through a committee formed by the department itself plus a member appointed by Sforza's commission. Sforza has been given subordinate High Commissioners to assist him, one for each of the "sanctions" indicated above. The machinery swung into gear somewhat late in the month but there are indications that it will move rapidly and remorselessly. Some earnest of serious intentions may be seen in the dismissal of De Vecchi and Bastianini from government service, naming of a new head of the Bank of Italy (Introna) to take the place of Azzolini, discharge of Jacomini, once Lieutenant General of Albania, and in such measures as revocation of pension to veteran "volunteers" of the Spanish war.

3. The government has been very anxious to have a greater participation in the war effort. Bonomi made a speech to the employees of the Foreign Office on July 25th, the anniversary of the overthrow of Mussolini, in which he stated this hope, stressing that it was only right that Italy should be allowed to "work her passage" since only in this way could the armistice terms which he described as "very hard" be modified. Along this same line the end of the month saw the Government taking a much more lively interest in the patriots; the Council of Ministers recommending, at its meeting of the 19th, that they be included in the armed forces. As the month ended the earlier anxiety about the armistice clauses changed into an appeal for "understanding" from the Allies, ranging from a straightforward expression of hope for Lend Lease to fairly open hinting that the time had come for an end to co-belligerency and conferring of full Allied status instead.

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4. After some heart searching, the Government also fixed (July 17th) a political price for bread and pasta at 5 and 7 lire respectively, though the real price is 12 and 14. The Ministry of Education repealed the racial laws and the Fascist sindacati were legally suppressed - as they had been in fact ever since Allied landings - at the meeting of the Council on the 28th.

5. There has been one change in the Ministry. Croce has resigned stating that the trips from Sorrento to Rome would be too much for him and has been replaced by Count Carrandini (born 1885 of Piedmontese stock) a veteran Liberal and a man of some experience in agriculture and commerce. As Croce had long announced his intention of resigning on the transfer of the Government from Salerno, this change did not affect the stability of the Government nor detract from the added prestige which accrued to it by its establishment in the capital.

Public Relations Branch.../

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PUBLIC RELATIONS BRANCH.

6. News Production. More than 100 releases in both English and Italian were written or serviced to nearly 30 outlets concerning ACC Headquarters, Region IV and Rome Region, in connection with essential operations, as well as important matters of policy such as transfer of territory to the Italian Government, treatment of patriots, and rules on civilian movement. A full investigation and report of alleged German brutalities to prisoners in Via Tasso was made with documents and 18 photographs. Releases were made on behalf of the Allied Advisory Council.

7. Press.

(a) Italian Journalists.

Close and daily contact was maintained with Italian journalists to acquaint them with Allied objectives and to learn at first hand their re-actions to ACC activities. Schede Personali were filed for several scores of journalists and sent to Security Branch. Cards were printed and prepared for issue to screened Italian journalists accrediting them to function. Coordination was made with Italian epuration agencies in this field. Curfew and travel passes were obtained for Rome journalists.

(b) Neutral Correspondents.

Journalists of neutral nations were accepted as an ACC PRB responsibility. Accrediting cards were issued to nine such journalists. Weekly guidance meetings of the neutral correspondents were held.

(c) Allied Correspondents.

Interviews and information were arranged for representatives of British and American press and radio. Action was initiated through G-5 toward early acceptance by ACC PRB of accrediting responsibilities for political correspondents from the Allied press.

8. Relations with Italian Government. Daily talks were held with the office of the Under Secretary for the Press in the Ministry of the Interior toward better and more responsible service toward correspondents by the Italian Government. Quarters for the Italian press office were obtained.

9. Allied Publications Board. Regular and special meetings of the APB were attended preparatory to turning over operations of the Board to the Italian Government and in controlling the somewhat disorganised but free Rome press.

10. Publications. Distribution of the Weekly Bulletin and daily trend of copy of correspondents and Digest of Rome Press continued and considerably expanded due to demand from readers, including the Allied Advisory Council, War Department and War Office.

WAR MATERIAL DISPOSAL AND ITALIAN PRIONERS OF WAR SUB-COMMISSION.

11. During July the War Materials Disposal Sub-Commission commenced inspections of Italian Army material in the Military Depots in the newly liberated regions. Lists giving particulars of the depots, the service to which they belong, the condition of the buildings, etc., together with stock lists, have been compiled and filed for reference.

12. Equipment and stores found and handed back to the Italian Services concerned included radio equipment, MT spares of considerable value and 800 pairs of new boots.

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12. Equipment and stores found and handed back to the Italian Services concerned included radio equipment, MT spares of considerable value and 800 pairs of new boots.

13. Ammunition dumps were located and information passed to C.E.M. Section at HQ. AAI.

14. Sufficient signal wire to complete the telephone installation in the Ministero delle Corporazione Building was provided by the Sub-Commission when other sources failed to supply.

15. The question of putting into operation some scheme whereby all damaged vehicles and material and MT spare parts could be collected immediately the Armies passed on was discussed with the Economic Section.

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16. As from July 29th the title of the Sub-Commission was changed to War Material Disposal and Italian Prisoners of War Sub-Commission and the additional duties of dealing with all matters in connection with Italian Prisoners of War were added to the other work of the Sub-Commission.

17. Instructions for the release of 60,000 paroled Prisoners of War in Sicily as at July 31st were received from AFHQ. New regulations regarding the repatriation of Italian prisoners of war were issued and now prisoners of war over 60 years of age, and those over 50 years who have been POW for over two years, can be released on compassionate grounds. Italian POW who can be employed in specific judicial and administrative positions for the furtherance of the war effort in Italy will be considered for repatriation.

18. The release of other Italian POW can only be considered on special compassionate grounds, and only when the grounds are such that an Allied soldier under similar circumstances would be repatriated to his own country.

19. Among the various and diverse questions on Italian POW the one asked daily is "why cannot they be released from POW status?" So far a simple answer has not been found.

COMMUNICATIONS SUB-COMMISSION.

20. (a) Telephone.

(i) All main telephone circuits to the South (e.g. Palermo, Messina, Reggio, Cosenza, etc), terminated at Salerno for Italian Government use, were put through to Naples. A total of five telephone circuits between Naples and Rome were handed over by the military for ACC/Government use; only three of these are trunk circuits of which one is used by ACC Rome - Naples, one by Italian Government Rome - Bari, leaving only one circuit for Italian Government use to Naples that is suitable for extension to the South. The other two circuits are overhead circuits only suitable for Rome - Naples communications. Trunk telephone facilities for Government use are therefore still extremely scanty.

(ii) Release on inter-provincial telephone facilities to civil use in Italian Government territory was given by military security. North of Naples, telephone facilities are reserved for Government use.

(b) Telegraphs.

(i) Telegraph circuits were made available to the Italian Government from Rome to the South (Naples and Bari). The traffic capacity is fair, but not capable of carrying all traffic without long delay. Direct telegraph circuits were provided for the Italian Air and Navy Ministries from Rome to Bari.

(ii) Civil telegraphs between Rome and the South of Italy were opened on July 21st; by the end of the month over 5000 telegrams a day were being dealt with in the Rome office.

(c) Circuit Repair. Work has been in

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(c) Circuit Repair. Work has been in progress on restoration of civil communications in Regions IV and V. Reconnaissances were completed, plans made, transport obtained and release of routes or wires from military signals arranged. Due to the extensive damage and shortage of stores, little tangible results will be seen for some weeks.

21. Postal.

(a) Civil mail services, both internal and foreign, were extended to Rome on July 1st and to the Provinces of Rome, Littoria, Frosinone and Campobasso later in the month.

(b) The mail service between Naples and Bari, the main cross-Italy link, was increased to a daily service each way.

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Army Sub-Commission..../

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ARMY SUB-COMMISSION.

22. The chief event of the month was the move from LEQUILLE (LECCE) to ROME on 14th July. The Italian War Ministry and General Staff moved simultaneously. The advantages of concentration were at once evident and the increased efficiency of having all contacts on the spot, especially the Ministry of War and SMRE, was most noticeable.

23. The first and most pressing problem to be tackled was Patriots. The Italian authorities were anxious to deal with the large numbers who had been found in newly liberated territory, and the War Ministry asked for a policy. Owing to the restrictions on recruiting for the Italian Armed Forces and the ceiling laid down by the CCS, MMIA authorised the Ministry of War to recruit up to 3000 men for the Army in Rome, stipulating that for every volunteer accepted a serving soldier of an older class must be demobilised, thus keeping within the ceiling laid down. Italian Army screening and recruiting agencies were sent to Army areas to work in close collaboration with AMG Fifth and Eighth Armies and Polcorps. Their function is to screen Patriots volunteers for the Army, and to arrange for their evacuation to the Rome and Chieti enlistment centres. A further three screening detachments have been sent to work under the direction of Region IV. All volunteers become an Italian Army responsibility only when they are actually re-enlisted at Rome or Chieti.

The ceiling for the Italian administrative troops has been fixed at 27,000 and the necessary steps have been taken to ensure that troops are not wasted in Administrative Headquarters.

24. July has been the heaviest month for the movement of Italian Army personnel. This increase is largely accounted for by the programme in hand for forming new Pioneer Labour Regts and re-forming existing Labour Units. Shipments from Sardinia went well.

25. The initial allotment from the CCS of certain items of boots and clothing is coming to an end and approximately 400,000 pairs of US part worn boots have been delivered to the Italian Army for repair. The War Ministry have been instructed to make a survey of all repairable Italian uniforms and repair materials.

Advanced arrangements have been made for the rationing of the Italian Army from British sources, effective 1 Aug 44.

Wm. W Stone

EMERY W. STONE
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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

CONFIDENTIAL

MONTHLY REPORT

JUNE 1944

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CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Ref/498/CA.

31 July 1944.

MONTHLY REPORT FOR JUNE

General Remarks

1. The speed of the advance has not slackened during the month and many new towns and Provinces have been occupied. The City of ROME was entered by Fifth Army on 4th June and so began the administration by Allied Military Government of the first capital city in Europe to be liberated.

2. In view of the fact that the Rome Committee of National Liberation contained the recognised leaders of all the Parties except the Communist Party, it had long been clear that a political crisis was inevitable when Rome came into Allied hands. In the first place, whatever government was in power in the South of Italy would inevitably have to resign and, in the second place, it was to be feared that, despite any commitments made by the Parties in the South, the Rome leaders would reopen the institutional question. In the upshot a solution was found both for the governmental and institutional problems.

3. In forward areas the month has taught many lessons: the necessity of close co-operation between AMG's with the Armies and the Regions following up behind: the vital necessity for planning well ahead with respect to supplies and transport: the necessity of having organised transport companies both with the Armies and forward Regions: the fact that the refugee problem decreases with the speed of advance: the value of training and planning in view of the inevitable breakdown in communications: the increasing necessity for a pool of Italian Government officials which can be called upon at short notice: the need for continuity with regard to legislation in the forward areas and those turned over to the Italian Government.

4. With large areas of newly occupied territory, new Regions have had to be formed with the inevitable reduction of numbers in the southern areas. This practice is in accordance with policy but has been attended by many difficulties owing to the necessity for keeping large numbers of Allied officers in Sicily, Region II and FOGGIA in order to initiate the collection of the grain.

5. In the southern areas the effects of this reduction of officers are becoming apparent: inevitably the standard of administration is lowered and becomes more approximate to the Italian standard: inevitably the distribution of food becomes irregular: corruption begins. On the other hand there is no doubt that the local governments, slowly, and perhaps feebly, but gradually, are beginning, at any rate in the elementary forms of administration, to find

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6. It is difficult especially in Southern Italy to inspire into the people any enthusiasm towards the Allied war effort. They work because they must earn their bread but to the mass of the people the war has passed them over. Particularly noticeable is the spirit in ROME, a city untouched by war and whose citizens appear to have more zeal in safeguarding their own local interests, be they physical or political, than in any progressive measures towards the rehabilitation and reconstruction of their country as a whole.

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PART I

R.C. & M.G. SECTION

AMG EIGHTH ARMY.

1. During the month the Provinces of RIETI and TERNI have been taken over and a large portion of PERUGIA. The Province of FROSINONE has been handed over to Region IV and AQUILA, CHIETI, PESCARA and TERAMA Provinces to Region V. Patriots are now being encountered by Army AMG's in increasing numbers and form another and separate responsibility for CAOs. Many of these men have led a roving existence for long periods and it is not easy to divert their usefulness into the normal channels of the community. The situation requires handling with exceptional tact to avoid widespread repercussions. A directive was issued by AMG Eighth Army and the Patriot Branch has been formed at HQ Allied Control Commission to co-ordinate action.

2. PERUGIA with a population of 100,000 was by far the largest city liberated. It was little damaged. The banks were well supplied with cash.

3. The wheat crop in all Provinces is excellent and harvesting is in progress but milling is a problem due to the present lack of electricity in the area.

4. In the Provinces of FROSINONE and AQUILA alone, 1500 tons of supplies were distributed.

5. From the date of the CASSINO battle 23,000 refugees have been dealt with.

6. Health generally is extremely good and a number of hospitals have been encountered in good condition, some well stocked with medical supplies.

7. Preparations for the occupation of FLORENCE include the issue of an Operation Order and an Administrative Instruction by Eighth Army with their AMG counterparts. It is hoped that this will safeguard the amenities and treasures of this famous city.

AMG II POLISH CORPS.

8. Early in the month it was considered necessary to attach an AMG spearhead to this formation from AMG EIGHTH Army which remained with it until its task was accomplished on 24 June.

9. The following Provincial capitals were entered: CHIETI, PESCARA, TERAMO, ASCOLI-PICENO and AQUILA. Conditions varied considerably, from PESCARA which was badly damaged, to TERAMO almost unscathed.

10. Escaped Allied PW's became a problem as there were several hundreds of

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AMG FIFTH ARMY.

11. SCAO II Corps was the first AMG officer to enter ROME on June 4th. He reported an enthusiastic reception of the Allies and cars being loaded with flowers. Two days supply of food for the city was left by the enemy. ROME Province was handed over to Region IV on 15 June. This being the first capital city to come under ACC control it is thought that more complete details of the activities of this newly created Region than are usually included in this Section of the Monthly Report would be of interest. Consequently at Appendix "A" is a Summary of the June Report of ROME Region.

12. During the month, in addition to ROME Province, LITTORIA Province was handed over to Region IV on 9th June and VITERBO Province on 29th June.

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13. Conditions were much better NORTH of ROME than had been up to that point. Health was generally good and damage to property less. It is estimated that damage amounted to 40% but only in the path of the enemy's rearguard. PIOMBINO was one of the more important towns where devastation was really bad due to deliberate demolition. It is of course a sizeable port and possessed iron and steel works for processing iron ore mined in the neighbourhood. Large quantities of ore were left although a number of mine workings were destroyed.

14. Wheat crop is good and harvesting under way. It is estimated that in VITERBO Province alone 70,000 tons of grain will be collected.

15. In last month's report the conduct of French African troops on this front was commented on and it is good to be able to mention an improvement. Cases of rape are still occurring but to a much less extent and the inhabitants of VITERBO showed approbation of the action by the CAPO in that town who himself arrested two Moroccans on this charge.

REGION I (SICILY)

16. Grain collection in Sicily is meeting with considerable opposition and there is evidence that a substantial proportion of the harvest of the smaller farmers is going underground. Other measures having failed the law is now being prosecuted with vigour.

17. In addition to all other forms of publicity for Granai del Popolo a film is being made for immediate showing in towns and villages.

18. Morale was considerably raised by the entry of the Allies into ROME and by landings in France.

19. Political activity is on the increase particularly the Communist Party. The Separatist Movement appears to be sponsoring grain evasion.

REGION II (APULIA, LUCANIA)

20. There has been jubilation on the liberation of ROME and on the political side strenuous efforts made by Labour and Communist parties to establish an ascendency. Defascistization has made progress with bolder action by the Italian authorities.

21. Reaping of the splendid grain crop has been a complete success. Threshing and collection has begun and the next phase is the problem of transport and defeat of those who would divert grain to their own profit.

22. Labour shortage and high costs at one time threatened harvesting but the threat of producing military labour averted the trouble.

23. Some progress has been made with the distribution of the large surplus of wine in APULIAN Provinces, but generally transport is at too much of a premium to be spared for this task.

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24. Good crops of grapes and figs are forecast, and normal crops of olives and nuts. Potato yield will be small and almost nil from imported seed.

25. A single case of foot and mouth disease was reported and thanks to immediate control measures there has been no spread.

26. Public Health is good, sanitation continues to improve and there is marked progress with communications in MATERA and POTENZA Provinces.

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REGION III (CAMPANIA)

27. Shops in NAPLES have been selling potatoes at 7 - 8 lire per kg. and there is a large surplus which is being exported to neighbouring Provinces. Wheat is coming in well particularly in the Province of SALERNO. There are ample supplies of soft fruits. Fishing industry attained 3410 quintals - a new record. Next month perhaps this record will be beaten for the director and two inspectors of the Central Fishing Agency were arrested for black market operations.

28. The tramways in and out of NAPLES have resumed operations.

29. The conduct of Allied troops is still unsatisfactory and considerable crime is reported.

30. ALC Courts in the Region, excluding SALERNO, tried 1328 cases and acquitted 41. Italian Courts in the City of NAPLES tried 6332 cases and acquitted 814.

31. Health is good and the outbreak of smallpox in NAPLES is abating but is still active in the Province, notably in AFRAGOLA. 300,000 have now been vaccinated in NAPLES and 25,000 out of 40,000 in AFRAGOLA.

32. Increasing use of the railways is now possible and ACC bids for the month amounted to 29,842 tons.

33. Plans have been made for NAPLES Bourse to open simultaneously with the ROME Bourse. Sales and exchanges of Italian Government Bonds for the month exceeded redemptions by 240,000,000 lire. Market prices of bonds were higher.

REGION IV (UMBRIA, LAZIO)

34. The history of this Region did not commence until the Armies started to attack on May 11th, but by the end of June it was in control of four Provinces, LITTORIA, FROSINONE, ROME and VITERBO, with three more to be added, RIETI, TERNI, and PERUGIA. It was originally intended that ROME City would be a Sub-Region under Region IV but a change of plan resulted in the creation of a separate Regional HQ to administer the City.

35. Region IV is facing a heavy task for its territory is more devastated by war than any other. It should be remembered that it includes the rivers MELFA, RAPIDO and LIRI where the most bitter fighting of the campaign has taken place and townships have been destroyed utterly.

36. In the four Provinces so far taken over, the Italian machinery of Civil Government has been set going: "Epurazione" has been taken in hand; political problems have been few; plans for dealing with Patriot Bands are under discussion; Italian Courts have been reopened; Bank and Post Offices have been reopened; Carabinieri have been installed and organised; the incidence of crime is low except for the crimes of violence in the areas which the French Colonial Troops passed through. The standard of health is remarkably good; civil hospitals have been opened and medical supplies distributed; welfare organizations have

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37. Prospects are good for almost all crops; wheat, corn (maize) olives and vines. In FROSINONE, LITTORIA and ROME the harvest has suffered from war damage, lack of labour and the presence of mines. Indeed mines may be said to constitute an outstanding problem and in parts prevent a return to normality for the present. Daily casualties occur among workers who are bold enough to try to cultivate their crops. Although handicapped by shortage of agricultural machinery, the Italian peasants have done excellent work in reaping and gathering crops almost entirely by manual labour.

38. Reconstitution of the Italian Agricultural Agencies has been taken in hand. New officials have been found where necessary. There is a lack of fuel for the small amount of mechanical equipment available and a lack of binding twine, sacks, etc. On the whole, however, hard work and improvisation by the Contadini are overcoming obstacles in a most commendable way.

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39. Industry has been severely crippled but a good start has been made in rehabilitation. The Engineering Division has had to cope with a great volume of repair work on roads, public services etc. The Italian organization of Genio Civile has been put to work. Transportation has been a grave pre-occupation throughout. The Germans in their withdrawal stripped the country-side of all transport not carefully hidden. Much that was hidden was in a bad state of repair with perished tyres and batteries. AOC transport had to be driven by inexperienced Italian drivers and gave cause for much anxiety. However wheels are moving and civilian transport is being organized in every Province.

REGION V (MARCHE, ABRUZZI E MOLISE).

40. As stated earlier this Region during the month took over four Provinces from the Eighth Army, viz. CHIETI, PESCARA, TERAMO and AQUILA. Generally speaking the passage of the Armies has not done much harm to the crops, which promise well. The AVEZZINO basin in AQUILA Province is one of Italy's richest agricultural centres and the enemy did nothing to destroy crops here or elsewhere. Mines and booby traps abound, of course, and make reaping a hazardous process, with casualties among the labourers.

41. Feeding of the new areas proceeding according to plan but transportation is difficult owing to the number of blown bridges, mines and bomb craters. Evidence of the Allies precision bombing of the enemy's supply routes is to be seen and its effects felt ! Unfortunately when our troops moved on they removed some of their temporary bridges with them.

42. Plans are being made for a sea supply route.

43. This Region includes the Provinces of FOGGIA, the largest individual wheat growing area of Italy. Harvesting is almost completed and the arrangements for bringing in thousands of Italian troops to assist worked smoothly.

REGION VI (SARDINIA)

44. Propaganda activities of the Communist Party are continuing intensely and especially in the mine regions of IGLESIAS. A new sheet entitled "MINIERA" is being published by the party. Recently Paolo TEDESCHI delivered speeches in the more important urban centres of the island. The following three points were the theme of his talks :

(i) Maximum collaboration in the war effort by the Italians.
(ii) Moral and material reconstruction of the Nation.
(iii) Defascistization of civil administration and within the Armed Forces.

Economic Resources and Supply.

45. The food situation generally is satisfactory but instances of failure in distribution still occur. The fresh vegetable market and the greater supply

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46. Arrangements are being made to ship 100 tons of hides to the mainland. The ammonia plant at CHILIVANI is expected to start operation about the middle of July. Soap is very scarce but if the expected supply of 10 tons of caustic soda arrives local manufacture should be possible shortly.

47. Crop yields are good but indications are that they will not be above average. Damage by hot, dry winds and unusually cold weather prevented high yields. The grain is of excellent quality and good progress is being made in harvesting and threshing.

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48. During the month the programme for the Granai del Popolo was organised with all Provincial and Communal Committees in action. The attitude of farmers varies and some reluctance towards consigning the grain to the Granai del Popolo exists. This is due in general to three factors: (i) fear that last year's experience may be repeated when additional consignments were required, reducing the retentions authorised at harvest time; (ii) the fact that much wanted commodities can be secured in exchange for grain or flour but not for money; (iii) the temptation of the huge profits to be gained in the black market.

Public Works and Utilities.

49. Public Works and Utilities on the Island continue to be operated by civilian personnel under normal conditions except for shortage of spares and maintenance materials.

50. The tram service is operating on the outskirts of CAGLIARI and it is hoped to resume the service within the city during July. Delays in starting have been due to necessary repairs to equipment and shortage of supplies for tracks and/or overhead wiring.

Public Safety.

51. Public order generally continues to be satisfactory. During the month thefts decreased by 25% while robbery declined by 37%.

52. With further transfers of Italian military personnel from the civil prisons the prison accommodation situation has still further improved. Although some prisons are still holding prisoners above their normal capacity the situation generally can now be considered as satisfactory.

Public Health.

53. The health situation on the Island is generally satisfactory. There is no evidence of malnutrition. The medical, Hospital and Sanitary services are functioning as well as can be expected under the prevailing circumstances. Consignments of ACC medical stores arrived on schedule.

54. There is every indication that there will be no serious endemic of malaria in the Island this season and that there may be an appreciable diminution compared with 1943 statistics.

Finance.

55. There appears to be little change in the inflation situation but any tendency in this direction should be minimised by the increasing movement of the Italian Army from SARDINIA and by greater efforts at tax collection.

56. The gradual return to confidence is apparent as the savings and deposits in the banks show a substantial and steady increase.

REGION VII (CALABRIA).

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REGION VII (CALABRIA).

57. The Regional Commissioner reports that morale is high consequent on the landings in NORMANDY, successes in and beyond ROME, and the increase in the bread ration from 200 - 300 grs. per day. Striving after perfection, unsatisfactory Sindaci are still being removed and the formation of Giunta Provinciale Amministration is proceeding slowly but surely.

58. The railways are improving to such an extent that they can now be depended on to handle almost all the Allied food supplies, but there is a serious shortage of rolling stock.

59. Prices show a slight tendency to rise except in the black market where bread has fallen 30 points.

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60. The Minister of Agriculture visited COSENZA where a speech he made left a deep impression and was a valuable contribution to the great effort being made for a maximum collection of the harvest. Large farmers are on the whole working for the success of "Granai del Popolo" but small ones find black market temptations hard to resist.

61. As ever the pinch is transport and in this Region the shortage is affecting distribution of larvicides for anti-malarial work.

REGION VIII (TUSCANY).

62. For the first time this Region, which will eventually include the Provinces of GROSSETO, LIVORNO, SIENA, FIRENZE, PISA, AREZZO, PISTOIA, LUCCA and MASSA, finds itself sufficiently advanced to submit a comprehensive report. At the end of the month territory occupied by the Allies consisted of the whole of GROSSETO and parts of LIVORNO and SIENA but the Region is as yet controlling only a small portion of its territory. It is hoped that by the time the next report comes to be written more details of general interest will be available.

AMG ELBA.

63. Political reaction in so far as the industrial population is concerned appears to be mainly Communistic. The agricultural people are moderate and rather more Socialistic in their views. Popular opinion is strongly in favour of the Allies, and maximum co-operative effort is being encountered from every direction.

64. The main industries have been completely disrupted since September 1943, Agriculture engages approximately 65% of the working population; transport, industry and mining 20%; and general commerce 6%.

65. Iron Ore Mines. These turn out a very high-grade ore reputed to contain over 60% pure iron. Mines mainly surface-operated could rapidly be brought back into production; but all smelting plant is completely destroyed.

66. Calcium Mines. Porto Ferraio. Damaged and looted, but not beyond repair. Production could probably be recommenced in about three months.

67. Electrical Plant. Privately owned. Very little damaged. Already back in service for lights only.

68. A full ration of 300 grams daily is now being distributed to all Communes. This year's grain crop will be poor, due to a seven month's drought. This has also affected the vegetable gardens.

69. Fisheries are momentarily at a standstill. It is proposed to resume daytime fishing shortly. Stopped originally by Germans, and at present impossible to resume due to known presence of mines. Shortage of nets. ELBA will be incorporated in LIVORNA Province of Region VIII.

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ITALIAN REFUGEE BRANCH.

70. Movements from forward areas showed a further increase with a total for the month of 14,737 whilst dispersals were as follows :

To Region I	- 462
" " II	- 2661
" " III	- 500
" " VII	- 5951
To Italian Army	- 2887
To Homes in Regions III and IV	- 3144
	15,605

5194

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71. On entry into Rome CESANO Camp was found established by the Germans in a disused factory and contained 7,000 refugees in a most pitiable condition. They had insufficient clothing and bedding and were practically starving. There was no real medical attention or sanitation and disease was rampant Emergency measures were taken at once to remedy this appalling state of affairs and the refugees are now properly fed and housed and a hospital is in operation.

72. Another camp has been established at CINECITTA, South of ROME.

73. There has been an unfortunate and ill-timed movement by refugees to areas which have recently become safe, e.g. NAPLES. Not only are communications unprepared for this movement but considerable confusion is caused by the arrival of groups of people who are without accommodation and are at once a liability to authorities.

INTERNEES & DISPLACED PERSONS.

General.

74. Headquarters of the Sub-Commission moved from BARI to ROME and the Camps in Southern Italy came under command No.1 Sub-Section, LECCE, with a staff officer from the Sub-Commission attached to HQ Region II, BARI. Region II assumed administrative control (with certain qualifications) of No.1 Sub-Section and Camps under command.

75. President Roosevelt announced on Friday 9th June at his press conference that arrangements had been made to bring 1000 European Refugees from ITALY to an emergency refugee settlement at PORT ONTARIO near OSWEGO, N.Y. The announcement created great interest in ITALY and the 1,000 refugees were selected from the following places : ROME, NAPLES, POTENZA, BARI, SALERNO, DI BAGNI, TARANTO.

76. On the fall of ROME the Sub-Commission opened an office at the same time and place as Rome Area Command. Through the various group leaders some 5,200 Allied Nationals were supplied with additional food and in some cases medical assistance as well.

77. During the month 1906 refugees were received and 1219 embarked for Middle East.

Organisation.

78. Two new camps have been opened, (a) CINE CITTA, 12 kms from ROME, transit camp capacity 2000 persons, and (b) AVERSA near NAPLES, transit camp for North Africa, capacity 4000 persons.

79. A small group, 1 officer and clerical staff, are ready to move into FLORENCE and deal with all Allied Nationals following the method so successful for ROME.

Medical.

80. Medical assistance for Allied Nationals in ROME has been made available

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Medical.

80. Medical assistance for Allied Nationals in ROME has been made available when required, but on the whole their health is good. Use has been made of the Italian Civil Hospitals in the few cases where treatment was indicated. Many children are undernourished and the establishment of a convalescent home for sick children in the hills or at the seaside is being investigated.

Red Cross.

81. The condition of clothing of refugees on arrival is still variable. Clothing is held for all camps at BARI where the initial issues are made. Supplementary issues are made as required at DI BAGNI where the initial issues are made. Supplementary issues are made as required at DI BAGNI and DI LEUCA where there are workshops making and remaking clothes. A variety of garments are made from various materials, large or damaged clothing into children's clothes etc. The scarcity of thread is still a problem. With the diminished

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staffs in camps which are considerably isolated from military units the welfare problem of the staff constitutes a difficult problem of its own.

Record Bureau.

82. The Record Bureau moved from BARI to ROME at the end of the month. With more territory liberated the work of enquiries for welfare and whereabouts is bound to increase and with the liberation of the bigger towns in the north, it is anticipated that very considerable numbers of enquiries will be received. About 400 enquiries were received from the International Red Cross in ROME, which they had been holding unable to take action until the Allies' arrival.

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PART II

ECONOMIC SECTION

LABOUR SUB-COMMISSION.

1. There is a growing spirit of discontent among all classes of workers who are becoming more vocal but are irresponsibly led and organised. A new decree incorporating all legislation in the labour field is about to be submitted to the Italian Government. This, in addition to abolishing the Fascist Syndical Corporative System in all its aspects, aims at reinstituting freedom of trade union organisation, authorises the setting up of labour offices as the state machinery in the labour field and sets up a democratic system of governing labour relations.

2. The Labour Sub-Commission has attended a number of meetings of the AAI Labour and Wages Committee, and the Sub-Commission's activities in the field of wages, hours and working conditions have been the subject of favourable comment.

3. Wage studies have been made on public utilities, dockyards, steel mills, glass and brewing industries where unsettled conditions have prevailed. Attention has also been given to the clerical and administrative fields.

4. There is evidence that unauthorized wage increases are being granted by employers.

5. Increased rations beginning 1st July was the outstanding item assisting holding the line on wages. This may tend to relieve many requests for wage increases based on the high cost of food. More food is the answer to the working men's immediate problem with increased wages as a secondary issue.

Labour Organization Trends.

6. Trade Union organization remains in a more confused situation than ever as a result of the action taken in ROME by the three popular parties, the Communist, the Socialist, and the Social Democrats. Their platform would set up a triumvirate to cooperate in:

(a) Achieving a unity of trade union movement, by eliminating party politics from the Trade Union field, and

(b) Creating a central Confederation of Labour with a national objective, incorporating the "Red and White" Federations.

7. The "Confederazione Generale del Lavoro" appears to have taken exception to this move, particularly because the "Party of Action" elements led by Dino Gentile objected to the Partito d'Azione being left out of the Central Committee of three. The idea is put forward that the action taken in ROME was arbitrary — an argument that could be well applied to the members of the Confederazione Generale del Lavoro in respect to the method they adopted in the creation of the Confederation. The new situation calls for intervention of the Labour Sub-Commission, and the Minister

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Social Insurance.

8. During the month there was co-operation with Italian officials on Social Insurance problems. Many important administrative matters were settled and close liaison at the National Headquarters in ROME was established.

9. All Social Insurance work progressed according to schedule. This field is very complicated, but lends itself to easier control than wages.

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10. Pension work progressed favourably. Parallel pension orders for all AMG territory and efforts toward the abolition of certain Fascist pensions in Italian Government Territory is proceeding slowly in full co-operation with the Finance Sub-Commission.

FINANCE SUB-COMMISSION.

11. The new Bonomi Government has reverted to the practice which prevailed before Fascism, that of dividing financial matters between the Ministries of Finance and Treasury, the former having jurisdiction over revenues, and the latter over expenditures, budgets, and the public debt.

12. The Finance Sub- Commission's policy of having the Banca d'Italia provide currency for newly liberated territories has worked extremely well in practice. Currency surpluses have moved from rear areas to forward areas, thus reserving supplies of AMG lire for their primary purpose, that of paying the Allied Forces.

13. As of 1st June, the maximum amount which an Italian household may receive from the U.S. under the personal remittance system was revised from $ 100 per quarter to $ 50 per month.

14. A directive was received from CCS approving the recommendation of the Finance Sub-Commission that Internees and Displaced Persons Sub-Commission be made responsible for disbursing advances to Allied nationals and for accounting to AFA for such payments, other than advances to American and British nationals.

15. Arrangements were affected whereby remittances may be made by British held Italian prisoners of war to their dependents in Italy. A similar plan is being developed for American-held Italian prisoners.

16. Reports from Rome indicate that last winter, anticipating the City's fall, the Germans formed separate Head Offices of the social insurance institutions in the North. A Head Office of "Previdenza", for example, was formed at VITTORIO VENETO. Some cash securities and documents were transferred at the time, There remain in ROME, however, sufficient records and reserves to carry on necessary operations. When plans for ROME were being drawn, careful consideration was given to the position of the national Commissioners, and it was decided that arrangements should be made for them to go to ROME at the earliest possible moment. Accordingly, after consultation with the Labour Sub-Commission and the Italian Government, the national Commissioners have been despatched to ROME to assume control and recreate their Head Offices.

17. During the month progress has been made in supply accounting, both at HQ and in the Regions. At the close of the preceding month consolidated accounts were prepared only through 31 January 1944, due to delay in the submission of Regional reports, a condition primarily ascribable to lack of personnel. The additional officers allocated to supply accounting during the past two months have substantially improved the situation. All Regions have now submitted returns through 30 April 1944, except Regions I and VII, and in these Regions returns have been received through 31 March 1944. Consolidated accounts have been prepared at HQ level taking in the returns as above indicated. The accounting includes all commodities imported and drawn from the Armies, except medical supplies

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18. The new fiscal year begins on 1st July. Budgets have been prepared and presented by each Ministry, and are now being considered by the Council of Ministers. Owing to the change in Governments it is anticipated that the approval of these budgets will be delayed for about a month. Accordingly, the incoming Government is to issue a decree authorising Ministries to work provisionally, on the basis of the prepared budget, but this authority will not constitute provisional approval of any budget. The normal Italian procedure will be re-introduced whereby each Ministry issues its own "ordini di accreditamento", for each chapter of its own budget, and all such authorities will be registered at the Corte dei Conti before they can be effective.

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19. Discussions have continued during the month with the Ministry on improvements in the Italian revenue system. The change in Ministers has again necessitated going over old ground, but the proposed legislation has not been changed by the present Minister.

FOOD SUB-COMMISSION.

General.

20. Food Sub-Commission has had one of its busiest months. The reasons are briefly stated. In anticipation of forthcoming events and to meet the needs of AMG Fifth and Eighth Armies in the forward areas, stockpiles of flour and miscellaneous essential foodstuffs including soap, salt, sugar, soup, canned meats, dried vegetables, biscuits, etc. had been built up within the Army boundaries. But due to the speed of the advance AMG transport was insufficient to carry all the stocks forward and 2000 tons were left behind at CARINOLA and CAPUA for liquidation, and restrictions on movement by sea and rail rendered all orgarised movement and planning ineffective.

21. Due to port congestion and operational movement, outloading of civil supplies during period 5 - 20 June was approximately 4000 tons in arrears and discharges at ANZIO fell behind schedule. This, of course, aggravated the situation.

22. It is realised that under operational conditions, there can be no static or clean-cut movement programme, but except for the untiring efforts and individual resource of the entire personnel of the Sub-Commission involving very long hours, there would have been a serious breakdown, not through lack of supplies, but because of the inability of the transportation services to handle through the ports.

Supplies.

23. Stocks during June were sufficient for full issues of imported miscellaneous items. Soup continues to be a popular item in the ration in forward areas.

24. Flour now being milled at 91% extraction has proved successful. Plans are now being prepared for increasing to 95% during the next few weeks and for using some of the barley crop by mixing with wheat in milling.

25. A large consignment of dry salt fish arrived during June. The fish was in very good condition and is being issued in ROME and NAPLES.

26. The rapid advance of the troops and the consequent call upon transport of all kinds at both the front and in the base areas for maintenance constituted the main difficulty of supply during June. Yet, despite this difficulty the front areas were maintained and ROME was supplied regularly throughout the period.

27. The harvest has started in most areas in the plains. Hill harvesting is not expected to begin until mid-August or late August. Threshing has commenced in some areas but it will be early August before there is any appreciable effect on the supply programme. The scheme for moving the grain by rail has been approved by Movements AAI. Movement will commence from MATERA on a fairly large scale

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28. As there have been few facilities for milling in forward areas a heavy milling programme has had to be undertaken in NAPLES area. This possibility was foreseen some time ago and a stockpile of 10,000 tons of flour was maintained in NAPLES to meet it. It was from this stock that ROME was supplied as soon as it fell by means of shipments to ANZIO.

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Food Processing Division.

29. During the month the Food Processing Section centered its attention on the programme to pack canned peeled tomatoes and the processing of tomato paste in barrels. Four canning plants have been selected to handle the peeled tomato programme and a revised schedule of the essential canning supplies required is being furnished by Industry and Commerce Sub-Commission. Plants were selected by the Canners Committee to process tomato paste in the NAPLES - SALERNO area.

30. A visit was made to LITTORIA and SEZZE to investigate the sugar refinery at LITTORIA and the tomato processing plant at SEZZA. The sugar refinery was found to have suffered little damage and its restoration is largely a matter of replacing motors and generators confiscated by the Germans. However, there will be no sugar beet crop in the area this year. A stock of 850 tons of molasses suitable for yeast manufacture was discovered at the refinery. The tomato processing plant suffered only slight war damage.

Olive Oil.

31. 1500 tons of edible olive oil has been earmarked in CALABRIA and will be despatched to NAPLES.

Ration Cards.

32. Difficulties have been experienced in the printing and distribution of Ration Cards mainly owing to transportation., A government plant and a large stock of paper was found intact at ROME and will ease the print problemconsiderably.

Enforcement.

33. Examinations have been carried out at 41 bakeries during June in NAPLES, total to-date 125. Offences by bakers appear to have decreased but consumer cards impounded have risen from 241 in May to 476, approximately 1% of the cards examined.

34. On one inspection of prenotation coupons in BARI Province it was found that 3439 were suspect. On the commencement of harvesting period, POTENZA Province were able to report a reduction of 25% in the number of ration cards.

TRANSPORTATION SUB-COMMISSION

Railways.

35. Contructional priorities for the month were as follows :

(a) NAPLES - ROME via FROSINONE.
(b) NAPLES - ROME coastal route.
(c) ANZIO - ROME.
(d) CIVITAVECCHIA - ROME.

36. These were military responsibilities, and railway construction groups were ordered to abandon temporarily other routes on which they were engaged. All the lines mentioned above were very thoroughly wrecked by destruction of sleepers, rails

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37. Priorities still exist in Southern parts of the system but military authorities have been most helpful in affording facilities for ACC supply traffic thanks to close liaison with Movements and Director General of Military Railway Services.

38. In Sicily the railway system shows an appreciable return to normality in some sections. Efforts are being made to obtain 30,000 sleepers for maintenance purposes, and repairs of war damage are proceeding satisfactorily. The SIMENTO Bridge should be rebuilt by August 20 and the PALERMO - MESSINA and CATANIA - MESSINA lines re-opened in earl- part of the autumn. By the end of the year the bridge over the River PETROLE, the last link severing the coast lin[illegible] from REGGIO, should be completed.

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Roads.

39. There is nothing special to report. The shortage of transport becomes ever more pronounced as more country is taken over and much transferring of vehicles among Regions has taken place. Special arrangements had to be made too for collection of grain in FOGGIA Province.

Water.

40. Schopner traffic is being constantly expanded as vessels are recovered and repaired. Their use for supplying some of the recently released areas, as a means of supplementing other methods of supply, will be invaluable. 16,140 tons of schooners are now carrying civilian supplies.

PUBLIC WORKS & UTILITIES SUB-COMMISSION.

41. The work of the Sub-Commission in June was marked, from the middle of the month, by a change of importance: viz. Specialist officers in the field, working largely in contact with Headquarters, were brought together in Regions under a single head, viz. the Regional Engineer. Hence, that officer now has under his control such widely diversified engineering projects as highways reconstruction, bridge design and construction, water-works, reclamation schemes and malaria control, gas-works, main drainage, canals and irrigation, buildings and structures generally, works in docks and harbours, and electrical problems with their varied specialised features (including syatems of rationing power-supplies).

42. As a measure of the vast amount of work being controlled the following is a survey of the bridge situation in the 7 Provinces of NAPLES, AVELLINO, BENEVENTO, CAMPOBASSO, FOGGIA, POTENZA and REGGIO. Some months ago there were 640 road interruptions on State and Provincial roads (the majority of these being outside the classification of "military highways"). These included anything from small or medium sized culverts under the roads, to bridges of complicated construction and with large spans. In the two Southern Provinces there were 150 such places of which 35 were large bridges, 25 medium, 90 small (including the culverts). By the end of April, 71 had been restored and 29 were in hand. In the 5 Northern Provinces mentioned, there were 490 such places, 59 large span bridges and 41 bridges of medium spar (i.e. over 30 feet). Of the 59 large bridges, 41 were under reconstruction at the end of April together with 90 of the others; At most of the culverts or small bridges temporary diversions or crossing arrangements had been made, but a large number still remain for full repair and reconstruction involving heavy demands on materials and manpower.

43. Up to the end of May the total value of contracts let on repairs and maintenance of roads and bridges was about 250,000,000 lire and by the end of June the figure had risen to nearly 352,000,000 lire. This included over 6,000,000 lire of miscellaneous work, distinct from highways and bridges.

44. A principal difficulty for some time has been not that of finding contractors of competence, but to find those with engineering equipment.

45. Damage to Public Utilities by retreating enemy. The German practice is to make use of all available facilities until the last moment, and then detonate explosive charges which have been placed in position for some time. With the

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45. Damage to Public Utilities by retreating enemy. The German practice is to make use of all available facilities until the last moment, and then detonate explosive charges which have been placed in position for some time. With the exception of two steam-driven electric generating plants, totalling about 40,000 hp, practically all generating stations both hydro-electric and steam-driven in ROME have been destroyed or seriously damaged. It is also their practice to destroy high-voltage sub-station transformers and equipment wherever these are adjacent to the power plants. Destruction by the enemy has usually been very thorough and systematic, the explosive charges being placed by experts familiar with power stations and their most vital spots. Hydro-electric stations will require complete generating sets, switchboards and cables. Sub-station transformers, oil circuit breakers and related equipment will be needed to control voltages from 150,000 volts downwards. There can be very little mass-ordering or mass-production for most of these things, since each unit or plant is designed to suit a precise set of conditions.

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AGRICULTURE SUB-COMMISSION.

Production.

46. Harvesting of fruit, vegetables, hay and grain crops was well under way during June with excellent results almost everywhere except in areas immediately along winter fighting zones and scattered areas in Southern Italy where potato and vegetable crops are short.

47. It is estimated that 25% of the wheat on the Italian mainland had been harvested and threshing was under way in most of Southern Italy.

48. Much of the harvest is being effected against great odds and shortages of materials and facilities including power for harvest machines, and transportation to haul grain from fields to threshers and threshers to warehouses. Where normal facilities for cutting and threshing are not available resort is made to hand harvesting, binding and threshing.

49. Early potato harvest began in the NAPLES areas in June and a large crop is in prospect. The north-east coast crop is late, and the southern crop is short due to seed failure and poor stands.

50. Cherries came on to markets during most of June and at the end of the month a large apricot crop was being harvested. Due to the lack of sugar for preserving and canning purposes all of the cherries and most of the apricot crop were consumed in the fresh state.

51. A fairly heavy green bean and tomato crop was ripening as the month closed and there will be a surplus for tomato paste production in the late crop coming on in the Naples area.

Distribution.

52. Final distribution of 7000 tons of copper sulphate and approximately 15,000 tons of agricultural sulphur was completed during June. Approximately 350 tons of sulphur and 200 tons of copper sulphate had been stockpiled for the Army's advance and these materials were in forward areas and being used shortly after June 1st. While the amounts were inadequate they were acclaimed by Italian farmers even in the small amounts available. Imported binder twine arrived at least 30 days late but all the main production areas received supplies for binders.

Fisheries.

53. Several shipments of fresh tuna fish and salted fish were made by Region I both to NAPLES and ROME. Production as a whole was nearly normal around the Island of SICILY.

INDUSTRY AND COMMERCE SUB-COMMISSION.

Industrial Section.

54. Fertilizer. The production of agricultural fertilizer will be assisted with the output of the Montecatini Plant at PORTICI which will have an anticipated daily production of 30 tons of sulphuricacid for superphosphates.

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55. Olive Oil. It has been arranged for the Gaslini & Masturzo Plants in NAPLES to start up. These will be engaged on the extraction and refining of olive oil with a total production of 15 tons per day of edible oil. By-products are used for soap manufacture.

56. Paper. The restoration of a paper mill in FOGGIA, now due to start operating, will do much to allay the chronic paper shortage.

57. Leather. As a check to the black market in the leather industry tanning extract is now controlled. The repairs of salvaged boots has been brought up to 5,000 pairs per week.

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Fuel Section.

58. Every effort is being made to make the POL rationing scheme effective, particularly in Italian Government Territory where there has been a good deal of lethargy, even opposition. During the harvest period allocations for agriculture for July - September can be drawn at any time during that period.

Foreign Trade Section.

59. The following have been exported during the month:

Sulphur	2,600 tons	to N.Africa.
Hemp	707 "	" U.K.
Raw Silk	5 "	" "
Argots	100 "	" "

Mining Division.

60. Estimated production of Sardinian Coal for the month is 35,000 metric tons. A progressive step up in production is planned for the coming months, rising to 70,000 metric tons in December. 1,000 metric tons of sulphur were mined during May.

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11. Registration and Licensing.

(a) Firearms. The Minister of the Interior has issued an order through Prefects in Italian Government Territory requiring all Italian Army weapons and explosives to be surrendered and all civilian weapons and explosives to be declared to the Italian Police.

(b) Aliens. General Order No.27 has been published re-establishing the Italian system of alien registration. Restrictions have been imposed on the movement of enemy aliens unless in possession of an ACC pass. The same regulations have been published by the Minister of the Interior in Italian Government territory.

PUBLIC HEALTH SUB-COMMISSION.

Diseases.

12. (a) Venereal Disease. V.D. control work in Italian Government territory is now complete an Italian Government responsibility. The incidence of V.D. among troops is showing a progresaive fall. The Italian Government is taking steps to enforce more strictly the existing laws concerning the treatment of infected women and to improve the administration of V.D. hospitals.

(b) Smallpox. The Naples smallpox epidemic continues in mild form. No deaths have been reported. Smallpox vaccine for 500,000 has been allotted to the Italian Government.

(c) Malaria. Four memoranda dealing with malaria control have been published. Arrangements have been made for the production of 220,000 litres of kerosene-pyrethrum insecticide.

13. Veterinary.

(a) Swine Fever. A new method of immunisation against Hog Cholera is in operation. The vaccine used has been prepared entirely in FOGGIA and the results of this field test are being followed up.

(b) Foot and Mouth. Foot and mouth disease is present in TARANTO, BARI, FOGGIA and CAMPOBASSO Provinces. Steps have been taken, in co-operation with military authorities to prevent its spread.

Supplies.

14. Negotiations are in progress for the Italian Government to handle the distribution and costing of medical supplies in Southern Italy. Satisfactory stocks of medical supplies are on hand for the Armies and all Regions. Arrangements with drug firms in NAPLES have reached the stage that the early production of biologicals on a large scale is anticipated. Raw materials have been obtained to start the manufacture of sulphur ointment in quantity. Production of

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Welfare.

15. The Italian Government has issued instructions regarding the settlement of children whose mothers are undergoing treatment for V.D. Similar instructions are to be issued in AMG Territory. The Soccorso Militare grant in Military Government Territory has been increased by 70% and assistance has been extended to families whose breadwinners have been removed by the Germans. The question of allowances to Ex-Internees in Italian Government Territory has not yet been settled.

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PART III

ADMINISTRATIVE SECTION

1. Activities of forward Regions is depleting both Headquarters and rear Regional Staffs of all Sub- Commissions, with corresponding effects on the amount of work and degree of supervision which remains possible.

INTERIOR SUB-COMMISSION.

2. Development of Local Government. Although the RDL 111 was promulgated two months ago, reports indicate that in some provinces progress of re-organisation has been slow. The Minister has been asked to make suitable representation to the Prefects concerned with a view to the Decree's provisions being implemented.

3. Pool of Prefects. Lists of Italian officials suitable for various appointments are maintained; recently 14 Prefects and other officers have been selected and sent forward for 7 Provinces.

4. Clerical Stipends. This question, which is complex, is under discussion with the Italian Government. Some increases have been granted, but do not apply to all clergy or in all parts of Italian Government territory.

PUBLIC SAFETY SUB-COMMISSION

Police.

5. Policing Forward Areas. The mobile CC.RR moving into new territory with the Armies has done excellent work in restoring law and order. In some instances patriots had disarmed the existing police and taken the law into their own hands, but the mobile CC.RR quickly restored the authority of the local police.

6. Rome. 2700 CC.RR and GG.FF entered ROME with the Allied troops on 5th June and met with an enthusiastic reception. The Polizia Africa Italian, a Fascist police organisation of 1950 men, was at once disbanded. The Patriots who had formed an armed force of some 17,000 men, were also dissolved and dis-armed. Recognised police agencies - Carabinieri, Finance Guards, Agents of Public Security and Metropolitani now number 17,700 men and are working satisfactory.

7. Police Replacement Centres. Additional CC.RR and GG.FF centres, where men are equipped, trained and held in reserve for policing forward areas have been established in ROME. 1700 CC.RR and 220 GG.FF who had been disbanded during the German occupation have reported to the centres. Although considerable difficulties have been encountered in feeding, equipping and transporting these men, groups have been sent forward at the request of FIFTH and EIGHTH Armies and Regions IV, V and VIII.

8. Conduct of Allied Troops. The conduct of French Colonial Troops, especially towards women, has shown some improvement. The conduct and disciplin

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8. Conduct of Allied Troops. The conduct of French Colonial Troops, especially towards women, has shown some improvement. The conduct and discipline of other Allied troops still leaves room for improvement.

9. Prisons. During the past month it was ordered that Italian soldiers serving sentences of over 30 days, or awaiting trial for over 30 days should be a civil responsibility and confined in civil prisons. This matter is being pursued and it is hoped that it will be possible to remove 1,824 Italian Military prisoners from overcrowded civil jails.

10. Fire and Civil Defence. A mobile unit of 10 appliances and 100 firemen entered ROME on 5th June. The Rome Fire Brigade was found to be functioning normally and after a few days the mobile unit was sent back to NAPLES.

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PART IV

POLITICAL SECTION, COMMUNICATIONS S.C.

POLITICAL SECTION.

1. The political events of the month centred round the capture by Allied forces of the city of ROME on the night of the 4/5th June. In view of the fact that the Rome Committee of National Liberation contained the recognised leaders of all the Parties except the Communist Party, it had been obvious from the beginning of Badoglio's first administration that a political crisis was inevitable when ROME came into Allied hands. In the first place, whatever government was in power in the South of Italy would inevitably have to resign, and in the second place it was to be feared that, despite any commitments made by the Parties in the South, the Rome leaders might reopen the institutional question. In the upshot a solution was found both for the governmental and institutional problems.

2. The first steps were taken in accordance with a pre-arranged plan. The King formally derogated powers to the Prince of Piedmont to sign Royal Decrees and to exercise prerogatives as Lt.General of the Realm. Marshal Badoglio handed his resignation and his government's to the new Lieutenant, who instructed him to form a new government. For this purpose the Marshal took a representative of each of the six Parties in the old government to meet the Rome Committee of Liberation on June 8th, three days after the Allied occupation of the city. It became immediately apparent at the first meeting that the leaders of all the Parties were unwilling to serve under Badoglio but were ready to join a government under Bonomi, who was the President of the Rome Committee. The Marshal thereupon called on the Lieutenant General of the Realm to report this and to recommend that H.R.H. should call on Bonomi to form a government. Before he did so, however, the Chief Commissioner formally warned the Lieutenant General that there were two conditions which H.R.H. must insist upon before entrusting anyone with the task of Prime Minister, that any Prime Minister and his Government must accept without question all existing undertakings to the Allies and that the institutional question must not be raised until the end of the war. Bonomi did not demur at either of these conditions and by the evening of the 9th June had already decided upon his list of Ministers, which was completed next day with a full additional list of under-secretaries.

3. This government was approved by the Allied Advisory Council and all members having established themselves in Salerno the Lieutenant General of the Realm on the 18th June formally signed the necessary decrees to enable them to start their labours. The full list of Ministers is as follows :

Prime Minister, Minister of the Interior and Foreign Affairs	LABOUR DEMOCRAT	Bonomi
Minister of Education	INDEPENDENT	De Ruggiero
Minister of Agriculture	COMMUNIST	Gullo
Minister of Labour	CHRISTIAN DEMOCRAT	Gronchi
Minister of Finance	ACTION	Siglienti
Minister of the Treasury	LIBERAL	Soleri

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Minister of the Treasury	LIBERAL	Soleri
Minister of Communications	LABOUR DEMOCRAT	Cerabona
Minister of Public Works	SOCIALIST	Mancini
Minister of War	LIBERAL	Casati
Minister of the Navy	INDEPENDENT	De Courten
Minister of Air	" "	Piacentini
Minister of Justice	CHRISTIAN DEMOCRAT	Tupini
Ministers without Portfolio	ACTION	Cianca
	LIBERAL	Croce
	CHRISTIAN DEMOCRAT	De Gasperi
	LABOUR DEMOCRAT	Rubini
	SOCIALIST	Saragat
	INDEPENDENT	Sforza
	COMMUNIST	Togliatti

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LEGAL SUB-COMMISSION.

16. Every effort is being made to ensure that the administration of justice in ROME is such as to be a credit to the Allies.

17. An officer of the Sub-Commission was on the Staff of "G" Force and entered ROME with it. He kept the Ministry of Justice functioning without break, investigated the activities of the Ministry and interviewed over 200 officials.

18. Military Courts have been established. Crime at the beginning was light but is increasing although the cases are mostly of a trivial nature.

EDUCATION SUB-COMMISSION.

19. Administrative personnel have been found more plentiful as we go North. As was expected in FROSINONE and LITTORIA the Germans had suspended schools in some cases for over a year. Education was resumed behind the advancing Armies and in many cases schools were re-opened, frequently in improvised buildings within a fortnight of our troops passing through. Text books and other items were provided.

20. Taking the children off the countryside will not only reduce mortality from mines, but prepare them for a full resumption of work in the autumn. Italian teachers have materially assisted in this rehabilitation. Many of them have volunteered to be transported to devastated Regions far from their homes and live under conditions of hardship.

21. Arrangements have been made to provide free lunches in the devastated regions in FROSINONE and LITTORIA. 18,000 children are already being so fed in LITTORIA.

22. Work is proceeding smoothly with the new Ministry, with the production of text books and re-organisation of the Universities of ROME and NAPLES.

PROPERTY CONTROL SUB-COMMISSION.

23. On legal advice, the policy of the Controller of Property taking custody of the property of Allied Nationals is under review. Hitherto sequestrated property has been placed by the Italian Government in the hands of managers and when the C.P. took possession it was the practice to leave the property under the same management, but his taking possession terminated Italian liability. It is proposed that an acknowledgement only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it. In order that liability for the property shall not attach to the C.P. it is proposed that an acknowledgement only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it.

MONUMENTS FINE ARTS & ARCHIVES SUB-COMMISSION.

24. MFA officers have been well forward with the troops and reports have been

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MONUMENTS FINE ARTS & ARCHIVES SUB-COMMISSION.

24. MFA officers have been well forward with the troops and reports have been made on all towns of any importance within a short time of their recovery.

25. Arrangements have been made with the Abbot of CAVA for monks to proceed to CASSINO to supervise the recovery and safe removal of objects of value lying among the ruins. Despite notices forbidding the taking of souvenirs, there is little doubt that wholesale souvenir hunting by Allied personnel is taking place.

26. Remains of a Roman bridge have been discovered at PONTE SERRETELLA when repairing a bridge blown by the Germans. The damage to antiquities in ROME by Allied bombing has on examination proved to be almost negligible, the only damage of importance being that to the Basilica of S. Lorenzo fuori le Mura, which has been previously reported and which is being repaired.

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Civil Censorship.

11. Operational control was handed over to the Italian Government and the Allied Censorship Officers were withdrawn at ports used for foreign mail. Italian censor officers have also been attached to censorship stations in Military Government Territory to prepare for the transfer that will take place when this territory is handed over.

ARMY, NAVY & AIR FORCE SUB-COMMISSIONS.

12. As in previous months reports have been rendered directly to the Allied Services concerned.

ELLERY W. STONE
Captain, USNR
Acting Chief Commissioner

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H. W.

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Captain, USNR
Acting Chief Commissioner

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4. The first meeting of the Council of Ministers was held on June 22nd. Their first act was unanimously to approve a declaration in which the following points were made. They declared that the Government, on account of its political origin, represented that large majority of the country which, even in 1940, was against Fascism and against Italy's entry into the war by the side of Hitlerite Germany. They repudiated the so-called Fascist claims against the honour and integrity of other nations and they condemned the Fascist aggressions against France, Greece, Yugoslavia and Russia. These aggressions had violated Italy's political tradition and consequently the Cabinet intended to continue the war by the side of the United Nations until the final defeat of Hitlerite Germany and to intensify Italian participation in various ways. In addition, the Cabinet considered a scheme for the calling of the Constituent Assembly, which would be elected by universal and secret ballot once the whole country was liberated.

5. The Council of Ministers met for the second time on 30 June, and their main work was concerned with the preparation of a decree dealing with grain amassing laws. This provides penalties of imprisonment from six months to six years and fines at the rate of twenty times the value of the grain withheld, a timely measure which should have a salutory effect in encouraging the amassing of this year's harvest on the necessary scale.

6. On the same day the Advisory Council met in Naples and unanimously recommended the transfer as soon as possible of the Italian Government from SALERNO to ROME and with the move of the Government to the capital greater administrative efficiency should result since there has been neither the necessary permanent staffs nor accommodations for the proper functioning of Government in a provincial city such as SALERNO.

COMMUNICATIONS SUB-COMMISSION.

Telecommunications.

7. In Italian Government territory there have been only minor changes. The percentage of telegraph offices connected by the end of June reached 100% in SARDINIA, 51% in SICILY and 84% in ITALY, an average of 77%.

8. In SICILY practically all military signal personnel have been withdrawn and the maintenance of the military circuits still remaining has been taken over by Italian organisations under arrangements made by the Regional Telecommunications Officer. In the NAPLES area telegraph service has been restored to the larger suburban areas, TORRE ANNUNZIATA, PORTICI, TORRE DEL GRECO, RESINA etc.

9. Communications to and within ROME have been the chief activity of the month. In ROME, the urban automatic system was practically undamaged, but there were many problems of power supply, restoration of services and priorities, that were dealt with by the combined efforts of Allied Armies and ACC Telecommunications Officers. The first circuits to ROME were restored by the military for their purposes on overhead routes by the middle of June. The main underground cable was restored (24 circuits) on July 1st.

Postal.

10. The main development in the South was the restoration of internal and

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Postal.

10. The main development in the South was the restoration of internal and foreign letter services in the province of BENEVENTO and in the remainder of NAPLES Province, which is now fully served. Registration, insurance, express, air-mail, and money order services are included. To provide for postal matters in ROME, a Postal Officer was sent forward and arrived in the city on June 6th. Conditions were found to be very favourable. All Post Offices were in good order and not occupied by any military units. In addition to the Central Post Office, there are five Branch Offices and seventy Sub-Offices in the city. Records, stamp stocks, etc. were generally intact. The personnel normally employed number some 5000 (apart from a large Ministerial staff) and the chief officials were mostly available. Assorted stocks of postage stamps were on hand, and in quite large supply for most denominations. These stocks comprised a number of the normal Italian issue, a further number which had been overprinted by the Republican Government, and two denominations of a special Republican issue which are stated not to have been put on sale. All other than the normal stamps are being called in and "frozen".

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APPENDIX "A"

REPORT

PROGRESS IN ROME FROM 4 JUNE - 30 JUNE 1944.

Political.

1. Principe Filippo Doria Parphili, anti-fascist, has been put in as Sindaco of the Governatorato of Rome. A junta has been formed of twelve members, two from each political party. Close contact is being maintained with the Committee of Liberation. An Epuration Order, Regional Order No.1, was published 26 June 1944. There is no particular tension evident in the administration of the Rome Governatorate.

Economics and Supply.

2. There is slightly better than a week's supply of flour and five days supply of other foods. Upon arrival in the city the bread ration was 100 grams per day of mixed white and dark flour. This was immediately changed to 100% white flour. On 21 June 1944 the bread rations was increased to 150 grams all white flour and on 25 June the ration was increased to 200 grams per day, all white flour. On this basis the daily tonnage of flour required to feed ROME is slightly over 300.

3. On 18th June the five day issue of miscellaneous foodstuff rationed as laid down by ACC was distributed to the stores. Another such issue occurred on 23rd June and another one on 28th June.

4. By Regional Order No.6 a subsidy of 1.30 lire per kilo was ordered to be paid to all bakers duly registered. Subsidies rendered were from 6 to 30 June, but no authority granted beyond that date without further order. Regional Order No.7 established on the top retail price of milk at 5 lire per litre. Regional Order No.2 ordered that all existing provisions, orders and decrees of Italian law requiring that all fruits, vegetables, dairy products, meat etc. brought to the city of ROME should be sold at the general market were considered to be in full force.

Industry.

5. During the period of this report, constant visits and interviews took place with Italian and other business men desiring to collaborate and get their plants into production or to protect what remained and to reorganise. Inspections were made of :

Chemical Plants	4	Electrical Supplies	2
Automobile repair or manufacture	1	Automatic Telephone	1
Cement and building materials	2	Glass, Radio Quartz	2
Explosives etc	2	Armaments	1
Gas and war gases	2	General engineering	1
Fertilizers	1	Industrial gases	3
Soap	2	Tyres, Rubber Goods	1
Printing Radio Equipment	1	Tarpn, Parachutes	2
		Timber and Metals	2

6. Steps were taken to set up a local committee to control the distillation,

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6. Steps were taken to set up a local committee to control the distillation, brewing, sale and medical analysis of all alcoholic beverages.

Agriculture and Fisheries.

7. Economics and Supply hired a civilian, Mr. Van Artssen, former director of the International Agriculture Institute of Rome. His activities consisted in receiving hundreds of applications for assistance in the way of electric power pumps, fuel, lubricating oil etc. in connection with agricultural production to save crops and to improve output.

8. Personal inspection was made of about ten large farm properties in the AGRO ROMANO, and the Milk Central Station. Study and recommendation of milk subsidy came from this Section.

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9. Ar order was posted and permits printed for the resumption of fishing under proper limitations on a short coastline. This was done in conjunction with Region IV.

Labour.

10. The Italian Collocamento was reopened at No.6 Via Lucullo. The records and files were intact. The personnel were not present and new personnel have been engaged. The old personnel could not be used because of their close collaboration with the German forced Labour programme. Approximately 10,000 workers have been furnished to the Armed Forces through this office. There is an over-supply of labour in all classifications except English speaking typists.

11. The order abolishing the Fascist Corporative System and permitting free organizations of employers and employees was issued on 13 June. This order included titles creating Italian Labour Offices and adjusting wages of Government and private employees.

Public Works and Utilities.

12. Water. Damaged siphons, tubes and secondary aqueducts were repaired by inter-connecting the two systems and installing regulating valves. Supplies of water were maintained in the city to the extent of approximately 100,000 gallons a day at the lowest. Further repairs have improved the situation, and the normal water supply should be resumed by 9th July. Permanent repairs still have to be made.

13. Electric Power. The hydro-electric network normally supplying ROME with 126,000 kilowatts was cut off, and some stand-by sets consumed fuel which was in short supply. Several small hydro-electric installations were located nearby, and these were repaired and put back into operation. Due to shortage of power a rationing system was put into effect which allowed civilians four hours of power every other day at a specified time. Military installations were given continuous service. Up to 30th June the lowest number of kilowatts on the line in any one day was 17,000 and the largest number 28,000. Within the course of the next ten days the total capacity on the line should be in the region of 40,000 kilowatts, of which 26,000 is steam or diesel generated and 14,000 hydro-generated. These 40,000 kilowatts cannot be maintained continuously, since the fuel burning plants are stand-by plants and were not meant for the steady use to which they have been recently put and must be stopped from time to time for repairs. The coal needed for fuel driven plant varies from 30 tons a day at low load to 300 tons a day at peak load.

14. Tramway Services. Tram lines are restricted to 50% of operation at the present time. In the morning 360 cars are being used - from 11 o'clock onwards 180 cars. The service is limited to the times when workers should go and return from work, and is also limited by the total power available on any one day.

15. Gas. Under the Germans no gas was supplied to the city for several months. Gas was supplied to the hospitals immediately after our arrival. However, due to the shortage of fuel the gas plant was closed down and the fuel diverted to the power plants. This condition will remain in effect until such time as adequate supplies of fuel for gas as well as power can be assured.

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16. Sewers. The Sewage system of the city is unharmed. Since they operate by gravity they are functioning satisfactorily, especially with the increase in the water supply. Normal maintenance is being continued.

Public Safety.

17. (a) General. Public order is very good. Proclamations observed in almost every respect. No clashes between civil police and public, no rioting.

2,850 civil police brought into ROME area - one fire brigade. Guards placed on over 1,200 buildings almost immediately on arrival. Over 2,000 Carabinieri disbanded by the Germans have been recruited and are on active duty. This is in addition to the numbers brought in. The Polizia Africa Italiana force of 1,950 men were disarmed and disarmed. The General in charge has since been arrested, and the assets of 3½ million lire frozen.

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The patriot political police force of some 17,000 was dissolved and disarmed. All former civil chiefs of police have been removed from office. About 2,800 undesirable police have been removed, due to bad records or over-age. There are now approximately 17,000 officially recognised civil police in service, and working well.

The Rome fire service is completely mobilised and on active duty.

Before our arrival the Germans let all prisoners out of jail. Due to the fact that the prison records were found intact many of these criminals were re-arrested. The prisons are in good condition.

Large quantities of fire arms and ammunition were surrendered to the police; arms and explosives located at various places turned over to the military. The offices of political organizations were raided, and quantities of arms and explosivies seized.

(b) Allied Courts. Three Allied Military Courts are functioning and of these two are Summary and one Superior. The Courts are now disposing of approximately fifty cases per day.

(c) Italian Courts. Upon arrival in the city it was found that all Courts were prepared to function normally, with the exception of three sections of the Court of Cessation, the three judges of which had fled the city with the Germans. Italian Courts are now functioning under the supervision of the Legal Division and are up-to-date with their calendars.

Public Health and Welfare.

18. Diseases. No epidemic disease. Tuberculosis definitely on the increase due to general malnutrition. The rate has risen to 200 per thousand as against 75 per thousand eighteen months ago. The death rate has increased only among the old age groups in the sixth decade, due mostly to heart disease.

19. Hospitals. There are 16,000 beds for civilians, 6,000 being for general disease, the remainder for specialist cases. Army units have not encroached on civilian needs.

20. Medical Supplies. AMG medical supplies have arrived and are adequate for all hospital needs. In addition, all wholesalers and pharmacists have sufficient supplies for at least three months.

21. Milk. About 30,000 litres of fresh milk are distributed daily to various essential categories. 52 tons of powdered milk have arrived and are to be used for infant feeding during warm months. This amount is sufficient for a four months period.

22. Welfare. Under the supervision of Public Welfare 339 soup kitchens feeding approximately 264,000 people are operating. They are operated by four organizations :

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1. Ente Assistenza di Roma.
2. Circolo di San Pietro.
3. Opera Nazionale Assistenza Religiosa Morale Operai.
4. Societa Generale Immobiliare.

Of this number approximately 40,000 persons are receiving free assistance; the remaining groups pay approximately 3 lire. By the end of June all persons were giving up ration points for their daily meal at the soup kitchen.

23. Contact has been constant with the Welfare Committee at the Vatican. This Committee is effective and helpful. Had it not been for their activity in furnishing food to the large chain of soup kitchens severe suffering would have occurred in ROME before food was received in the stores. Many cases of individual relief have also been handled.

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24. The general condition of the populace is slowly improving and as soon as the food ration can be further increased and varied the general condition of undernourishment which prevails throughout should be corrected.

Education.

25. University. The University is now open again. A Pro Rector and a Committee of Rehabilitation has been appointed. When its work is done, the election of deans and a rector will be held. Examinations will be held as usual in the autumn.

26. Schools. Examinations were being held at the time of our arrival, and were completed. Another session for the benefit of students who were excluded from taking examinations for political and racial reasons will be held next week. A new Provveditore was appointed.

27. Music. Arrangements were made with the Musical Academy of Santa Cecilia to give symphony concerts twice a week during July and August for troops and civilians. The series will begin as soon as the engineers can arrange lighting for the theatre.

28. Theatres. A certain number of theatres were reserved for civil entertainments. 19 companies have been given permission to give performances.

29. Opera. There will be a summer season of opera as soon as the engineers can provide lighting.

30. Libraries. All libraries have been reopened and are functioning normally.

31. Academies. All academies are functioning normally. A request has been made to ACC to dissolve the Accademia d'Italia, a Fascist creation, and to reconstitute the old Accademia dei Lincei which had been absorbed by the Accademia d'Italia.

Communications.

32. Roads. Streets, roads and bridges (with one exception) in the city were found in excellent shape. Regular repairs are going forward. Only one bridge over the Tiber had been destroyed. Arrangements are under way to have this permanently repaired. Roads in Governatorate outside the city were badly damaged. Repairs are proceeding.

33. Rail. The steam and electric railroads leading into the city have been entirely in the hands of the military. The line from Civitavecchia and the line direct from ROME to NAPLES will be operating early in July.

34. Telephones. The exchanges were found intact, but the long distance repeater equipment had been removed. The Germans had restricted the civilian telephone to 5,000 users. All telephones were disconnected by our advance forces. By the end of the second day all important military [illegible]

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35. Telegraphs. The three main telegraph offices were undamaged but owing to demolition of equipment, no general service is available.

36. Censorship. The Postal Censorship unit arrived the first day we entered ROME, established an office, and assembled the Italian censorship staff of approximately 170. These men have been vetted by F.S. and are now working.

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37. Postal Service. The six main post offices and the seventy branch offices are intact. Postal service will start 1st July.

Property Control.

38. The property of Allied Nationals has constituted major work, consisting of supervising approximately 150 real and personal properties, and 45 corporations and business, of which 26 were American, 12 British and 7 French. All bank accounts and postal savings accounts owned by our nationals have been blocked. Enemy state property so far has consisted of 130,000 litres of liquor, the raw materials for which were furnished by the Germans.

39. Fascist public property presented some difficulties. Possession was taken of all available cash pending determination of eventual ownership. Abandoned private Fascist property required considerable protective measures to prevent looting.

Finance.

40. All banks and financial institutions were protected upon entrance into the city. 600 million lire of AFA cash were deposited in the vaults of the Banca d'Italia. These lire were brought in on trucks on the first day. Subsequently 450 million lire were brought up from the Naples Branch for the ROME branch of the Banca d'Italia.

41. A few banks and post offices were open for business on 5th June but were closed later in the day in accordance with Proclamation No.4.

42. Meetings were subsequently held with bank officials. In the opinion of managers, due to the advance of additional lire, the banks could safely be re-opened. This was done on 12 June, with no restrictions.

43. The post offices opened simultaneously and all normal services of these institutions were put into effect, except for mail.

44. No discrimination of any kind has been made against notes printed before our arrival. The banking situation after 25 days of occupation is considered to be satisfactory.

Displaced Persons.

45. At present approximately 5,000 Allied Nationals have been located in ROME, belonging to 26 nations.

46. It was found that the numerically larger goups, i.e. British (including Maltese), Polish, Yugoslav (Royalists and Patriots), Hebrews and Greeks, were well organized and had been well taken care of by the representatives of their protecting powers or by elected committees. Many had been often moving from residence to residence at short notice, or in hiding, while others had been fed, housed and cared for by Italians, often at great personal risk to life and property.

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47. The numerically smaller groups and those less closely knit together have now been organized and almost every individual Allied National has been accounted for.

48. Special arrangements have been made for medical care of the sick and small quantities of comforts, such as milk, concentrated soups, etc., have been made available.

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Monuments, Fine Arts and Archives.

49. Monuments and Fine Arts. Fine Arts situation in ROME City very good. Almost no war damage. Church of S. Lorenzo seriously damaged by bombing in July 1943; repairs are in progress under direction of Superintendent of Monuments, but hampered by lack of materials.

50. Archives. A general policy of removal to the North of the majority of the more important recent Archives was carried out by all Ministries before the arrival of the Allies in ROME. In the Ministry of Foreign Affairs very little remains for the period 1933/43. Regarding the Ministry of Justice, it is reported that the legal records were bombed and in large part destroyed en route North. In spite of these removals the amount remaining in the various Ministries was so large that the plans laid for the exploitation of the Archives for intelligence purposes could not be carried out. In the return intact of all evacuated documents an important preliminary is the preparation by individual Ministries of a comprehensive statement with exact lists of missing classes, files etc. This is being done.

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CONFIDENTIAL

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.

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REPORT FOR MAY 1944.

1. For the last two months this Report has been a record of steady progress in many spheres, but nevertheless work for many assumed a routine character until such time as the Armies were again able to resume the offensive. Like the Armies we devoted the interim period to planning for a big advance. Fifth and Eighth Army AMG's were strengthened, and Region IV, now responsible for LAZIO, UMBRIA and the City of ROME, like Sleeping Beauty, was suddenly brought to life. The day when the Armies started their big attack, so long anticipated, was 11.May, and for the moment AMG teams with the Armies held the limelight.

2. The Armies progressed rapidly, leaving behind a trail of destruction wherever battles were hard fought. Townships like PONTECORVO, CASSINO and PIEDIMONTE ceased to exist as dwelling places, whilst others could accommodate only a small percentage of their inhabitants. As long/as last September it is recorded that the enemy completely emptied one place, the population fleeing to the neighbouring hills. Considerable movement of the population took place as a result of all this and as examples, FONDI increased from 19,000 people to 30,000, and TERRACINA from 14,000 to 23,000. Many suffered from exposure and lack of food.

The feeding and medical treatment of all these people, together with the evacuation of refugees, fully extended AMG staffs but presented no new problems. By the end of the month 200,000 people were being fed in the Fifth Army area alone. Well earned were the congratulations of General Alexander and his application of the epithet "the Third Army" to A.C.C.

3. Due to the fast rate of advance contact was often lost with forward CAO's, whilst Provincial teams had to be called up urgently to take over. The small port of GAETA was quickly employed. It was captured on 20.May and although damage to the harbour was considerable a stretch of 'hard' was cleared by the Royal Navy and a U.S. Engineer Unit so that schooners could be brought in. The first one carrying food supplies entered on 26.May and was unloaded into a warehouse which had already been secured. By 28.May all supplies were on a sales basis up to a line TERRACINA - PICO, indicating a very rapid recovery of normal economic life.

It was unfortunate that the misery of the refugees in some areas was increased by the conduct of certain troops under French Command, which moreover caused a greater movement of refugees than would otherwise have been the case. Adverse accounts of behaviour of troops continue from many parts of the country. When, however, account is taken of the great number of troops, the many diverse nationalities and the fact that good behaviour is unrecorded, the situation would

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4. Next to the advance of the Armies harvesting prospects and organisation have received most attention. After long discussions the price of wheat was fixed at 1000 lire per quintal and it was announced in the Press and over the radio on 15 May by both A.C.C. and the Italian Government. Inevitably, there are localities where dissatisfaction is expressed over the price, but in reaching a decision factors of national importance had to be taken into consideration.

The word "Amassi", of evil association, is dropped and in its place comes "Granai del Popolo". Well conceived publicity is sucessfully establishing this phrase.

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With the wholehearted co-operation of AAI and the Italian Army, the labour problem has been largely solved by the transference to the principal grain areas of 25,000 Italian troops for the period of the harvest, mostly from Sardinia.

5. 30 and 31.May were devoted to the third Regional Commissioners' Conference which revealed both progress and harmony. Harvesting received rightly more time and detailed discussion than any other topic, for its importance to the Allied cause and the welfare of the country up to the time the last grain of wheat is stored could not be too much emphasised.

The personnel ceiling of ACC/AMG having been fixed and attained (including allowance for future expansion) it is obvious that as new areas are brought under control established areas must release personnel. Naturally the first to feel this thinning out process are the Regions in Italian Government Territory, who have nevertheless cheerfully faced the prospect during the month of parting with a number of their key men.

The remainder of NAPLES Province was handed over to Region III on 22.May.

A new defascistization law is being prepared to distinguish between the active Fascists and those who have only been tainted. In this connection emphasis has been laid on the difference existing between "defascistization" and "epuration". These terms are often used loosely and imply that they are synonymous which is not the case.

6. A committee under the chairmanship of the Deputy Chief Commissioner was appointed in order to make recommendations to check the present tendency to inflation.

POLITICAL.

7. The second meeting of the new Italian Cabinet took place on 4.May. Subjects under discussion were (i) the Granio del Popolo and the price of wheat; (ii) Defascistization; (3) Suppression of the Ministry of Foreign Exchange, its duties being taken over by the Ministry of Finance; (iv) Suppression of the Ministry of Popular Culture, press relations being taken over by the Ministry of the Interior (home and foreign news), the Ministry of Communications (tourism and radio), and the Ministry of Education (cinema and theatre); (v) Economic betterment of State employees.

8. The official price of wheat was issued on 15.May. The Italian Government asked that an A.C.C. announcement should be issued, covering AMG territory, at 2 p.m. followed at 2.30 p.m. by an Italian Government communique fixing a similar price "in order to ensure uniformity".

9. The new law dealing with the punishment of Fascist crimes and illegal practices contains a definition of those crimes which enabled Fascists to assume power in 1922 and to eliminate the last traces of democratic rule. Punishment ranges from imprisonment to death penalty. A list of mitigating circumstances is established to alleviate or to suspend sentences including

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10. At a later meeting the Council affirmed a policy of war to the end against the Nazis and expressed its hope for a new world of international collaboration based on the principles of the Atlantic Charter and repeated its conviction that the Italian people had been betrayed and forced into a war against their interests and against their will. The Fascist invasions of other nations are deplored and, specifically, the Government looks to the early liberation of Albania.

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FINANCE.

11. The complete report of the Finance Sub-Commission receives the same circulation as this report. It is therefore proposed to present here only the salient points.

12. As the next fiscal year for the Italian Government begins on 1 July it is necessary that a new budget be prepared to control expenditure after that date. The Italian Government is taking steps to prepare such a budget for the territory under its jurisdiction, and at the Government's request the Italian forms were sent to Military Government territory in order that if and when additional territory is turned over to the Italian Government, data will be available to make the necessary changes.

13. In Military Government territory there has been distributed a complete set of forms for the preparation of budgets, the operation of such budgets, the control of expenditures, and for reporting such expenditures. Revenue data are also included in these forms. In designing these forms every attempt was made to adhere as closely as possible to normal Italian accounting and fiscal procedures. Fiscal procedure for the State agencies is quite dissimilar to that for local government bodies, and two sets of forms were necessary. The operation of the new budget procedure should result in a definite measure of expenditure control.

14. Refugees leaving Italy for Palestine have deposited substantial funds with the Internees and Displaced Persons Sub-Commission, which is seeking a means of remitting these funds to Palestine. As there is yet little or no sterling available in the AF accounts, and as CCS has not approved the expenditure of foreign exchange for this purpose, the current procedure results in blocked deposits being held by the Internees and Displaced Persons Sub-Commission, for account of the refugees abroad. The problem has been referred to CCS decision as to policy, with a suggestion that the Jewish relief agencies abroad may desire to obtain lire funds, by purchase of these blocked deposits from the refugees arriving from Italy, if this is not contrary to general policy.

15. The Italian Government decree for the Insurance Advisory Committee has been signed and the opening meeting should take place during the first week in June. Arrangements have been made for the Insurance Department of Finance Sub-Commission to be provided with agenda and minutes of each meeting, and representatives have been invited to attend the first meeting.

16. In response to a request from AFHQ, the Minister of Finance was asked to give assurances as to the implementation of that part of the Armistice terms which provides that the Allied Forces shall be immune from Italian taxation. A satisfactory reply was received from the Minister, stating that no taxes, direct or indirect, will be imposed upon the Allied Forces or organisations serving with the Allied Forces, or upon individual members thereof whether acting in an official or un-official capacity. Specific instructions which have been issued to Italian tax officials by the ministry were cited in support of these assurances.

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ECONOMICS, RESOURCES and SUPPLY.

17. Food.

Grain shipments during May were much more regular than in April. Seven bulk wheat ships of a total tonnage of 56,000 tons and one flour ship tonnage 8,600 tons were unloaded during this period. The last ship was diverted to ANZIO with a large portion of its flour cargo together with an additional top cargo of miscellaneous subsistence items to establish a stockpile for the feeding of FOME. The manufacture of pasta for feeding of forward areas has begun and arrangements are well advanced for the manufacture of biscuit for emergency feeding of forward areas. Plans for making use of the local harvest and for its movement from areas with a surplus to areas with a deficiency are well advanced.

18. Food processing has received considerable attention. Plans are in hand to deal with potatoes, tomatoes, marmalade, jam, macaroni, fish (using the salting and drying processes) and yeast manufacture.

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19. Ration Scales.

Supplementary Ration for Heavy Workers. The scheme for the issue of additional rations to heavy workers wholly and in part employed by Allied Armed Forces has been adopted to commence 1.June. This issue will be by means of supplementary ration cards, and these have been delivered to Regional Supply Officers for distribution to the employing units and the process is proceeding smoothly.

Industry and Commerce.

20. Much of the activity of the Industry & Commerce Sub-Commission has been in the direction of rehabilitation of factories and increased production in those concerns that are working. Special attention has been given to the following vital products:-

Soap - requirements of British Army, Italian Army, Navy and Air Force, civilians. Substantial quantities of soft soap will be produced by using the potash from almond-ash.

Glycerine and glycerine dyes for export.

Sulphuric Acid - acid for battery electrolyte has come into production and all British Army requirements will be covered.

Fertilizers - production commencing shortly at seven plants. Sulphur is to be used in place of pyrites.

Carbon disulphide, Cement, Industrial Gases, wire nails and paper.

21. Agreement has been reached with the Italian Government on measures for the future regulation of the manufacture and use of leather. The key to the scheme is control of the production and allocation of tanning extracts, and a survey of these is approaching completion. The project for the repair of salvaged Army boots has been, within its own limitations, very successful, but it is considered that this scheme should be extended even at the cost of manufacture of boots, as the needs of heavy workers for whom this type is suitable are of the most urgent priority. In addition, it is hoped that an early importation of 500,000 pairs of heavy boots will be made, as these, plus local production, would go far towards solving the problem.

22. Export Shipments. Since last reporting the following shipments have been made:-

To U.S.A.....	100,019 lbs.	Lemon Oil.
To U.K.....	20,265 tons	Sulphur.
	336 qtls	Filberts.
	388 qtls	Argols.
	17,731 gals	Lemon Juice.
	243 qtls	Lemon Oil.
	13 qtls	Tangerine Oil.
	37 qtls	Sweet Orange Oil.
	15 tons	Bentonite (sample shipment)

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	37 qtls	Sweet Orange Oil.
	15 tons	Bentonite (sample shipment)
	160 kilos	Briarwood (" ")

23. Hemp products have shown the anticipated increases especially in canvas and sacking; large quantities of binder twine for agricultural purposes have been produced. Supplies to the services have been maintained. The industry has been working for three months on the small stock of spare materials which were in hand. Production must diminish unless items which have been requested are supplied. These items should be regarded as military requirements and priority allocated accordingly.

AGRICULTURE, FORESTS & FISHERIES.

24. The general impression is that most sections of Liberated Italy will have a bumber crop in the present year. This is true not only of grain but of nearly every other crop which is normally planted. Fruit crops such as cherries and strawberries, pl[illegible] and similar fruits show exce[illegible]t output, and the general conditions of all crops at the end of May indicates f[illegible]st that most favourable

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weather conditions have offset many of the handicaps resulting from the lack of fertilizers and materials, and second, that Italian farmers in spite of shortage of tools and work animals, and in spite of disruptions due to military activity, have gone ahead and planted the last inches of land and tended and cultivated the crops well.

25. Military installations, such as air fields, ordnance dumps and staging areas, cover a very appreciable portion of the farming land in Southern Italy. While there is considerable damage to growing crops and to agricultural facilities in some areas owing to the military necessity of taking over planted land or buildings, the military is giving splendid co-operation in this particular phase through the Commanding Generals of the Armies who have issued orders instructing that every care be taken in installations and in the requisitioning of facilities, that proper regard be given to areas and facilities which may be utilised for agriculture.

26. Crop reports on the acreage planted and the condition of the crop were collected from all Provinces and the preliminary forecast on 15 May was:-

Wheat	-	1,624,135	metric tons.
Barley	-	153,460	" "
Rye	-	9,990	" "
Oats	-	271,415	" "
Corn	-	151,775	" "
Dry Broad Beans		208,830	" "
Potatoes	-	590,990	" "

27. The Granai del Popolo. Following close on the re-organisation of the Ministry of Agriculture and the announcement of the programme for collecting wheat and barley last month, activity has been intensified through the Sub-Commission and the Ministry of Agriculture to develop the necessary directives which will make possible the implementation of the collection decree, for the general co-ordination and broad supervision of the collection programme. Reports from the field indicate that the Communal and Provincial Committees in most Provinces are functioning and declarations are being completed. Assessment forms are being printed and will be available in time for the harvest and threshing. Special decrees and directives dealing with the collection of other crops are being prepared and worked out in co-operation with the Italian Government. A programme of publicity and propaganda has been worked out by members of the staff, the Italian Government and PWB, utilizing press releases, posters, radio, sound trucks and motion pictures, in order that every citizen of Italy may realise the importance of the attempt this year of Liberated Italy to assist itself.

28. During the month inspections of important mills in the Provinces of SALERNO, POTENZA and COSENZA were made to ascertain what mills were able to provide bridge and construction timber. Eleven mills were examined and four found having machinery capable of sawing logs, 4 metres or longer in length. Public Works and Utilities Sub-Commission was notified of those considered of special interest to them.

29. Fisheries. The 21 tonnara around the Sicilian Coasts are in full swing and part of the harvest is being shipped to Naples. The remainder is being sold on the local markets as fresh fish food or is being either canned in olive

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29. Fisheries. The 21 tonnara around the Sicilian Coasts are in full swing and part of the harvest is being shipped to Naples. The remainder is being sold on the local markets as fresh fish food or is being either canned in olive oil or salted. Several shipments of hemp cordage were made to Region V during the month. Reports from Sardinia indicate that there is a normal run of tuna fish. The heads of the Fisheries Division of the Agriculture Sub-Commission and of the Ministry of Agriculture made a complete survey on fishermen's needs in Region VII. Hemp cordage necessary to make and repair nets has been distributed to every fishing village from SALERNO to REGGIO CALABRIA. As soon as the material is made ready shipments will be made to fishing villages on the IONIAN Coast.

PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. At the beginning of the month eight bridges on main highways were under constructions, and at the end of the month this number had risen to fifteen. Ten new bridges were under survey and design at the end of the month, or were being let out to contract. At the end of May heavy repairs of a major character were in hand on 158 miles of roads, mostly under contract, whilst normal repairs on 791 miles were similarly in hand, either by

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contract or under strengthened gangs of the "Cantonieri" (direct labour). In spite of abnormally heavy traffic throughout the northern Military Government territory, there was a marked improvement in road conditions during May, both as to foundations and surfacing. All roads coming under first priority (military) were in hand, except for certain delays occasioned by local shortages of bitumen, or transport. The total number of quarries operated rose during May from five to eight.

31. Electrical Division. Under the heading of control of electric power supplies, further meetings were held with officials of the Public Works Ministry regarding a more uniform application of the decree on electricity rationing. The rationing has given very marked and on the whole satisfactory results, with a corresponding saving in coal consumption at thermal power stations, and conservation of the water held in storage at various high-level lakes and impounding reservoirs which furnish power to the numerous hydro-electric stations. The transfer of electricity generating plant from PALERMO (Sicily) to MATESE on the mainland was not found possible during the month, but will be completed in June.

LABOUR

32. Continued representations were made during the month to the Italian Government for the creation of a civilian mobilization law providing for manpower, and it is being given further consideration. The revised draft of the basic labour law was re-submitted by the Italian Government and is now being considered by A.C.C.

33. The labour situation remained fairly static. The continued threat of strike persisted and "sit-downs" of short duration were not uncommon. Unrest was more marked than in any previous month and the Labour Sub-Commission is convinced that there is systematic agitation of the workers coming from one or two major sources. The real cause of the unrest is food, not low wages.

34. Drafting of the Social Insurance plan in close collaboration with the Italian Minister is proceeding slowly. The Social Insurance structure, like the wage structure, is most complex and has never been systematically analyzed by the present Italian Government. The lack of knowledge, on the part of the Ministry, of Italian wage and social insurance laws and regulations is placing a tremendous burden upon the military authorities, who are being asked time and again by the Italian authorities to approve some ill-considered and unworkable scheme based upon fancy rather than upon fact. A social insurance programme is being drafted for direct employees of the Armed Forces in conformity with sound labour policy. The extension of social insurance to this large group of workers has been approved in principle by the A.A.I. Local Resources Board.

TRANSPORTATION

35. Railways. Whilst military control becomes less rigid in the south, in the north extended territory and preparations for further extension led to an increase in traffic to military railways. Arrangements were made for civilian mails to be conveyed twice weekly on the Naples - Bari military passenger train, and arrangements will shortly be completed to convey civilian mails over other parts of the service. Five additional passenger services have been introduced to meet civilian needs in the Naples - Salerno area.

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36. The Coal Division has been placed under the Transportation Sub-Commission for the purpose of drawing up in conjunction with the Italian Government control organisation for handling and distribution of coal.

37. Road transportation problems have been considerably eased by the receipt of a quantity of tyres and tubes for trucks; more have been authorised and when received additional problems will be solved. The total number of trucks available to the end of the month for the transport of civilian supplies was 604. Re-allocations have had to be made to meet anticipated requirements consequent upon military operations.

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38. Shipping. The scheme for the control of auxiliary motor sailing vessels received the approval of all interested bodies and is now in operation. Further progress has been made in the registration of Italian schooners. Up to the present 489 vessels representing about 39,000 deadweight tons have been registered. Of these, 231 are each under 50 tons but over 20 tons deadweight. In addition, 55 motor vessels of 2250 deadweight tons in Sardinian ports are being registered. During the latter half of May, 99 schooner voyages were reported serving 35 ports and various Islands. The quantity of commercial cargo carried amounted to 7247 tons of which timber, 2227 tons, was the largest item, followed by 1312 tons of foodstuffs, fruit and fish. Wine cargoes are not included.

INTERIOR

39. The Royal Decree restoring Local Government in Italy is being made applicable to Military Government territory. Pools of Local Government officers of various grades are being constituted as a reserve for use where no suitable persons to replace the relieved officials can be found locally in recovered territory. Teams of officials have been sent forward to re-organise the devastated Frosinone and Littoria Provinces.

LEGAL

40. The successive passing of increased responsibility to Italian Courts is proceeding with the object of freeing officers for more forward areas.

41. The consolidations of proclamations and orders and the issue of the booklet of "Consolidated Instructions for Allied Military Courts" have proved valuable both as helps and as a simplification.

42. Fascists are being dealt with in two ways, under the Decree of Defascistization of 28 December and under the recent Decree of Epuration. The former is a purely purging decree and provides the machinery for removing Fascists from office. The machinery is not yet properly at work. The latter is a penal decree and provides the machinery for punishing those who have been guilty of "crimes" - this decree has only just been passed. No action under it has yet been possible. The progress of both classes is a matter of special care and interest.

43. In espionage cases seven death sentences were confirmed and one conviction, with death sentence, was squashed.

44. Some improvement has been shown as to the number of cases awaiting trial and in the prison situation but constant watchfulness is necessary if it is hoped to get Italian Courts to deal with cases with reasonable expedition.

PUBLIC SAFETY

45. The plans for moving Carabinieri into new territory as the Armies advance have worked smoothly. It has been reported on all sides that the Carabinieri

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PUBLIC SAFETY

45. The plans for moving Carabinieri into new territory as the Armies advance have worked smoothly. It has been reported on all sides that the Carabinieri have proved of the greatest assistance to Allied Forces in dealing with all civilian problems. It is interesting to note that the appearance of Carabinieri with the advancing troops has been enthusiastically welcomed by civilians.

46. Much closer relationship has been established between Provost and Public Safety Officers, with the object of maintaining direct contact between Allied Military Police and the Italian Police. Courses of lectures by Public Safety Officers are being given at Military Police Training Centres. The system of joint patrols by Allied and Italian Police is being extended.

47. The most serious case of counterfeiting yet discovered was at Palermo, where forged L. 1,000 Allied Military notes were being circulated. The printing press, tools and materials have been seized, 39 persons arrested and L. 42,000,000 recovered.

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48. The problem of overcrowding in civil prisons has been energetically tackled and the crisis has passed. All concerned now have a lively appreciation of the problem. The new Director of Prisons at the Ministry of Justice is forming a competent staff and a body of Inspectors.

49. The Military Security Services have reported that the additional restrictions imposed on the movement of civilians, which have thrown a good deal of work on ACC officers in the field, have proved of great value in checking the activities of enemy agents.

PUBLIC HEALTH

50. Smallpox. No further cases have occurred in Taranto, the disease in Naples is of a mild form. At 31 May 161 cases had been reported. There are no deaths.

Venereal. The decline of the V.D. rate continues. 2,000 hospital beds for infected prostitutes have now been provided in Italian Government territory. The Italian Government doctors and officials are co-operating well.

Malaria. AMI has made a considerable amount of Paris Green available for Regions. DDT Powder which proved of such value in Typhus Control is now proving of value in anti-malarial work, mixed with oil it is an effective larvicide, and mixed with kerosene or talc it is an effective destroyer of adult mosquito.

Veterinary. 2,500 swine have been lost in Region V from Swine Fever/Hog Cholera. The production of vaccine for this disease and of other biologicals is proceeding satisfactorily.

EDUCATION

51. Defascistization of Educational personnel is not proceeding in Italian Government territory as rapidly as is desired, but some improvement has been manifest recently. There have been a number of student disturbances mainly of a more or less good humoured nature to obtain the benefit of successfully passing an examination without undergoing the burden of a test.

52. The text book printing is now complete. If text books are to be ready for next year a million will have to be printed during the next few months. The work is in preparation.

53. The development of various educational channels for infants, for recreational for youths (including scouts), for adults, for extension classes, for the teaching of arts and crafts and science and for technical education are all proceeding.

PROPERTY CONTROL.

54. A decree has been passed revoking measures previously taken against the property of Allied - French Nationals. Local officials have accordingly been instructed by the Ministry of Finance to revoke orders for sequestration and to re-assign property to the owner or the Property Control Officer for the owner. Banks which had been acting as managers of sequestrated properties will continue

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50. Smallpox. No further cases have occurred in Taranto, the disease in Naples is of a mild form. At 31 May 161 cases had been reported. There are no deaths.

Venereal. The decline of the V.D. rate continues. 2,000 hospital beds for infected prostitutes have now been provided in Italian Government territory. The Italian Government doctors and officials are co-operating well.

Malaria. AMI has made a considerable amount of Paris Green available for Regions. DDT Powder which proved of such value in Typhus Control is now proving of value in anti-malarial work, mixed with oil it is an effective larvicide, and mixed with kerosene or talc it is an effective destroyer of adult mosquito.

Veterinary. 2,500 swine have been lost in Region V from Swine Fever/Hog Cholera. The production of vaccine for this disease and of other biologicals is proceeding satisfactorily.

EDUCATION

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MONUMENTS & FINE ARTS

55. M.F.A. officers have been well forward and have entered captured positions with, or shortly after the capturing troops. The MAAF is granting every facility for co-operation to avoid inadvertant damage and to enable damage committed to be tabulated.

56. The following lists of protected monuments have been issued to forward troops :

Section 1 - Sardinia and Sicily.
" 2 - Apulia, Calabria, Campania and Lucania.
" 3 - Abbruzzi and Lazio.
" 4 - Le Marche, Tuscana an- Umbria.

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57. A booklet on the preservation of Works of Art with a foreword by the C. in C. Mediterranean Theatre has been distributed to the troops.

COMMUNICATIONS

58. Telecommunications. No major changes have taken place in the Telecommunications system. Detailed development has been in steady progress; in particular, the capacity of the telegraph circuits to Naples has been made adequate for the traffic with that city. The telephone circuits available for the Italian Government to Naples are inadequate, and an increase in these facilities has been requested of the military authorities.

59. Posts. Detailed improvements have included the provision of four mail services a week from Naples to Bari (in place of two a week), and an airmail service with Tripoli. The sequence and circumstances in which the resumption of postal finance services, advance postal services for P.O.W. mail, and normal postal services in newly occupied areas has been agreed and instructions issued.

60. Censorship. A policy has been agreed and approved to turn over the operational control of internal mail and telegraph censorship to the Italian Government in Italian administered territory, and simultaneously to permit this control to be exercised by the Italian Supreme Command instead of by local Prefects acting under instructions of the Ministry of the Interior. This has the result of centralising the control, and of ensuring that civil censorship is made primarily an instrument of military security and not a source of political information. Policy control is retained and the normal direct executive control by Allied censors in areas forward of the Italian Government territory is not affected.

INTERNEES & DISPLACED PERSONS

61. General. The numbers of refugees this month from Yugo Slavia were small compared with preceding months; 2895 persons were received, of whom some 2488 were women and children.

62. During the month 571 Zionist Jews were embarked for Palestine. This emmigration, the first of its kind from Italy since the commencement of the War largely concerned Jewish refugees located in Ferramonti and Di Bagni Camps. Many problems had to be faced in this first emmigration to Palestine, and the lessons learnt will be put to good use when a similar movement of Jews has again to be dealt with.

63. With impending operations likely in mid-May it was decided to organise approximately 1/3th of the Sub-Commission to find an Advance HQ and three Forward Groups. The extra work thrown on to individuals has been dealt with with energy and cheerfulness by all concerned. The organisations by which camps are to the maximum extent run by refugees has made it possible to face greatly increased commitments.

64. Medical. Yugo Slav and Italian civilians [illegible]

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63. With impending operations likely in mid-May it was decided to organise approximately 1/10th of the Sub-Commission to find an Advance HQ and three Forward Groups. The extra work thrown on to individuals has been dealt with with energy and cheerfulness by all concerned. The organisations by which camps are to the maximum extent run by refugees has made it possible to face greatly increased commitments.

64. Medical. Yugo Slav and Italian civilians are being used to replace military personnel in the Medical Branch and several members of the Friends Ambulance Unit are now numbered amongst the staffs. Maglie Hospital still maintains a creditable military standard of efficiency. Both Leuca and Maglie hospitals are working to capacity and their bed-strength is being increased. The first course for training nurses was completed and of the original 30 who desired to be trained, 15 qualified. A second class of thirty has commenced training. There has been a mild epidemic of measles. Several cases of Whooping Cough and a few of Mumps and Scarlet Fever. Pulmonary Tuberculosis has also been shown to be fairly common. Most cases are absorbed into civilian sanitoriums. Red Cross personnel and Friends Ambulance Unit continued to render yeoman service.

65. Records Bureau. Approximately 31,500 persons have now been recorded, 1,050 enquiries have been booked out of which 375 definite answers have been received. Enquiries for Southern Italy are decreasing as certain results have been obtained and it has been stressed for some time now that the postal channels now available should be used. Enquiries are already coming in for areas nearer the old front line and it is estimated many more enquiries will come in shortly. The Foreign Relations Department of the British Red Cross have established a

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system whereby they accept enquiries from the American Red Cross, Allied Red Crosses, numerous Jewish organisations, and so on, which is an invaluable help in work of this character. The past months have proved beyond doubt the importance and immense psychological value of this work of handling enquiries and communications of displaced persons and this bureau has been able to co-operate with M.E.R.R.A. and other outside organisations fairly effectively.

66. Statistics. As at May 31 (unless otherwise stated) :

Refugee population in Camps and Hospitals	-	4,843
Reception during May (by ship)	-	2,895 +
Reception by means other than ship	-	10
Shipped to Mideast (Jews to Palestine)	-	571
Gross total shipped to Mideast to date	-	20,391

+ of which 911 were women and 1577 were children under 16 years.

REFUGEES (ITALIANS)

67. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased steadily and by the end of the month was 111 officers and 1040 other ranks, an accession of strength of 26 officers and 659 other ranks.

68. Movement during the month :

From 5 Army (by road)	-	4589
From 8 Army (by road/rail)	-	8020
Total		12609

To dispersal areas southward :

To Region I	(Sicily)	-	3971
To Region II	(Bari Province)	-	1388
To Region III	(Naples, Salerno & Avellino Provinces)	-	1440
To Region VII	(Reggio & Catanzaro Provinces)	-	1651
	Total		8450

In addition 1415 were dispersed to Local Homes and 878 handed over to the Italian Military authorities for possible military service.

69. As the Armies move forward the unrest amongst the refugees in the South increases. Refugees find it hard to live in the dispersal areas and are eager to return to their homes and property, whether it is intact or not.

PUBLIC RELATIONS

70. Early in the month an officer of the Commission's Public Relations Branch was attached to each of the Armies operating in the field, and these officers were in close touch in preparation for the active period expected. As a result contact was maintained with events and [illegible]

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71. A number of items dealing with the work of ACC have been released to the press, the photographers attached to the Branch have covered stories of varied interest in the towns recently liberated, refugee camps and the forward areas generally.

72. The routine work was not neglected. Liaison with Sections, Branches, Boards and Regions was maintained, a particular feature being visits to Conferences and meetings held in the Regions. The weekly bulletin is proving increasingly useful and popular, especially in the southern Regions where authentic and up-to-date news percolates only slowly.

Ellen W. Stone

ELLEN W. STONE
Captain, WAAC.

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

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.

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REPORT FOR APRIL 1944.

1. The major change in organisation has been the division of the stretch of Italian Government territory hitherto administered as Region II into two distinct Regions. Road, rail and telephone communications are poor and confronted with the difficult problems of supply and refugee disposal, Calabria, Apulia, and Lucania had become unwieldy. Region VII was therefore constituted by splitting off Calabria from Region II. The HQ of the new Region was established under Colonel KIRKWOOD at CATANZARO. The staff of the Provinces of Cosenza, Catanzaro continued at their posts.

2. Most of the initial difficulties of the change over from Government to control have now been surmounted. The more frequent visits of HQ officers to the Regions have proved welcome in the Regions and helpful to all parties. At the same time, visits of field officers to Headquarters have became more numerous to the benefit of all concerned.

3. The Regional Commissioners and Sub-Commissions conference occupied three days, 14th, 15th and 16th April. The full discussion of common problems of Regional Commissioners, SCAO's Army AMG and the Directors and members of the Sub-Commissions was the means of arriving at solutions in many cases and lines of future action in others. Particularly was this observed in the consideration given to the problem of the harvest and the effect which it will undoubtedly have on the future of the Italian people. More exact details of the results will appear later in this report.

4. Throughout the whole of liberated Italy there is more political activity, generally of an orderly and quiet kind directed towards organisation and definition of objectives. The political inexperience of people, who have been compulsorily inarticulate for so long has had some strange effect. It is hoped that the growth of local administrations now possible under the schemes for re-organising local government from communes to provinces may create a greater sense of civic responsibility and consequently an increase in political sense.

5. In general popular opinion expresses more confidence in the newly constructed Government of Marshal Badoglio. The tendency everywhere is towards moderation, though there are still many signs of apathy. The broken morale of the Italians is by no means restored but a hopeful sign is the reception given to schemes for municipal and communal cleanliness, anti-malarial measures and measures adopted for the control of diseases that might become epidemic.

6. There are incipient labour troubles in all Regions. Nearly all these are concerned with food; demands for increased wages relate to the cost of living. It is the policy of the Commission to relieve these local troubles by methods that do not involve increases in the wage rates or embarrassing increases in the ration scales.

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7. With the departure of Lieut.Colonel McCaffrey from Region II for another sphere, Colonel J.T. Zellars took command of the Region.

8. Two main topics occupy the minds of all officers of the Commission - the probable extension of Military Government activities as a result of military operations and the forthcoming harvest and collection of commodities.

POLITICAL.

9. The political crisis which began with the unanimous resolution of the Communist Party on 1st April, and proceeded to the King's request on 17th April

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to the Marshal to form a new Government, was finally resolved on 21st April when Badoglio succeeded in forming a Government in which all the six recognised opposition parties were represented. The new Government is as follows:-

Prime Minister and Minister of Foreign Affairs		- Badoglio
Ministers without Portfolio:		
	ACTION PARTY	- Sforza
	LIBERAL PARTY	- Croce
	COMMUNIST PARTY	- Togliatti
	SOCIALIST	- Mancini
	CHRISTIAN DEMOCRAT	- Rodino
Minister of the Interior	CHRISTIAN DEMOCRAT	- Aldisio
Under-Secretaries	SOCIALIST	- Salerno
	ACTION PARTY	- Caracciolo
Minister of Finance	NON-PARTY	- Quintieri
Under-Secretary	COMMUNIST	- Pesenti
Minister of Communications	LABOUR DEMOCRAT	- Cerabona
Under-Secretaries	NON-PARTY	- di Raimondi
	NON-PARTY	- Fano
Minister of Public Works	ACTION PARTY	- Tarchiani
Under-Secretary	LABOUR DEMOCRAT	- Cilento
Minister of Agriculture	COMMUNIST	- Gullo
Under-Secretary	LIBERAL	- Bergami
Minister of Justice	LIBERAL	- Arangio Ruiz
Under-Secretary	LABOUR DEMOCRAT	- Lombardo
Minister of Education	ACTION PARTY	- Omodeo
Under-Secretary	CHRISTIAN DEMOCRAT	- Jervolino
Minister of Industry	SOCIALIST	- di Napoli
Under-Secretary	CHRISTIAN DEMOCRAT	- Sansonetti
Minister of War	NON-PARTY	- Orlando
Under-Secretary	COMMUNIST	- Palermo
Minister of the Navy	NON-PARTY	- de Courteen
Under-Secretary	SOCIALIST	- Albergo
Air Minister	NON-PARTY	- Sandalli
Under-Secretary to the Presidency	LIBERAL	- Morelli

The Party division of the whole Government, including Under-Secretaries, gives the following picture:

Left (Action Party

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Minister of the Interior	CHRISTIAN DEMOCRAT	-	Aldisio
Under-Secretaries	SOCIALIST	-	Salerno
	ACTION PARTY	-	Caracciolo
Minister of Finance	NON-PARTY	-	Quintieri
Under-Secretary	COMMUNIST	-	Pesenti
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Left	Action Party	-	4
	Communists	-	4
	Socialists	-	4
Moderate	Labour Democrats	-	3
	Christian Democrats	-	4
	Liberals	-	4
Non-Party (including Badoglio)		-	7

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10. The first formal meeting of the new Government took place on 27th April. The official declaration of policy made after the meeting may be summarised as follows:-

(a) The Government is formed from representatives of anti-fascist parties no longer opposed to one another, but united in the effort to solve the vital problems of the moment.

(b) Other problems, not of immediate urgency, will be set aside, including the institutional one, which can only be decided by a constituent assembly elected by universal suffrage.

(c) All the parties, according to their beliefs, are prepared for the fundamental reforms necessitated by two world-wars; but such reforms cannot be initiated or completed while Italy is cut in half and still at war.

(d) The renewal of democratic government provides a new spirit, lacking under Fascism, for the prosecution of the war at the side of the Allies, and for the heroic endeavours of patriots of every party now united in the defence of Italy and the conquest of Hitler's Germany.

(e) The necessity of war involves the severest measures against all traitors and the freedom of Italians from all those who, having served Fascism, still cling to its habits, hopes or aims.

(f) Such work must not be actuated by a spirit of revenge, but by a determination that Fascism shall never recur. The work has been put in hand and will be carried energetically to a swift conclusion.

(g) Government action will be based on the urgent necessity of improving conditions of life by increasing industrial and agricultural activity, fighting speculation, smoothing internal exchange of products, obtaining essential supplies from abroad, and hastening the construction of public buildings, roads and bridges. For such tasks the Government counts upon the co-operation of all professional organisations.

(h) Administration, despite difficulties of archives, accommodation and personnel, must be regularised and it is proposed to re-establish the State Accounting Office and the Accounting Court. It is proposed also, in co-operation with the Committees of Liberation, to establish a small Consultative Body, symbol of Parliament, to which periodic reports of progress will be made.

FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt the need for additional supplies of currency. Such estimates are not expenditure estimates but solely estimates of cash disbursements. The failure of the former Minister of Finance to initiate the preparation of a budget for the remainder of the current year means that Regions I, II, VI and VII are now operating without any form of budgetary control.

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12. A proposed procedure for exercising control over Government expenditures submitted to the Italian Government during the month, is now being considered. The draft of a war profits tax decree to include farming profits and a memorandum detailing the long-term changes required in the Italian tax system have been prepared.

13. Since July 1943 the Italian Government and its agencies have disbursed about 28 billion lire of which only 4 billion was offset by gross revenues. In March the excess of Government expenditures over revenue was approximately 3 billion lire. During April the separate pools of currency reserves held at the various branches of the Banca d'Italia were brought under central control. The currency needs of deficit Regions are now met not by AFA but by transferring currency from Regions with surplus currency.

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14. Though there has been an increase in the black market prices of bread, potatoes and meat during the month, the black market price of fish fell from 250 to 125 lire per kilo as a result of the ACC development of fish supplies and the establishment of a fish marketing programme. Olive oil also declined in price due to rations issued at the end of the months of March and April. Supplies of spring vegetables also helped to reduce the cost of living in Naples at the end of the month to a figure lower than at any time since February.

ECONOMICS, RESOURCES & SUPPLY.

15. Food. Over half a million tons of civilian supplies have now been received, 106,000 tons being handled this month. The proportion of grain to flour is increasing. The scale of distribution of bread and miscellaneous foodstuffs was maintained.

16. Olive oil is now being supplied in sufficient quantities to make a universal ration available. Considerable quantities of unrefined oil exist in Southern Italy and the arrangements in hand for supplies of caustic soda for refining should make it possible to keep up the present ration for several months.

17. The check on ration cards in Naples has been continued and extended to all Regions. The indications are that an appreciable measure of success in the proper distribution of food supplies will be attained.

18. Mining. Shipments of Sardinian coal during April were:-

To Southern Italy	-	10,170 metric tons.
To Sicily	-	14,500 metric tons.

By the end of the month the 10,000 tons of sulphur asked for by the Ministry of Supply was ready for shipment and loading was in progress.

19. Exports. Shipments:-

To United Kingdom:	Hemp	-	400 tons
	Rope	-	9½ tons
To United States:	Wine	-	278 barrels
	Lemon Oil	-	100,000 lbs.

20. Hemp. Production figures compare favourably with those of the previous month:-

Hemp and tow	-	1,418 tons	decrease 52 tons
Canvas	-	70,150 metres	increase 5239 metres
Sacks	-	140,225	increase 37905
Ropes	-	3,923 tons	decrease 452 tons
Binder Twine	-	1,960 quintals	increase 1880 quintals.

Considerable quantities of hemp products were supplied to the Services. The present heavy demands for canvas will be more adequately met when the several small factories that have been rehabilitated during the month come into production

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21. The project for the repair of salvaged footwear is now in operation though only on a small scale pending the arrival of grindery and the increased production of leather. Output is now 500 pairs per day. This can be increased to 1000 pairs per day.

AGRICULTURE, FORESTS & FISHERIES.

22. Agreement was reached with the new Italian Government for a co-ordinated control of agriculture at all levels, Communal to Provincial, Compartmental and Ministerial. The necessary decrees for the collection of wheat and barley have been drawn up and details of the organisation of the committees that will give effect to the decrees have been published.

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10. The first formal meeting of the new Government took place on 27th April. The official declaration of policy made after the meeting may be summarised as follows:-

(a) The Government is formed from representatives of anti-fascist parties no longer opposed to one another, but united in the effort to solve the vital problems of the moment.

(b) Other problems, not of immediate urgency, will be set aside, including the institutional one, which can only be decided by a constituent assembly elected by universal suffrage.

(c) All the parties, according to their beliefs, are prepared for the fundamental reforms necessitated by two world-wars; but such reforms cannot be initiated or completed while Italy is cut in half and still at war.

(d) The renewal of democratic government provides a new spirit, lacking under Fascism, for the prosecution of the war at the side of the Allies, and for the heroic endeavours of patriots of every party now united in the defence of Italy and the conquest of Hitler's Germany.

(e) The necessity of war involves the severest measures against all traitors and the freedom of Italians from all those who, having served Fascism, still cling to its habits, hopes or aims.

(f) Such work must not be actuated by a spirit of revenge, but by a determination that Fascism shall never recur. The work has been put in hand and will be carried energetically to a swift conclusion.

(g) Government action will be based on the urgent necessity of improving conditions of life by increasing industrial and agricultural activity, fighting speculation, smoothing internal exchange of products, obtaining essential supplies from abroad, and hastening the construction of public buildings, roads and bridges. For such tasks the Government counts upon the co-operation of all professional organisations.

(h) Administration, despite difficulties of archives, accommodation and personnel, must be regularised and it is proposed to re-establish the State Accounting Office and the Accounting Court. It is proposed also, in co-operation with the Committees of Liberation, to establish a small Consultative Body, symbol of Parliament, to which periodic reports of progress will be made.

FINANCE.

11. It is still almost impossible to obtain any budget estimates even on a monthly basis from the Italian Government which prepared expenditure estimates only when it felt the need for additional supplies of currency. Such estimates are not expenditure estimates but solely estimates of cash disbursements. The failure of the former Minister of Finance to initiate the preparation of a budget for the remainder of the current year means that Regions I, II, VI and VII are now operating without any form of budgetary control.

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12. A proposed procedure for exercising control over Government expenditures submitted to the Italian Government during the month, is now being considered. The draft of a war profits tax decree to include farming profits and a memorandum detailing the long-term changes required in the Italian tax system have been prepared.

13. Since July 1943 the Italian Government and its agencies have disbursed about 28 billion lire of which only 4 billion was offset by gross revenues. In March the excess of Government expenditures over revenue was approximately 3 billion lire. During April the separate pools of currency reserves held at the various branches of the Banca d'Italia were brought under central control. The currency needs of deficit Regions are now met not by AFA but by transferring currency from Regions with surplus currency.

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23. Retentions of grain for seed will again be permitted but on a reduced scale. Retentions on a production-worker basis have been drastically cut. Both these measures are designed to obtain as large a collection of these vital commodities as possible.

24. To divorce the old associations of AMASSI and FASCISM from the minds of people and farmers and to focus the attention of the Italian people on the efforts that they must make to satisfy their own needs for food, the term "Il granai del Popolo" (The people's grain) is being used instead of "amassi" in all harvest publicity and references to "amassing" will be avoided in favour of "contributing" and "collecting".

25. The price to be paid to the farmer for wheat has been the subject of much discussion. Recommendations varied from 640 lire per quintal to 1800 lire per quintal. The price has been fixed at 1000 lire per quintal for hard wheat, and 900 lire per quintal for soft.

26. Forestry. 500 tons of fuelwood have been provided for 5th Army. Other plans for the provision of timber are in hand in consultation with the Italian Royal Forest Corps.

27. Fisheries. Fish production continues to increase. Materials have been furnished to enable new nets to be made and old ones repaired. The industry can now make a useful contribution to the food supply. Fishermen have been moved from areas where night fishing is prohibited to unrestricted areas.

LABOUR.

28. Negotiations are started in connection with manpower mobilisation, pensions, establishment of Trade Unions, Labour Offices, and the governance of Labour Relations. It is hoped that the Italian Government will produce legislation covering these subjects.

29. The actual labour situation has been especially tense in Public Utilities. Many disputes proved to be complaints about food rather than wages. Wage studies have been instituted in Public Administrative Services, printing trades, sulphur mines, leather goods trade, as well as Public Utilities.

PUBLIC WORKS & UTILITIES.

30. Highways and Bridges. In Southern Italy about 330 miles of military priority highways are being resurfaced, or completely reconstructed. Numerous bridges are being rebuilt, generally involving wholly new designs. The armies are providing 200 trucks, on loan, until the 4000 tons of transport and other heavy engineering equipment arrive from U.S.A. Operatins in stone quarries and crushing plants are increasing.

31. Electrical Division. The Italian Decree rationing electricity came into force on 5th April. Public Works officers are enforcing observance in conjunction with various electrical supply companies. This rationing is of vital importance to conserve energy for Rome, and north thereof. Arrangements were completed for the reconstruction of a transmission line from north of the Garigliano River to Rome, involving probable employment of 300 to 400 civilian workmen. A very large hydro-electric turbine plant was planned for removal from

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32. Public Works. Very good progress has been made in clearing Messina and Cagliari. Arrangements have been made with Malarial Control Branch for execution of necessary engineering projects, e.g., pumping operations, etc. The eruption of Vesuvius necessitated remedial measures, including retaining walls on the mountain, which are expected to cost 370 million lire.

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TRANSPORTATION.

33. No major difficulties were experienced in the first full month's operation of the Sicilian railways under ACC supervision. Some war-damaged lines have been re-opened, train services have been increased, some damaged locomotives are being repaired, and plans are in preparation for sending scrap to U.S.

34. Approximately 70,000 tons of civilian freight were carried on the mainland railways. 45% of this total was arranged through ACC officers in the field and the rest was accepted through the "bidding" system. Though the basic schedule of civilian freight trains has been reduced at military request, ACC are notified daily of available-space for civilian freight on military trains. Movement has improved.

35. 512 military trucks with civilian drivers and 120 Italian Army trucks are now being used for the transport of civilian supplies. (An additional 104 military trucks will be in operation during May).

36. Shipping. A scheme for the closer control of all Italian schooners has been submitted to MEDBO with the request that this be issued as a AFHQ directive. Another 225 Italian schooners have been registered making a total of 375 vessels, with a deadweight tonnage of 30,000 tons, the employment of which is directed by MEDBO. Schooners are not now allowed to sail between Sardinia and the Italian mainland and Sicily.

INTERIOR.

37. A Royal Decree reconstituting Local Government has now been published. Its effect is to continue the arrangements in regard to local administration introduced in AMG areas before the restoration. Steps are being taken to secure uniformity by applying when practicable the provisions of the Decree to Military Government territory.

LEGAL.

38. The work of consolidating the original fifteen AMG proclamations into four, with new translations of each, was completed. The mechanisation of the implementation of Italian Government decrees in Allied Military Government territory has been in operation since the beginning of the month and is working satisfactorily.

39. Allied Military Courts continue to function satisfactorily. Arrears are being overcome in the Naples area; there was a reduction in the number of cases compared with the previous month.

40. A handbook "Consolidated Instructions for Allied Military Courts", containing in addition to the Instructions, specimen Legal Forms and Rules for Procedure together with Italian translations of the latter, has been prepared. This translation is for limited distribution amongst Italian authorities and Avvocati appearing in Allied Military Courts.

41. The figures for April in

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41. The figures for April in respect of espionage cases are as follows:- 7 death sentences were confirmed; 7 death sentences were commuted to terms of imprisonment; 6 cases were submitted for confirmation; 2 sentences each of 20 years imprisonment were affirmed on review; 2 accused were acquitted. Proceedings were commenced against a Director and two Managers of the Manifatture Cotoniere Meridionali on charges relating to black market offences. The trial attracted much attention and publicity as the three accused were formerly influential Fascists. All three accused were convicted and each sentenced to 5 years imprisonment.

42. The first trial by an Allied Military Court in Unoccupied Territory took place during the month at Salerno. The two accused were charged in respect of a series of thefts from a British Army Post Office. They were both convicted and sentenced to 10 years imprisonment.

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PUBLIC SAFETY.

43. Police. Law and order has been well maintained with the exception of one serious incident between civilian and French troops which occurred in Trapani Province, Sicily. This is the subject of a full inquiry which is now proceeding. The situation is now quiet. The civil police have rendered excellent service in dealing with refugees, clearing military roads and controlling civilian movement.

44. Fire and Civil Defence. The Minister of the Interior has issued instructions for the civil defence organisation in Italian Government territory to be absorbed into the fire service. This will mean a large reduction in civil defence personnel.

45. Prisons. The overcrowding of civilian prisons has become more acute. The latest available figures show that throughout the Regions there are prisoners detained in prisons, the normal capacity of which is 19,963 and some prisons are filled to over twice their capacity. There are many contributory factors, the chief being the requisitioning of civilian prisons by Allied Forces (1860 places), the detention of Italian Military prisoners (1784 places) and war damage to jails (1891 places). A committee has been set up with instructions to find a solution to this problem and has already achieved results.

PUBLIC HEALTH.

46. A few cases of smallpox have been reported. Measures have been taken to prevent epidemic.

Venereal Disease. The setting up of hospitals for the treatment of infected women is retarded owing to the difficulty in obtaining beds and bed furniture. Statistics show a diminution in the number of cases amongst troops stationed in Naples.

Typhus. This is now so well under control that no reason remains for reporting the case incidence.

Veterinary. Four diseases have become marked in different parts of Italy, Rabies, Glanders, Epizootic Lymphangitis and Swine Fever. The Italian Minister of the Interior immediately issued instructions concerning the proper counter measures to be adopted in the territory under its control. Similar instructions have been issued for the Military Government area.

EDUCATION.

47. A number of the decrees issued by Allied Military Government providing for the decentralization of the control of schools have been confirmed by the Minister of Education, and will therefore continue to apply in the terfitory administered by the Italian Government. The defascistisation of schools is not yet completed, though a plan has been evolved which will authorise Superintendents to suspend undesirable officials.

The publication and distribution of the revised elementary school text books was continued. The new books have met with widespread approval and are to be re-printed by the M.E. Command for use in North Africa.

PROPERTY CONTROL.

48. The Minister of Finance prepared a decree revoking the application of the provisions contained in the War Law to the property of United Nations and French Nationals, and the Minister has sent out an instruction to all Prefects and Intendenti di Finanza detailing the procedure to be followed [illegible]

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49. In Region I, most of the property of the Italian Government (including that of semi-statal institutions) taken into custody by AMG has been formally handed back. Fascist funds standing in the name of the CP have been or are being transferred to the Commissario Straordinario appointed by the Italian Government.

50. In Region III estates of 80 Allied and French owners and 35 commercial and industrial concerns have been taken into custody.

MONUMENTS, FINE ARTS AND ARCHIVES.

51. List of Protected Monuments No.3 (Lazio and Abruzzi-Molise) is in the press. Work on the preparation of the remaining lists continues.

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COMMUNICATIONS.

Telecommunications.

52. Telegraph. The extension of the internal telegraph service has been authorised to include Avellino Province and Naples Province up to the R. Volturno. Service with Naples City has been inaugurated; by the end of the month about 850 messages a day have been passing through Naples post office. The internal telegraph service is now restored to about 65% of the communes in Italian Government Territory which previously had such service, and includes all provincial capitals and large towns.

53. Telephones. The civil telephone service, previously limited to urban calls, has been authorised for calls within provincial boundaries. Within Italian Government Territory about 12% of the communes now have telephone communications to their provincial capitals and a further 9% to the local large town not a provincial capital. The repair of the main Salerno - Reggio cable has been completed, making many additional long-distance telephone circuits available to the Italian Government. Direct telephone service for official use is now available from Salerno to all provincial capitals on the mainland in Italian Government territory, and to Palermo, Messina and Catania in Sicily.

Plans have been completed as far as practicable for the restoration of telecommunications in enemy occupied Italy. Available equipment in Southern Italy has been inspected and suitable items earmarked for future use; details of additional equipment needed have been forwarded to AFHQ for supply from US or UK.

54. Posts. Arrangements were completed for restoration within the postal zone of internal service for the following classes of mail:

Registered letters
Insured letters
Express letters
Newspaper post
Airmail (Italy - Sicily - Sardinia)

Maximum weight allowed was raised from 90 grams to 210 grams per letter.

Foreign Mail. The first inward foreign civil mails arrived during April, and included consignments from the US, USA, North Africa, Egypt, India and Australia. The first New York consignment to reach Naples arrived on 21 April and comprised some 200,000 items.

55. Censorship. The Civil Censorship Group, Italy, formerly operating under INC, AFHQ, was transferred to ACC towards the end of April. The Headquarters personnel was moved from Palermo to Salerno and the group now forms part of the Sub-Commission, the title of which has been changed to the more inclusive one of the Communications Sub-Commission.

INTERNEES & DISPLACED PERSONS.

56. General. Refugees this month from Yugoslavia were as in March, composed of children, women encumbered with large families, old men and old women. The orphans' homes at Di LEUCA and Di BAGNI are doing good work and have had a very satisfactory

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57. Medical. A general all round improvement may be recorded for April. One sign of progress was evident when nearly 2,000 refugees were received on one day and were all disinfested, vaccinated and inoculated before passage to Holding Camps. The entire British Staff at Di LEUCA Refugee Hospital was withdrawn on 24 April and the hospital is now staffed by Yugoslavs who are working as well as can be expected, bearing in mind their lack of experience. One case of typhus occurred during the month. Seven members of a Hospital Unit of the Society of Friends are working at two hospitals of this Sub-Commission and giving invaluable service. Red Cross personnel at Hospitals and Camps have contributed very largely in assuring the welfare of the inmates.

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58. Records Bureau. To the 30 April, 24,400 persons have been recorded, of whom 13,950 have been evacuated, 3,000 present whereabouts unknown, the remainder in camps or residents at known addresses (own or employers), 300 in hospital, 42 dead. 31 nationalities are involved. About 600 RED CROSS messages have been sent out, but as the International Red Cross are now established and have made their services available through Italian post offices in Southern Italy, it has been advocated that this service should be used wherever possible. If it is impossible for the individual to use this service, messages can be sent through the Records Bureau.

59. Repatriation. Work on the selection of Jewish principals to send to PALESTINE within the limits of certificates authorised has been dealt with and it is expected that some 600 immigrants will leave for PALESTINE at the end of May.

60. Statistics. As at 1st May (unless otherwise stated):-

Refugee population in Camps and Hospitals	-	7458 +
Reception during April (by ship)	-	7708 =
Reception by means other than ship	-	12
Shipped to Middle East	-	3571

\+ includes 676 Partisan trainees
= of which 2601 were women, 3796 were children under 16 years.

Gross total shipped to Mideast to date - 19820

REFUGEES (ITALIAN).

61. The Italian military personnel working under the direction of the Refugee Branch for handling refugees from the forward areas has been increased from 58 to 85 officers and from 381 to 767 Other Ranks.

Movement during the month:-

From ANZIO by sea	-	8539
From 5 Army by road/rail	-	1403
From 8 Army by rail	-	656

To dispersal areas southwards:

To Region I (Sicily)	-	5496
To Region II (Bari Province)	-	628
To Region III (Avellino Prov)	-	1336
(Naples Province)	-	2411
(Salerno Province)	-	1469

62. Whilst there is some improvement in the settlement of refugees by the Italian authorities there is still not enough. Efforts to stimulate the local authorities continue to be made by ACC assisted by officers of the Red Cross Organisation. Establishment of feeding points en route has greatly ameliorated the rigours of the train journeys.

63. An additional camp was opened at CAPUA and is operating successfully. A camp is in course of preparation in the FOGGIA area and should be ready to

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PUBLIC RELATIONS.

64. The relationship between PRB, HQ and the Regions was more clearly defined and a weekly bulletin was started.

65. Assistance of various kinds was offered to newsmen; precis and trends of copy concerning ACC affairs were prepared, press conferences were arranged - notably one for Mr. Murphy and Mr. Macmillan, which was attended by 28 correspondents - and facilities of transport and liaison offered to reporters covering the change in

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Italian Government and Cabinet meetings. PRB also assisted in organising Italian Ufficio Stampe in Salerno, with a branch in Naples. Photographs were taken of activities of interest: delivery of bread in Naples, work of Education and Fine Arts Sub-Commissions, and personalities of Italian Government.

66. With PWB arrangements were made for publication of a soldier's guide to Rome; this has been printed with a foreword by General Sir H. Alexander. Work was continued with Central and Local Allied Publications Boards. Pre-censorship has been abolished but a reminder on the procedure for military censorship was sent to Italian Government. A scheme for a new Press decree has been discussed with Chief Legal Officer and is in preparation.

NOEL MASON MACFARLANE,
Lieutenant General,
Chief Commissioner.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

REPORT FOR MARCH 1944

1. Certain reorganization and redistribution in the Army areas has resulted in corresponding redistribution and changes in the Allied Military Government personnel attached to them. This has been accomplished the more easily because of the static nature of operations along the whole front. At the end of the month all AMG personnel were in position and ready for whatever calls future operations may make upon them.

2. In the areas handed over to the Italian Government, Regional and Provincial Commissioners are taking stock of the situation and feeling their way slowly in the change from Executive to Advisory status. The new relationship between the Italian Government, the people and themselves needs delicate adjustment because the people still rely in many cases on the American and British officers who have been in charge of their affairs since the invasion last Autumn and in many cases remain the same individuals. The numbers are being very substantially reduced but this adjustment is a delicate one and time must be allowed for the people so long benumbed and muzzled by Fascist officialdom to realize that they have in fact regained their freedom. This is made the more difficult because the bulk of officials were and had to be Fascists to earn their daily bread. The appointment of an efficient man nearly always means the appointment of a Fascist in some degree, with resulting criticism from both press and people. Machinery is now set up in agreement with the Italian Government for a systematic scrutiny and cleansing of the entire Italian administrative machine in all occupied territory, both Italian Government and Allied Military Government Regions.

3. Meanwhile, the administration is suffering from certain inherent disabilities consequent on the character of the Italian people and the nature of our occupation. A Prefect cannot do so much as an alien Governor, yet the natural normal tempo of Italian Government (in peace time) cannot be permitted without serious detriment to the war effort. This is where constant adjustment is necessary and if progress may seem slow it should be remembered that pressure on the Italian Government is only applied when absolute military necessity demands.

4. In the AMG territory, Regions IV and V are either not yet occupied or very partially so. Region III is completely occupied, though one of their four Provinces, Salerno, which is

accomplished the more easily because of the static nature of operations along the whole front. At the end of the month all AMG personnel were in position and ready for whatever calls future operations may make upon them.

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4. In the AMG territory, Regions IV and V are either not yet occupied or very partially so. Region III is completely occupied, though one of their four Provinces, Salerno, which is the seat of the Italian Government, has been handed over to them. In this Region great progress has been made in spite of many difficulties. The general condition of the people continued to improve during March, partly due to increased food and trade, and partly also due to more vigorous administration. All the problems caused by large concentrations of foreign troops of various nationalities were present, and the eruption of Vesuvius created an approciable problem quite of its own.

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5. Efforts during March to improve the administration of Italian agencies were concentrated largely on attempts to instil initiative into local officials and to get them to assume greater responsibility. Frustration of this objective was encountered in two major aspects: The incompetency of several key officials for whom immediate replacements were not available and the inadequacy of procedure and organization to accomplish a satisfactory job. In spite of this, considerable progress was made in preparing the Italian administrative machine for the assumption of responsibility.

6. In Region III the Regional Commissioner has instituted progressive schemes for the improvement of provincial and communal public assistance and child welfare departments. Soup kitchens feeding 10,000 per day were reopened. A nutritional survey covering 148 boys and 123 girls which was started in February was continued in March.

7. In the same Region a vigorous drive against the black market was undertaken with civilian aid through citizen squads charged with reporting exhorbitant prices and trading irregularities. The complete scheme requires to be developed but a good start has been made.

8. Summary and Superior Courts have been set up in sufficient numbers in Naples City and Province to deal with the large number of cases. These courts sit daily. A General Military Court has been convened in three instances. A total of 4908 cases were disposed of during the month.

POLITICAL

9. On March 4, 1944, it was locally reported that President Roosevelt had stated at a press conference in Washington that one-third of the Italian fleet which had surrendered to the United Nations would be made available to the Soviet Government. This gave rise to the interpretation in Liberated Italy that the United States and Great Britain intended to hand over a number of Italian vessels to the Soviets. The Government and Italian public opinion as a whole were deeply disturbed by the implications of such a proposal and the Government threatened to resign. Further statements by the President and Mr. Churchill eased the situation. It is generally believed that Badoglio's position was reinforced by the strong stand he had taken against a transfer.

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10. As a result of the agreement with the Allied authorities cancelling the strike on March 4, the Party of Action, Socialist and Communist Parties and the Confederation of Labor held a mass meeting in Naples on March 12. The meeting approved a resolution to intensify Italy's war effort, that the National Administration be purged beginning with the supporters of the Monarchy, and that a Democratic Government composed of all political parties be created. It is noteworthy that this was the first proclamation of any of the parties condemning the Monarchy as an institution.

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11. The mass meeting was to be followed by the preparation of a petition to demonstrate the extent of popular support of the opposition. It would appear that the Communists have now become indifferent and it seems likely that the whole plan will be dropped. This change of attitude of the Communists has no doubt been influenced by the announcement that the Soviet and Italian Governments had agreed to exchange diplomatic representatives.

12. Following conversations between the Soviet representative, M. Bogomolov, and Marshal Badoglio, the Italian Government issued a statement on March 14 that agreement had been reached with the Soviet Government to exchange diplomatic representatives. No prior consultation with the British and American Governments had taken place, and following Anglo-American inquiries at Moscow, it appeared that the intention of the Soviet Government was not to derogate from the authority either of the Allied Control Commission or of the Advisory Council for Italy. In fact, the Soviet appointment of the diplomatic representative carries only the rank of Counsellor or Minister and he will be under the orders of the Soviet representative on the Advisory Council for Italy. There is no doubt that the Soviet move has had a marked influence throughout Liberated Italy. Some consider that it will strengthen the hand of the Badoglio Government and others believe that it will increase the influence of the Communist Party throughout Italy. There is no question that since the announcement was made, the tone of the Communist press and Communist declarations has altered. Many rumors are current that this will lead to changes in the Government and possibly even in the King's position in the near future.

13. The leader of the Communist Party in Italy, Mario Togliatti, otherwise known as Ercoli, arrived in Italy on the 28th of March from Moscow after eighteen years of exile. Immediately following his arrival the leaders of the Communist Party met in Naples and indications are that his leadership will be undisputed.

14. Marshal Badoglio paid a short visit to Sicily at the end of the month to be present for the induction into office of Francesco Musotto, the newly appointed High Commissioner for Sicily. The Marshal made an excellent impression in Sicily where he was given a warm welcome.

FINANCE

15. Joint Directorate:- During March appointment of a Joint Directorate for the Finance Subcommission was announced, consisting of Colonel E. H. Foley, Jr., (A) and Colonel A. P. Grafftey-Smith (B).

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16. U. S. War Department Finance Mission:- In March the Theater was visited by a United States War Department Mission. The Mission was primarily interested in the accounts and records maintained by the Finance Subcommission and the procedures under which supplies and funds are accounted for. The Mission visited Naples, Salerno, and Palermo, and held discussions with sections of the Finance Subcommission and other Subcommissions.

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17. The Lire Exchange Rate:- Since his appointment to the post, the Italian Minister of Finance has maintained that the exchange rate of 100 lire to the dollar and 400 lire to the pound is the principal cause of the inflation in Italy. He argues that the rate has been responsible for two reasons: Because it has caused Italian sellers to demand higher lire prices and Italian buyers to be willing to pay such prices; and because it has given Allied troops an excessive purchasing power in Italy. On 24 February Marshal Badoglio submitted a statement to ACC requesting that the dollar value of the lire be increased. The request was rejected on the grounds that the Italian Government deficit, and not Allied troop expenditures, has obscured its own failure to prevent its revenues from declining and its expenditures from increasing.

18. Control of Advances and Currency:- As from 1 April, advances on the Italian Government account in King's Italy or AMG Regions must be cleared through Finance Subcommission Headquarters in order to make possible an examination of the cash position of the government as a whole. Thus the Italian Government deficit will be financed in the normal way through the central bank, the Banca d'Italia.

19. Preparation of a new Italian Government Currency:- Samples of the new Italian Government lire currency prepared in the U.S. has been brought to this country. All Fascist symbolism has been removed from the design of the new Banca d'Italia and State notes. The King's portrait, which formerly appeared only on the 5 and 10 lire State notes, has been omitted from the new design. The proposed designs were accepted by the Minister of Finance, subject to certain minor technical changes.

20. Remittances from the U.S. and the U.K:- The Banco di Napoli is now prepared to act as agent for effecting personal remittances to Sardinia and ten provinces of southern Italy.

21. Proposals have been made to the Italian Government for the revision of the Italian tax system. A plan by which the turnover tax can be made to reflect more closely actual current turnovers, has also been brought to the notice of the Minister.

ECONOMICS, RESOURCES & SUPPLY

22. Food:- The food situation continued to improve with the arrival of supplies other than wheat and flour, such as meat and vegetable stew, dried pulses and dehydrated soup. Plans for handling all food items have been improved.

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23. Existing ration scales have been reviewed and a start has been made on a check of ration cards. Prosecution of persons responsible for illegal manipulations of ration cards are being instituted and a real drive on the black market has been started.

24. Mining:- Work in the Sardinian mines proceeded but the absence of explosives and pit props has resulted in decreased production.

25. During the month, supplies were demanded for other productive industries including 8 metal mines, two lead smelters and a sulphuric acid plant.

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26. Hemp:- Production has been increased; the output for March was:

Hemp & Tow	1,470 tons
Canvas	64,911 metres
Ropes	4,375 quintals
Sacks & sacking	102,320
Binder twine	80 quintals

The production of binder twine, for which the demand is increasing, is insufficient.

27. Seventy-eight industrial plants have now been surveyed covering heavy industries, soap manufacture, olive oil refining, food processing, industrial gases, leather, footwear, clothing, cloth, sewing threads, silk and tobacco. Sewing threads ("findings") in particular will help to meet the clothing deficiency by increasing the possibility of repairs. Importation of Egyptian cotton will be necessary.

28. Requisitions:- As the result of a close examination of the many demands, 1748 separate items representing estimated shipments of 465,000 long tons, were requisitioned during the month.

29. Exports:- Shipments during the month:

To U.K. -	Lemons	3800 tons
	Oranges	550 tons
	Lemon juice	140 tons
	Orange oil	7 tons
	Lemon oil	64 tons
	Almonds (unshelled)	2920 tons
	Pumice	50 tons
	Filberts	73 tons
	Argols	36 tons
	Mustard seed	47 tons
To U.S. -	Cadmium	1 ton

AGRICULTURE, FORESTRIES & FISHERIES

30. Potatoes:- Thirty-seven thousand tons of seed potatoes have been received. One thousand tons were diverted to civilian food uses, two thousand tons (approx.) to army rations whilst there has been an estimated loss due to pilferage and deterioration of 10% to 20% of the total. The remainder has been distributed though some plantings were late and so may be subject to weather hazards and consequent low yield.

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31. Seeds:- All seed stocks have been listed and it is intended to assist seed farmers in order that they may fit their production programmes into future world needs.

32. Timber and Fuel Wood:- Cutting of bridge and other heavy timbers continues under difficulties due to lack of suitable mills within haulage distance. Large supplies of fuel have been provided for the army and the work has provided employment for some refugees.

33. Fishing:- Night fishing has commenced in southern Italy and on the west and southern third of the east coasts of Sardinia. In the Naples Bay area a fish marketing scheme is ready for operation in the first week of April.

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34. Beachhead Survey:- A survey of the Anzio Beachhead was made to estimate its potential for the current year. Nearly all the land suitable for seeding was planted before the landing and the growing wheat is in good condition. Little work is being done in the vineyards. There are many small gardens planted and well cared for. Sheep in the area are estimated at about twelve thousand, with about 30% lamb crop anticipated. It has been recommended that they, with 1000 head of cattle should be allowed to benefit from the improving grazing in the area and be used as food for Indian or French troops.

LABOUR

35. Representations were made to the Italian Government to ensure the validity in liberated territory of labour pronouncements and acts of the Allied Military Government until such time as substitute Royal decrees could be issued.

36. A threatened strike of electric workers on basic wage adjustments was averted by conference and without the necessity of making adjustments.

37. Wage studies were instituted during the month and draft legislation has been prepared for the establishment of labour offices and the regulations for collective bargaining. An increase in the food ration is, however, the real issue and this aspect has been examined with the other authorities concerned.

PUBLIC WORKS AND UTILITIES

38. Highway Reconstruction:- Progress is slow owing to difficulties encountered in persuading the Italian authorities to take over administrative responsibilities which absorb the energies of A.C.C. officers who should be otherwise employed. Nevertheless, progress has been made with the improvement of between 3500 and 4000 km. of highways. Twenty-two contracts totalling nearly 42,000,000 lire have now been let and a further eleven projects are under consideration in the Army zones.

39. Electricity:- Numerous distribution protlems have been settled and the rationing scheme, developed during February, was completed during the month.

40. Sunken Ships:- The raising and salvage of sunken ships has been made a responsibility of the Public Works Ministry and work will shortly begin on the raising of two salvage craft

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COMMUNICATIONS

41. Transportation:- The road haulage transport organization is proceeding with the allocation of trucks and training of personnel. Five hundred and fifty trucks (300 6x6 2½ ton American and 250 4x2 3 ton British) are available for Italian haulage companies. The 1001 General Transport Coy (Italian), controlled by a British cadre, is now operating in forward areas.

42. Civil movement by railway is still restricted due to the priority requirements of the army but essential civil freight traffic is being conveyed on military trains. Suburban workers trains are inactive. From 16 March the supervision of the Sicilian Railways became the responsibility of the Commission.

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43. Telecommunications:- The internal telegraph service has been restored between all parts of Italian Government controlled territory and the islands, except Sardinia. Except for official calls, no permission has yet been granted for civil telephone services outside urban areas.

44. Mails:- The internal and foreign mail service has been extended to include parts of Region III south of the rear army boundaries. Special services have been arranged for the Vatican and International Red Cross.

LEGAL

45. Frequent consultations with the Italian Government are necessary on the various problems on property control that have now arisen.

46. Italian Section:- Trials in Italian courts of Italians for offences against Allied interests, particularly in Catanzaro and the Apulia Provinces have been speeded up whilst there has been a marked improvement throughout Region III.

47. A gradual transfer of cases from Allied Military Courts to Italian Courts, with evacuation of premises occupied by Allied Courts, has been arranged.

48. Allied Courts:- In Region II trials by Allied Courts of cases pending prior to the transfer have ended. In Region III, by attachment of spare legal officers from other Regions, congestion has been greatly relieved.

49. One feature is the exceptional number of spy cases; the Court has been in practically constant session. Fifteen were sentenced to death during the month and other sentences up to twenty years imprisonment have been imposed.

INTERIOR

50. A Royal Decree is in preparation dealing with the reconstitution of local government. A course of lectures and practical work on all aspects of Italian local government was held during the month for Provincial Officers. Further courses will be held at intervals.

PUBLIC SAFETY

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PUBLIC SAFETY

51. Police:- The Carabinieri Reale and Guardia di Finanza, are regaining their confidence and becoming more efficient bodies.

52. Fire and Civil Defence:- In Region III a reduction of Civil Defence paid personnel has been effected and there is more supervision of volunteers. Schemes are in preparation for the interchange of officers of fire brigades and the pooling and distribution of equipment and supplies.

53. Motor Vehicle Circulation:- Plans for registration and licensing of vehicles, the issue of circulation permits and the authorization of petrol and oil supplies have been completed. They are being put into operation in both Italian Government and Military Government territory.

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54. Prisons:- Prisons in Regions II and VI are overcrowded. Those in Region III are full. These conditions are attributable to:-

(a) Distruction or damage caused to prisons by Military operations.

(b) The use of prison accommodation by Allied Forces.

(c) The increased number of arrests.

(d) Delay in bringing prisoners to trial.

(e) Confinement of Italian Military prisoners in civil prisons.

Orders have been issued for a general survey of prisons with particular reference to accommodation, rebuilding, sanitation and hygiene and in the provision of work for prisoners. The supply of soap and disinfectants is unsatisfactory.

PUBLIC HEALTH

55. The general health of the population continues good. Due to the activities of the Typhus Control Service the incidence of typhus is so reduced that it need no longer be considered a menace. The work of the service is now to be handled by the Rockefeller Foundation and the Italian Civilian medical and lay group.

56. Additional campaigns are:

(a) Disposal of refuse.

(b) Anti-Malaria.

(c) Venereal disease and prostitution.

(d) Veterinary measures and the control of rabies.

Progress is being made in (a) in all large towns and communes, particularly in areas occupied or frequented by Allied troops. The Malarial control section has been set up to direct and advise all areas. Hospital beds are being provided for venereal infected prostitutes and there is an improvement in the V.D. incidence. More stringent police control has been called for from the Italian Government and a proposal made for the creation of a V.D. Division within the Italian Public Health organization. Veterinary surveys have been made for the increased production of biological preparations

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57. Medical Supplies:- Continue to arrive satisfactorily. Warehousing of stocks of American Red Cross clothing has been undertaken by medical supply section now that distribution has been properly organized.

58. Welfare:- The formulation of a unified Italian welfare program for all territory under the control of the Italian Government has been under discussion.

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EDUCATION

59. Schools:- Opening of schools has continued in Foggia and Bari though many difficulties over accommodations have been encountered. Picture theaters, teachers homes, sacristies and unused tramway cars have been used as class rooms.

60. Textbooks:- Of the ten text books being prepared for the elementary schools two are ready for distribution and the others will be available shortly. Distribution includes sale by booksellers in each provincial center. Each text book has a preface giving suggestions to teachers and pupils for the modernization of the school program. In Region I, and Calabria four of the books have already been published.

61. Copy books:- Waste paper from the text books has been salvaged for the preparation of 200,000 copy books which will be sold to pupils through the provedittore at a nominal cost. Other writing paper will be distributed gratis.

62. Defascistization of teachers and school officials is proceeding and dismissals have been recommended to the Minister. A plan for classifying all teachers and officials is being prepared.

63. Youth Committees:- Youth Committees established in Naples have considered the following:

(a) For University students, establishing a political forum, a students mess and printing house.

(b) For "Scuole medie Superiore" the establishment of clubs in the secondary schools (the first has already been started) and the publication of a newspaper.

(c) For "Scuole Elementiare" a detailed plan for furnishing meals to school children. The plan will be operated in conjunction with the Public Health and Welfare organizations.

MONUMENTS, FINE ARTS & ARCHIVES

64. Protection of Monuments:- Action taken on the recommendations of the "Collier" Report includes:

(a) Preparation of lists of protected monuments of Italy.

(b) Preparation of a pamphlet for the Army Bureau of Current Affairs (APC).

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(c) For "Scuole Elementiare" a detailed plan for furnishing meals to school children. The plan will be operated in conjunction with the Public Health and Welfare organizations.

MONUMENTS, FINE ARTS & ARCHIVES

64. Protection of Monuments:- Action taken on the recommendations of the "Collier" report includes:

(a) Preparation of lists of protected monuments of Italy.

(b) Preparation of a pamphlet for the Army Bureau of Current Affairs (ABCA).

(c) Evacuation of troops from buildings ranked as monuments.

(d) Establishment of guards at places where evacuation is not possible.

(e) Issue of air photographs showing the location of monuments of historical, cultural and religious importance in Italy to formations of MAAF, on request of the Commander.

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65. Publications and publicity regarding Monuments, Fine Arts and Archives have been discussed with Public Relations Branch; the intention being to educate the armed forces and the public on the importance of the preservation of monuments.

PROPERTY CONTROL

66. Measures have been concerted with the Italian Government on the legislative and administrative details required to regularize the position of the Controller of Property in restored territory. By agreement, the Italian Government will:-

(a) Pass a decree in general terms suspending the application to United Nations and French property of the relevant provisions of the War Law of 1938.

(b) Instruct Prefects in restored territories to issue individual decrees revoking the sequestration of Allied and French properties and ordering the reconsignment of properties to the owner or his representative. Financial arrangements were agreed in principle, the details to be worked out between the responsible authorities.

67. In Region III, of the total of 336 real properties on which sequestration could have been effected under Italian law it has been found that in 27 cases sequestration was not carried out. Custody has been taken of 81 properties (including 17 at Capri). In 90 cases the securities or proceeds of sale have been transferred to Rome in North Italy. The total of business concerns being investigated is now 48, of which half have been taken into custody.

DISPLACED PERSONS

68. The bulk of the refugees handled are Yugoslavs and of these, approximately 96% are Yugoslav Partisans and 4% Royalists. The type of refugee has changed considerably during the last month. Those now coming are mainly old men and old women, women with large families and orphans. Practically no men fit for fighting are being received, and the overall proportion of those requiring medical care has increased. One orphan's home has been established and another is planned.

69. The medical situation has been eased by the assignment of six Italian Army medical officers to various camps and hospitals. Medical stores have been received from Central Medical Supply. Clothing is in short supply and thread and needles for Singer sewing machines are urgently needed. (See also para 27).

70. Records Bureau:- The Records Bureau though not a Red

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stored territory. By agreement, the Italian Government will:-

(a) Pass a decree in general terms suspending the application to United Nations and French property of the relevant provisions of the War Law of 1936.

(b) Instruct Prefects in restored territories to issue individual decrees revoking the sequestration of Allied and French properties and ordering the reconsignment of properties to the owner or his representative. Financial arrangements were agreed in principle, the details to be worked out between the responsible authorities.

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70. Records Bureau:- The Records Bureau though not a Red Cross responsibility has been set up by an officer of the British Red Cross, loaned for the purpose. Twelve thousand one hundred and thirty displaced persons have been recorded to date. Twenty-nine nationalities are represented; Yugoslavs accounting for 9,900. The total figure does not yet include 11,281 Yugoslavs and Jews shipped to Middle East. There is also a service of inquiries.

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71. Statistics:- (All as at 31st March unless otherwise stated)

Refugee population in camps & hospitals	3731
Reception during March. Arriving by ship	4404*
Entrained for other areas	4243
Reception by means other than ship	191
Number of wounded & sick in shipments	100
Shipped to Middle East	4918

*Of these 2428 were under 16 years of age and 1418 were women.

REFUGEES (Italian)

72. This branch now controls the activities of 58 Italian officers and 581 Italian ORs who are performing the majority of the tasks of handling the refugees from the forward areas.

73. Movement during the month has been as follows:-

From Anzio by sea	3538
From 5 Army by road/rail	6762
From 8 Army by rail	1166

To dispersal areas southwards:

To Province of Potenza	1989
To Province of Cosenza	3284
To Province of Catanzaro	4332
To Province of Reggio	3753

Region II is temporarily saturated and plans are being made for subsequent dispersals in Regions I and III. It is expected that 20,000 can be absorbed in Region I (Sicily).

74. The work of settling refugees into new areas is made more difficult by the indifference on the part of the Italian Government and people towards their fellow countrymen. The authorities have constantly to be prodded and are slowly being made to alter their attitude. Assistance is being given to the formation of reception, feeding and welfare committees.

PUBLIC RELATIONS

75. Correspondents are displaying greater interest in the work of the Commission. The Chief Commissioner held his second press conference on March 10 and requests for interviews and information have grown.

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REFUGEES (Italian)

72. This branch now controls the activities of 58 Italian officers and 381 Italian ORs who are performing the majority of the tasks of handling the refugees from the forward areas.

73. Movement during the month has been as follows:-

From Anzio by sea	5535
From 5 Army by road/rail	6762
From 8 Army by rail	1166

To dispersal areas southwards:

To Province of Potenza	1989
To Province of Cosenza	3284
To Province of Catanzaro	4332
To Province of Reggio	3753

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PUBLIC RELATIONS

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76. The eruption of Vesuvius called for special activity in the collection and release of accurate news. The material and photographs gathered are being worked into the record of the Commissions activities.

77. In the future there will be more effective reporting of Military Court proceedings, particularly in connection with the black market and sabotage cases. This should add to the effectiveness, as deterents, of the sentences imposed.

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78. Relations with the press generally are close and cordial. The associations and publications with which the branch has had contact during the month number 46, including American, British, Canadian, New Zealand, French and the newspapers published in Italy for Allied troops. There was continual contact with the P.W.B. and the furnishing of news for broadcasting and for the licensed local publications in Italian; "Resorgimento" - Naples and "Sicilia Liberata", etc.

NOEL MASON MACFARLANE
Lieutenant General
Chief Commissioner

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