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

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(VOL. I)

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(VOL. I)

MONTHLY REPORTS, REGION I, JAN. & FEB.
JAN., FEB. 1944

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ALLIED CONTROL COMMISSION
SICILY REGION HEADQUARTERS
APO 394

FILE: REO 319.1

9 March 1944

SUBJECT: Monthly Report for February 1944.

TO : R.C. & M.G. Section, A.C.C.H.Q.
(attention Deputy President).

1. Attached are five copies of the monthly report Sicily Region Headquarters together with five sets of all the Official Orders and Numbered Memoranda issued from this Headquarters during the month of February. Five copies of the latest telephone directory for Sicily Region are also enclosed.

HEADQUARTERS
14 MAR 1944
A. C. C.

A. N. Hancock
Lt. Col.

A. N. HANCOCK
Lt. Colonel
Regional Commissioner

Encl.
5 copies Monthly Report.
5 sets Official Orders & Numbered Memoranda.
5 Telephone directories.

I Admin Sec
II Econ Sec.
III Info. Division

A675 D32

ALLIED CONTROL COMMISSION
SICILY REGION HEADQUARTERS
APO 394

Region I (Sicily)

Report for February 1944

ADMINISTRATION

A1. The month of February 1944 saw the anticipated transfer of the Island to Italian administration in accordance with Proclamation No. 16 and the Ordinanza of Marshal Badoglio, which took effect at midnight on the 10th February. The announcement of this change of status, which was made first in the local press and later by posting of the Proclamation and Ordinanza in public places throughout the Region, provoked little interest and was received by the general population with apathy, except in urban centers such as Catania, where some of the walls were plastered with placards and defisory remarks, hostile to the monarchy and the Badoglio government. Such reaction soon subsided and the life of the people has resumed its normal tenor.

A2. In matters of administration the preparatory work of the previous months had the desired result of making the actual hand-over one of form more than of substance, since in the Provinces Italian officials were already bearing a large part of the responsibility and undertaking the bulk of the work of government. The advice which is now tendered in place of direct orders is interpreted by them in the same spirit, and in general no difficulties have been encountered. The presence of a High Commissioner with his staff would facilitate the handling of Regional, as opposed to Provincial business, and the announcement of this appointment should now enable the Regional affairs to be directed to proper Italian channels.

A3. Legal circles have not failed to draw attention to the effect of Proclamation No. 16 and the Ordinanza, in abrogating all General and local orders made by A.M.G. prior to the 11th February without replacing them by Italian ordinances. While certain decrees are understood to have been issued, no details are as yet available and widespread doubt exists as to the present status and future operation of numerous organizations established by A.M.G., which are however continuing to function pending further clarification of the position. While it was open to individual Prefects to make application to the Italian Government to authorize the continuance of organizations within their own provinces, there was no official in a position to submit recommendations with regard to Regional offices. The authority of those who hold these last is in many cases being undermined by the [illegible] of the Italian government in communicating direct with sub- [illegible] Director appointed

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A4. The Islands of Lampedusa and Pantelleria were excluded from the transfer and continue to be occupied territory. Directions have now been received as to the future administration of these islands.

A5. Further reduction in British and American personnel has occurred during the month with the withdrawal of 20 British officers and 100 American enlisted men for assignment elsewhere. The necessary re-organization is being made to provide in all provinces an adequate staff to deal with anticipated problems in an advisory and supervisory capacity.



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A6. The question of staff has been p[illegible]icularly acute in the Economics and Supply Division, which during this month has had to undertake an enormous burden of work in the unloading and warehousing of large consignments of foodstuffs not only for local consumption but also for the creation of stockpiles. Work has proceeded by shifts throughout the day and night and under most arduous conditions owing to the lack of adequate warehouses and difficulties of transport, security and control. A clearer appreciation of the situation by I.B.S. has led to increased cooperation in this field and by direct order of Colonel Sears, three officers of I.B.S. with specialist qualifications have been detailed to assist the Economics and Supply Division in this work.

A7. The short notice given of the transfer of the Government, necessitated the back-dating of all outstanding Official Orders, in order that the A.M.G. policy of putting the right people at the head of all civil affairs could be properly completed. In all, 95 orders were issued from 1st January 1944 to the 10th February 1944.

A8. Political Development. No noticeable increase in political activity has been reported in the Island. Two large public meetings were held in Palermo on successive Sundays and were attended by some 8,000 people on each occasion. The first meeting which was organized by the Free Sicily Movement favored the separation of Sicily from Italy and was openly hostile to the monarchy and the Badoglio government, while the second sponsored by the Committee of Liberation, emphasized the need for unity as a pre-requisite of liberty. Subsequent announcements in the local press by the parties which compose this Committee show however that party differences are still supreme and self-interest stronger than any sentiment for national unity. This self-interest is emphasized by the fear among most men of military age that they may be recalled to the army.

PUBLIC SAFETY

A9. Crime.

a. Figures are only available to 19th of the month, but compared with the months of December and January, the figures for the more serious crimes are as follows:

| Nature of Crime | December | January | 1-19 February |
|---|---|---|---|
| Murder | 33 | 32 | 16 |
| Robberies | 204 | 178 | 112 |

b. The lack of transport and communications is still a serious problem and although every effort is being made to combat crime with the facilities available, it [illegible] whether these efforts will be successful

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b. The lack of transport and communications is still a serious problem and although every effort is being made to combat crime with the facilities available, it is doubtful whether these efforts will be successful until the communication system is restored.

c. During the month of February, 11 cases of forging and uttering Allied Military Currency involving 23 notes came to light. This brings the total number of cases since the occupation to 31st January to 71, involving 176 notes. The total original value of the forged notes was 6,465 lire, and the forged value was 66,630 lire. One arrest made in January was of particular interest, being made whilst the forger was actually operating.

A10. Black Market. Police have continued their activities in connection with black market offences, and during February, 1485 offences were revealed, 449 persons were arrested and goods valued at 1,569,033 lire were confiscated.

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All. Disturbances. With the change-over of administration the situation as regards law and order has remained quiet. A small number of political gatherings have been held, but were of an orderly nature. The improved food situation has been the main factor in maintaining public order.

Al2. Security. Investigations into the integrity of Italian officials continues -

| | |
|---|---|
| Scheda Personale forms received from Provinces and Divisions of Region I | 1622 |
| Personnel dismissed | 85 |
| Personnel awaiting dismissal | 70 |
| Personnel Interned | 2 |

The information obtained under this Scheme will be of paramount importance both to A.C.C. and the Italian Government, and in the light of information gained, it is felt that this system of "vetting" should be instituted at a much earlier stage in the military occupation of territory.

Al3. Firearms. Firearms registration and control is now in the hands of the Questore. A large number of shot-guns have been returned to landowners, etc., but the issue of small-arms licenses is restricted to Government Officials, Bank Employees, etc. Future policy in this matter, so far as this Region is concerned, will be for decision by Italian Government. Many persons are undoubtedly in unlawful possession of arms which are frequently used in connection with crime, and whilst the necessity is deprecated, it is a strong point in favour of permitting law abiding citizens to carry the means to defend themselves.

Al4. Police Agencies.

a. There has been a substantial increase in the strength of the Carabinieri Reali during the month, but recruiting is being hampered by the lack of equipment and clothing. Decrees and orders are now being received direct from the Superior Command at Bari, and little difficulty is being experienced in this direction.

b. There has been little change in the strength of the Guardia di Finanza, but the enlistment of some 150 cadets has now commenced.

c. The control of the Agents of Public Security, through the Office of the Director of Public Security, was at the time of the turnover working satisfactorily. The service has been improved by changes in personnel and general rebuilding, and the program instituted by A.M.G.

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A15. Prisons. The prisons service is in good condition and the Director of Prisons plans to continue the program instituted by A.M.G. At present there are 6,837 Men, 413 Women and 671 Minors in prison, and of this number 3,924 are convicted prisoners and the remainder are awaiting trial.

A16. Registration and Licensing. A comprehensive and detailed scheme for the control and regulation of vehicular traffic has now been introduced in this Island, and it is believed that these will go far in keeping non-essential and unauthorized cars off the roads. The various police agencies are being strongly advised and urged to enforce these regulations.

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A17. Registration and Control of Alien The former system of control has now been fully established throughout the Island under the various Questori. The control of Aliens in this Region, including arrest and custody where necessary, is now the responsibility of the Italian Government.

LEGAL DIVISION

A18. The month of February has seen the completion of the work of Allied Military Courts in the Region and the transfer of all cases, other than a limited number which were pending on the 11th February, to the jurisdiction of Italian Courts. The work of the division during the first half of the month was preparatory for this transition, and during the latter half has been concerned with the winding-up of outstanding business and with the development of new problems arising out of the transfer of territory.

A19. A.M.G. Courts.

a. Pursuant to instructions from A.C.C.H.Q. all legal officers were directed to hand over to the Italian Court all cases not directly involving Allied interests and on the 11th February a preliminary directive was issued from this Headquarters instructing them to undertake no fresh cases as from that date and to dispose of all cases then pending as soon as possible. No A.M.G. Courts are now sitting except in Palermo, where a few important cases remain to be disposed of.

b. All legal officers are winding-up their offices in accordance with directions given. With the exception of Catania, Messina and Palermo, where the present legal officers will remain as liaison officers with the local Courts of Appeal, all provincial legal offices will be closed at an early date and the officers concerned available for fresh assignment.

c. All unexpired sentences are being re-examined with a view to recommendations being made to A.C.C.H.Q. for pardon or modification in cases where the penalty is deemed heavier than necessary under existing conditions. Such recommendations are likely to be few in number, having regard to the instructions received that the Italian practice of granting provisional liberty after part of the sentence has been served will be applicable to persons convicted by A.M.G. Courts.

A20. Italian Courts.

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A20. Italian Courts.

a. Progress is hampered as before by shortage of personnel and by difficulties of transport, and a number of transfers required to meet urgent needs have been made. Complaints have been received from the judicial authorities regarding the practice of appointing magistrates and court officials to outside posts (directorship of labor offices, censorship etc.) and action is being taken where possible to have the persons concerned released for their proper duties.

b. Authority has been received from A.C.C.H.Q. for the Legal Committee to hold a further meeting to make recommendations for transfers, promotions etc. to the Minister of Justice. The fixing of a date has been postponed pending a reply to a letter sent by the members of the Committee to the Minister regarding their legal status and terms of reference.



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c. No special difficulties have been seen as a result of the transfer of territory, though the obscurity of the legal position under Proclamation No. 16 and the Order of Marshal Badoglio has produced considerable uncertainty in the minds of the Italian legal authorities. It is hoped that authoritative directions may soon be issued to remove their doubts. The appointment of S.E. Casati as Minister of Justice has been well received.

FINANCE DIVISION

A21. A Finance delegation was summoned to A.C.C. Headquarters to confer with Col. Guido Jung, Minister of Finance to the Italian (Badoglio) Government. The main subject under discussion was Control of Expenditures and the results were:

a. The Ministry of Finance will institute in Palermo a Finance Delegation of its own, which will have as its principal duty the examination of all Budgets and requests for advances of funds submitted by State, Parastatal, Provincial and Communal spending authorities.

b. The Delegation will have power to approve or disapprove any Budget or request, subject to the terms of Circular No. 1238 dated 21st February 1944, issued by Marshal Badoglio.

c. The functions of A.C.C. officials will be advisory. They will have no powers of absolute veto, but may exercise "informal" pressure, in difficult cases, at Regional level. If this is unavailing, formal report to A.C.C.H.Q. will be the only resort.

d. All funds for the financing of deficits and advances will be provided by the Bank of Italy, that is to say, Provincial and Communal requests will channel back through C.R.O. 10 to the Sezione Tesoreria and the Bank will advance the cash, from Bank funds, (if necessary) to the Sezione Tesoreria, to make up its deficit, instead of A.M.F.A. advancing money.
   (1) to Sezione Tesoreria, in the case of State expenditures and
   (2) to Provinces and Communes direct, to cover Provincial and Communal advances.

e. C.R.O. 7, 8, 9, 10, 11 and 12 will remain in use until further notice.

f. Owing to the time-lag in setting up the Delegation in Palermo, A.C.C. will continue to examine and approve [illegible] for the month of March and the funds will be

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f. Owing to the time-lag in setting up the Delegation in Palermo, A.C.C. will continue to examine and approve advances for the month of March and the funds will be advanced by the Bank of Italy, as outlined in "d" above. From April onwards, examination and approval will be the responsibility of the Italian Delegation.

A22. A.C.C. Finance Officers will cease to advance any funds to State, Para-statal, Provincial or Communal authorities, and their scope will be confined to financial transactions on behalf of A.C.C. only. (This state of affairs should have supervened as from 0001 hrs, 11 February 1944.)

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A23. The Badoglio circular calls for:

a. Estimates of expenditure for all State Offices for the period 1st April to 30th June 1944, to be sent to the Accounting Office of the Delegation in Palermo.

b. C.R.O.9 for each monthly request accompanied by a statement in duplicate showing the breakdown of the amounts according to the capitolo of the last annual State Budget.

c. Budgets for Provinces and Communes for the solar year 1944, which should be sent to Palermo (8 Via Bari) at the earliest possible date after prompt examination and approval by the Prefect and Giunta.

d. C.R.O. 7 and 8 for Provinces and Communes monthly as before.

A24. Various points of previous difficulty were submitted to the Minister of Finance:

a. Promotions - entirely suspended.

b. Increase in Pensions - Those previously granted in Italy but not extended to Sicily in time for implementation, will be applied to Sicily with provision for payment of arrears.

c. Indennita' and aumenti, (various). The law as applied in Italy will be extended to Sicily in due course. These points b and c will be amplified by Ministerial Circular.

d. Premi di Rendimento, Semestrali e Speciali. Applications for these are to be sent direct to the Ministry of Finance. Intendenti will report any sums paid under these headings during the occupation. No payments will be authorized without Ministerial sanction.

e. Increase of Aggio to Rivenditori Secondari di Valori Bollati. Under Ministerial Consideration. No increase of aggio to Rivenditori di Tabacchi.

f. Premi di Nuzialita' e di Natalita'. To continue under the normal practice of applying for the grant through Communes and Prefettura to the Ministry.

g. Leggi sulle Famiglie numerose e sui celibi. To continue in force for the present.

h. Tolleranza. To be put on regular footing by the Minister.

i. Pre-occupation Debts (Communes and Provinces). These are to be examined by the Special Commission for Local Finance

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j. Dealings in Real Estate. Restrictions are removed, but A.C.C. will keep a close watch on transactions, ready to "clamp down" if the situation gets "sticky".

A25. The Ministry of Finance has endorsed former action by Finance Division in this Region by:

a. Continuing the AMG system of expenditure control.

b. Treating with identical caution those knotty points which, under precipitate or ill-considered decisions, would have increased national and local expenditure and consequently the total of funds advanced by AMG.

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c. Expressing his personal wish that the process of change should be gradual, and that in effecting it he might count on the assistance of ACC officers.

A26. Banking. Generally speaking the banks throughout the Island of Sicily continued to function uninterruptedly. The larger banks report that their deposits are reaching unprecedented proportions while demand for credit remains semi-static. An important event was the organization of the "Associazione Regionale Siciliana Aziende di Credito". The membership comprises the principal banks in Sicily. Its scope and purpose is to develope standardized practices and work co-operatively in the interest of Sicilian economy and finance. It is not to directly or indirectly participate in any political questions. The office of R.C.F.C. approved the formation of said organization with the proviso that until such time as the newly constituted Italian Government appointed the Ispettorato per la Difesa del Risparmio e per l'esercizio del Credito, all executive conclusions would have to have the prior approval of the Regional Chief Banking Officer, before put into practice.

A27. The Bank of Italy in its capacity as the Central bank reported the following activity with reference to government securities:

| | |
|---|---|
| Bonds sold as of January 1, 1944 | 318.535.000 |
| Bonds Redeemed as of January 31, 1944 | 237.208.500 |
| Bonds Redeemed which matured December 15, 1943 as of January 31, 1944 | 13.304.000 |

In collaboration with AFA, the office of R.C.F.C. is endeavoring to assist with the initial "set up" of remittances from U.S.A. and U.K. to Sicily through Bank of Sicily. The more important phases of the procedure have been perfected but a rather perplexing problem has arisen which is giving the Bank of Sicily some concern. It appears that following the press release by the Treasury Department on the subject of Remittances to Sicily, the larger banks in America are asking the Bank of Sicily to be included in the list of correspondent banks originally selected. It has been suggested that the Bank of Sicily withhold any action until the matter can be considered and later referred to Headquarters for consideration and guidance.

A28. In the way of statistics, it is interesting to note that the total assets of all Sicilian banks (excluding Bank of Italy) as of July 1943 (approximate date of occupation) were Lire 14.983.953.000. The same institutions reported combined assets of Lire 18.205.288.000, as of November 30, 1943. As of date of occupation the Bank of Sicily and its Sicilian branches reported aggregate assets in the sum of Lire 8.430.798.000 compared with combined assets of Lire 11.819.664.000 as of November 30, 1943.

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A29. Insurance.

a. Istituto Previdenza Sociale. This institution continues to operate in a very satisfactory manner and no complaints of any nature have been received. An advance of Lire 4.029.000 was granted them which advance represents the smallest amount asked for up to date. This amount was furnished to the Provinces of Catania and Ragusa, other Provinces needing no advances due to substantial collection of contributions. The Institution paid out Lire 21.357.258, in benefits and expenses collected contributions of Lire 17.328.542, leaving a deficit of Lire 4.029.000. Total advances to date amount to Lire 168.737.000.

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b. Istituto Assicurazione Contro [illegible] Infortuni Sul Lavoro. The affairs of this organization are apparently in very good order and it is gratifying to note that it has been able to carry on all of its normal activities without any advances whatsoever since the occupation. The monthly operating statement shows a deficit of Lire 1.830.147, but it is unimportant as cash balances amount to Lire 5.209.021.

c. Ente di Previdenza ed Assistenza Per i Dependenti Statali. This organization has three offices in Palermo, Messina and Catania. Benefits have been paid up to date, but contributions are much below normal due to the fact that they are paid by State Institutions a number of which have been abolished. An advance was made to Messina amounting to Lire 48.500 but requests received after 11 February for Palermo and Catania were returned with the advice that their requirements should be submitted to the Intendenza di Finanza. Total advances to date have amounted to Lire 1.447.854.

d. Workmen's Compensation for Civilian Employees of AMG. Existing arrangements are operating very satisfactorily and AMG injured personnel are being taken care of.

e. Istituto Per L'Assistenza di Malattie ai Lavoratori. This organization for the entire Island has made good progress in consolidating and straightening out their many problems. A total of Lire 1.256.000., was advanced in February to four Provinces. Total advances to date have amounted to Lire 6.322.747.

f. Private Insurance Companies. A partial survey of General Agents indicates a small amount of new business and a few claims paid. Their financial position has not improved to any great extent with the exception of INA which has collected about Lire 12.000.000., in premiums

g. Social Insurance Advances. The total Insurance advances to 29 February 1944 for Sicily amount to Lire 176.907.601.35.

A30. Postal Finance.

a. Since Postal financial matters became the responsibility of the Italian Government, the one exception in the previous proceedings is the manner of advancing funds for financing postal savings banks, current accounts and postal money orders. Previously funds were advanced by AMFA directly. At present it is advanced by the Bank

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Catania. Benefits have been paid up to date, but contributions are much below normal due to the fact that they are paid by State Institutions a number of which have been abolished. An advance was made to Messina amounting to Lire 48.500 but requests received after 11 February for Palermo and Catania were returned with the advice that their requirements should be submitted to the Intendenza di Finanza. Total advances to date have amounted to Lire 1.447.854.

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A30. Postal Finance.

a. Since Postal financial matters became the responsibility of the Italian Government, the one exception in the previous proceedings is the manner of advancing funds for financing postal savings banks, current accounts and postal money orders. Previously funds were advanced by AMFA directly. At present it is advanced by the Bank of Italy upon presentation of properly authorized form CRO-9.

b. The question of Postal savings bonds (buoni fruttiferi) has been coming up continually. Orders are awaited from Headquarters to begin operations in this branch of savings. There is a shortage of blank bonds on hand. Meanwhile, the public is clamoring for this service and the newspapers have threatened to join the public in its demands by writing articles on the subject.

c. Postal Saving Banks continue to function normally. Withdrawals still exceed deposits but the condition is slowly improving itself. Up to February 15th



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withdrawals are Lire 123.632.[illegible].12
deposits " " 51.058.875.93

d. Current accounts show withdrawals of Lire 75.997.287.58
deposits 74.998.011.54

as of February 15th.

e. Postal Money Orders up to February 15th showed an intake of funds of Lire 45.924.293.97 and an outflow of funds of Lire 66.374.871.21.

A31. Blocked Accounts.

a. During the month of February the Blocked Accounts Section has received seventy five applications for Specific Licenses. Of these approximately forty were licensed and the others have been returned pending investigation.

b. Applications from certain welfare institutions have been witheld upon the advice of the Welfare Division who is not satisfied with the way funds have been expended by some of the institutions.

c. At the present time eight applications filed by or on behalf of former Fascist individuals or organizations are being held pending advices from the CJC.

d. The usual two mornings a week were devoted to the opening of safe deposit boxes in the city of Palermo by this section. There is nothing unusual to report and it seems to be developing into nothing more than a routine job. Instructions were issued on February 23rd by the Italian Government that safe deposit boxes will be opened in the presence of an Italian functionary of the Minister of Finance. It indicated that the responsibility of opening safe deposit boxes would no longer be the problem of this office.

A32. Control of Expenditure. The CRO system operated satisfactorily in spite of the everincreasing volume of documents, and FOs, Heads of Divisions, and this section cut down many requests for advances. Provincial Finance Officers were faced with the necessity of making emergency advances from their own funds mainly in cases where CRO/7, 8 or 9 had not been submitted in time by applicants. This feature will disappear now that all advances are being channelled through the Bank of Italy. P.F.O.'s have been instructed to refer emergency requests back to applicants for treatment by Italian Officials.

A33. Revenue. Statistics up to the end of January are:

ENTRATE ORDINARIE DEI MESI DI OTTOBRE, NOVEMBRE, DICEMBRE [illegible] PER COMPETENZA E RESIDUI - MOD. 59 T -

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A33. Revenue. Statistics up to the end of January are:

ENTRATE ORDINARIE DEI MESI DI OTTOBRE, NOVEMBRE, DICEMBRE 1943 E GENNAIO 1944 - PER COMPETENZA E RESIDUI - MOD. 59 T -

| | NOVEMBER 1943 | DECEMBER 1943 | JANUARY 1944 |
|---|---|---|---|
| TOTALS | 46.145.032 | 66.577.615 | 66.707.913 |

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TOTALS FOR REGION I (mod. 59 T) (competenze plus residue)

| | | NOVEMBER | DECEMBER | JANUARY |
|---|---|---|---|---|
| I | Imposte Produzione | 1.966.740 | 2.851.274 | 2.458.046 |
| II | Dogane ec. | 17.330 | 400.776 | 314.778 |
| III | Finanze Locale | 13.661 | 91.324 | 69.272 |
| IV | Monopoly | - -- | 2.829.901 | 11.072.110 |
| V | Lotto | 215.548 | 783.949 | 439.799 |
| VI | Imposte Dirette | 22.527.571 | 52.626.176 | 11.458.811 |
| VII | Demanio | 129.249 | 43.737 | 57.758 |
| VIII | Imposte Sugli Affari | 20.300.494 | 25.405.089 | 37.391.485 |
| IX | Provveditorato | 119.820 | 193.142 | 230.400 |
| X | Tesoro | 814.610 | 1.293.146 | 3.097.034 |
| XI | Giustizia | 1.011 | 20.713 | - -- |
| XII | Affari Esteri | - -- | - -- | - -- |
| XIII | Educazione Nazionale | 5.496 | 3.985 | 3.446 |
| XIV | Interno | 6.578 | 1.436 | 9.690 |
| XV | Commissione | - -- | - -- | - 690 |
| XVI | Aeronautica | - -- | - -- | - -- |
| XVII | Agricoltura & Foreste | 27.124 | 52.967 | 104.594 |
| | Totals | 46.145.032 | 86.577.615 | 66.707.913 |

A34. Comments.

a. A general increase of 3% in the "Aggio" to tax-collectors, (Direct Taxation), was announced by telegram from the Ministry of Finance on 9th February.

b. On the assumption of management of P.O.I. distribution by CIP, Customs officials report that control and collection of duties on P.O.I. goods proceeded satisfactorily as from 1st February 1944.

c. A representative from A.C.C.H.Q. visited the Region during February and collected further details regarding proposals to recommence the distilling industry, involving an increase in the tax quota on wine. Final decision by the Ministry of Finance, in consultation with A.C.C.H.Q. is awaited.

d. Further improvements in the efficiency of manufacture of Monopoly tobacco goods have increased production in Palermo factory. Repairs to Catania factory are proceeding and production of cigars and cigarettes has commenced. Sales for Palermo Deposito during February were:

| | | | | |
|---|---|---|---|---|
| Snuff | Kg. | 2.741 | value L. | 548.200 |
| Tobacco | | 11.171 | " | 3.351.300 |
| Cigars | | 2.093 | " | 1.255.800 |
| Cigarillos | | 1.618 | " | 809.000 |
| Cigarettes(various) | | 24.481 | " | 15.382.800 |

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| | | | | |
|---|---|---|---|---|
| | Tesoro | | 109.142 | 230.400 |
| XI | Giustizia | 814.610 | 1.293.146 | 3.097.034 |
| XII | Affari Esteri | 1.011 | 20.713 | - -- |
| XIII | Educazione Nazionale | - -- | - -- | - -- |
| XIV | Interno | 5.496 | 3.995 | 3.446 |
| XV | Commissione | 6.578 | 1.436 | 9.690 |
| XVI | Aeronautica | - -- | - -- | 690 |
| XVII | Agricoltura & Foreste | - -- | - -- | - -- |
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| Cigarettes(various) | | 24.481 | " | 15.382.800 |
| | | | | 21.347.100 |

The Monopoly Administration is now in a position to repay Lire 7.000.000 towards liquidation of AMG advances. Difference in price lists between Sicily and the mainland, reported in January, will probably be allowed to stand unchanged until the close of the financial year - 30 June 1944.



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Lotto figures to date are:

| Month | Takings | Winnings claimed in Period |
|---|---|---|
| November | 354.406 | 111.588 |
| December | 1.297.793 | 310.411 |
| January | 1.829.283 | 2.142.046 |
| February | 1.804.152 | 698.387 |
| Provisional figures up to 12 February 1944 | | |
| Totals | 5.285.634 | 3.262.432 |

A35. A.F.A.

a. Twenty applications for relief by American and three by British Nationals were received from P.F.O.'s. Only three were approved by the U.S. Consul General, because of difficulty in determining eligibility in the absence of supporting documents.

b. The scheme for remittances from U.S. and U.K. was formally effected by General License No. 32A issued by U.S. Treasury. Accounting procedure was subsequently altered in that dollars would be credited to the AF account of the Bank of Sicily only after U.S. banks had received receipts executed by designated beneficiaries and guarantees by the Bank of Sicily that designated persons received the payments. Provision was also made for supplementary remittances to American citizens in excess of 100 dollars per quarter. Remittance lists covering American citizens will be submitted to the U.S. Consul General for certification as to U.S. nationality before payment is made.

c. Repayments of loans to banks amounted to Lire 114.000.000. At 29 February Lire 97.500.000 representing the final installment due March 31, 1944 on loans to 32 banks, remained outstanding.

d. Deposits in No. 4 account, AFA, were reduced to Lire 625.000 by 29th February.

e. AFA delivered to Banca D'Italia its surplus reserve of 300 boxes of 1 lira and 2 lira notes, aggregating Lire 32.000.000, which was credited to AFA account. Balance of the account is now Lire 132.400.000.

f. Reserve cash is reduced to 299.648.000. No new shipments were received during February. AFA Palermo still holds [illegible] boxes (Lire 720.960.000) ex H.R. 806 pending shipment

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| | | |
|---|---|---|
| Totals | 5.285.634 | 3.262.432 |

A35. A.F.A.

a. Twenty applications for relief by American and three by British Nationals were received from F.F.O.'s. Only three were approved by the U.S. Consul General, because of difficulty in determining eligibility in the absence of supporting documents.

b. The scheme for remittances from U.S. and U.K. was formally effected by General License No. 32A issued by U.S. Treasury. Accounting procedure was subsequently altered in that dollars would be credited to the AF account of the Bank of Sicily only after U.S. banks had received receipts executed by designated beneficiaries and guarantees by the Bank of Sicily that designated persons received the payments. Provision was also made for supplementary remittances to American citizens in excess of 100 dollars per quarter. Remittance lists covering American citizens will be submitted to the U.S. Consul General for certification as to U.S. nationality before payment is made.

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f. Reserve cash is reduced to 299.648.000. No new shipments were received during February. AFA Palermo still holds 482 boxes (Lire 720.960.000) ex H.E. 806 pending shipment to Naples.

g. E and S. Div. payments covering purchases of exports to U.S. and U.K. amounted to Lire 102.831.000. Receipts on account of sales of flour, wheat, sugar, pasta totaled Lire 91.583.300. Proper allocation of receipts from such sources has been made up to 31 January 1944 and a total of Lire 118.817.950 was transferred to Revenue and other accounts.



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A36. Regional Chief Accountant. Responsibility for E. & S.D. accounting has been placed upon a Regional Supply Accountant by Headquarters A.C.C. directive dated 12 February 1944; this relieves R.C.A. of direct responsibility for the accounting for Civilian Supplies.

A37. Amounts advanced by AMFA to Accounting Officers in the Field. The balance of amounts advanced was Lire 372.711.389 at January 31, 1944. To this must be added Lire 3.116.678 of refunds of Advances to Others and Funds Obtained from Banks and Others, making a total of Lire 375.828.267 to be accounted for. The disposal of this sum was as follows:

| | | IN THOUSAND OF LIRE | |
|---|---|---|---|
| a. | Advance to: | | |
| | Italian State and State Institutions | 95.584 | |
| | Provinces | 318 | |
| | Communes | 6.185 | |
| | Total to Governmental Bodies | 102.087 | |
| b. | Payments, less Receipts for Amount of Economic and Supply Division | 50.408 | |
| | | 152.495 | |
| c. | AMG Revenue, less Expenditure | 11.146 | |
| | | 141.349 | |
| d. | Remittances by AMFA (Palermo Office) to Accounting Officers from whom no reports have been received | 20.000 | |
| | Remittances by AMFA (Palermo Office) and Sub-Accountants to other Regions | 144 | |
| | Remittances to Sub-Accountants not yet accounted for | 789 | |
| | Cash in hands of Accounting Officers in the Field at 31/1/44 | 213.546 | |
| | | 234.479 | |
| | Total | 375.828 | |

With reference to "a" above, it is to be noted that more than one hundred millions of Lire were advanced by Finance Officers during January 1944, although the system of advancing direct by AMFA was in force. These advances were to some extent of an emergency nature, [illegible] December authoriza-

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| | | | |
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| | Cash in hands of Accounting Officers in the Field at 31/1/44 | 213.546 | |
| | | | 234.479 |
| | Total | | 375.828 |

With reference to "a" above, it is to be noted that more than one hundred millions of Lire were advanced by Finance Officers during January 1944, although the system of advancing direct by AMFA was in force. These advances were to some extent of an emergency nature, but the greater part represented December authorizations and advances to the Sebauda Division.

A38. Outstanding Remittances. The outstanding remittances to accounting officers in the field, and between accounting officers, still unaccounted for at 31 January 1944 amounted to Lire 789.221. The totals of uncleared remittances are compared below with those of the previous month:



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OUTSTANDING REMITTANCES — in lire

| | Debits | Credits | Net Totals |
|---|---|---|---|
| December 31 | 6.467.040 | 3.588.214 | 2.878.826 |
| January 31 | 985.690 | 196.469 | 789.221 |
| Remittances cleared during the month | 5.481.350 | 3.391.745 | 2.089.605 |

Substantial progress was made in clearing up these old outstanding balances. The remaining sums, for the most part, represent remittances to Officers who have left this Region and whose present where-abouts is not known. Lists have been forwarded to A.C.C.H.Q. requesting their assistance in contacting these Officers.

Substantial progress was made in clearing up these old outstanding balances. The remaining sums, for the most part, represent remittances to Officers who have left this Region and whose present where-abouts is not known. Lists have been forwarded to A.C.C.H.Q. requesting their assistance in contacting these Officers.

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ECONOMICS AND S[illegible]LY DIVISION:

A39. Organization.

a. The arrival of 6 small vessels without notice at Palermo with over 7,000 tons of supplies for Region IV, to be warehoused by Region I, together with the arrival as expected of 6 large ships for Region I, created as exceptional emergency in which all officers and EM/ORs were required to devote some or allof their time to the handling of these imports.

b. For tactical reasons these vessels all had to be unloaded as fast as possible. In consequence, this Division received from the highly efficient military port organization a relentless stream of trucks into which had been poured the contents of 15 or more hatches, operating simultaneously 24 hours per day and disgorging an upredictable variety of goods(for serveral of the vessels carried no manifests or cargo plans.) Empty warehouse space was hard to find, and so were labor and guards. Classification, direction, unloading, stacking and guarding of so great a stream of goods, by night and day, were most difficult. Lights were few, the weather was often raing and personnel was short. Nevertheless, though on a few occasion the unloading had to be slowed up by the military port for short periods, due to tie-ups of trucks at warehouse points, the cargoeswere accepted and stored and the vessels released without serious delay.

c. In connection with the 7,000-odd tons referred to aboe as being for Region IV, it is felt that a more detailed statement is necessary. This Division was advised less than 2 hours before trucks began to leave the port that it would be expected to take care of the cargo of the vessels in question. One large 5-hatch vessel was already discharging ACC cargo and 2 more such vessels were due shortly. Nevertheless, in view of the urgent need for discharging the 6 small vessels in order that they might be reloaded for use in current combat operations, responsibility for the cargoes was accepted, despite absence of instructions from HQ, ACC. After unloading was partly completed, instructions were received by cable that the cargoes were to be stored as goods in transit and not used for Region I. Due to the speed of unloading and to the fact that the goods not to be taken on stock for Region I, no attempt was made to sort or count the goods at warehouses. Much of them were in bad condition due to wetting and rough handling, and the vessels had been so loaded that the same unloading sling some-

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on a relentless stream of trucks into which had been poured the contents of 15 or more hatches, operating simultaneously 24 hours per day and disgorging an unpredictable variety of goods(for serveral of the vessels carried no manifests or cargo plans.) Empty warehouse space was hard to find, and so were labor and guards. Classification, direction, unloading, stacking and guarding of so great a stream of goods, by night and day, were most difficult. Lights were few, the weather was often raing and personnel was short. Nevertheless, though on a few occasion the unloading had to be slowed up by the military port for short periods, due to tie-ups of trucks at warehouse points, the cargoeswere accepted and stored and the vessels released without serious delay.

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A40. Food & Agriculture.

a. With the inflow of wheat and flour, the food position in the island continued to improve. Although considerable stockes were built up at Palermo, a serious position developed between the 20th and the 27th of the month at Messina, Catania and Syracuse owing to the fact that arrivals promised on the east coast did not materialize and that the coal shortage at the Western end of the Island prevented movement of stockes by rail from Palermo until nearly too late. By the end of the month however, the situation was relieved by rail movements which were given a very high traffic priority and by the despatch in two partly unloaded ships from Palermo to Messina and Catania.

b. Arrival in the Island, totalled about 4,000 tons of rations, soup, etc., 15,000 short tons of wheat and 29,500 short tons of flour, of this, about eight thousand tons of flour still remained to be unloaded at the end of the month. Of the foregoing some 7,000 tons of flour were destined for Catania, about 3,000 tons of flour for Messina and the balance for Palermo.

c. As from 14th February a universal ration became effective in the island consisting of (a) 150 grs of bread per day (b) a supplemental daily ration for heavy workers of 100 grs per day and (c) 250 grs of pasta per week. No foods other than preserved milk, sugar, bread and pasta are now rationed.

d. The food situation is considered satisfactory under wartime conditions. The bread and pasta ration were adequate and the continuity of the ration throughout the island, with the exception of one or two days in the East coast Provinces, gave rise to much satisfaction. For the first time since the invasion substantial reserves of flour and wheat had been accumulated and the knowledge of these stocks engendered a feeling of confidence among officials and the public generally.

e. Disturbing reports were received at the end of the month from Catania province concerning the condition of planted imported seed potatoes. It appears that the seed had become infeceted with a type of wet rot and apparently sound sets went rotten in the ground before sprouting commenced. Further reports have been called for but it is evident from the information so far received that a considerable percentage of the crop will be affected

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c. As from 14th February a universal ration became effective in the island consisting of (a) 150 grs of bread per day (b) a supplemental daily ration for heavy workers of 100 grs per day and (c) 250 grs of pasta per week. No foods other than preserved milk, sugar, bread and pasta are now rationed.

d. The food situation is considered satisfactory under war-time conditions. The bread and pasta ration were adequate and the continuity of the ration throughout the island, with the exception of one or two days in the East coast Provinces, gave rise to much satisfaction. For the first time since the invasion substantial reserves of flour and wheat had been accumulated and the knowledge of these stocks engendered a feeling of confidence among officials and the public generally.

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f. Apart from the unsatisfactory potato report referred to in the previous paragraph, agricultural activities appeared to be progressing favorably. Good grass crops were in evidence and cereal and other crops were showing normal seasonal growth.

g. No progress was made in the commencement of superphosphate fertilizer manufacture owing to the non-arrival of anticipated shipments of nitrates from Crotone. Arrangements have been made for handling and distributing expected arrivals of some 4000 tons of ammonium nitrate and 1000 tons of muriate of potash.

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A41. Regional Supply Sovraintendenza

The Sovraintendenza has proved capable of taking over an increasing number of supply activities. His office now allocates cement among applicants receing approval from the Regional Public Works Officer. It is expected that he will soon assume a major responsibility in connection with mineral coal distribution, in addittion to charcoal which is already so handled. In rationing , fishing and agriculture, has assumed definite responsiblities, working with existing civilian agencies and with ACC advice.

A42. Fuel:

a. Coal. The following amounts were distributed by this Division to civilian during themonth:

| | | |
|---|---|---|
| Steam coal | 1212 | metrick tons |
| Sardinian coal | 1955 | " " |

b. P.O.L.: Although in accordance with the directive received from HQ, ACC, distribution and stocks were handed over to C.I.P. as of 1 February, completion of January delieveries(delayed by lack of coal for transportation by rail) and advice and assistance to C.I.P. at Palermo and in the provinces entailed considerable work. By the end of the month, it appeared that C.I.P. would thereafter be able to assume full responsibility according to plan. However, under a later directive from Petroleum Section, AFHQ, this Division will again be obliged to furnish requirements and to supervise distribution by C.I.P., and it is therfore believed that a large volume of work will again be involved, as in former months.

A43. Miscellaneous Commodities.

a. Some 70 tons of hemp were received fromthe mainland, chiefly for use in the fishing industry, also nails and paper required for citrus packing.

b. Salvage. 3,421 pairs of U.S. Army boots were sold to poor workers. 8 tons of small cans and 34,087 large cans were sold to the fish canning industry for conversion into fish cans. 309 tons of scrap were sold toconcerns working for the Allied Armed Forces.

c. Surplus Allied Military Stocks. Island Base Section has found that it had on hand considerable quantities of surplus military stores. These are being sold to civilians through ACC, For instance, 10,000 electric dry cell batteries were distributed to the Sicilian Railways, and 1,500

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a. Coal. The following amounts were distributed by this Division to civilian during themonth:

| | | |
|---|---|---|
| Steam coal | 1212 | metrick tons |
| Sardinian coal | 1955 | " " |

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A44. Exports. Citrus fruit exports, totalling almost 10,000 tons for the month, continued from both ends of the Island, to the U.K. some wine was sent to Naples. Pumice, nuts and sulphur are being accumulated for future shipment, with lemons, which will come from the northern groves during March.



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A45. **Relations with Island Base Section.**

A; In connection with the heavy imports for the month mention should be made of the Division's relations with Island Base Section. In preceding months, cargoes received from the military port were smaller and presented no serious warehousing problems. In consequence it was not realized by the Base Section how limited were the personnel and the transportation and warehousing facilities of ACC. On a number of occasions in February when the unloading rate of 150 or more trucker per hour was reached for ACC supplies, it was virtually impossible for ACC to warehouse at the necessary speed. On a few occasions the port therefore slowed down the ship discharage rate.

b. At the end of February, as the result of conferences between Region 1 and Island Base Section, they became aware of the difficulties under which ACC was operating. It has now made available valuable assistance inpersonnel, transport and warehouse space, and its officers are exhibiting real understanding and valuable co-operation.

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TRANSPORTATION

A46. a. Railways.

(1) During February the coal situation was rather serious in that there were only 4,000 tons of coal for the west side of the island for all purposes. Conditions in the east section were in very good shape because their coal situation was not altered. Heavy military traffic on the American side was the cause of our difficulties; also the S.S. "Stemstead" which was discharging coal at Palermo was diverted for operational purposes after discharging only 200 tons of coal of an original cargo of 5,678 tons. 1,000 tons of coal were borrowed from No. 1 District, which partly eased the situation.

(2) Freight traffic is being handled by the permit system, and due to restrictions placed on civilian freight movements the demand now is enormous. Skeleton freight schedules, which are very essential, have again been established.

(3) There are no scheduled passenger trains on the west side of the island, except three short-distance commuter trains running out of Palermo, and these were taken off for a ten-day period due to the lack of fuel. In the east section of the island satisfactory passenger schedules have been maintained. The difference existing in the services between the east and west sides of the island is not a good policy, and, in fact, service in western Sicily does not compare favorably with service on the mainland.

(4) An inventory of equipment was recently made, and there are 5,930 good railway cars, 2,628 bad cars, 256 locomotives in fair condition and 222 in poor condition.

(5) During February 963 carloads of freight were moved for civilians and ACC, or a tonnage of 18,606 and most of this movement was on the west side of the island.

(6) During the month of February projects were approved on bridges and tunnels to open the main line from Palermo to Messina and from Catania to Messina.
The work on the Palermo-Messina line necessitates heavy work on 6 bridges and 1 tunnel with an estimated cost of Lire 23.225.000.
The work on the Catania-Messina line covers work on 8 bridges and 5 tunnels at an estimated cost of Lire 40.934.000.

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The work on the Catania-Messina line covers work on [redacted] bridges and 5 tunnels at an estimated cost of Lire 40.934.000.
It is estimated that these lines will be opened in approximately five months.

b. Motor Highway Transport.

(1) In accordance with instructions from A.C.C.H.Q. on basic policy of standardizing practice and procedure for permits, licenses, rates, tariffs, priority movement of essential goods, in Region I, Istituto Nazionale Trasporti has been authorized to operate all AMG/ACC trucks, and are progressing towards that end. The province of Palermo has thus far made most headway.

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(2) Palermo Province will ha[illegible] a total of 150 to 175 trucks, properly licensed by INT, for use by the various communes and governmental agencies, and for movement of high-priority goods. Palermo city alone is now operating 80 trucks daily, of which the Economics & Supplies Division, ACC, uses 15 to 20, the Alimentazione 20, Consorzio 2, Municipio 10, Public Highways 4, Public Utilities 15, the balance being used for high-priority movement of essential goods and contracted for by the various communes.

(3) Other provinces are gradually being dealt with in rotation, but in Messina, Catania and Siracusa matters are somewhat complicated and will take time to settle.

(4) Suggestions have been made to the Prefettos to set up Motor Highway Transport Commissions to regulate all goods movement in their respective provinces, and a Regional Commission with the same intent and purpose for the Island.

A47. Communications.

a. The following circuits were completed during February:

| | | |
|---|---|---|
| Palermo-Agrigento | 2 telephone | |
| Trapani-Marsala | 1 " | , 1 telegraph |
| Marsala-Mazara-Castelvetrano | 1 " | , 1 " |
| Palermo-S. Flavia-Bagheria-Termini | 1 " | , 1 " |
| Palermo-Partinico | 1 " | |
| Palermo-Monreale-Piopa-Piana dei Greci-S.Giuseppe Iato | 1 " | |

b. The Trapani-Palermo circuit gave much trougle as high winds were experienced throughout the latter part of the month. Not only did gales blow down sections of the route, but an aircraft wing carried on a truck cut seven crossings between Trapani and Palermo with great loss of time and labour.

c. Owing to the large amount ofmilitary work done and the resulting need for security it was not possible to hand over operational responsibilities to Italian officials.

d. The material shortage became acute during February and it was necessary to recover several old German Wehrmacht lines. 30 miles of 200 lb. copper and 25 miles of iron wire were recovered. As solder is unobtainable all joints were made thus without increasing losses on long circuits.

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e. The dry battery situation was eased by purchasing 11,500 BA-30 flashlight cells from IBS.

PUBLIC WORKS

A48. a. A conference was held on 3 February at Catania to study the roads and bridges program of Chief Engineer, No. 1 District. The question of transport was discussed and it became evident that the C.E.'s program could not be carried out in a proper manner unless the Italian engineers were supplied with cars to supervise the works and trucks were made available to the AA.SS. for the transport of materials. The matter is under consideration.

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b. There is much work at Catania and almost daily requests for new jobs to be started. Therefore, C.E. No. 1 District has agreed to lend an R.E. officer as Public Works Officer, which should be of great assistance in getting work put through regular channels.

c. Up to date there has been no evidence of the Italian Government taking over Public Works, so thesame control as previously is being continued.

UTILITIES

A49. a. The production of power during the month of February was equal to that produced during January even though the western end of the island went through a short period during which they had to carry their total load with their hydro installations due to an acute shortage of coal. S.G.E.S. officials predict that they will be able to maintain this production schedule through March and April.

b. The rains of February have improved the situation with respect to the amount of water stored in the reservoirs of Piana dei Greci, Gammauta and Prizzi. The amount of water now on hand is 10,300,000 cubic meters as compared to 1,585,000 cubic meters in February 1943.

c. All military and ACC loads were carried without any additional changes in the rationing system, and numerous essential civilian customers were added.

d. Repairs to the 70 Kv. line in the western part of the island are progressing according to schedule. However, repairs to the 40 Kv. line in that section are much slower due to the shortage of materials.

e. The Porto Empedocle plant closed down on 18 February due to a break in the rotor shaft which had been repaired by the U.S. Navy. A preliminary report by S.G.E.S. engineers indicates that if repairs are at all possible it will take at least three months. To offset the loss of the Porto Empedocle output arrangements have been made with the AFHQ Coal Section to draw enough steam coal to operate the Palermo steam plant steadily. A survey is being made with a view to moving one of the machines from Palermo to Porto Empedocle or securing sufficient spare parts from Porto Empedocle to repair the pulverized fuel boiler at Palermo.

SHIPPING

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SHIPPING

A50. a. The activities of the Shipping Section during the past month have been concerned principally with regular schedule of operations of Italian schooners between Sicilian ports and ports in Italy. There has been a considerable increase in tonnage moved to Italian ports. Approximately 1,400 tons of wine was shipped from the port of Palermo. Several hundred tons of lumber were shipped here from Italy, but the fact that several of the schooners under our registration and control were requisitioned by AMG in Italy cut down our expected return tonnage considerably.



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b. Some progress has been made i the salvage of ships. The "Modena" and her cargo of coal has been completely salvaged and the U.S. Navy has taken over the responsibility of moving this ship to another berth. Salvage of the "Giacomo Costa" is well under way, and the removal of the 5,000 tons of coal from her is expected to be started this week. The salvage of the "Todi" is also well under way.

c. Registration of schooners is continuing daily and at present this office has registered eleven schooners from the port of Palermo, thirteen from Trapani, and two from Lipari. Registration lists as well as copies of sailings from this port have been forwarded to MEDBO, Naples.

MINING

A51. a. Five tons of carbide were loaned the sulphur mining industry from stocks which arrived in Sicily for other purposes. This was apportioned to those mines which are attempting to resume production, plus small amounts alloted to others for maintenance work.

b. Ten tons of Romite dynamite was recovered from a military ammunition dump and is being alloted to mines which are able to use it immediately.

c. Two shipments of sulphur were moved, cleaning out all stock from Licata and all but 600 tons from Porto Empedocle. Sulphur continued to move to Catania but no rail service was offered to otherports. Palermo is ready to receive sulphur but none has arrived there yet. Ente Zolfi Siciliani contracted, under authorization of AMG, to sell Consorzio Agrario 4,000 tons of crude sulphur for making dusting powder.

d. Study of the pumice production prospects at Lipari was made and report forwarded MGS through Mining Division, ACC Hq.

e. The Mining Section has now been changed to the Mining Division but for administrative purposes it still functions as a sub-section of T.C.P.W. & U. Division.

EDUCATION

A52. a. Returning Responsibility to the Italian National Government. Basically the schools have been run by Italian officials at all times, and this Division has merely operated as a substitute "ministero". Memorandum 44 provided the essential statutes relative to reopening

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b. Vetting of personnel. This activity was pushed to its peak during this month. All results were placed in the hands of provincial commissioners in time for them to advise officials making reports to Minister Cuomo. Provincial commissioners were asked in a letter of February 24 to advise Provveditori to include the following types of names in the list to be forwarded to the Ministry:

(1) Names included on the orders and memoranda of the RCAO as subject to removal.

(2) Names of persons suspended or dismissed by provincial orders.

(3) Names of any persons known to them or to the provveditori as former fascists of note. This list was to include individuals coming within the categories nominated by either the RCAO or the Italian Government. The provincial commissioners were further informed that they should, in all cases where investigations are complete, advise the provveditore to suspend the individuals and forward a request for an inquiry to the Ministry of Education.

As the matter now stands nearly all officials have been vetted but a large number of teachers are still to be investigated by the Provveditori.

c. Other significant activities.

(1) Text books. Additional secondary school text books have been examined and listed as acceptable or not acceptable. All manuscripts for elementary text books have been assigned to publishers. Readers for the first class are available from private publishers.

(2) Non-public Schools. The problem of non-public schools is considerably reduced. The issue of parification has been forwarded to Headquarters with a text case.

(3) Military Occupancy. Theatre, school houses and national monuments are still occupied by the military units. Almost no progress has been made because of the lack of policy in higher echelons.

(4) Organization for Work. The organization of officers, men, civilian personnel, and Italian officials to accomplish the purposes of the division has been noteworthy during this month. Special writers have now completed their task and have been paid off.

PUBLIC HEALTH

A53. The General Health of the Region is satisfactory. There was small epidemic of typhoid fever in Messina Province in January and

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PUBLIC HEALTH

A53. The General Health of the Region is satisfactory. There was a small epidemic of typhoid fever in Messina Province in January and February. The cause was traced to contamination of water supply with sewage and this has been rectified. During the month of February the following infectious diseases were reported:

| | | | |
|---|---|---|---|
| Morbillo | 9 | Inf. Paratifiche | 16 |
| Varicella | 16 | Febbre Ondul. | 28 |
| Difterite & Croup | 14 | T.B.C. Pulmon. | 103 |
| Pertosse | 11 | Malaria | 12 |
| Meningite Cer. | | Tracoma | 11 |
| Spin. Epid. | 11 | Scabbia | 373 |
| Febbre Tifoide | 189 | Leishmaniosi | 4 |
| | | Parotite Epid. | 27 |

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One further case of smallpox was notified from Siracusa. This case was admitted to the Isolation Hospital and all contacts quarantined. 12,000 doses of vaccine were forwarded to Siracusa during the month.

A54. a. Visits were made to numerous hospitals and other institutions in theisland and in general they are functioning well though repairs are still being affected to several of them. There is a general shortage of equipment and the most pressing need is for X-ray films. Supplies have completely run out and it is hoped that these may be replenished by A.C.C.

b. At Augusta the Orphanage in Via Marina Levante was selected as a Civil Hospital and arrangements were made with the President C.R.I. for equipping and staffing it. For this purpose it was decided to close down the C.R.I. Hospital at Ragusa and transfer the staff, etc. to Augusta leaving sufficient for a "Pronto Soccorso" at Ragusa where the hospital is redundant.

c. At Catania the D.D.M.S. No. 1 District promised the use of the building at present occupied by the 11th General Hospital. This will be vacated and taken over by the Med. Provinciale as a V.D. Hospital, accommodating 400 patients.

A55. Medical Supplies. Stocks of supplies are being distributed to Medici Provinciali for Hospitals, Ambulatories and other Institutions. Supplies are sufficient for present needs and investigation is being made with regard to the demand for certain drugs which arebeing shipped into Region I. The need for X-ray films is again stressed. A promise of assistance in supplying baby-feeding-bottles and teats has been obtained from the American Red Cross, and it is hoped that this will be fulfilled at an early date.

A56. Venereal Disease.

a. An officer has taken up his appointment as V.D. Control Officer Region I. Good progress is being made in implementing the decisions made at the V.D. Control Conference held at Palermo on 11 February 1944.

b. In Palermo, repairs to the Casa di Salute d'Anna are being carried out rapidly and this hospital will open shortly with 250 beds to begin with. At Messina, a ward with 100 beds at the Ospedale Piemonte has been set aside as a Sala Celtica, and at Catania, thehospital at present occupied by 11th General Hospital is being vacated and will be taken over as a V.D. Hospital.

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A57 Public Welfare:

a. On February 8, 1944, an order was published by establishing a Regional Welfare Commission and appointing a Commissioner for Region I. He is selecting personnel and taking responsibility for functions previously carried out by the A.C.C. Regional Office.

b. A regolamento has been prepared by the Regional Welfare Commissioner designed to continue in force the AMG/ACC orders regarding welfare and to continue development of the program. The regolamento is ready for publication by the High Commissioner as soon as it is ascertained that it has theapproval of the Italian National authorities.

c. It was learned through the Prefect of Palermo Province that on February 22 the Italian Minister of Finance ordered the Prefects in Sicily to reestablish the Military subsidy as of February 11. There had been no information from Headquarters advising that this step had been taken, and directions are awaited.

d. During the month the question of sending to Sicily thousands of refugees from the combat area in Italy has occupied considerable time. This is primarily a responsibility of the Italian Authorities, but is receiving closest cooperation and control by A.C.C.

e. On 7 February the Regional Welfare Office in collaborating with the Finance Division, Region 1, issued Numbered Memorandum 21 which set forth that no funds for March would be approved for local ECA's until they had accounted for funds disbursed by them in the 4 months period October 1943 thru January 1944. This firm action is bringing results. Whereas at the end of January only about 60% of reports due for October, November and December had been received, the reports for these three months are now 90% in hand and 50% of those for January have also come in. In other words, the reports for ECA Expenditures in 6 of the 9 Provinces thru January 31 are practically 100% complete; in the other 3 there are many communes still very slow in making their report.

A58.

TABLE I

SICILY REGION, RELIEF DISBURSEMENT

Oct. 1 1943 to Jan. 31, 1944, as Reported thru March 4, 1944.

| MONTH | COMMUNES REPORTING | RELIEF DISBURSED | POPULATION SERVED | N° OF CASES | AVERAGE PER CASE | AVERAGE PER CAPITA |
|---|---|---|---|---|---|---|
| AGRIGENTO PROVINCE | | | | | | |
| October (41) | 40 | 6.067.049 | 449.979 | 27.489 | 221 | 13 |
| November | 32 | 3.973.391 | 301.382 | 19.655 | 202 | 13 |
| December | 34 | 7.913.458 | 364.340 | 23.903 | 331 | 21 |
| January | 0 | | | | | |

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it has theapproval of the Italian National authorities.

c. It was learned through the Prefect of Palermo Province that on February 22 the Italian Minister of Finance ordered the Prefects in Sicily to reestablish the Military subsidy as of February 11. There had been no information from Headquarters advising that t is step had been taken, and directions are awaited.

d. During the month the question of sending to Sicily thousands of refugees from the combat area in Italy has occupied considerable time. T is is primarily a responsability of the Italian Authorities, but is receiving closest cooperation and control by A.C.C.

e. On 7 February the Regional Welfare Office in collaborating with the Finance Division, Region 1, issued Numbered Memorandum 21 which set forth that no funds for March would be approved for local ECA's until they had accounted for funds disbursed by them in the 4 months period October 1943 thru January 1944. This firm action is bringing results. Whereas at the end of January only about 60% of reports due for October, November and December had been received, the reports for these three months are now 90% in hand and 50% of these for January have also come in. In other words, the reports for ECA Expenditures in 6 of the 9 Provinces thru January 31 are practically 100% complete; in the other 3 there are many communes still very slow in making their report.

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TABLE I

SICILY REGION, RELIEF DISBURSEMENT

Oct. 1 1943 to Jan. 31, 1944, as Reported thru March 4, 1944.

| MONTH | COMMUNES REPORTING | RELIEF DISBURSED | POPULATION SERVED | Nº OF CASES | AVERAGE PER CASE | AVERAGE PER CAPITA |
|---|---|---|---|---|---|---|
| AGRIGENTO PROVINCE | | | | | | |
| October (41) | 40 | 6.087.049 | 449.979 | 27.489 | 221 | 13 |
| November | 32 | 3.973.391 | 301.382 | 19.655 | 202 | 13 |
| December | 34 | 7.913.458 | 364.340 | 23.903 | 331 | 21 |
| January | 0 | | | | | |
| CALTANISSETTA PROVINCE- | | | | | | |
| October (22) | 22 | 5.027.530 | 247.846 | 14.914 | 337 | 24 |
| November | 21 | 6.410.616 | 270.818 | 20.101 | 318 | 24 |
| December | 22 | 4.614.603 | 219.200 | 14.133 | 326 | 21 |
| January | 22 | 6.869.604 | 276.152 | 16.882 | 406 | 24 |
| CATANIA PROVINCE | | | | | | |
| October (52) | 52 | 7.777.191 | 770.665 | 24.817 | 313 | 10 |
| November | 52 | 7.283.702 | 804.418 | 21.843 | 213 | 9 |
| December | 52 | 13.209.798 | 760.598 | 29.938 | 441 | 17 |
| January | 50 | 15.256.567 | 825.926 | 33.410 | 456 | 17 |

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TABLE 1 (Cont'd)

SICILY REGION, RELIEF DISBURSEMENT

Oct. 1, 1943 to Jan. 31, 1944 as Reportedthru March 4, 1944.

| MONTH | COMMUNES REPORTING | RELIEF DISBURSED | POPULATION SERVED | N° OF CASES | AVERAGE PER CASE | CAPITA |
|---|---|---|---|---|---|---|
| ENNA PROVINCE- | | | | | | |
| October (20) | 20 | 5.288.450 | 257[illegible]30 | 153697 | 336 | 22 |
| November | 20 | 5.098.590 | 238.630 | 15.229 | 334 | 21 |
| December | 20 | 4.534.598 | 238.437 | 14.610 | 310 | 10 |
| January | 15 | 3.037.248 | 176.984 | 9.415 | 322 | 17 |
| MESSINA PROVINCE | | | | | | |
| October (92) | 78 | 4.731.160 | 475.679 | 21.125 | 223 | 9 |
| November | 57 | 6.520.603 | 422.407 | 23.891 | 272 | 15 |
| December | 42 | 6.569.581 | 315.554 | 24.614 | 266 | 20 |
| January | 0 | | | | | |
| PALERMO PROVINCE- | | | | | | |
| October (76) | 76 | 14.260.367 | 939.297 | 45.261 | 315 | 15 |
| November | 71 | 14.793.527 | 888.680 | 43.294 | 341 | 16 |
| December | 63 | 14.762.216 | 905.342 | 43.245 | 341 | 16 |
| January | 38 | 7.428.721 | 304.524 | 22.691 | 327 | 24 |
| RAGUSA PROVINCE- | | | | | | |
| October (12) | 12 | 9.589.139 | 239.981 | 20.148 | 475 | 30 |
| November | 12 | 11.033.537 | 240.107 | 23.940 | 468 | 45 |
| December | 12 | 12.313.935 | 238.524 | 25.073 | 491 | 55 |
| January | 12 | 10.526.824 | 239.342 | 24.615 | 428 | 43 |
| SIRACUSA PROVINCE- | | | | | | |
| October (19) | 19 | 9.175.636 | 306.036 | 25.244 | 363 | 29 |
| November | 19 | 8.458.022 | 308.050 | 23.833 | 354 | 27 |
| December | 19 | 9.589.283 | 304.841 | 26.940 | 355 | 31 |
| January | 19 | 10.054.995 | 306.047 | 29.691 | 338 | 32 |
| TRAPANI PROVINCE- | | | | | | |
| October (20) | 15 | 7.631.843 | 382.784 | 24.491 | 311 | 19 |
| November | 18 | 9.546.712 | 400.977 | 24.170 | 395 | 23 |
| December | 18 | 8.866.011 | 394.234 | 23.649 | 374 | 22 |
| [illegible] | 18 | 8.695.415 | 399.606 | 25.450 | 341 | 21 |
| TOTAL ALL PROVINCES- | | | | | | |
| October (354) | 311 | 69.568.231 | 4.049.717 | 219.186 | 318 | 17 |
| November | 302 | 73.120.700 | 3.675.469 | 215.956 | 339 | 19 |
| December | 282 | 82.373.483 | 3.741.070 | 226.105 | 364 | 22 |
| January | 174 | 61.869.374 | 2.528.581 | 162.154 | 381 | 24 |

A59. LABOR DIVISION:

a. A meeting of all Provincial Labor Directors and General Secretaries was held in Palermo and the procedure to be used in giving supplementary rations was explained and their part in the program detailed. Applications for supplementary rations are processed by the Provincial Labor Offices.

b. General Electric Society Employees at Agrigento & Palermo made demands for increased wages. Delegations was met and they were advised to post-

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| | | | | | | |
|---|---|---|---|---|---|---|
| October (32) | [illegible] | 4.731.160 | 475.679 | 21.125 | 223 | 9 |
| November | 57 | 6.520.603 | 422.407 | 23.891 | 272 | 15 |
| December | 42 | 6.569.581 | 315.554 | 24.614 | 266 | 20 |
| January | 0 | | | | | |
| PALERMO PROVINCE- | | | | | | |
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| January | 19 | 10.054.995 | 306.047 | 29.691 | 338 | 32 |
| TRAPANI PROVINCE- | | | | | | |
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| November | 18 | 9.546.712 | 400.977 | 24.170 | 395 | 23 |
| December | 18 | 8.866.011 | 394.234 | 23.649 | 374 | 22 |
| [illegible] | [illegible] | 8.695.415 | 393.606 | 25.450 | 341 | 21 |
| TOTAL ALL PROVINCES- | | | | | | |
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b. General Electric Society Employees at Agrigento & Palermo made demands for increased wages. Delegations was met and they were advised to postpone any action as the Company due to its financial position is unable to meet these demands.

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PROPERTY CONTROL

A60. Handover to the Italian Government.

a. The effect of the transfer to the Italian Government on the functions and powers of Controller of Property is defined in Executive Memorandum No. 15 dated 14 February 1944 issued by Headquarters A.C.C. According to this Memorandum, the Italian Government will publish decrees laying down the functions and powers of the Director of Property Control but until they are published, Controllers of Property are without any legal authority for the performance of their duties.

b. Under Executive Memorandum No. 15 and the decrees of the Italian Government, the functions and powers of Controller of Property with regard to property belonging to the Governments and Nationals of the United Nations and France will remain unchanged but Controller of Property will cease to be responsible for all other property, (i.e. enemy, state andprivate property, Italian State property including property of the Fascist Party and para-statal institutions, and abandoned property) taken into custody or control under Proclamation No. 6 of A.M.G.O.T. Though ultimately the work of Controllers of Property should be reduced by their being relieved of responsibility for such properties, such work will be involved in the immediate future in connection with the transfer ofproperties, including para-statal concerns, to the Italian Authorities. In Palermo Province a preliminary meeting has already been held with the Prefect on thequestion of the procedure for such transfer but in the case of "island wide" concerns such as Ente di Colonizzazione del Latifondo Siciliano, no action can be taken until the Italian Government appoint a High Commissioner for Sicily and he, in turn, has appointed Special Commissioners to whom the control of such concerns can be transferred. In the case of Unione Militare, a Special Commissioner has already been appointed by the Italian Government and as soon as he can be contacted, the control of this concern will be handed over to him.

A61. Extension of Property Control to French Property.

a. By the joint effect of Proclamation No. 15 dated 30 January 1944 and General Order No. 19 dated 2 February 1944 the provisions of Article IV of Proclamation No. 6 were extended to the property of the French Government and French Nationals. These documents did not however

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formance of their duties.

b. Under Executive Memorandum No. 15 and the decrees of the Italian Government, the functions and powers of Controller of Property with regard to property belonging to the Governments and Nationals of the United Nations and France will remain unchanged but Controller of Property will cease to be responsible for all other property, (i.e. enemy, state andprivate property, Italian State property including property of the Fascist Party and para-statal institutions, and abandoned property) taken into custody or control under Proclamation No. 6 of A.M.G.O.T. Though ultimately the work of Controllers of Property should be reduced by their being relieved of responsibility for such properties, such work will be involved in the immediate future in connection with the transfer ofproperties, including para-statal concerns, to the Italian Authorities. In Palermo Province a preliminary meeting has already been held with the Prefect on thequestion of the procedure for such transfer but in the case of "island wide" concerns such as Ente di Colonizzazione del Latifondo Siciliano, no action can be taken until the Italian Government appoint a High Commissioner for Sicily and he, in turn, has appointed Special Commissioners to whom the control of such concerns can be transferred. In the case of Unione Militare, a Special Commissioner has already been appointed by the Italian Government and as soon as he can be contacted, the control of this concern will be handed over to him.

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b. From particulars supplied by the Bank of Sicily there are sequestrated properties belonging to French subjects in the following provinces:

Palermo — 6 properties, the principal one being the Villa Orleans, which has already been taken into custody.



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| | |
|---|---|
| Catania | 4 properties, o hich 2 were de-sequestrated. Inquiries are being made as to the reason for this. |
| Siracusa | 1 property, but sequestration revoked. |
| Trapani | 2 properties. |
| Messina | 2 properties. |

Instructions have been issued for the properties which remain sequestrated to be taken into custody as soon as practicable. Action in regard to the de-sequestrated properties will be decided when the reason for the de-sequestration is known.

A62. Ragusa Asphalt Mines. Questions having been raised by the Deputy Director of Property Control onthe form of contract prepared for the sale of rock by the British concerns United Limmerand Vorwohle Rock Asphalte Co., Ltd. and the Val de Travers Asphalte Paving Co., Ltd. to the Italian Company A.B.C.D., the matter was discussed at Ragusa with the Special Commissioner, with Engineer of A.B.C.D. and the Chief Mining Engineer in Sicily. The draft was resettled and has now been approved by the Director of Property Control.

A63. a. Unione Militare. During the month an audit was carried out covering the period 19 October 1943 to 11 February 1944. All Control Accounts have previously been kept in H.Q. Rome, consequently during the period the Branch has been cut off, several points of control are non-existant. The books of accounts are well kept and the system previously laid down by H.Q. has been adhered to. All cash transactions appear to be in order.

b. E.N.I.C. An audit is being made covering the period during which this concern has been under the control of C.P. The Cinemas have done good business during the month of February but it will be more appropriate to refer to the financial position of the concern when the audit is finished. The advice of the Legal Division was sought on the question of E.N.I.C.'s liability for the apyment of rent in respect of Cinemas damaged by bombs or requisitioned by the Allied Forces and the opinion was given that until all material documents, at present in Rome, could be inspected and the extent of ENIC's liability determined, no payment should be made and theowners of the Cinemas in question have been so informed.

A64. Blocked Accounts. The transfer of Allied accounts pursuant

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A64. Blocked Accounts. The transfer of Allied accounts pursuant to General Order No. 6 dated 14 Nov. 1943 of A.M.G. is now practically complete and good progress has been made with the opening of ledger accounts in accordance with C.P. Accounting instruction No. 2 dated 2 December 1943. Compliance with such Instruction, having regard to the limited staff available and the number of accounts involved has been a somewhat slow process.

A65. Dissolved Fascist Organizations. Sub-liquidators for all Provinces (except Palermo) were appointed by Official Order No. 87 dated 10 February 1944 of Sicily Region. Judge Criscuoli besides being chief liquidator, is also responsible for Palermo Province. Detailed instructions have been issued to sub-liquidators as to their duties.



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POSTAL DIVISION

A66. Despatch of Mails. Since practically all railroads for civilian needs are still suspended all mails are transported by AMG courier. With this sort of service naturally the mail service is delayed and there is no regular schedule that can be followed. The possibility of using the diesel trains was considered but IBS would only agree to permitting us the use of limited transportation of the condition that an EM or OR be detailed as a guard on each train. Lack of staff did not permit this.

A67. Censorship.

a. Regarding the question of soldiers being permitted to correspond with civilians in Sicily it has been reported to us by the American APO's that they have never received authorization from AFHQ and therefore they are not allowing this service. However British APO's have received notice and we are exchanging mails with them.

b. A slight change has been made in the despatch of Vatican mail. After reaching this office Vatican mail is forwarded to the Censorship office for Censorship, after which it is despatched to AFHQ for onward despatch. Approximately five sacks of mail were despatched for this month.

A68. International Mail Service. On the 15th February the international mail service was resumed for theis land of Sicily. All mail for Sicily is concentrated at the Palermo Post Office, which was designated as the exchange office for Sicily. This Office separates and despatches the mail in accordance with a schedule furnished by Headquarters ACC. Sufficient publicity, by means of radio, press notices and public notices, was given to the resumption of this service.

A69. Personnel.

a. Investigation for the political history of Post Office officials still continue. During the past month 18 employees, mostly of the Postal Militia, were suspended from service for Fascist activities.

b. To reduce the superfluous number of post office employees, all employees hired after July 1, 1943 were dismissed, effective 1 February 1944. However since the Italian Government has taken over, they have issued instructions to Post Office Directors to rehire some of the personnel, (orphans, children of ex-employees, etc.).

working hours of Post Office employees were changed when

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c. Working hours of Post Office employees were changed when the Italian Government ordered a straight six hour day for six days and a three hour day for Sundays and holidays.

A70. Italian Military Mail. A telephone call from the Postal Officer of the Italian P M 30, Enna was received and it was his desire that all mail for Italian military personnel be forwarded first to his office and he, in turn would separate and ddspatch the mail according to the location of the units. It was agreed as being sound and logical and therefore the Inspector General was asked to notify all post offices to send all mail for military personnel to P M 30, after being censored.

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A71. Post Office Building. With post fice services being practically normal again and with the resumption of international mail service it is necessary, if the Italian Postal Service is to operate efficiently, that the Post Office Bldg., now being occupied by the Headquarters 7th Army, be returned to the Italian Post & Telegraph Administration. Without this building, which contains all the equipment and records and which was built for a post office, the postal services are handicapped and the personnel cannot give a maximum efficiency of performance.

MONUMENTS, FINE ARTS, AND ARCHIVES

A72. Palazzo Reale, Palermo. - As previously reported, the U.S. Army requisitioned the major portion of the Royal Palace as MP Headquarters on 4 February. On the night of 22 February a fire broke out in the requisitioned quarters, destroyed a series of rooms, and seriously endangered the wooden roof of the nearby Cappella Palatina. The Superintendent estimates that the cost of repairs of damage will amount to over 1 million lire.

A73. Works of Art etc. Palazzo Sclafani, Palermo. - The removal of the "Triumph of Death" fresco is progressing satisfactorily. On 24 February the Sindaco of Palermo, together with other Italian officials and Lt. Cott, witnessed the removal of the first section of the fresco from the wall.

A74. Libraries. Palermo. - The Acting Director of the Biblioteca Nazionale advises that the temporary quarters of the Library will open to the public at some time during the month of March.

ALLIED NATIONALS CAMP

A75. Personnel of Camp. The personnel of the Camp is comprised of the following Allied Nationals:

| | Living In the Camp | | | Living Without the Camp | | |
|---|---|---|---|---|---|---|
| Nationality | Men | Women | Children | Men | Women | Children |
| Yugoslavs | 69 | 9 | 5 | 19 | 13 | 4 |
| Greeks | 6 | - | - | - | - | - |
| Polish | 9 | - | - | 2 | 1 | - |
| Czechoslovaks | 5 | - | - | - | 1 | - |
| Bulgarian (friendly) | 1 | - | - | - | - | - |
| French | 2 | - | - | - | - | - |
| Total | 92 | 9 | 5 | 21 | 15 | 4 |

GRAND TOTAL - 146

Adequate provision in the way of medical attention, food clothing, shelter and recreational facilities has been made for the above.

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

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MISCELLANEOUS

A76. On the 18th of February, Heads of Divisions from Region I Headquarters were invited to meet naval officers at the U.S. Naval Club for a formal discussion of the objects and aims of Allied Military Government with its inherent problems. After a brief talk by each Head of Division on his experiences in his own field in Region I, both during the invasion and later in the administration of Sicily, questions were invited. Many points of interest to the Naval Forces were discussed and a basis for a better understanding of AMG and ACC activities was established. An exchange of views in a most friendly atmosphere lasting over 3 hours was benefecial to all concerned. The opportunity presented by the invitation was much appreciated. It is suggested that



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the idea might usefully be continued by similar informal talks with Navy and Army personnel, both here and in other Regions in the mainland.

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10 MAR Recd

ALLIED CONTROL COMMISSION
SICILY REGION HEADQUARTERS
APO 394

19 February 1944

FILE-REC 319.1

SUBJECT: Appendices "A" and "B" for Monthly Report of January 1944.

TO : Executive Officer, R.C. & M.G. Section, A.C.C.H.Q.

1. Attached are 5 sets of Appendices "A" and "B" (Official Orders and Numbered Memoranda issued January 1944 this Headquarters).

A. N. HANCOCK
Lt. Colonel
Regional Commissioner

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ALLIED CONTROL COMMISSION
SICILY REGION HEADQUARTERS

REGION I (SICILY)

Report for January 1944

ADMINISTRATION

A1. The administration of the Region during January, 1944 was directed towards the object of placing all activities on such a basis that an easy turn-over to the Italian administration would be possible. More responsibility was placed on Italian officials and more work directed through Italian channels.

A2. Every endeavour was made to clear up all outstanding changes considered necessary for the effective administration of the Island. The work necessitated the issue in January of nearly 50 Official Orders as compared with 69 issued between the activation of the Region on 24 October 1943 and 31 December 1943.

A3. The removal of 56 American officers on 27 January for assignment elsewhere necessitated some considerable changes of personnel, and these changes were made with a view to a final reduction to approximately 110 officers who will act in an advisory and supervisory capacity after the hand-over to the Italian Government.

A4. On 24 January, instructions were issued bringing the islands of Lampeduse and Pantelleria under the Provinces of Agrigento and Trapani respectively, on which they previously depended. One C.A.O. was left in each island to act under the direction of the S.C.A.O. of the Province concerned. The other officers concerned were drawn into Headquarters.

A5. Owing to certain orders received by Italian officials directly from the Italian Government on the mainland, it was necessary to issue Memorandum No. 4 calling attention to the fact that the governmental control of Sicily was still under A.M.G. and that orders received from other sources could not be effective without prior ratification by A.M.G.

POLITICAL DEVELOPMENT

A6. The issue of Order No. 46, relative to the freedom of meeting for political parties, did not give rise to as much activity as might have been expected. The Free Sicily movement is declining in power, and while there is an antipathy to the King and lack of confidence in the Badoglio government, there is no organized movement in this direction. Small Communist party meetings have been held. This movement is not strong. Activity in Palermo Province can be cited as an

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through Italian channels.

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A5. Owing to certain orders received by Italian officials directly from the Italian Government on the mainland, it was necessary to issue Memorandum No. 4 calling attention to the fact that the governmental control of Sicily was still under A.M.G. and that orders received from other sources could not be effective without prior ratification by A.M.G.

POLITICAL DEVELOPMENT

A6. The issue of Order No. 46, relative to the freedom of meeting for political parties, did not give rise to as much activity as might have been expected. The Free Sicily movement is declining in power, and while there is an antipathy to the King and lack of confidence in the Badoglio government, there is no organized movement in this direction. Small Communist party meetings have been held. This movement is not strong. Activity in Palermo Province can be cited as an example of public apathy towards political meetings. There are 10 so-called political parties in this Province, seven of which have held meetings. The attendance was negligible. Only in the case of the Communist and Free Sicily meetings was any interest evinced, about 1000 persons attending in each case.

A7. The convention of Italian officials at Bari on 29 January was attended by about 30 representatives from Sicily. The speeches of Benedetto Croce and Count Sforza were reported in the papers here. It is widely known on the island that Prefect Musotto of Palermo Province will become High Commissioner for Sicily when the hand-over takes place. This fact is very favourably received by all parties and sections of the population.

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PRESS AND PUBLIC RELATIONS

A8. The continued shortage of newsprint in Sicily did not permit any increase in the number of authorized newspapers, which remains at three. Representations for further supplies were made by P.W.B. and some arrived, but as a definite amount was not assured each month, it was not considered advisable to press for further issues of newspapers which would probably have to cease publication in the near future owing to lack of supplies. It is understood that the Allied Publications Board is now functioning at Bari, but so far no directives have been received concerning regulations under which newspapers or publications will be approved.

A9. In furtherence of the policy of making the accomplishments of A.M.G. known to all Italians, a series of broadcasts was arranged to be delivered over the Palermo Radio, called "Talks to the People". The series was started by the R.C.A.G. with a general statement on the objects of the talks and a recapitulation of what had been done by A.M.G. for the Sicilians. The significance of the order granting political liberties was described. It was described and emphasized that now that Sicily was being quickly rehabilitated, it was necessary for them to realize that a war was still being fought and that sacrifices on their part were still required.

The series continued with a talk by an Italian official on a specific subject, dealing with conditions before the occupation, followed immediately by a discourse by an A.M.G. official on what has been accomplished since the occupation. Subjects dealt with were Supply and Economics, Finance, Welfare, and Education. In the near future, the series will be continued with talks on Labor, Law, and Tobacco. Prior announcements are made on the radio to insure a listening public, and the main objects of the dual talks are to emphasize the position in Sicily before and after the Allied occupation.

PUBLIC SAFETY AND LAW ENFORCEMENT

A10. Crime. The crime figures continued to be high but there was a noticeable decrease when compared with December 1943. Available records give the following figures:

| | December '43 | January '44 |
|---|---|---|
| Murders | 33 | 25 |
| Robberies | 204 | 92 |

Every effort was made by the various Police Agencies, although the lack of transport and communications were retarding factors, particularly as most of the serious crimes occurred in rural areas.

A11. Forgery. There were 130 cases of forging and uttering of

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A11. Forgery. There were 130 cases of forging and uttering of Allied Military Currency brought to notice from the date of invasion to 31 December 1943. In 127 cases the denomination had been altered by the addition of "0". The remaining 3 had the figures materially altered. The total original value of the forged notes was £ 4165 and the forged values was £ 42,630. The £ 50 note was used in 67 cases and £ 1 in 52 cases. There were several arrests during the month for forgery of ration books.

A12. Black Market. Police were very active in the detection of Black Market offenses and many cases of possession of Allied Military property have also been dealt with. Road blocks were continued to prevent the unlawful transport of food stuffs for sale through the Black Market. These were not very fruitful but acted as a deterrent.

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A13. Disturbances. Disturbances were rare and only one serious incident occurred at Caltagirone, Catania on 25 January 1944. The reason or excuse for the disturbance is believed to have been to protest against the low bread ration and the payment of certain taxes. About 50 persons forced their way into the Municipio where they burned a few papers, but order was soon restored.

A14. Security. Personnel investigation continued as follows:

| | |
|---|---|
| Schede Personale forms received from Provinces and Divisions of Region I | 700 |
| Cases pending or awaiting completion of investigation | 383 |
| Personnel retained | 253 |
| Personnel dismissed | 62 |
| Personnel interned | 2 |

A15. Firearms. Some shotguns were returned to landowners and farmers for protection of their property but few permits for sidearms were given

A16. Police Agencies. The various agencies improved in morale and efficiency. A recruiting program was put into operation and with personnel received from the mainland the strength of the forces is being built up to the required level.

Uniforms, boots, equipment, and transportation are still an urgent need.

A17. Prisons. The system of administration under a Chief Director and Provincial Directors continued to function satisfactorily. The number of Political Internees confined in the Children's Home, Palermo, decreased and the Home is gradually reverting to its proper purpose. The juveniles are receiving education which includes instruction in handicraft and a sports section has been started under a suitable instructor. The Chief Director has taken a great deal of interest in the Home and it is anticipated that there will be a great improvement in the lot of the juvenile prisoner. Prison labour continued but was hampered by lack of raw materials necessary in the manufacture of the various articles.

A18. Fire Department. This continued to improve but there was an acute lack of equipment, and spare parts are difficult to obtain. Fortunately the fire risk is low and no serious fire occurred. The services of the department have been utilized on buildings which collapsed as the result of bomb damage.

A19. Control of Aliens. The Italian system of registration and control of aliens was re-established in the Region in accordance with A.F.H.Q. order dated 5 December 1943.

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FINANCIAL DIVISION.

A.20 - Public Finances - Revenues and Expenditures.

a. The income and expenditure accounts of the State, Provinces and Communes in Sicily Region indicated a substantial increase in revenues for state account in December compared with the proceding month. For better comparison, October and December revenues are given, as each is a bimestral period for collection of Direct Taxation, which November is not.

1. State revenue receipts by Provinces

| | Oct. 1943 | Dec. 1943 |
|---|---|---|
| | (in thousands of lire) | |
| Agrigento | 5,831 | 6,114 |
| Caltanissetta | 3,242 | 4,038 |
| Catania | 8,049 | 16,096 |
| Enna | 3,512 | 4,090 |
| Messina | 447 | 7,280 |
| Palermo | 19,068 | 30,824 |
| Ragusa | 3,483 | 4,536 |
| Trapani | 4,786 | 6,204 |
| Totals | 55,670 | 86,577 |

2. State revenue receipts by Revenue Headings.

| | | | |
|---|---|---|---|
| I. | Imposte Produzione | 2,072 | 2,831 |
| II. | Dogane | 1,664 | 400 |
| III. | Finance Locali | 6 | 91 |
| IV. | Monopoli | nil | 2,829 |
| V. | Lotto | nil | 783 |
| VI. | Imposte Dirette | 36,191 | 52,626 |
| VII. | Demanio | 41 | 43 |
| VIII. | Imposte sugli affari | 13,309 | 25,405 |
| IX. | Provvedimento | 64 | 193 |
| X. | Tesoro | 2,297 | 1,293 |
| XI. | Giustizia | - | 20 |
| XII. | Affari Esteri | - | - |
| XIII. | Educazione Nazionale | 8 | 3 |
| XIV. | Interno | - | 1 |
| XV. | Commission | - | - |
| XVI. | Aeronautica | - | - |
| XVII. | Agricoltura e Foreste | 14 | 52 |
| | Totals | L.55,670 | L.86,577 |

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b; Expenditure figures require more extended analysis that it has been possible to make before clear conclusions can be drawn as to the trends of the deficits of the State, provinces and communes. As has been explained in previous reports the system of advance to state bodies, provinces and communes through Finance Officers, who held large amounts of AMG funds in the field, has led to a delay in allocating AMG advances both as the class of recipient and as to the monthly period to the advances should be charged. One of the purposes of the new expenditure control system inaugurated for December as to communes and provinces, and for January as to state bodies, is to bring about a prompt allocation of funds

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advanced by AMG. As will be seen in the sections dealing with AMFA and Accounting much progress has been made in this direction. It will be possible henceforth to report each month with fair accuracy the amounts of AMG advances made each month for account of state bodies, provinces and communes. It will then be possible to keep track of the deficit requirements as indicated by requests for funds from AMG. A study of the AMFA balance sheet for the end of January reveals the following totals of

ADVANCES (allocated up to end of January 1944)

| | | |
|---|---|---|
| To Italian Armed Forces..... | L. | 10,100,000 |
| To Italian State bodies (including Financial Institutions of the State, e.g. Post Offices, Social Insurance institutions, etc.)..... | L. | 1,499,057,671 |
| To Provinces..... | | 364,558,220 |
| To Communes..... | | 704,390,889 |

With the exception of advances to the Post Office savings, current accounts and money order departments, and possibly some other items, the above advances to state bodies represent the coverage of deficits of expenditures over revenues; and in the case of their entirety. All relate to the full period since occupation, that is over six months for all the provinces except Messina. It should be noted that the increases in salaries of civil servants took effect as of November 1, that is it includes the three months ended January 31. The total of the advances listed above is Lire 2,400,000,000 approximately ( after deducting 169,000,000 Lire advanced to the Postal system) or an average monthly deficit for Sicily Region of about Lire 400,000,000. In comparison with this, it may be stated that AMFA's accounting report indicates a total of deficits financed forthe month of December of Lire 609,000,000. In general it is believed that analysis will show decreasing deficits in the communes and provinces but an increasing deficit in the State bodies in the aggregate. A more complete operation of the State Railways on a commercial basis, resumption of customs operations, more normal activity in the State Monopolies and the Post Offices ( including reopening of the Telegraph system), and a continuation of the betterment in the collection of state revenues must be developed if the deficit of the state bodies is to be reduced. Some cuts in personnel have been made, but undoubtedly there is much room for paring of the costs of government at all levels. Few officials in Sicily have evinced the desire or courage to effect economies. Rather the tendency has been in favor of increases in salaries, and, more recently in favor of increases in pensions and other emoluments.

c. The system od expenditure control has come into full operation. Any administration difficulties encountered so far have been in the nature of " growing pains," but the volume of work in the aggregate is

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c. The system od expenditure control has come into full operation. Any administration difficulties encountered so far have been in the nature of " growing pains," but the vomume of work in the aggregate is too great to afford more than a superficial check on figures produced. Forms CRO-7 (budgets) and CRO-8 (requests for funds) of communes and provinces, and CRO-9 (requests for funds) of State bodies pour into Headquarters in increasing numbers. The following figures will illustrate:



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| ADVANCES approved for | | January | February |
|---|---|---|---|
| Communes | Total number in Region | 353 | 353 |
| | CRC-7 received | 281 | 297 |
| | approved advances | 123 | 148 |
| | Amount advances | L. 20,071,597 | L. 31,007,227 |
| | Previously advanced | 25,599,048 | 5,684,627 |
| | Total for month to date | L. 45,670,645 | L. 36,691,854 |
| Provinces | Total in Region | 9 | 9 |
| | Provinces sending requests | 8 | 5 |
| | Amount advanced | L. 15,718,000 | L. 11,268,000 |
| | Previously advanced | 7,168,000 | - - |
| | Total for month to date | L. 22,886,000 | L. 11,268,000 |
| State bodies | Other than E.C.A. | L.297,941,600 | L.265,414,751 |
| | E.C.A. (relief) | 104,109,104 | 112,564,747 |
| | Total for month to date | 402,050,704 | 377,979,498 |

The total advances approved for the Region for the month of January, Lire 470,607,349, may be compared with the average monthly deficit financed to date, L. 400,000,000, and the deficit financed for the month of December, L. 609,000,000, mentioned in paragraph 2. If a conclusion may be drawn from these figures, it is that expenditure control is already having the effect of reducing the demands for funds from AMG.

Finance officers in the field have been instructed to take a very critical attitude towards the requests for funds. Other Divisions at Headquarters are cooperating in reviewing such requests as come within their special branches, although, like Finance Division, Division Chiefs do not have sufficient staff for close examination of detailed financial statements. The greater part of the expenditures consists of salaries and wages. As has been previously stated, a constant pressure is kept up by civil servants for increases. Claims for payment of the "thirteenth month's salary " or fiftythird week's bonus" have been disallowed by us. Subsequently, after examination by Labor and Legal Divisions a Regional Order was issued permitting payment of these items wherever a collective labor contract dated prior to September 1, 1942 was in force and specified such payment. Another factor which has caused many difficulties is the structure of special indennita' and other supplements to salary (3[illegible] different kinds have been identified [illegible] that only those which

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| | | | |
|---|---|---|---|
| | for month to date | L. 45,670,645 | L. 36,691,834 |
| Provinces | Total in Region | 9 | 9 |
| | Provinces sending requests | 8 | 5 |
| | Amount advanced | L. 15,718,000 | L. 11,268,000 |
| | Previously advanced | 7,168,000 | - - |
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d. In order to deal more satisfactorily with the volume of control and revenue work, and in anticipation of the entry of Italian officials in this aerea, a small Italian staff has been attached, comprising one Vice- Intendente (on detached duty), a ragioniere Capo (supernumerary of a local office), and one typist-clerk of the Guardia di Financa. A secretary is now being sought from the Italian Civil service staffs in the Island. A member of the Avvocatura de Stato is assisting when required. Another civilian assistant maintains liaison with Tobacco Monopoly, but the monopoly committee previously established has been dissoved in the interest of better administration. The compartimental Inspector is temporary chief for the entire island, and the Monopoly is functioning as formerly.

e. Imposte Produzione e Fabbricazione. Dicision is still awaited from AMG HQ on the trade proposals for re-establishment of the wine distilling industry. The needs of the Army for alcohol for various purposes furnish another reason for prompt action in reactivating this industry.

f. Customs. Directives are still awaited from AMG HQ on the subject of customs duties in general, as mentioned in last month's Report.

g. The Lotto has been recommenced in Messina, Trapani and Caltanissetta, in addition to Palermo. Total receipts to date are Lire 3,523,250, total winnings Lire 3,621,139, showing a deficit to end of January of L. 97,690. This was due to the occurrence of a " popular win " for the week ended January 15 when the numbers 31 and 47 "came up." This had not occurred since 1938, and is undoubtedly a transitory matter. Resultant publicity has boosted weekly intake from 154,701 Lire in the first of operations to 568,146 for the week ended January 29.

h. Imposte Dirette. The last Report of this Division mentioned the clamor on the part of Esattori for an increase of the "aggio" (commission). This question is being taken up with the Undersecretary of Finance. The drawing of the line at December 31 for revocation of the "tolleranze" has elicited requests for the determination of the uncollectible items on the tax rolls, and these are being dealt with on their merits. Meanwhile, the position of the Esattore (tax collector) is acute and either the aggio or the rates of taxation must be increased, otherwise the tax-collection system is liable to complete collapse.

i. Tobacco Monopoly. Total sales for January were L. 13,432,737 for Palermo Deposito. Reports from Catania and Messina have not yet been received. The Italian Government has raised prices of Monopoly products (Gazzetta Ufficiale No. 6/8).

Comparison of prices in Sicily and Italy.

| | Sicily | Italy |
|---|---|---|
| Tabacchi da fiuto-superiori, Kg. | L 200 | L 240 |

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Comparison of prices in Sicily and Italy.

| | | Sicily | Italy |
|---|---|---|---|
| Tabacchi da fiuto-superiori, | Kg. | L. 200 | L. 240 |
| Trinciati- Spuntature | " | 360 | 360 |
| Sigari- Toscani | " | 600 | 400 |
| Sigaretti- Roma | " | 500 | 320 |
| Sigarette- Giuba | " | 1000 | 1100 |
| Macedonia | " | 800 | 800 |

In view of the fact that differences are not too accentuated, and that Sicily has been catered for, no action has been taken to change prices in Sicily.

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c. The Compartimental Inspector has raised the question of the manufacture of matches, in view of the great scarcity on the island. His plan involves commercial interests, supply of material from the mainland, etc., and is a long term project which should wait the decision of the Italian Government.

j. With the approval of ACC-AMG HQ., an order was issued during the month authorizing allpublic offices in Sicily to increase the indennità di missione, di pernottazione and di trasferta(travel expense allowancesby 70%. This wasdone in response to an urgent demand by public officials, supported by the contention that officials could not afford to travel on government service onexisting schedule of payment.

k. Our policy as regards the pre-occupation debts of the various state, provincial and communal bodies remains unaltered, viz., that for the present payment of such debts is in general not authorized. Consideration is fiven to special cases where payment is justified by good reasons, but actually very few approvals have been given. The service of municipal bond issues and repayment by communes and provinces of tax anticipation loans are still held in suspense. Reports have been requested of the amounts of such obligations outstanding, but full information covering the whole island is not yet available. From reports on hand it is evident that all through the island there was a growing arrearage, amny entities having debts of all kinds dating back as far as three or four years even for such things as supplies, rent, etc. To agree to the cleaning up of such arrearages with AMG funds would be to say the least unwise.

l. Further information received from the Polizia Tributaria Investigativa indicates that for the months of December-January 260 cases of tax evasion were discovered and a total of L 777,113 of revenues collected which would have been lostto the state but for the work of this organization. Cases will be processed and the maximum fines involved total L 5,700,000.

m. During the month an order was issued calling on communes to pay the per-capita tax due to the Corpi Vigili del Fuoco (Firemen).

n. In order to review the functioning of the various financial organisms throughout the island, a meeting of the Intendenti di Finanza of all the provinces of Sicily was called for February 9, in conjunction with the meeting of all Provincial Finance Officers on February 8.

o. An instruction has been received from ACC-AMG HQ that the payment of Sussidi Militari should be resumed. This was based on families of prisoners of war were destitute. We have advised Headquarters that communal relief, in excess of the relief authorized under the Sussidi Militari system, has been available all along to all

...payment.

k. Our policy as regards the pre-occupation debts of the various state, provincial and communal bodies remains unaltered, viz., that for the present payment of such debts is in general not authorized. Consideration is given to special cases where payment is justified by good reasons, but actually very few approvals have been given. The service of municipal bond issues and repayment by communes and provinces of tax anticipation loans are still held in suspense. Reports have been requested of the amounts of such obligations outstanding, but full information covering the whole island is not yet available. From reports on hand it is evident that all through the island there was a growing arrearage, many entities having debts of all kinds dating back as far as three or four years even for such things as supplies, rent, etc. To agree to the cleaning up of such arrearages with AMG funds would be to say the least unwise.

l. Further information received from the Polizia Tributaria Investigativa indicates that for the months of December-January 260 cases of tax evasion were discovered and a total of L 777,113 of revenues collected which would have been lostto the state but for the work of this organization. Cases will be processed and the maximum fines involved total L 5,700,000.

m. During the month an order was issued calling on communes to pay the per-capita tax due to the Corpi Vigili del Fuoco (Firemen).

n. In order to review the functioning of the various financial organisms throughout the island, a meeting of the Intendenti di Finanza of all the provinces of Sicily was called for February 9, in conjunction with the meeting of all Provincial Finance Officers on February 8.

o. An instruction has been received from ACC-AMG HQ that the payment of Sussidi Militari should be resumed. This was based on families of prisoners of war were destitute. We have advised Headquarters that communal relief, in excess of the relief authorized under the Sussidi Militari system, has been available all along to all families of Italians in the armed services and interned as prisoners; and have pointed out that the complaints are coming actually from families of officers to who the Sussidi Militari payments do no apply. Such families claim that communal relief, even the maximum authorized (25 and 5 lire per day), is not sufficient; obviously, even Sussidi Militari if applicable to them would be insufficient. We have requested Headquarters to give us instructions.

5636

Declassified E.O. 12356 Section 3.3/NND No. 785012

Agitation for increases in pensions of retired civil servants and army and navy personnel is becoming more and more active in the island. The question was discussed by me with HQ ACC AMG and the latter's decision was negative, with the suggestion that families depend on pensions for living may, if such income is insufficient, apply for communal relief. This suggestion will be passed on the Finance Officers in the field. Meanwhile it is understood that Labor Division at Headquarters is considering the same question and is disposed to approve increases.

P. As noted in last month's Report, the Italian Government, with the full accord of ACC AMG H.Q., ordered the resumption of payments of interest on the Government obligations and the redemption of Ordinary Treasury Bonds matured and to mature. The Treasury Sections of Banca d'Italia resumed such payments as of January 1, 1944 in all the provinces of Sicily. By the same order of the Government, they also resumed the issuance of new Ordinary Treasury Bonds of the Government

Banca d'Italia reports the following:

Ordinary Treasury Bonds issued.

| | |
|---|---|
| By Palermo branch, up to January 31 | L 170,335,000 |
| By all other Sicilian branches, to Jan. 20 | 103,436,500 |
| | 273,771,500 |

Ordinary Treasury Bonds redeemed.

| | |
|---|---|
| By Palermo branch, up to January 31 | 56,403,500 |
| By all other Sicilian branches, to Jan. 20 | 121,139,500 |
| | 177,543,000 |

Difference, i.e. excess of cash inflow over outflow 96,228,500.

Figures showing payments by the Treasury Sections on account of interest on the Government debt are not available except for the Palermo branch, which up to December 31 paid out L 16,034,631.

Redemptions of the Nine Year 4% Bonds which matured December 15, 1943, are reported by Banca d'Italia Treasury Sections as follows: Palermo office, up to January 31, 1944..L 3,880,000
All other Sicilian branches, To Jan. 20 7,656,500
Total 11,536,500
This total compares with an estimated amount of approximately 54,000,000 Lire of such bonds outstanding in Sicily.

Q. Though subscriptions were late in getting started (the bulk of the purchases of Ord. Treas. Bonds by the Palermo banks took place in the last ten days of the month), it is expected that a substantial amount of new money can be raised for Government account through the sales of Ordinary Treasury Bonds, which can be purchased for maturities of three, six, nine or twelve months at rates of interest of 3.75 to 5.00%. Bonds may be purchased at any time and are dated on the day of purchase

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

Treasury Bonds matured and to mature. The Treasury Sections of Banca d'Italia resumed such payments as of January 1, 1944 in all the provinces of Sicily. By the same order of the Government, they also resumed the issuance of new Ordinary Treasury Bonds of the Government

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As a result of increases of Government revenue from this source it is expected that demands for funds from AMGOT for state expenditures should diminish, or disappear. As previously noted, under the system of expenditure control, the Treasury Sections of Banca d'Italia are advised on forms CRO-10 of what expenditures of state bodies they may pay; thereupon the Treasury Sections inform AMG of what revenues are available to meet such expenditures and request AMG funds to make up the fedicit. The proceeds of sales of bonds will now be available to meet such expenditures, and will be reported by the Treasury Sections jointly with revenues available.



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

A21 GENERAL FINANCIAL MATTERS

a. In recent weeks numerous petitions have been received from property owners for authority to increase rents. It is contended by them that tenants are subletting in many cases at several times the stipulated rent. We have refused to grant such authority.

b. The CFO attended a Conference on Prices at AMG-ACC. HQ. from December 27 to 30. As this conference was preliminary to further discussions at higher levels, from which instructions are expected, no comment can properly be made here at this time.

c. As shown below in the AMFA balance sheet, the amounts advanced to pay for exports from Sicily have grown considerably. On the other hand, sums collected by Economics and Supply Division from sales of commodities brought into the island by AMG have also mounted.

d. The plan to set up a system of Personal Remittances from the United Kingdom and United States has been completed. Banco di Sicilia has agreed to act as paying bank in Sicily, and has appointed a group of banks in the US to act as remitting banks. For the UK the Bank of England will centralize remittances. To avoid excess lire payments, a limit of 100 dollars or 25 pounds per household every three months has been set. Banco di Sicilia will furnish to the relief authorities in each commune lists of people receiving remittances so that relief payments may thereby be regulated or eliminated. It is expected that the system will begin soon. AMFA will handle the receipt of lists from the US and UK, passing them on to Banco di Sicilia. The resultant dollars and sterling will be carried by Banco di Sicilia for account of AMFA, which will supply the corresponding lire required for payments here.

e. The foregoing arrangements were worked out with ACC AMG HQ by the CFO on a recent trip, and at the same time details were laid out for procedure for AMG extending aid to American and British nationals in Sicily who are destitute. Instructions have been sent to Finance Officers in the field, accompanied by a form of receipt which the recipient will sign, by which the latter acknowledges the obligation to repay the advance in dollars or sterling at the existing rate of exchange. Full details are to be given on the receipt as to the recipients relatives, employers, bank, etc., in his or her home country, from whom payment might be expected.

f. The CFO also brought up again at Headquarters the need of re-

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[illegible] at higher levels, from which instructions are expected, no comment can properly be made here at this time.

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f. The CFO also brought up again at Headquarters the need of re-establishing a procedure for the remittance of pensions and other official payments from the US Government to residents in Sicily. Many such exist and numerous inquiries have been received from people whose payments have been suspended since Italy entered the war. Headquarters advise that Washington is working on the matter.

g. The CFO attended a meeting of the Island Base Resources Board for the purpose of discussing AFHQ Administrative Memorandum No.95 of 27 December 1943 on "Payments in Italian Territory"

which was presented by officers of Island I e Section. This memorandum has not yet been as yet officially communicated to Financial Division by ACC-AMG Hq, so the discussion was informal as far as Financial Division is concerned.

A22. Banking.

a. Relations with Banca d'Italia were conducted through the Chief Inspector for the island, Sig. Testa until his departure for Brindisi for conferences with Colonel Jung, and since then with Director Moccia of the Palermo branch. With reference to loan operations of banks with Banca d'Italia, on instructions from Headquarters we advised the Bank that effective January 5 the price of all Government bonds for valuation as collateral is set at par, or nominal, value, with a maximum margin of 30% of par; in otherwords the Bank is obliged to lend at least 70% of the par value of Government obligations pledged. Deposits by banks with Banca d'Italia have been increasing, as indicated by the cash position mentioned above. Loans to banks have been dropping, as would be expected under present conditions. AMFA's deposit of 150,000,000, reduced to 135,000,000 Lire has remained steady at the latter figure. The Banca d'Italia's operations are proceeding smoothly on its banking side. The functions of the Bank as Treasury Section for the state is fully commented upon above.

b. Banco di Sicilia continues to lend its cooperation efficiently as depositary for various AMFA accounts. Its acceptance of the function of paying bank in the proposed system of Personal Remittances from U.K. and U.S. is described above. During the month the question was again raised as to the advisability of filling the posts vacant on the board of the bank. Recommendations were made by the Bank's management and by the state authorities in Palermo, and two new members of the board of directors were appointed by official order of Sicily Region Headquarters, one of these being recommended by the bank and the local authorities and the other by the local authorities of the state in Palermo.
A number of letters have been received from different parts of the island, mostly from groups of employees of the bank, pleading to AMG that Banco di Sicilia be restored its former note issue powers. The answer given to those communications which appeared to merit one was that this is a question which must be left for higher levels to settle.

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c. As previously reported, Banco di Sicilia has been negotiating with Società Generale Elettrica di Sicilia for the granting of loans to the latter under the Italian Government guarantee. The Director of SGES has not yet closed a definite deal, as he still holds out the hope that he may be able to obtain funds from the Italian Government as a war damage grant, and in any case is holding out for full payment of interest by the Government on any loans made. The Director has given assurance that the program of restoration of properties as outlined by AMG Public Utility officers is not being retarded by these dilatory financial tactics.



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d. Early in the month, Dr. Capuano, General Director of Banco di Sicilia informed us that the Societa' Trasporti Siciliana (Filobus) had applied for a loan under Colonel Jung's program, and requested permission to write directly to the latter for permission to proceed with it. Permission was given.

e. The question of appointing directors to fill vacancies on the board of Cassa di Risparmio was also raised during the month. A list of names suggested by the management has been submitted to Regional Headquarters.

f. Some of the banks have stated that there is a revival of applications for real estate loans. Under Proclamation No. 5 real estate transfers are not permitted except by special AMG approval. Such approval must be sought from the Legal Division, and it is intended not to give it except in cases of judicial or inheritance or other necessary transfers of similar nature.

g. In response to request, there were forwarded to ACC-AMG HQ a condensed statement of the Banca d'Italia as of December 31, 1943 and an amalgamated statement of the other principal banks as of November 30, 1943. Statements in preparation to be forwarded later include a condensed statement of Banco di Sicilia by provinces, a similar statement of all other banks by provinces, a statement of all banks as of date of occupation, etc.

h. The Blocked Accounts Officers received 53 applications for specific licenses during the month. Of these, 40 licenses were issued. The amounts involved were generally small. The opening of safe deposit boxes is still being attended in accordance with instructions. A tabulation submitted to ACC-AMG HQ shows a total of 1972 blocked accounts (many involving the same organisation in various provinces) with a total of Lire 342,000,000.

i. Postal Financial matters. Supervision of the financial operations of the Postal-Telegraph system continues with close contacts with the Chief Inspector of the department for Sicily through whom all dealings are carried on for the whole system on the island. In the Postal Savings sections withdrawals up to January 15 totalled L. 79,735,825 - deposits up to January 15 totalled L. 24,972,978 for all post offices in Sicily which have reported to date.

The Current Accounts section of the Postal-Telegraph system shows for the period ended January 15 withdrawals of L. 43,143,114- deposits of L. 33,467,550, for all the post offices in Sicily which have reported to date.

Money Order operations show intake of funds by all reporting Sicilian post offices of L. 18,557,402 and outflow of funds of L. 22,680,937 for the period up to January 15.

j. To enable the Postal system to meet its financial committments, there have been advanced by AMFA sums totalling to date L. 169,000,000. Upon the resumption of the sale of Postal Savings Bonds the inflow of funds should eventually permit the Postal System to repay such sums to AMFA. This matter is in the hands of ACC-AMG HQ and it is expected that instructions will be issued soon authorizing the Post offices to resume sale of the bonds. Evidence has been received from a substantial number of communications from all over Sicily that there is a strong public demand. As far as [illegible] stands in the way of an immediate resumption of

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A23 Insurance

a. Istituto di Previdenza Sociale is conducting its operations satisfactorily, both as to its collections of premiums and as to its payments of the various benefits. Advances to AMG funds to this institution in January were L. 21,329,000. Total advances to date are L. 164,788,000.



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b. Istituto d'Assicurazione Contro gli Infortuni sul Lavoro continues to function without requesting any advances of AMG funds. January operations show a deficit of L. 2,25[illegible],000, which is more than covered by cash in banks of L. 4,864,000. Benefits as well as contributions are being in full.

c. Ente di Previdenza ed Assistenza per i Dipendenti Statali. The three offices of this institution operating in Sicily, located in Palermo, Catania and Messina, have been reactivated. All benefits are being paid, but contributions, which are derived from State agencies, are far below normal. Total advances to the three branches to date are L 1,3[illegible],35[illegible].

d. Workmen's Compensation for Civilian Employees of AMG. The arrangements made are working smoothly. Only a few claims have been presented.

e. Istituto per l'Assistenza di Malattie ai Lavoratori. The four institutions which have been merged into this concern are working successfully. Total advances from AMG to date are L, 066,747.

f. Private Insurance. The situation continues fundamentally unchanged. Many requests come in from agencies for instructions. Our policy is that while General Order No. 10 permits operations, it is our advice that life insurance premiums may continue to be collected but that general accident business should be held in suspense. Agents in Sicily complain that private insurance companies are operating in Regions II and III with the approval of AMG. We await theinstructions of ACC-AMG Hq., the officers of which are familiar with the situation in Sicily.

g. Marittima Meridionale, Napoli. We have been approached by people who have in the past received pensionsand other benefits from this organisation and have asked ACC-AMG Hq information and instructions.

A24 AMFA and Currency

a. The following is summarized from the Report of AMFA Palermo to AMFA Hq.

b. Statement of Assets and Liabilities at close of Business 31 January 44.

1. Assets (in thousands of Lire)

| | | | |
|---|---|---|---|
| Cash on hand and in banks | | | L.1,528,393 |
| Funds deposited by banks with AMFA | | | 210,778 |
| Funds held by Accounting Officers in the field | | | 342,711 |
| AM Stamps (including 20,23[illegible],000 delivered to Post Office) | | | 86,714 |
| Payments for account of Economics and Supply Division | | | 69,676 |
| Advances: To Italian Armed Forces | | 10,100 | |
| To Italian State Treasury and State institutions | | 1,499,057 | |
| To Provinces | | 364,558 | |
| To Communes | | 704,390 | |
| To Others | | 4,713 | 2,582,820 |
| Loans: To banks | 212,267 | | |
| To others | 502 | | 212,769 |
| AMFA HQ General Account | | | 5,033,863 |
| Payments on Account of Occupation costs (To American and British Armies and Navies and to other Allied Forces) | | | 7,914,005 |

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| To Others | 4,713 | | 2,582,820 |
| Loans: To banks | 212,267 | | |
| To others | 502 | | 212,769 |
| AMFA HQ General Account | | | 5,033,863 |
| Payments on Account of Occupation costs (To American and British Armies and Navies and to other Allied Forces) | | | 7,918,005 |
| | | | 12,947,868 |

2. Liabilities

| | |
|---|---|
| Deposits by AMG Divisions | 61,068 |
| Funds obtained from Banks and others by accounting officers in the field | 11,445 |
| Deposits: By Banks | 210,778 |
| By Controller of Property | 11,500 |
| Receipts for Account of AMG Economics and Supply Division | 45,894 |
| New AM Stamp Account | 12,520,467 |
| | 12,947,806 |

b. Provincial and Communal deficits, Advances to Italian State Treasury and to State Institutions as charged for the month of December are approximately as follows:

| | | |
|---|---|---|
| Change during the month of December in the item "Advances" from the statement (excluding "Advances to Others") .....In thousands of Lire | | 668,342 |
| Plus the amount reclassified in January from "Funds Held by Accounting Officers in the Field" to "Advances" representing Advances extended in December ..... | | 341,237 |
| Total | | 1,009,579 |
| Minus the amount reclassified in December from Funds held by Accounting Officers in the field to "Advances" representing Advances extended before Dec. | | 400,392 |
| Total Public Deficits financed by AMFA Palermo in the month of December ..... | | 609,187 |

c. Loan Policy. As previously noted credits granted by AMFA to banks expired December 31, 1943. The provision in the balance sheet against unutilised credits was transferred to "Cash on hand and in Banks" and no longer appears. During January the loan to banks decreased from 556 million to 212 million Lire. These loans are due for repayment in three installments at the end of January, February and March.

d. AMFA's deposit with Banca d'Italia stood during the month at 135,000,000 Lire. Recommendation has been made to Headquarters to permit the deposit of additional amounts, especially from the huge store of small notes. This matter is being investigated, particularly from the point of view of available facilities at Banca d'Italia.

e. Amounts paid to the Armed Forces during January were as follows:

| | |
|---|---|
| US Army .....Lire | 103,800,000 |
| US Navy ..... | 19,608,000 |
| British Army ..... | 344,000,000 |
| " " BMA Notes | 49,600,000 |
| French Army ..... | 184,000,000 |
| Italian Army ..... | nil |
| " Navy ..... | 4,000,000 |

f. AMFA's advances to the Postal Telegraph system and the Social Insurance institutions are mentioned above, as are also its advances for payment of exports via Economics & Supply Division and its receipts from sale of imported goods. A report of gold, foreign currencies, foreign securities and other foreign assets held in custody has been forwarded to headquarters. The function of AMFA in connection with the procedure set up for Personal Remittances from US and UK, and with the arrangements for making advances in aid to destitute nationals of the US and US, has also been detailed above.

g. New AM Lire were received during January in the amount of Lire 544,000,000. A shipment of 462 boxes of new AM Lire notes consigned to AMFA HQ had to be unloaded at Palermo and has been taken into custody temporarily by AMFA Palermo, pending transhipment to Headquarters later. The matter of AMFA's storage facilities in Palermo is one which should receive Headquarter's urgent attention. It is agreed here that the temporary arrangements which has been used until the present should be terminated and the notes either shipped elsewhere or deposited regularly in banks.

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Total Public Deficits financed by AMFA Palermo in the month of December ..... 609,187

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| British Army ..... | | 344,000,000 |
| " " BMA Notes | | 49,600,000 |
| French Army ..... | | 156,000,000 |
| Italian Army ..... | | nil |
| " Navy ..... | | 4,000,000 |

f. AMFA's advances to the Postal Telegraph system and the Social Insurance institutions are mentioned above, as are also its advances for payment of exports via Economics & Supply Division and its receipts from sale of imported goods. A report of gold, foreign currencies, foreign securities and other foreign assets held in custody has been forwarded to headquarters. The function of AMFA in connection with the procedure set up for Personal Remittances from US and UK, and with the arrangements for making advances in aid to destitute nationals of the US and US, has also been detailed above.

g. New AM Lire were received during January in the amount of Lire 544,000,000. A shipment of 482 boxes of new AM Lire notes consigned to AMFA HQ had to be unloaded at Palermo and has been taken into custody temporarily by AMFA Palermo, pending transhipment to Headquarters later. The matter of AMFA's storage facilities in Palermo is one which should receive Headquarter's urgent attention. It is agreed here that the temporary arrangements which has been used until the present should be terminated and the notes either shipped elsewhere or deposited regularly in banks.

A25 Accounting Section

a. Of the 28 Sub-Accountants whose balances were outstanding at November 30, 1943, three were closed down leaving 25 Sub-Accountants at December 31. Reports were received from a few S.A.'s who had not previously reported the receipt of AMG funds. The total number of accounts classified and recorded on the books of AMFA during the month was 32. There are now six provinces in which the Finance Officer is the only Sub-Accountant.

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b. The AMG Revenue and Expenditure which was previously channeled through some 120 Sub-Accountants is now concentrated through the 25 mentioned above. Comparative figures of total Revenues and Expenditures are shown as follows:

| | Revenue | Expenditure | Surplus of Revenue over Expenditure |
|---|---|---|---|
| October | L. 10,909,387 | L. 3,026,287 | L. 7,883,100 |
| November | 14,741,501 | 4,176,207 | 10,565,294 |
| December | 21,736,267 | 6,188,121 | 15,548,146 |

Classified statements of the above figures for December and for the period from occupation through December are being prepared and will be submitted to the Chief Accountant ACC-AMG in the near future.

c. The balance of amounts advanced by AMFA to accounting Officers in the field totalled Lire 1,700,593,835 at December 31, 1943. To this must be added Lire 4,701,730 recovery of Advances to Others, and Lire 376,022 "Funds Obtained from Banks and Others", making a total of Lire 1,705,671,593 to be accounted for. The disposal of this sum was as follows:-

| | | In Thousands of Lire |
|---|---|---|
| 1. | Advances to:- | |
| | Italian State and State Institutions | 262,956 |
| | Provinces | 10,127 |
| | Communes | 83,765 |
| | Total to Governmental Bodies | 356,848 |
| | Deduct Refunds of amounts advanced in previous months. | 15,610 |
| | Net Advances | 341,238 |
| 2. | Payments, less Receipts, for account of Economic & Supply Division | 20,145 |
| | | 361,603 |
| 3. | AMG Revenue, less Expenditure | 15,548 |
| | | 346,135 |
| 4. | Remittances by AMFA (Palermo office) and Sub-Accountants to Other Regions. 1,103,956 | |
| | Remittances by AMFA (Palermo office) to Accounting Officers from whom no reports have been received. 15,010 | |
| | Remittances to Sub-Accountants not yet accounted for 2,879 | |
| | Cash in hands of Accounting Officers in the Field at December 31, 1943 237,692 | |
| | | 1,359,537 |
| | TOTAL | 1,705,672 |

It is to be noted with reference to (1) above that the advances made by Finance Officers amounted to 340 millions of Lire during December, 1943, the first month in which the new system of advancing direct by AMFA was in force.

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Classified statements of the above figures for December and for the period from occupation through December are being prepared and will be submitted to the Chief Accountant ACC-AMG in the near future.

c. The balance of amounts advanced by AMFA to accounting Officers in the field totalled Lire 1,700,593,835 at December 31, 1943. To this must be added Lire 4,701,736 recovery of Advances to Others, and Lire 376.022 "Funds Obtained from Banks and Others", making a total of Lire 1,705,671,593 to be accounted for. The disposal of this sum was as follows:-

| | In Thousands of Lire | |
|---|---|---|
| 1. Advances to:- | | |
| Italian State and State Institutions | 262,956 | |
| Provinces | 10,127 | |
| Communes | 83,765 | |
| Total to Governmental Bodies | 356,848 | |
| Deduct Refunds of amounts advanced in previous months. | 15,610 | |
| Net Advances | | 341,238 |
| 2. Payments, less Receipts, for account of Economic & Supply Division | | 20,445 |
| | | 361,683 |
| 3. AMG Revenue, less Expenditure | | 15,548 |
| | | 346,135 |
| 4. Remittances by AMFA (Palermo office) and Sub-Accountants to Other Regions. | 1,103,956 | |
| Remittances by AMFA (Palermo office) to Accounting Officers from Whom no reports have been received. | 15,010 | |
| Remittances to Sub-Accountants not yet accounted for | 2,879 | |
| Cash in hands of Accounting Officers in the Field at December 31, 1943 | 237,692 | |
| | | 1,359,537 |
| TOTAL | | 1,705,672 |

It is to be noted with reference to (1) above that the advances made by Finance Officers amounted to 340 millions of Lire during December, 1943, the first month in which the new system of advancing direct by AMFA was in force.

d. The outstanding remittances to accounting officers in the field, and between accounting officers, still unaccounted for at December 31, 1943, amounted to Lire 2,878,826. The totals of uncleared remittances are compared below with those of the previous month:-

OUTSTANDING REMITTANCES
(LIRE)

| | DEBITS | CREDITS | Net TOTALS |
|---|---|---|---|
| November 30 | 19,621,304 | 4,768,809 | 14,852,495 |
| December 31 | 6,467,040 | 3,588,214 | 2,878,826 |
| Remittances cleared during the month | 13,154,264 | 1,180,595 | 11,973,669 |

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It will be seen that over thirteen million Lire of outstanding debits and over a million lire of outstanding credits have been cleared up, by submission of statements of accounts and vouchers, during the month of January, 1944. After closing the books, accounts were received clearing another five million lire of debits and three and a half million credits. The greater part of these sums had been outstanding since the early days of the occupation.

Numbered Memoranda No. 10, "Accounting for AMG Funds" was issued by Regional Headquarters on January 22, 1944, giving a final warning to Sub-Accountants that overdue reports must be submitted.

e. Statements were called for by HQ., AMG (Advanced) giving details of expenditure on "Army Services and Works", and "Miscellaneous Receipts".

f. An investigation into the accounts of the Allied Nationals Camp was carried out by an officer of this Section, at the instigation of the Camp Commandant, and a report was submitted to the Regional Chief Finance Officer.

g. Accounts of Economic & Supply Division. Accounts for the month of December 1943, were not received by the Regional Chief Accountant in time for incorporation in the AMFA Balance Sheet at January 31, 1944. These Accounts are being prepared by the Economic & Supply Division under the supervision of Officers of ACC-AMG HQ.

A26 Personnel

a. Losses of officers and "alerting" of others of Financial Division have brought the staff of the Division to the point where a serious shortage will result when the Alerted" officers are moved out of Sicily. Requests for new officers to fill the vacancies have been made through Regional Headquarters. As has been repeated in previous reports, such new officers should be sent here as early as possible to enable them to work for some time with the officers whom they would be intended to replace. In the case of Finance officers in the field this time should be at least a week since the taking over of accounts and records is a process which should not be too hurried.

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called for by HQ, A.C. (Advanced) giving details of expenditure on "Army Services and Works", and "Miscellaneous Receipts".

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426 Personnel

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LEGAL DIVISION

A.27 Chart showing breakdown by Provinces of Cases reported

| PROVINCE | GENERAL COURTS | | SUPERIOR COURTS | | SUMMARY COURTS | | TOTAL CASES Jan 1- Jan 31 1944 | TOTAL CASES July 12, 1943 to Jan. 31, 1944 |
|---|---|---|---|---|---|---|---|---|
| | Guilty | Not Guilty | Guilty | Not Guilty | Guilty | Not Guilty | | |
| PALERMO | 4 | 0 | 60 | 7 | 655 | 94 | 820 | 5092 |
| CATANIA | 4 | 0 | 34 | 9 | 219 | 27 | 293 | 1971 |
| MESSINA | 0 | 0 | 33 | 10 | 6 | 0 | 49 | 395 |
| TRAPANI | 1 | 0 | 4 | 0 | 61 | 9 | 75 | 828 |
| AGRIGENTO | 0 | 0 | 15 | 4 | 212 | 37 | 268 | 2065 |
| SIRACUSA | 0 | 0 | 4 | 0 | 3 | 0 | 7 | 543 |
| RAGUSA | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 216 |
| CALTANISSETTA | 0 | 0 | 6 | 2 | 6 | 0 | 14 | 151 |
| ENNA | 5 | 0 | 35 | 8 | 0 | 0 | 48 | 108 |
| TOTALS | 14 | 0 | 196 | 40 | 1162 | 167 | 1579 | 11369 |

Cases reported from Jan. 1, 1944 to Jan. 31, 1944 inclusive with total number of cases reported during the occupation shown in the right hand column.

A28 Analysis of Cases according to Categories

| PROVINCE | Black Market | | Thefts, and Poss. of Military Prop. | | Curfew Blackout Circulation | | Poss. of fire arms | | Wire Cutting | | All Others | | Totals | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | G | NG | G | NG | G | NG | G | NG | G | NG | G | NG | G | NG |
| PALERMO | 92 | 16 | 183 | 27 | 171 | 0 | 93 | 6 | 0 | 0 | 180 | 52 | 719 | 101 |
| CATANIA | 2 | 0 | 129 | 22 | 0 | 0 | 62 | 4 | 3 | 0 | 64 | 10 | 257 | 36 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible]16 | 4 | 0 | 34 | 9 | 219 | 27 | 293 | 1371 |
| MESSINA | 0 | 0 | 33 | 10 | 6 | 0 | 49 | 395 |
| TRAPANI | 1 | 0 | 4 | 0 | 61 | 9 | 75 | 828 |
| AGRIGENTO | 0 | 0 | 15 | 4 | 212 | 37 | 268 | 2065 |
| SIRACUSA | 0 | 0 | 4 | 0 | 3 | 0 | 7 | 543 |
| RAGUSA | 0 | 0 | 5 | 0 | 0 | 0 | 5 | 216 |
| CALTANISSETTA | 0 | 0 | 6 | 2 | 6 | 0 | 14 | 151 |
| ENNA | 5 | 0 | 35 | 8 | 0 | 0 | 48 | 106 |
| TOTALS | 14 | 0 | 196 | 40 | 1162 | 167 | 1579 | 11369 |

Cases reported from Jan. 1, 1944 to Jan. 31, 1944 inclusive with total number of cases reported during the occupation shown in the right hand column.

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | G | NG | G | NG | G | NG | G | NG | G | NG | G | NG | G | NG |
| PALERMO | 92 | 16 | 183 | 27 | 171 | 0 | 93 | 6 | 0 | 0 | 130 | 52 | 719 | 101 |
| CATANIA | 2 | 0 | 129 | 22 | 0 | 0 | 62 | 4 | 3 | 0 | 64 | 10 | 257 | 36 |
| MESSINA | 3 | 1 | 6 | 2 | 0 | 0 | 22 | 3 | 0 | 0 | 6 | 4 | 39 | 10 |
| AGRIGENTO | 112 | 16 | 51 | 6 | 5 | 0 | 19 | 2 | 1 | 0 | 40 | 17 | 227 | 41 |
| TRAPANI | 6 | 0 | 1 | 0 | 0 | 0 | 15 | 1 | 0 | 0 | 44 | 8 | 66 | 9 |
| SIRACUSA | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 7 | 0 |
| RAGUSA | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 | 0 | 5 | 0 |
| CALTANISSETTA | 0 | 0 | 3 | 0 | 0 | 0 | 7 | 1 | 0 | 0 | 2 | 1 | 12 | 2 |
| ENNA | 2 | 2 | 0 | 0 | 0 | 0 | 30 | 2 | 0 | 0 | 8 | 4 | 40 | 8 |
| TOTALS | 217 | 35 | 380 | 57 | 176 | 0 | 249 | 19 | 4 | 0 | 350 | 96 | 1372 | 207 |

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A29 1579 cases were reported during January 1944 while 1636 cases were recorded in the preceding month. The figures for December in some cases are inaccurate in that they include the total number of defendants whereas in January as in all months previous to December 1943 the total is based upon the number of cases without regard to the number of defendants. This change in basis is made in order that the statistics may be harmonized with the earlier reports. Actually the January cases are about the same in number as the December cases.

A30 AMG Courts: The number of prosecutions in A.M.G. Courts has decreased, by reason of the policy of submitting all matters to the Italian Courts that do not affect the Military, and also the policy of discontinuing the services of Civil Affairs Officers in the Communes. All Provinces report that the trial work is well up to date and there are indications that in spite of a sharp reduction in legal personnel for Sicily, the judicial work can be kept up to date.

A31 Review of Cases:

a. During January 1944 appeals or applications for review to the number of 161 were received. This represents a decrease from December 1943 when 192 applications were received. Appeals are being processed promptly.

b. This division made a careful study of all cases since the invasion of Sicily in which a sentence in excess of six months was rendered with a view to making proper recommendations to higher Headquarters for a final review at the time of the transition from Military Government to Italian control.

c. In accordance with the provisions of Proclamation 14 the R.L.O. reviewed all cases where no appeal is filed and the sentence does not exceed two years.

A32 General Courts:

a. Several important General Courts were held in Catania and Enna Provinces during the month, but there are no applications for General Courts pending.

A33 Italian Courts:

a. Italian Courts throughout Sicily are making progress in expediting their business and are showing more reliance on their own efforts.

b. During the month an order was signed by the R.C.A.O. making necessary readjustments in assignments. Consultation with a committee of the leading Magistrates of Sicily forms the basis for these changes in station for personnel.

c. Bar Associations are functioning in all Provinces and are active in making recommendations concerning new legislation. Some of these recommendations have been sent to higher Headquarters for consideration by the new government.

A34 Inspections: The D.R.L.O., inspected the legal offices in Catania, Messina and Enna during the month. Conferences were held at Headquarters with the R.L.O.s from Agrigento, Siracusa, Messina, Catania, Caltanissetta, Trapani and Palermo.

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spite of a sharp reduction in legal personnel for Sicily, the judicial work can be kept up to date.

A31 Review of Cases:

a. During January 1944 appeals or applications for review to the number of 161 were received. This represents a decrease from December 1943 when 192 applications were received. Appeals are being processed promptly.

b. This division made a careful study of all cases since the invasion of Sicily in which a sentence in excess of six months was rendered with a view to making proper recommendations to higher Headquarters for a final review at the time of the transition from Military Government to Italian control.

c. In accordance with the provisions of Proclamation 1, the R.L.O. reviewed all cases where no appeal is filed and the sentence does not exceed two years.

A32 General Courts:

a. Several important General Courts were held in Catania and Enna Provinces during the month, but there are no applications for General Courts pending.

A33 Italian Courts:

a. Italian Courts throughout Sicily are making progress in expediting their business and are showing more reliance on their own efforts.

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ECONOMICS AND SUPPLY DIVISION

A35 Organization

a. Despite the continuing pressure of urgent work, the Division's personnel achieved good results. Exports, fuel, and food distribution have been handled better than the preceding months. Special mention is made of the work of the enlisted personnel, some of whom have had particularly arduous and uninterrupted work, much of it at night, in the port, railyard and warehouses.

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A36 Food and Agriculture

a. The improvement in the food situation occurring at the end of December continued, due to adequate imports of wheat and flour, until the last week of January. It then became serious in Catania and Siracusa, due to the diversion of a vessel containing about 5,000 tons of flour, sent to Regio Calabria instead of to Siracusa as scheduled.

b. Arrivals in the island, in short tons, were:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Palermo | 5450 | Flour | 7454 | Wheat | —— | Pasta | 12904 | Total |
| Messina | —— | " | 2200 | " | —— | " | 2200 | " |
| Catania | 414 | " | —— | " | 117 | " | 531 | " |
| Siracusa | —— | " | —— | " | —— | " | None | " |
| Totals | 5864 | " | 9654 | " | 117 | " | 15613 | " |

Another vessel with over 6,000 tons of wheat destined for the island arrived at Palermo on 29 January. Only a small amount was unloaded by the end of the month.

c. Shipments of imported wheat and flour to the provinces from headquarters warehouses were as follows, in short tons:

From warehouses at:

| Receiving Province | Palermo | Catania | Messina | Siracusa | Total |
|---|---|---|---|---|---|
| Palermo | 3963 | | | | 3963 |
| Trapani | 1297 | | | | 1297 |
| Ragusa | 1369 | | | | 1369 |
| Messina | 1328 | 388 | 2200 | | 3916 |
| Enna | 394 | | | | 394 |
| Caltanissetta | 391 | | | | 391 |
| Agrigento | 694 | | | | 694 |
| Catania | | 3868 | | | 3868 |
| Siracusa | | 770 | | | 770 |
| | 9436 | 5026 | 2200 | | 16662 |

d. Seed potatoes arriving at Catania and Siracusa totalled about 4,000 short tons. These were distributed for planting as follows:

| | |
|---|---|
| Catania | 2500 |
| Messina | 1000 |
| Siracusa | 500 |

e. The bread ration remained at 150 grams per person per day, except in Enna, Agrigento and Caltanissetta, where it was 200. No pasta was distributed. Heavy workers for the Allied Armed Forces received an extra 100 grams of bread daily. By Official Order No. 44, effective 14 February, a uniform ration scale for non-producers was established throughout the island, of (1) 150 grams of bread per person per day, (2) an additional 100 grams of bread daily for heavy workers, and (3) 250 grams of pasta per person per week.

f. Due to the continued failure to amass olive oil, this commodity was freed and price restrictions were removed.

g. In general the food situation was the most satisfactory for any month

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| Receiving Province | From warehouses at: Palermo | Catania | Messina | Siracusa | Total |
|---|---|---|---|---|---|
| Palermo | 3963 | | | | 3963 |
| Trapani | 1297 | | | | 1297 |
| Ragusa | 1369 | | | | 1369 |
| Messina | 1328 | 388 | 2200 | | 3916 |
| Enna | 394 | | | | 394 |
| Caltanissetta | 391 | | | | 391 |
| Agrigento | 694 | | | | 694 |
| Catania | | 3868 | | | 3868 |
| Siracusa | | 770 | | | 770 |
| | 9436 | 5026 | 2200 | | 16662 |

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f. Due to the continued failure to amass olive oil, this commodity was freed and price restrictions were removed.

g. In general the food situation was the most satisfactory for any month since the invasion. The imported flour and grain were in sufficient quantity to permit of distribution to all provinces in amounts adequate to ensure the legal ration every day.

h. Two thousand five hundred tons of rock phosphate arrived from Africa. The production of superphosphate will commence as soon as supplies of nitrate ore received.

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i. The continued arrival in large quantity of dehydrated soup and other tinned food emphasized the fact that these are not now needed in Sicily, because of the fact that they are almost unsaleable and, in the opinion of the Public Health Division, are needed only in small quantities for certain hospitals, etc., for which sufficient amounts are already at hand.

A37 Black Market

a. The downward tendency of food prices continued. Bread was reported as low as 15 lire per kilogram in Agrigento. Petroleum products were becoming more scarce on the black market. Luxury items continued to bring high prices, but their effect was small, except in respect of items such as tires, electric light bulbs, etc.

A38 Regional Civilian Supply Officer

a. In order to prepare the way for the turning over of as much as possible of the work of AMG to civilian officials, a Regional Civilian Supply Office was created and the Prefect of Caltanissetta, Sig. Cammarata, was appointed. As Sig. Cammarata, who is able and energetic, becomes familiar with the problems involved, it is expected that he will be able to co-ordinate the various civilian agencies like the Consorzio Agrario, the Ration Offices, etc., and that he will soon be able to assume region-wide responsibilities.

A39 Fuel

a. Fuel distributed by AMG for civilian use during January 1944 was as follows:

P.O.L. (in U.S. Gallons)

| | East Sicily | West Sicily |
|---|---|---|
| Diesel | 51,600 | 332,923 |
| Gas | 51,600 | 284,400 |
| Kerosene | 14,400 | 39,008 |
| Oil 10 | 300 | 2,960 |
| " 30 | 780 | 20,640 |
| " 50 | 660 | 2,070 |
| Grease 1 | 750 lbs. | 20,800 lbs. |
| " 3 | 550 " | 13,600 " |

Coal

| | | |
|---|---|---|
| Steam Coal | 1,210 Tons | 858 Tons |
| Sardinian Coal | | 1,455 " |

b. In accordance with directions received from Headquarters, the distribution and requisitioning of P.O.L. were turned over on 31 January to C.I.P.

A40 Miscellaneous Commodities

a. 10 tons of small salvaged cans and 7,000 large salvaged cans were

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prices, but their effect was small, except in respect of items such as tires, electric light bulbs, etc.

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P.O.L. (in U.S. Gallons)

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|---|---|---|
| Diesel | 51,600 | 332,823 |
| Gas | 51,600 | 264,400 |
| Kerosene | 14,400 | 39,008 |
| Oil 10 | 300 | 2,960 |
| " 30 | 780 | 20,640 |
| " 50 | 660 | 2,070 |
| Grease 1 | 750 lbs. | 20,800 lbs. |
| " 3 | 550 " | 13,600 " |

Coal

| | | |
|---|---|---|
| Steam Coal | 1,210 Tons | 858 Tons |
| Sardinian Coal | | 1,455 " |

b. In accordance with directions received from Headquarters, the distribution and requisitioning of P.O.L. were turned over on 31 January to C.I.P.

A40 Miscellaneous Commodities

a. 10 tons of small salvaged cans and 7,000 large salvaged cans were supplied to the tuna fishing industry for conversion into tuna fish cans. 600 pairs of salvaged G.I. boots were distributed at 60 lire per pair to workers in heavy industry. Another 5,000 pairs are available and will be distributed.

A41 Rationing

a. New ration cards, 4,200,000 in all, for all producers and non-producers for the four months beginning 1 March 1944 were designed and printed. Distribution to the provinces has begun and should be completed by 5 February.

b. Due to the paper shortage, the printing was difficult. For security purposes, it was all done at Palermo, in order that paper and finished cards could both be controlled.

A42 Exports

a. Eastern end of island.

Messina: A ship was loaded in less than 48 hours and sailed on 14 January with the following cargo:

| | |
|---|---|
| Lemons | 39,084 boxes (about 1600 short tons) |
| Lemon oil | 3.8 short tons |
| Scrap | 300 short tons |

Catania: A ship sailed on 19 January with the following cargo:

| | |
|---|---|
| Lemons | 50,126 boxes (about 2,000 short tons) |
| Lemon oil | 6.5 short tons |
| Bitter orange oil | 1.2 short tons |
| Tangerine oil | .4 short tons |
| Scrap | 300 short tons |

b. Western end of island.

Palermo: A ship sailed on 18 January with 47,589 boxes of lemons (1903 short tons).

c. Further large cargoes of sulphur, citrus fruit, nuts and other commodities were being loaded at 4 other ports.

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| | |
|---|---|
| Kangaroo oil | 4 short tons |
| Scrap | 300 short tons |

b. Western end of island.

Palermo: A ship sailed on 15 January with 47,500 boxes of lemons (1903 short tons).

c. Further large cargoes of sulphur, citrus fruit, nuts and other commodities were being loaded at 4 other ports.

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TRANSPORTATION, COMMUNICATIONS, UTILITIES, PUBLIC WORKS AND MINING.

A 43 Transportation

A. Railways.

The ACC has ruled that only three officers, instead of our proposal of six, will be available to supervise the hand over of the rail lines of Sicily to the Italian Government at the time that the island comes under the jurisdiction of the Italian Government.

Due to heavy military movements and the lack of coal, civilian traffice has been drastically curtailed. Since January 9 all freight has been embargoed, except for essential goods and fuels. All-through passenger service has been suspended, which has seriously affected the welfare of the island.

The coal allotment for the Island is 7090 tons per month for all rail operations, which is entirely inadequate, and this fact has been brought to the attention of all concerned. Military operations are using 8589 tons of coal per month. The reason we have been able to burn more than our allotment is due to our continued efforts in salvaging coal from sunken ships. This is being continued; however this supply will be exhausted in the near future. A large amount of the January allotment of coal was used in December, and also a large amount of the February allotment has already been consumed. It is very necessary that we have 10,000 tons of coal per month as long as military requirements continue. We should be permitted to use the 5,000 tons per month alloted for civilian requirements, and if military requirements are in excess of their estimates, then arrangements should be made for an additional amount of coal for this service rather than to use the civilian allotment.

The removal of our best and largest locomotives to the mainland has naturally increased coal consumption, because we are no compelled to use a poorer and smaller class of power and in cases use two locomotives where one was sufficient before. This fact too has been pointed out to all concerned.

A minimum schedule for civilian traffic, both passenger and freight, has been submitted to the military authorities with the hope that military traffic will decrease in the near future so that coal will be available for civil rail traffic.

Traffic was controlled by the Embargo System, which was proving very satisfactory to us; however the military authorities insisted on the establishment of a permit system. This puts an added burden on us and slows up the movement of what little civilian goods are hauled. The permit system now in use means that every shipper, civilian or AMG, must apply through our department for a permit to ship before a car will be placed for loading. The permit is approved or disapproved by the military authorities and returned to the railroad for action.

During the month of January civilian freight traffic averaged 12% of all goods shipped. 5025 loaded cars were moved. Of these

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During the month of January civilian freight traffic averaged 12% of all goods shipped. 5025 loaded cars were moved. Of these 642 were loaded civilian cars, or approximately 9600 tons of civilian freight were moved.

The following number of cars of civilian and AMG goods were moved during the month: Lime-3, Fruits-108, Household goods-20, Garubbe-10, Building material-12, Lumber-8, Salt-30, Wine-64, Tobacco-6, Containers and tanks-26, Rock-76, Material-31, Hay-6, Cattle-16, Horses-4, Olives seeds-4, Oil-24, Machinery-2, Fuel-28, Mix.-24, Sulphur-3, Vegetables-10, Olives-10, Salvage-1, Grain-20, Barrels-1, Beans-2, Wooden shoes-1, Cereal-1, Nuts,-4, Honey-1, Total 642 cars.

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The following equipment has been moved to the mainland to date:

2 Diesel cars.
28 Locomotives.
19 Tanks.
11 Gondolas.
41 Box.
14 Flat.

b. Motor Highway Transport Sub-Commission.

1. Numbered Memorandum 56, dated 31 December 1943, is slowly being put into effect. The Motor Highway Transport Sub-Commission Officer personally toured the provinces concerned, met SCAOs and AMG officers, visited autoparks, motor pools, held conferences in each province concerned. He made specific agreements or arrangements for physical transfer of vehicles to Istituto Nazionale Trasporti.

2. A Motor Highway Transport Commission was set up in each province concerned under the prefetto's guidance to supervise and regulate motor highway transportation. In most cases the officer of this Sub-Commission has had personal conferences on the subject with both SCAOs and Prefettos, and the Capo Direttore of IST, who has accompanied this officer on the tour.

3. Due to the latest increase in fuel and lubrificants of nearly two hundred (200) % based on previous prices as of January 1944, IST has obtained proper authority to make compensatory increases in the "Tariff Schedule" of the rates and leasing contracts to be made and, in some cases , existing.

4 44 Communications.

a. During January all the provincial capitals were linked by telephone. Unfortunately, the National Government Communications circuit Caltanissetta-Licata-Agrigento was for operational reasons handed back to the military authorities. The following circuits were finished on the dates shown:

| | | |
|---|---|---|
| Palermo - Trapani | 30 January | ) |
| Catania - Siracusa | 30 January | ) NGO net. |
| Trapani - Marsala | 17 January | ) |

Speech was found to be quite good to all the provincial capitals even when the circuit was switched through three or more exchanges.

b. Nearly 500 men were employed throughout Sicily in the construction and maintenance of military routes and the rehabilitation of the civil police system.

c. By 31 January this section was responsible for the maintenance of 15,000 rote miles of military telephone and teletype circuits. Transport was still not forthcoming. The total establishment of the section was brought up to nine vechicles by the addition of a BMW motor cycle.

d. In answer to many appeals from linesmen an effort was made to provide boots. 500 pairs of salvaged US Army boots were purchased from

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A 45 Utilities.

a. Power production during January was better than for previous months, but it dimminished during the latter part of the month due to lack of rainfall. The dail production for western Sicily was from 200,000 to 250,000 Kwhrs/day; and for Eastern Sicily 300,000 to 400,000 Kwhrs/day. It was possible to supply every important load requested by military or AMG authority, although special lines still could not be built to give special service to small individual consumers.



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b. Available hydro energy was used the maximum. Rationing was accomplished by varying the hours per day, and the days per week in rotation, as the supply varied. In this way everyone has lights for shorter or longer hours, as the supply fluctuates. All shops operate a few days of the week, most of the time.

c. Water storage at Piana dei Greci is below that for last year. The Prizzi reservoir was not in use for the full season last year, but was half full at the end of January. Water started to flow into the Prizzi reservoir from the Margi R. diversion project on 17 January, although the structures are not yet finished. The Gassibile and Alcantara hydro plants have not yet reached peak production due to scanty run-off.

d.1. The Porto Empedocle rotor was repaired by the US Navy and reinstalled. It was put in service 28 January 1944 and is carrying 3,000 Kw. load. The coal has not arrived and every effort is being made to get the coal unloaded at the plant.

2. Test were run on a Riley grate boiler in Palermo using Sardinian coal. The resulting destruction of the fire-box interior was immediately apparent, and the use of 100% Sardinian coal in this type of boiler has been discontinued. Experiments in mixed fuel are being continued. Repairs to the pulverized fuel boiler are being expedited. A mixture of no greater than 30% Sardinian coal is recommended.

3. As soon as the hydro plants in Eastern Sicily are prepared to carry the load there, the Catania steam plant is to be shut down for extensive deferred maintenance.

4. Mention is made of the hearty and effective co-operation of the Royal Navy in Eastern Sicily and US Navy in Western Sicily, in furnishing badly needed supplies and assisting with repairs

A 46 Public Works

a. The preliminary work undertaken by this section to develop a reconstruction programme is now showing results. About fifty bridges have been finished and over three hundred kilometres of roads have been repaired.

b. A large works programme for further repairs on priority roads has been given to this section by Chief Engineer No. 1 District. This has been translated into Italian and handed to the AA.BS and the Provv. OO.PP. and work has been started. Other work on more unimportant secondary roads has been initiated.

c. A programme for reconstruction in the province of Messina particularly Messina City was set up at a recent visit to this office of the Provincial Public Works Officer, the Prefect, and the Chief Engineer of the Genio Civile. The amount involved was over 100,000,000 Lire, and expenditure of 28,000,000 Lire for the month of February was approved.

d. The Genio Civile is also repairing lighthouses throughout Sicily. This work was started recently and is now progressing.

| 666 AGENCY | TYPE OF WORK | AMOUNT LIRE |
|---|---|---|

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| 666 AGENCY | TYPE OF WORK | AMOUNT LIRE |
|---|---|---|
| AA.SS | Bridges | 51,675,690 |
| " | Road Maintenance | 20,431,255 |
| Provv.OO.PP.-) City Engineers) -UPP. Tec. ) | Bridges | 36,062,648 |
| " " | Maintenance Roads | 50,877,708 |
| " " | Sewers | 5,055,000 |
| " " | Water & Aqueducts | 6,664,000 |
| " " | Malaria Control | 438,000 |
| " " | Demolition & Cleaning | 25,145,430 |
| " " | Buildings: | |
| | 1. Schools | 24,663,504 |
| | 2. Hospitals | 5,297,000 |
| | 3. Prisons & Court | 5,012,200 |

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| AGENCY | TYPE OF WORK | AMOUNT LIRE |
|---|---|---|
| Provv. OO.PP.-) City Engineers) Uff. Tec. ) | Buildings: | |
| | 4. Welfare (includes Casa Popolari & Churches) | 45,566,500 |
| | 5. Military & Civic | 33,559,836 |
| Gas Co., Palermo | Reparis to War Damage (Distribution & Plant) | 600,000 |
| Electric Co. " | Repairs to War Damage | 700,000 |
| General(Region 1) | Miscellaneous | 5,000,000 |
| Provv. OO.PP. | Grand Estimate forCatania | 50,000,000 |
| | GRAND TOTAL | 364,888,771 |

A 47 Mining.

a. Chief of Mining Section wento to Naples for conferences on means to implement the policy of "capacity production" of sulphur and rehabilitation of the Sicilian sulphur industry set forth by M.C.S. Questions of materials, transportation, fuel, finance, rations and electric power were discussed. Production of sulphur is still negligible and cannot be increased appreciably until supplies are available. Shipments to Catania via Caltagirone were increased. About 400 tons of sulphur were loaded for export at Catania and another cargo from Licata and Porto Empedocle.

A 48 Shipping

a. One of the main activities of the Shipping Section was the problem of salvage. In compliance with the provisions contained in Navy dispatch dated 25 January 1944, authority was given this office to initiate salvage operations of certain ships in the harbor of Palermo, which had aboard them cargoes vitally needed. The salvage firm of Marcellino & Ferrara were granted permission to commence work on two ships sunk in this harbor - the "Todi", loaded with a cargo of lumber, cement and iron frames, and the "Giacomo Costa" with 5000 tons of coal. Operations were started on both ships on 24 January and will take about 30 days.

b. Through NOB, Palermo, Italian Naval Port parties have been set up in Trapani and other ports not occupied by the Allied Naval Authorities. The the same time, Italian Naval Engineers have been established by the Navy to handle salvage operations in the port of Trapani.

c. In addition, in conjunction with US Salvage Officer, Palermo, authority wasobtained from COMNAVNAF permitting proper naval salvage of the former Tunisian carrier "Sainte Bernadette", now at Termini Imerese. Ship is now being converted into a US Water Carrier.

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| | | |
|---|---|---|
| Electric Co. " | (Distribution & Plant) | 600,000 |
| General(Region 1) | Repairs to War Damage | 700,000 |
| Provv. OO.PP. | Miscellaneous | 5,000,000 |
| | Grand Estimate forCatania | 50,000,000 |
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d. The Economics & Supply Division of Region 1 has now assumed control of priorities of schooner cargoes. Maritime Agen s who were set up several months ago are functioning satisfactorily and have taken over responsibility for obtaining nafta and oil and arranging and booking of cargoes for schooners leaving Palermo Port.

e. In compliance with order requiring registration of vessels (CINCMED 25 January 1944) all Italian schooners and coastal vessels in this harbor are being assigned registration numbers, facilitating the task of identification by US NAVAL Picket boats.



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f. According to the terms of a directive dated 25 January 1944, the Shipping Sub-Commission of Naples has been dissolved and the job is being handled by MEDBO. This section, as a consequence, is now working in conjunction with NSA and MWTR, Palermo

g. As a result of a tour of survey this office has now a complete and up-to-date list of all available auxiliary schooners in various Sicilian ports, including names and ports of registry.

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8195

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PUBLIC HEALTH

249. During the month of January the following notifiable diseases were reported:

| | MORBILLO | SCARLATTINA | VARICELLA | DIFTERIA E CROUP | PERTOSSE | ITTERIZIA | SPEDALIZZ. CEREBRO SPINALE | FEBBRE TIFOIDE | INFEZIONE PARATIFICA | DISSENTERIA | FEBBRE CEREBRALE | T.B.C. ELEMENTARE | SIFILIDE | MALARIA | TRACOMA | SCABBIA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TRAPANI | | | | 1 | | | | 19 | | | 1 | 3 | | 16 | | |
| RAGUSA | | | | | | | 1 | 13 | 7 | | 1 | 4 | | | | 5 |
| ENNA | | | | | | | | 11 | | | | | | | | |
| SIRACUSA | | | | 1 | 2 | | | 42 | 1 | 2 | 2 | 3 | | 9 | | 3 |
| MESSINA | 1 | 2 | 2 | 7 | 1 | | | 119 | 4 | | 1 | 6 | 14 | 3 | | 335 |
| PALERMO | | | 3 | 1 | 1 | | | 33 | | | 2 | 17 | | 5 | | 10 |
| AGRIGENTO | | | | 2 | 5 | 21 | 1 | 33 | | | 3 | 1 | 2 | 24 | 13 | 124 |
| CATANIA | | | | | | | | 72 | 5 | | 3 | 41 | | | 24 | 4 |
| CALTANISSETTA | | | 4 | 2 | 5 | | | 30 | 4 | | 3 | 9 | | 5 | | 6 |
| TOTALS | 1 | 2 | 9 | 14 | 14 | 21 | 2 | 372 | 21 | 2 | 16 | 84 | 16 | 62 | 37 | 487 |

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| SCARLATTINA | VARICELLA | DIFTERITE E CROUP | PERTOSSE | INFLUENZA | MENINGITE CEREBRO SPINALE EP. | FEBBRE TIFOIDE | INFEZIONE PARATIFICA | DISSENTERIA | PARENTI ONCLANTE | T.B.C. POLMONARE | SIFILIDE | MALARIA | TRACOMA | SCABBIA | TELEDIAGNOSI (SERIA ZARE) | PAROTITE EPIDEMICA ARTRITI BARBI | BLENORRAGIA | PARTITE EPIDEMICA | ENTERITE | ZUBIOLA MALIGNA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | | | | 19 | | | 1 | 3 | | 16 | | | | | | | | |
| | | | | | 1 | 13 | 7 | | 1 | 4 | | | | 5 | | 1 | | | | |
| | | | | | | 11 | | | | | | | | | | | | | | |
| | | 1 | 2 | | | 42 | 1 | 2 | 2 | 3 | | 9 | | 3 | | 1 | | | 1 | |
| 1 | 2 | 2 | 7 | 1 | | 119 | 4 | | 1 | 6 | 14 | 3 | | 335 | | 2 | 20 | | | |
| | | 3 | 1 | 1 | | 33 | | | 2 | 17 | | 5 | | 10 | | | | | 8 | 1 |
| | | | 2 | 5 | 21 | 33 | | | 3 | 1 | 2 | 24 | 13 | 124 | 4 | | | | | 1 |
| | | | | | | 72 | 5 | | 3 | 41 | | | 24 | 4 | 1 | | | | | |
| | | 4 | 2 | 5 | | 30 | 4 | | 3 | 9 | | 5 | | 6 | | 1 | | 3 | | |
| 1 | 2 | 9 | 14 | 14 | 21 | 372 | 21 | 2 | 16 | 84 | 16 | 62 | 37 | 487 | 5 | 5 | 20 | 3 | 9 | 2 |

5017

One case of typhus was reported from Palermo. This case was removed from a ship in harbor and taken to the Isolation Hospital along with the remainder of the crew (five in all). The ship and its contents were disinfected and disinfested by the Medico Provinciale.

A50. Medical Supplies. Captured Italian Medical Stores are no longer available for the civil population. Stores imported from U.S.A. are still in short supply but there were sufficient for immediate needs. Arrangements were made and prices fixed for distribution to retail pharmacists, and through them to the public. An issue of milk was made to the eastern provinces, 468 barrels of 200 lbs each to Catania and 400 barrels of 200 lbs each to Messina.

A51. Hospitals. Most of the hospitals in the Island have been repaired. There is still a shortage of medical and surgical equipment. In Palermo the requisitioning of a suitable building is being considered in order to increase the number of available beds. The hospital position throughout the Island is under review.

PUBLIC WELFARE

A52. Steps were taken to establish in each province of the Island a Provincial Welfare Commission, appointed by the prefect, charged with responsibility for regularizing and supervising public welfare activities, particularly those having to do with public relief and with child welfare.

A53. A Civilian Regional Commission is being set up to integrate and supervise the welfare program in the Island, and steps are now being taken to draw plans for such a commission and to secure a competent person to head it. The Regional Welfare Officer will serve in the capacity of adviser to this civilian body.

A54. It is estimated that at least 25% of funds being advanced by A.M.G. in Sicily are for relief. In view of the relative prosperity of the island, this is a serious situation. Means of reducing relief is under consideration.

A55. An effort is being made, with full cooperation of the Finance Division, A.M.G. to secure reports from the Communal E.C.A.'s of funds disbursed for relief. To date relief expenditures reported have been as follows:

| MONTH | No of Comm reporting | Relief disbursed | Population served | No of CASES | AVERAGE per case | AVERAGE capita |
|---|---|---|---|---|---|---|
| OCT. | 294 | 63.863.184 | 3.657.811 | 202.704 | 315 | 17 |
| NOV. | 244 | 61.627.827 | 3.269.689 | 178.522 | 345 | 19 |
| DEC. | 154 | 39.278.176 | 1.927.437 | 116.111 | 338 | 20 |

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LABOR DIVISION

A56. Procedure and Forms have been prepared for a revision of the system of registration of the unemployed. This system will be put into effect shortly. The merging of the Unemployment Insurance System and Employment Exchange System has been initiated.

A57. The first formal recognition of a Labor Union took place at Messina where the Longshore men and Dock workers were formally organized. No labor unrest was noted or reported and is undoubtably due to the increase in the bread ration.

A58. An important memorandum clarifying the payment of the 13th monthly pay was issued (Memoranda No. 6 dated 17 January 1944).

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POSTAL DIVISION

A59. Despatch of Mail. Due to the temporary suspension of the railroads all mail was despatched to Provincial Headquarters by the A.M.G. courier. From Provincial Headquarters this mail was either sent to its destination by the provincial A.M.G. courier or otherwise called for by the post offices.

A60. Censorship.

a. Instructions were received from INC AFHQ that there were no censorship objections to civilians corresponding with Allied military personnel. The public was notified by the press and public notices, some mail was received, and sent to APO's for distribution. However, APO's were never notified by AFHQ that this service was authorized and they are holding the mail pending further orders. They have not turned over to A.C.C. any mail written by military personnel for civilians in Sicily.

b. Under arrangements made by AFHQ, mail addressed to the Vatican, originating from Sicily was accepted for despatch and approximately 60 lbs. of Vatican mail was sent to MCS, AFHQ for censorship and onward despatch.

A61. P.W. Mail.

a. Incoming. 88 sacks of Prisoner of War mail arrived in January. Included in this mail was some addressed to non-occupied territories and this is being held in the Palermo Post Office.

b. Outgoing. 44 sacks of outgoing Prisoner of War mail were despatched in January to all parts of the world. The question of the proper sorting and despatch of this mail has been raised. Censorship officials claim that it is a postal problem, but since the location and whereabouts of these Prisoner of War camps are secret, and the Italian Post Office is not entitled to know, it cannot be held responsible except for the primary distribution. It was suggested to the censorship officials that a postal sub-section of P.W. Censorship Unit should be called to handle the problem.

A62. Registered and Insured Mail. A limited service for registration and insurance of money and important documents was inaugurated, in agreement with censorship officials. This service applies only for banks and financial institutions within Sicily, with a weight limit of 2 kg. The following procedure was undertaken:

a. The bank or financial house must deliver the letter

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A61. P.W. Mail.

a. Incoming. 88 sacks of Prisoner of War mail arrived in January. Included in this mail was some addressed to non-occupied territories and this is being held in the Palermo Post Office.

b. Outgoing. 44 sacks of outgoing Prisoner of War mail were despatched in January to all parts of the world. The question of the proper sorting and despatch of this mail has been raised. Censorship officials claim that it is a postal problem, but since the location and whereabouts of these Prisoner of War camps are secret, and the Italian Post Office is not entitled to know, it cannot be held responsible except for the primary distribution. It was suggested to the censorship officials that a postal sub-section of P.W. Censorship Unit should be called to handle the problem.

A62. Registered and Insured Mail. A limited service for registration and insurance of money and important documents was inaugurated, in agreement with censorship officials. This service applies only for banks and financial institutions within Sicily, with a weight limit of 2 kg. The following procedure was undertaken:

a. The bank or financial house must deliver the letter and contents unsealed to the provincial Censorship station.

b. In the presence of the sender it will be examined, sealed and a censorship label and stamp affixed.

c. The sender accompanied by a representative of the Censorship station will then have the letter registered and deposited in the post office. The postage rates and amount of indemnity and the handling of registered and insured mail is the same as in the past.



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A63. Stamps. The following AMGOT stamps were received from AMFA:

| | Consumed | On Hand |
|---|---|---|
| 15 Cent. | 5,420,000 | 1,800,000 |
| 25 Cent. | 4,760,000 | 3,000,000 |
| 30 Cent. | 4,960,000 | 2,400,000 |
| 50 Cent. | 7,200,000 | 600,000 |
| 60 Cent. | 630,000 | 5,400,000 |
| 1 Lira | 2,440,000 | 3,000,000 |
| 2 Lire | 400,000 | 3,600,000 |
| 5 Lire | 2,680,000 | 2,400,000 |
| 10 Lire | 400,000 | 3,600,000 |

A64. Service with Mainland.

a. Outgoing. On 1 January, postal service with the following provinces in the mainland and Sardinia was resumed (Bari, Brindisi, Catanzaro, Cosenza, Ionia (Taranto), Lecce, Matera, Potenza, Reggio, and Salerno). The weight limit was established at 90 gr. and the use of AMGOT stamps only was permitted. Postage rates were established the same as before. Postcards 15 cent. in the district and 30 outside the district. Letters 25 cent. for each 15 gr. or fraction thereof in the district and 50 cent. for each 15 gr. or fraction thereof outside the district.

b. Incoming. No statistics are available at present but it is known that very little mail is arriving from the mainland.

A65. International Mail Service. Authorization to commence an international mail service is expected shortly from AFHQ and as soon as this is received this office is prepared to begin immediately.

A66. Personnel.

a. Investigation of the political history of all Post Office officials was continued and to date four officials of the Palermo Post Office have been dismissed. Two from Trapani Post Office have also been dismissed because of Fascist tendencies.

b. A study of superfluous employees was undertaken and the result showed that the Post Office had over 1000 employees surplus to normal requirements. An order was issued that all employees engaged after 1 July 1943 should be dismissed. It is contemplated that approximately 800 employees will be effected.

c. The schedule for working hours of Post Office employees were changed in agreement with the Inspector General,

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c. The schedule for working hours of Post Office employees were changed in agreement with the Inspector General, from a straight six hour day to a seven hour day, with an hour's interval for lunch, and a half day on Saturday.

d. The question of whether Post Office "ricevitori" and "succursali" were considered as government employees within the meaning of General Order No. 14 was brought before the Labor Commission and the ruling was in their favor, retroactive to 1st November.

A67. Miscellaneous. 5614

a. International Red Cross Messages. Cooperation with the International Red Cross was instituted whereby they distribute a quantity of IRC message forms for sale at the Post Offices throughout Sicily. The form sells at 11 lire, of which two is kept by the Post Office.

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CONTROLLER OF PROPERTY DIVISION

A 68 Allied Property

Very considerable progress has been made during the month with the taking into custody of the remaining British and American properties particularly in Messina Province. Those now remaining are small and relatively unimportant. No instructions have been received regarding the financing of necessary repairs and Controller of Property is still not able to assist in the preservation of certain valuable property.

The enquiries made regarding the sequestrated propety of the whole of the United Nations(with the exception of France) have revealed that the greater part of these properties were not sequestrated with the exception of Messina Province where there would appear to be upwards of 100 properties involved. This is being examined.

A 69 Enemy Property.

The question measures to be taken against property of German Reich and its citizens is being considered. Details of all property involved has almost all been obtained and information submitted to HQs.

Instructions have been received to take "al German Property into custody" and as this is so much in contrast with Property Controller's suggestion, to effect sequestration through the Prefect of each Province using existing Italian procedures, a further representation has now been made to HQs. to bring the procedure more in line with the possible return to Italian Internal administration under A.C.C.

A further point has arisen when it is recognised that German citizen resident in Sicily are able to operate their business, bank accounts etc. freely; where the German is non resident however the Bank Account has been blocked.

A 70 Parastatal Concerns.

a. E.N.I.C.

1. Work in this concern continues to make real progress. Variet introduced in the programme has resulted in a very marked increase in receipts. Modern American films with more than a tinge of propaganda flavour have also increase public interest.

2. "The Reale" in Catania is due to open in the course of the next few days and should prove both a godd investment and a real contribution to civil life in Catania.

3. Arrangements are also being made to repair the large and modern Cinema "Impero" in Messina and this too should be opening in less than six weeks time. The principle here has been to advance such sums as necessary against ENIC liability for rents and percentage of takings.

4. The balance Sheet covering the administration to 31 Dec 4 makes very satisfactory reading. After aking general provision for contingent liabilites and depreciation a net profit of Lire 1,057,825.25 is shown. To this figure must be added the very considerable sum charged to the accounts in respect of abnormal repairs effected during this period.

A 71 Corriere Di Sicilia.

Declassified E.O. 12356 Section 3.3/NND No. 785012

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A 71 Corriere Di Sicilia.

Several offers have been received for the purchase of this paper by th leaders of the various organisations. These have been refused on the principle of:

(a) Not selling Fascist property.
(b) Policy
(c) Necessity of establishing the ownership of the paper and for examination of various transactions effected by Fascists to gain control. This will be a matter for examination and de- cision by Italian Government.



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A 72 Abandoned Property

a. This general scheme has continued but the number of applications has decreased considerably although it has been found that considerable difficulties have been encountered owing to false information and the doubtful honesty of certain individuals. It is essential that the most careful enquires should be made to trace the whereabouts of both owner and tenant before any disposition is made of the property.

b. The work of tracing Fascist property is continuing and much good work has been done by the Special Commissioner. From Controller of Property's records of Dissolved Fascist Institutions, Foreign Representative of the Library of Congress has extracted over 200 books 800 pamphlets and 160 serial Publications which should prove tremendously useful additions to the collections of the Library of Congress.

A 73 Asphalt Mines of Ragusa-Soclimmer and Val de Travers.

Official Orders Nos. 23, 24 and 25 dated 16 Jan, 44 have now been issued whereby the mining rights under the concession have been returned to the British Concerns. Ing. Luigi Paterno has been appointed Special Commissioner. As from 1 Feb. 1944 arrangements have now been made to be confirmed by proper contract for the sale of British rock to ABCD. price and conditions of sale having been approved by Sig. Ing. Giangi C Chief Engineer in Mining in Sicily. Under this arrangements a fair price is being obtained for all rock mined and the British interests may also participate in contracts made directly and not through the intermediary of ABCD.

A 74 General

The question of French property has not yet been settled and in view of the considerable amount involved it is felt some decision should be taken so that the work is put in hand as soon as possible.

The system introduced of preparation of Declarations of Custody was based on the subsequent publication of the details in an Official Publication. This has never taken place in practice and it is felt that some other form of Public Notice should be considered. Under present arrangements Declaration of Custody (apart from possible letter from Assistant Controller of Property) is nothing more than an internal advice of AMG.

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ALLIED NATIONALS CAMP. DISPLACED PERSONS

A75 Personnel of Camp

The personnel of the Camp is comprised of the following Allied Nationals:

b. Living in the Camp

| Nationality | Men | Women | Children |
|---|---|---|---|
| Yugoslavs | 68 | 9 | 5 |
| Greeks | 6 | | |
| Polish | 8 | | |
| Czechoslovaks | 5 | | |
| Bulgarian | 1 | | |
| French | 2 | | |
| | 90 | 9 | 5 |

Total 104

b. Living without the Camp

| | | | |
|---|---|---|---|
| Yugoslavs | 17 | 13 | 4 |
| Polish | 2 | 1 | |
| Czechoslovaks | | 1 | |
| | 19 | 15 | 4 |

Total 38

Grand Total 142

c. Of the above number, the following have had military Service in this war:

| | |
|---|---|
| Yugoslav Army | 26 |
| Polish " | 1 |
| Greek " | 2 |
| Czechoslovak Army | 1 |
| Bulgarian " | 1 |
| Total | 31 |

A76 Adequate provision has been made for medical attention, food clothing, shelter and recreational facilities. Matters, such as the Nominal Roll, Repatriation, Security, Finance, Civilian Employment and Morale, are being dealt with in a Report to be submitted through channels to the D.P. Sub Commission Brindisi with a copy to ACC Naples.

MONUMENTS, FINE ARTS, AND ARCHIVES

A77 Monuments

a. In Palermo repairs have accelerated, mainly because of the approval of L. 2,800,000.00 for the Superintendent of Monuments, L.1,867,000 for the Genio Civile. The lack of essential building materials is a serious handicap.

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b. At Agrigento repairs of the Monastery of Santo Spirito are progressing satisfactorily; approval of an additional grant of L. 200,000.00 for continuance of the work is pending. In the temple area trees and plants damaged by passage of troops are being treated.

A78 Works of Art Etc.

a. At Palermo, National Museum, the large courtyard has been cleared of debris and the work of rebuilding the wall between the Museum and the church of the Olivella has commenced.

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b. The removal of the famous fresco of The Triumph of Death from one of the walls of the Palazzo Sclafani, Palermo, is progressing satisfactorily.

A79 Libraries

a. In the Palazzo Mazzarino, Palermo, approximately 300 meters of shelving have been built, the material having been recovered from the severely damaged National Library building.

A80 Archives

a. Work of boarding up windows, repairs of stacks, and collection and sorting of archives has continued. On 20 January 2 S/Sgt of the Sub-Commission discovered certain documents, among them one of Philip V dated 1713, which were being used as wrapping paper in a local shop; he offered to buy these but the proprietor instead gave them to him. Subsequently, the documents were identified as belonging to the R. Archivio at Palermo and the Public Safety Division is investigating the matter.

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MATTERS OF INTEREST FROM THE COMMUNES.

Palermo.

A81. During the month of January greater strides towards a return to normal conditions were made in Palermo Province than ever before. This has been due in great part to the Italian Officials under the leadership of Prefetto Musotto taking more responsibility in the administration of civil affairs. The A/M/G/ staff has been reduced, civil affairs officers being called in from the field and the Province has an atmosphere of unoccupied territory rather than occupied.

A82. There are now 17 officers assigned to the Province where once there were 40. The size of the Province has necessitated keeping in closer touch with the communes than in other provinces.

Catania.

A83. A further 8 commune officials have been removed, all of whom were Squadristi.

A84. Serious crime has shown a decrease and arrests have been made in the majority of cases. A disturbance of minor character took place at Caltagirone on 25 January; but some spirit by the local officials at the time would have prevented the whole incident. Some sharp sentences imposed by A.M.G. courts has doubtless contributed to the fall in serious crime. It remains to be seen whether the action of the Italian courts will have the same effect. The reaction to delayed trials common to the Italian Judiciary will be noted as it is considered that swift and summary punishment has created a favourable impression and is in itself a deterrent.

Siracusa.

A85. The exports to Malta for the month of January reached a record figure of over 29,000,000 Lit.

A86. A quantity of fruit etc. ready for shipment was over fifty thousand cases ( about half bitter lemons and half oranges) and over 1000 tons of almonds in shell. Loading is proceeding very satisfactorily and it is hoped to have a full load by sailing time. Reports from the Ministry of Food, London, on a small shipment of fruit and nuts from Augusta in November and December were excellent. Another ship has been promised shortly and packing of bitter oranges and collection of almonds is proceeding as quickly as possible.

Ragusa.

A87. The investigation of Scheda Personale of officials still continues and 53 officials have been dismissed.

A88. A.B.C.D. Mines. It was necessary to finance this mine to the extent of lire 1,000,000 during January for Pay Roll and expenses. This advance will be refunded upon completion of arrangements for the Banco [illegible] credit to the mine which it is understood will

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Trapani.

A89. Several minor officials were dismissed in January and others are being investigated. A completely new Sindaco and Giunta have been installed at Marsala, Castellamare and Gibellina. Replacements will shortly be made at Alcamo and Salemi. This will complete the removal of fascist mayors and commissarios.

A90. The number of murders in Trapani Province - 19 [illegible] almost double any previous month since the occupation. Some of them can be traced to private feuds and 'woman trouble' but most of them are attributable to armed robbery. Four cases have been cleared by the arrest of six persons now awaiting trial, and others are still under investigation.

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Enna.

A91. Of the 52 bridges damaged in this Province a total of 21 have now been repaired, 15 of these during the month of January. Of the remainder a number of small bridges will be completed next month.

A92. 1,500 tons of high grade sulphur from Grottacalda have been shipped to Catania via the narrow guage line to Caltagirone. Difficulties have been the shortage of cars and locomotives. There is still a considerable amount of high grade sulphur available which is being shipped out before starting on the very large stocks of low grade mineral.

The difficulties of restarting the industry are many but none so great as the lack of desire of the Sicilian to do anything for himself. The miners themselves are also reluctant to leave their towns and work outside in the mines, pleading that the rations are insufficient and the pay too low. Carbide and pit props have been obtained but there are continued efforts to prove that the new price of 2200 lire per ton of sulphur is too low.

A93. Relations with the Sacauda Division have improved considerably with the arrival of a liaison officer from No. 1 District who has been able to short circuit many of their demands and has smartened them up considerably. A new General has just been appointed and it is felt that both morale and efficiency will improve rapidly.

Agrigento.

A94. The greatest political activity has been on the part of the Communists who are taking advantage of the lifting of the ban on meetings, etc. There does not appear to be anything contrary to Allied security in this despite an outbreak of drawings of the hammer and sickle emblem on walls. The Church is somewhat concerned about this as they have heard that free love is among the proposals but there is no evidence of this.

Caltanissetta.

A95. There have been no political demonstrations but a certain amount of activity has been observed by reason of the recent order. The general trend has been towards the formation of Communist parties and several applications have been received to form clubs.

Messina.

A96. While no public disturbances have taken place in this Province there seems to be some attitude on the part of disgruntled people to carry on a sort of whispering campaign against selected officials and in some communes against the allied administration.

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1894