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

ACC

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09/1931

GENERAL MEMORANDUM
SEPT. 1943; FEB., MAR. 1944

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[illegible]
ALLIED CONTROL COMMISSION
R.C. & M.G. SECTION
APO 394

191/CA 26 March 1944

SUBJECT: P.O.L. Estimates and bids.

TO : Regional Commissioners Region I, II, III, IV, V, VI.
SCAOS's 5th and 8th Armies, AMG.

1. Reference - Regional Commissioners Conference. (See minutes, Saturday March 4th 1944 Item No. 5 last line on page 7).

2. It was there agreed that returns on petrol supply bids be rendered quarterly and not monthly.

3. Petroleum Section, Admin. Ech., A.A.I. has now represented that from further experience the only possible method of maintaining control of so vital a product is to receive as much pertinent information regarding it as frequently as can possibly be effected.

4. It has therefore been decided that returns on petrol supply bids must be rendered monthly in accordance with previous instructions.

5. It is also pointed out by Petroleum Section that there is considerable variance in figures submitted especially in the relation of lubricating oil requirements to petrol or diesel oil consumed.

The following is therefore given as a guide:

PRIVATE CARS	UNDER 12 H.P.	OVER 12 H.P.
Doctors	40 Liters	60 Liters per month
Public Officials	70 "	100 " " "
Others	35 "	50 " " "

TRUCKS

Capacity under	10 Quintels			50 Liters
	10 "	but under	20	100 Liters
	20 "	" "	40	150 "
	40 "	or over		300 "

Lubricating Oils not more than 3% of Petrol

7032

NORMAN E. FISKE
Colonel
Deputy Executive
Commissioner

Copy to: Petroleum Section HQ AAI (Admin. Ech)
Economic Section (3)

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13003/F

27 March 1944.

SUBJECT: Addressing of Correspondence

TO : Chief, Accounting Sub-Section,
Chief, AFA.
Chief, Customs & Excise Sub-Section.
Chief, Insurance Dept.
Deputy Chief Revenue Officer.
Finance Sub-Commission Detachment, Salerno.
RFO, Region I.
" " II.
" " III.
" " IV.
" " V.
" " VI.
SFO, Fifth Army.
" Eighth Army.

It has been noted that an increasing tendency exists for correspondence to be addressed to individual officers by name instead of to appointments. This practice creates registration difficulties as it is impossible to distinguish between envelopes containing personal and official correspondence and should be avoided wherever possible.

All correspondence should be addressed to Finance Sub-Commission, HQ, ACC (for attention -----) but the envelope used should be addressed to Finance Sub-Commission, HQ, ACC only, without mention of the officer's name. Correspondence addressed to the Joint Chief Finance Officers should be similarly dealt with.

In certain cases (e.g. when the subject has already been discussed with an individual officer) it is of assistance to mention that individual officer's name in the reference.

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" " VI.
SFO, Fifth Army.
" Eighth Army.

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7031

S. E. V. SMITH,
Lieut-Colonel,
Finance Sub-Commission.

RHA/rad

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

29 March 1944

Ref: 107/13/CA
SUBJECT: Regional Commissioners Conference

TO : See Distribution.

1. This is to confirm that as arranged at the last Regional Commissioners Conference the next conference will be held at Hq. ACC, Provincia Building, Naples on Friday April 14 and Saturday April 15, 1944.

2. The Chief Commissioner will preside at the Friday meeting which will commence at 0900 hours.

The agenda will be:

a) Address by Chief Commissioner.
b) Reports by Regional Commissioners and SCAO's AMG Armies.
c) Reports by Head of Sub-Commissions (to be so prepared that they can be delivered in a maximum of 5 minutes) and Vice Presidents of Sections. (Officers making reports are requested to furnish the Secretary General with a precis of their remarks immediately before the meeting).

3. The Executive Commissioner will preside at the Saturday meeting which will commence at 0930 hours. Attendance of heads of sections and Sub-Commissions may be required by agenda items, at times to be notified before the meeting.

4. Regional Commissioners and heads of Sub-Commissions are invited to submit suggestions for inclusion in the agenda of the Saturday meeting. The suggestions should be accompanied by a brief statement on the points to be discussed, which will be circulated to all concerned before the meeting. Suggestions should be in the hands of the Deputy Executive Commissioners, R.C. & M.G. Section by 4 April 1944 latest.

5. Officers attending from outlying stations should assemble in Naples at least one day prior to the opening of the conference. R.C. & M.G. Section should be notified of expected time of arrival in order that accomodation and transport may be arranged where necessary.

6. The Secretary General will act as Secretary on the Friday Meeting.

A staff officer of the C.A. Branch R.C. & M.G. Section will act as secretary of the Saturday meeting.

7030

NORMAN E. FISKE
Colonel
Deputy Executive
Commissioner

DISTRIBUTION:
List C & Group 2

22nd February 1944.

REPORT ON POSITION TO DATE OF EXPORTS OF FOODSTUFFS FROM SICILY.

LEMONS Details of recent shipments are as follows:-

Per "Jersey Hart", Catania	60,711	boxes
" "Dimitrios Inglesis", Palermo	65,614	"
" "Miguel Larrinaga", Syracuse	23,246	"
" "Norvarg", Messina	41,595	"
Total	191,166	"

Total shipments of lemons to U.K. to date amount to 377,438 boxes, i.e., approximately 15,000 tons.

Owing to the lateness of the season, no further shipments will be made from Messina or Syracuse. One further consignment will go from Catania very shortly (consisting of lemons picked in the Acireale district, as these are still reasonably safe to travel), and three, or possibly four, further loads will be sent from Palermo, where shipments may be effected until the end of March. The estimated total quantity which will have been shipped by the end of March, therefore, will be some 625,000 boxes, or approximately 25,000 tons.

The total 1943/4 crop is expected to amount to around 300,000 tons, of which about 50,000 tons will constitute the Verdelli (forced) crop; this should be ready for picking in May. It should be possible, therefore, to resume shipments then.

As far as shipments made so far are concerned, from the quality point of view Palermo has proved consistently good. That is undoubtedly due to the fact that right from the outset Dr. Fois has been on the spot and - knowing him to be an inspector of outstanding ability and integrity - the packers have kept up to scratch. Considerable trouble has been experienced in Messina (where the finest lemons should have been packed) and in Catania. There is no doubt that in these Provinces the packers thought they would be able to "get away with it". Although in Catania two inspectors were appointed, they were both as good as useless, whilst in Messina no official inspector was available at all. It fell to my lot, therefore, to control single-handed the quality of the first three shipments from the East Coast. Both in Messina and in Catania many thousands of boxes had to be rejected, the quality being appalling. For the last Messina shipment, just completed, it was possible to obtain the services of another good inspector - Dr. Surico - who had after considerable difficulty been located and brought in from the mainland. Only a small quantity was shipped from Syracuse,

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The first essential, therefore, as far as the future is concerned, is the appointment of first-class inspectors - at least two should be available to each of the four exporting provinces. Steps are still being taken to trace former inspectors of high integrity (they are limited in number) and this matter should be followed up very closely in conjunction with Dr. Fois.

I am of the very definite opinion that the rate of pay for men of the calibre of Dr. Fois - I understand he receives 165 Lire per day - is far too low. I strongly recommend that his salary, and that of men appointed for similar work, should be substantially increased. Their experience and activities are invaluable, and should be recompensed accordingly. Furthermore, they (and their families) should be able to live in such circumstances as will enable them to resist any temptations that may be put in their way by unscrupulous packers. In addition, cars should be placed at their disposal. It is absolutely impossible adequately to control lemon packing without transport. For example, in one day in the Messina Province it took me, including the time taken in travelling, twelve hours to inspect about six factories, the remotest of which was over 60 miles from the city, the journey being over difficult mountainous country.

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Permanent inspectors will be most useful, not simply as such, but as local advisers on the condition of crops, the most suitable times and districts for picking, assessing the effect of hail or frost on the fruit, etc., etc.

In addition, I regard it as extremely important for first-class checkers to be on the spot when boats are being loaded. They are necessary to cope both with the notorious unscrupulousness and the inherent laziness of the average Sicilian. Examples of the kind of thing these checkers should look out for are as follows:-

Ensuring that only boxes which have been approved are loaded. (Now that permits are necessary for entry to all ports, and inspection is now possible before the boxes are admitted, this should not in future be such a serious problem. Nevertheless, circumstances, e.g., damage by rain, etc., may still arise to make such a precaution necessary).

Keeping an eye on boxes being loaded - to see that they do not receive rough handling.

Making sure that, where necessary, boxes are coopered before being loaded.

Seeing that the slings are landed gently into the holds.

Ensuring that coopers in the boats are doing their jobs. (I peered into the hold of a boat in Messina recently and found the cooper stretched out, fast asleep. There were a number of boxes requiring attention, and when I insisted on loading being stopped until the cooper had mended them, he confessed that he had no wood for the purpose! On several occasions, too, the coopers, both on and off the boats, have been missing altogether).

Work of this nature is obviously not a full-time job - except when the boats are being loaded. Steps should be taken, therefore, to earmark really reliable men - not men of the calibre of some who have been supposedly doing the job - for the purpose. About half-a-dozen men, one for each of five hatches and one to supervise the whole loading, would be necessary for each boat, and I suggest that they might be recruited from the ranks of A.C.C. to a large extent. For instance, one first-class man who would make an excellent supervisor in Messina is Sgr. Consiglio, who is employed as an interpreter, and who could presumably be made available when required.

The checker-in-chief should also satisfy himself that all matters relating to a successful shipment are attended to, e.g., considerable difficulty has been experienced this season with boxes arriving at the ports before the steamer. In wet weather tarpaulins have not been properly placed over the boxes, whilst in fine weather they have not been removed frequently enough to permit breathing space for the fruit. All of these details assume an added importance

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A problem of very immediate importance is timber. Adequate supplies are available in Calabria, and much useful work has been and is being done there, formerly by Lt. Treutle, and at present by Lt. Jarman. Unfortunately, however, it is proving extremely difficult to arrange for a steady flow of supplies to this island. Unless substantial quantities are shipped without delay to Palermo, it will not be possible to complete the programme referred to earlier in this report. If continuity of supply is to be assured, it is imperative that at least one large schooner be released forthwith for the purpose. Very clear instructions must be given at the same time that the schooner is to be used only for conveying timber to and from specified points. At present, when a vessel is sent to the mainland, there is a serious danger that it will be requisitioned there for some other purpose.

It is most important, too, that the system recently put into operation of controlling both purchases and sales of timber be continued indefinitely, in order to ensure that packers no longer have to look to the black market for supplies.

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If more timber is released rapidly from Calabria, it will be possible for all future shipments this season from Palermo to be packed in boxes of pre-war specification. This will be a splendid step in the right direction. The specification has already been circulated to all packers for action.

Adequate supplies of nails are now on the way from Naples to Palermo. They have been specially made for the purpose - a very real piece of rapid co-operation. As a result, there should be no shortage of nails, either this season or next, and, furthermore, by controlling the nails at all stages, it has been possible to frustrate the black market in this product.

A quantity of wrapping paper is also on the way from Naples, This, together with supplies remaining in Sicily, will safeguard the position for this season's main crop, but wrapping paper is likely to present difficulties in the near future. Unless further supplies come to light, either in Naples or elsewhere on the mainland, it will be necessary for a quantity to be sent from U.K. (About one ton of wrapping paper is required for every 160 tons of lemons).

The prices paid for boxes of lemons this season have ranged between 135 Lire per box, ex warehouse, and 160 Lire per box, delivered quay, the boxes weighing about 37 kilos gross (31-32 kilos net). For the earlier shipments, wrapping paper was confined to the top and bottom layers of each box, but in later shipments, with more mature fruit, all lemons have been wrapped.

As soon as it became apparent that substantial purchases were being made, both the growers and the packers made the usual attempts to force up prices, and in Palermo they nearly succeeded. I heard that arrangements had been made for the price to be increased there to 180 lire per box, so I hurried over to ascertain what it was all about. I found that the packers had seen Colonel Poletti and had persuaded him that the prevailing price of 140 lire per box, ex warehouse, was too low. He had therefore agreed that 180 lire per box, delivered quay (equivalent to an increase of about 30 lire per box), should be paid, with a guaranteed price to the grower of 200 lire per quintal. I saw Colonel Poletti, and told him I was perfectly certain there was no necessity for such an increase. I was sure that 200 lire per quintal for the grower was too high; the grower was supposed to be getting 100 lire per quintal for the first order, although in some cases he had only been paid 45 lire. I had every sympathy with ensuring a <u>fair</u> price to the grower, but not such a fantastic increase. Furthermore, if boxes, nails and wrapping paper were procured at reasonable prices it would still be possible to give the grower around 135 lire per quintal (a fair price) and retain the price of 150 lire per box for the lemons, delivered quay. Colonel Poletti agreed, and the figure of 150 lire per box was fixed, with the price for lemons to the grower at 135 lire per quintal. Doubt was expressed as to whether supplies would be forthcoming at these figures, but they have been coming along merrily over since!

Incidentally, I have since learned that when the price was 135 lire per box, at least one packer was procuring supplies from another (who had no direct

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Incidentally, I have since learned that when the price was 135 lire per box, at least one packer was procuring supplies from another (who had no direct order) for 112 lire per box, so there was obviously a good margin there. Instructions have been given subsequently that packers shall supply only boxes packed in their own packing houses; otherwise it is impossible to control quality effectively.

7028

A very real problem this season has been lack of - and changing - personnel. In the latter connection, much valuable time was lost in Calabria when Lt. Treutle was recalled . Captain Orvis, who is doing admirable work on the supply side in Palermo, is due to leave at the end of this month. Actually, he should have gone by now, but deferment was obtained. In the meantime, nobody has been appointed to understudy him, and unless a reliable man is forthcoming immediately, much valuable work will be undone. I realise, of course, that in a Military area constant changes are inevitable, but it does seem a great pity that personnel cannot be allotted to this work and then allowed to remain. After all, although it is being conducted in a Military area, this section, at least, of A.C.C. activities is surely of a commercial nature.

I do feel that it would be extremely helpful if somebody with wide powers of authority could be appointed to co-ordinate on the island the work being done on exports. (This applies, of course, not only to lemons, but to the whole export question.) At present, quite naturally, I suppose, each Province is inclined to look upon itself as a separate kingdom. As an example, each province

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has been fighting for timber. There should always be someone with full knowledge of each province's immediate needs to decide in what order supplies should be made available to them. In addition, if transport is necessary for the purpose, he should be in a position to requisition it. If a successful export programme is to be built up, certain elements of chance must be eliminated and a definite plan of campaign laid down and adhered to.

At the beginning of the season, orders for lemons were placed through the various consorziums which had set themselves up in each province. As a result of the trouble experienced in Messina and Catania, however, I made it clear that A.M.G. would have no further dealings with these bodies, and future orders were given individually to those packers with whom little or no trouble had been experienced. The rejected packers were very bitter, and said that orders were now being given on a "fascistic basis"! In more responsible quarters, however, it has been said that the quantity of citrus products being exported this season has saved the industry from disaster. There is no doubt but that the growers have been given renewed heart; the orchards today, generally speaking, present a very different picture from two or three months ago - they are being properly tended once more.

If the best results are to be obtained from next season's main crop, it is essential that selected timber should continue to be brought over from Calabria and stored in approved box-makers' warehouses throughout the summer. In that way, seasoned wood can be available - much of the wood being used this season is, of necessity, very damp indeed.

A clear cut export programme should be compiled well in advance. The season was already well under way before any start was made this season. As a result, the Syracuse crop, which matures much earlier than other districts, was practically lost, and the most satisfactory results were not obtained from other quarters.

LEMON JUICE, UNCONCENTRATED.

For the past two years, in order to save shipping space, only concentrated fruit juices have been imported into the U.K. A heavy programme of unconcentrated lemon juice was not budgetted for from Sicily, therefore, although it was agreed that a small quantity might be shipped, particularly as the use of concentrated juices in the U.K. has presented certain technical difficulties, particularly to the smaller manufacturers.

Recent shipments comprise:-

375 barrels, totalling 19,526 imperial gallons, per "Jersey Hart", Catania.

161 " " 8,685 " " " ."Norvarg", Messina.

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161	"	"	8,685	"	"	" "Norverg", Messina.
536			28,211	"	"	

I anticipate that between 75,000 and 100,000 imperial gallons will be shipped during the present season. The price being paid is 31 Lire per imperial gallon, ex factory.

At present, only two manufacturers are producing lemon juice - Francesco Stracuzzi di Rosario, of Furci Siculo, and Fratelli Ricciardi, of Messina.

Stracuzzi is, without doubt, the most reliable producer on the island. He is producing juice of first-class quality from good, sound fruit. Ricciardi is a smaller producer, but is also producing good juice, although he does not exercise the same scrupulous care as Stracuzzi, and therefore needs watching.

I also arranged, soon after my arrival, for an order to be given to Arenella, of Palermo. Arenella are well-equipped (by Sicilian standards) to produce a good product, but when I visited their factory later to see how production was proceeding I was frankly shocked. Filthy fruit, including a high percentage of rotten lemons, was being used, and I cancelled the order forthwith. If such conditions were permitted in their factory, it was obviously impossible to hope for them to change overnight.

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Another producer is Giovanni Restuccia, of Contesse, nr. Messina. In fact, he has the biggest (and one of the best) plants for citrus juice production in Sicily. His squeezing plant is undamaged, but the rest of his factory has been destroyed. I arranged for Restuccia to go into production after he had cleaned out his factory, and he made a start last week. I went to inspect his work, and again received a set-back. A good percentage of over-ripe or rotten fruit was being processed, so I had to reject it. The conditions were by no means as bad as in Arenella's factory, but bad enough to be dangerous.

Restuccia provides a typical example of the Sicilian mentality. He is capable of producing a first-class product (and has done so in the past) but, like so many of his kind, he cannot resist an opportunity of attempting to make a bigger profit by supplying inferior goods - regardless of the damaging effect on his reputation. The meaning of the word "goodwill" is practically unknown in Sicily. I have told him that if he will let me know when he has cleared out the fruit now in his factory and has replaced it by some of a more suitable nature, I will go and see him again.

Sandersons are capable of producing a satisfactory product, but have not been given an order as they insisted, as usual, on being paid a higher price than anyone else - although their quality is no better.

Some factories have been destroyed, and others are of so primitive a nature that they are best left alone.

I cannot refrain at this stage from commenting on the peculiar arrangement which has been in operation for some time in Messina in regard to transport. It has been the practice of A.M.G. there to hire out lorries (without too many questions being asked) at the rate of 2,000 lire a day. I was at first given to understand that this figure included petrol and driver, but I now find that the cost of these is extra, the total cost, therefore, being in the region of 3,000 lire a day per lorry. Stracuzzi, some time ago, was allowed to take possession of two Italian Army lorries which were in a bad state of repair. At his own expense he reconditioned the lorries, and shortly afterwards A.M.G. informed him that they would be requisitioned, and that if he required transport he would have to pay for it at the rate of 2,000 lire per day, plus.

The total output of Stracuzzi's factory - lemon juice and lemon oil - yields him a selling return of about 40,000 lire per day. He needs two lorries to convey fruit and containers to and from his factory. The cost of two lorries would have been about 6,000 lire a day, i.e., 15% of his selling price. I remonstrated with A.M.G. over this, and was informed that Stracuzzi only needed to use the lorries one day a week to handle black market activities and he could show a profit on the lorries alone. No doubt, but Stracuzzi is engaged solely in producing lemon juice and lemon oil for sale, at reasonable prices, to U.K. It was then suggested that the selling prices should be increased to cover the

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that anyone else - although [illegible]

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I cannot refrain at this stage from commenting on the peculiar arrangement which has been in operation for some time in Messina in regard to transport. It has been the practice of A.M.G. there to hire out lorries (without too many questions being asked) at the rate of 2,000 lire a day. I was at first given to understand that this figure included petrol and driver, but I now find that the cost of these is extra, the total cost, therefore, being in the region of 3,000 lire a day per lorry. Stracuzzi, some time ago, was allowed to take possession of two Italian Army lorries which were in a bad state of repair. At his own expense he reconditioned the lorries, and shortly afterwards A.M.G. informed him that they would be requisitioned, and that if he required transport he would have to pay for it at the rate of 2,000 lire per day, plus.

The total output of Stracuzzi's factory - lemon juice and lemon oil - yields him a selling return of about 40,000 lire per day. He needs two lorries to convey fruit and containers to and from his factory. The cost of two lorries would have been about 6,000 lire a day, i.e., 15% of his selling price. I remonstrated with A.M.G. over this, and was informed that Stracuzzi only needed to use the lorries one day a week to handle black market activities and he could show a profit on the lorries alone. No doubt, but Stracuzzi is engaged solely in producing lemon juice and lemon oil for sale, at reasonable prices, to U.K. It was then suggested that the selling prices should be increased to cover the extra cost of lorries. If, however, a higher price were paid to Stracuzzi it would be difficult to resist similar claims elsewhere, and all-round increases, which would not be justifiable, would result. 7027

I was informed that as it had been impossible to control the activities of people who required lorries it had been decided to make this charge, in order that some of their profit should find its way into the A.M.G. coffers. That seems to me a very defeatist attitude. Surely transport, under present-day conditions, should be provided only for the most essential purposes, and every precaution should be taken to ensure that its use is not abused. At any rate, Messina is the only province where this practice prevails, and I do not know of any widespread abuse in other provinces, where transport is provided, without charge, to convey essential commodities.

As far as Stracuzzi is concerned, I must add that eventually an agreement was reached that the lorries in his possession should remain with him, without charge, until he had completed his contracts for U.K., and that other firms in a similar position should be treated likewise. This arrangement was only made, however, after very strong protests on my part, and it was also made very clear that it was "against better judgment" on the side of A.M.G. in Messina. I was rather embarrassed at reaching agreement under such circumstances, and feel, therefore, that I should comment on it, particularly as it is the only occasion to the best of my recollection, when I have not finally been in complete accord with officialdom.

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It has been possible this season, by arranging transfers, to acquire sufficient paraffin wax to line juice barrels. It will be necessary for next season, however, to provide whatever quantity may be required. About 1-lb. of paraffin wax is required to line each 50-gallon barrel. It will also be necessary to import further quantities of S.O. 2.

Iron hoops for the barrels are also a problem, although I believe, unless a very heavy barrel programme were required next season or the hoops were needed for other purposes, that it would be possible, by transferring stocks from one factory to another, to provide sufficient without importing additional quantities. For instance, Caminiti, of Fiumefreddo (in particular) and Arenella, of Palermo, both hold substantial stocks.

The staves for the barrels themselves should be obtained without difficulty from Calabria. They are made from Italian chestnut, and even in normal times were imported regularly from Calabria.

LEMON OIL.

Details of recently shipped lemon oil are:

Per "Jersey Hart," Catania	Approx.	54,350 lbs.
" "Dimitrios Inglesis," Palermo	"	21,500 "
" "Norvarg," Messina	"	3,100 "
Total		78,950 "

Total shipments to U.K. to date amount to approximately 103,400 lbs.

The price being paid for lemon oil is 300 lire per kilo, ex factory, for tins, drums or demijohns, and 400 lire per kilo, ex factory, for coppers. Coppers - the ideal containers for oil - are very scarce, and cannot be replaced, so an inducement has been given in the price with a view to bringing any available stocks into the open. A certain amount of success is being achieved in this direction.

So far, orders totalling just over 250,000 lbs. have been placed, for production not later than the end of March, when the citral content becomes too low for a high-grade oil. I anticipate, however, that it will be possible to procure at least 300,000 lbs., but the lemon oil purchases need to be handled very delicately.

Many requests have been received for orders for lemon oil, but the business is being confined to about ten firms. It must be borne in mind that there are still parcels of old oil of very dubious quality in existence: furthermore, some of the oil-producing machinery in the island is not suitable for the production of

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Many requests have been received for orders for lemon oil, but the business is being confined to about ten firms. It must be borne in mind that there are still parcels of old oil of very dubious quality in existence: furthermore, some of the oil-producing machinery in the island is not suitable for the production of a good oil. Orders have therefore been confined to firms of highest repute, and in general merchants have been avoided. In this way, it is possible constantly to visit the actual factories where the oil is being produced and so ensure that satisfactory quality is being maintained. (Samples are drawn frequently and sent to Dr. Ricevuto, an analyst of high standing, for examination.) In addition, the display of a lively interest in a commodity in Sicily always has the immediate effect of sending the price sky-high. Whilst it would be possible, of course, to fix a maximum price and refuse to pay more, that would not produce the oil. The growers would either refuse to sell the fruit to the oil producers or hold out for a high price, and the result would be that the oil would not be made.

I know that a number of small people are producing odd lots of good oil at the present time, and I have in mind arranging for one man--Stracuzzi--to be given instructions at the end of March to start buying up these odd lots in a quiet way. Stracuzzi, of course, will be held responsible for the quality. At that time the trade will be under the impression that for this season purchases for U.K. will have ceased, and it should be possible for Stracuzzi to obtain supplies without difficulty at a reasonable price.

An interesting illustration of the inner workings of the Sicilian oil market has been provided by Sondersons: I arranged for them to be given an order in the early stages for 40,000 lbs.--an appreciable quantity for one organisation to handle. Further, as they were about the only firm who had adequate facilities

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to produce a fair quantity of sponge-pressed oil, I agreed that they should be paid a higher price--350 lire per kilo--for a blend of approximately 50% each of sponge and machine-pressed. I naturally made a special point of following up this particular order very closely, as I wished to ensure that a fair proportion of sponge-pressed oil was being supplied: I called at the factory on several occasions, but there was no sign of any activity whatever. About the end of January I told Madame Bosurgi, the Managing Director, after I had again visited her factory and found nobody working and no sign of any oil having been produced, that I was very concerned about the delay in starting, as it was very doubtful whether she would now be able to produce the full quantity. I added that I suspected she had no intention of doing so, but proposed buying up quantities cheaply on the market. Madame Bosurgi appeared very indignant, but said she could not agree to a clause (which appears in all essential oil orders) that her factory could be visited at any time and samples taken. I must trust her! I showed my trust by cancelling the order. Subsequently, I learned that Sandersons had expressed their intention of buying up oil, and the market was waiting for them to step in and then intended to push the price right up in the air.

The question of the extent of future shipments to U.K. from Sicily is causing me some concern. It was originally agreed that U.K. should have first call on a quantity up to 500,000 lbs. (See Ration 2050). Subsequently, however (Ration 2274), it was stated that U.K. should have first call on 175,000 lbs. only. Within the next week or two the full 175,000 lbs. will be available, and it is imperative, therefore, that a decision be reached immediately as to whether U.K. are to continue receiving supplies in excess of that quantity.

It seems to me that the ideal solution is for every possible lb. to be shipped to U.K., as otherwise substantial quantities will be required there from U.S. under lend/lease. Surely it would be far better to continue shipping from Sicily, reducing requirements from U.S. accordingly? In any case, it is essential that the Sicilian producers should not be made to hold the oil for any length of time. If they were, they would discontinue further production. I strongly urge, therefore, that authority be given forthwith for shipments to be continued to be made to U.K. up to a quantity of at least 300,000 lbs., or preferably more.

Containers have presented a problem this season, but by use of a combination of tins, coppers, galvanised iron drums, tin-coated lead containers, and demijohns sufficient have been forthcoming. Experiments have recently been conducted, however, with biscuit tins, and it has been established that two large biscuit tins provide sufficient tin for the manufacture of a first-class 12-1/2 (twelve-and-a-half) kilo round tin. There are very large stocks of these biscuit tins in Sicily. In Catania they are being collected by a Consorzium, with whom discussions are at present taking place with a view to supplies being made available to the right people at reasonable prices. I am confident that if negotiations are conducted correctly there will be sufficient of these tins available to cope with the whole of next season's essential oil output.

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BITTER ORANGES.

The following shipments have been made:

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Per "Miguel Larrinaga," Syracuse	25,782	boxes.
" "Dimitrios Inglesis," Palermo	4,709	"
" "Jersey Hart," Catania	387	"
Total	30,878	"

The small quantity shipped from Catania was packed in Syracuse, but was not ready in time to catch the "Miguel Larrinaga," so was railed to Catania.

The "Empire Peacock" is now being loaded at Syracuse, and will carry some 35,000 boxes. That will be the last shipment of Bitters from Syracuse, as the season there is well advanced. It is anticipated that a further 25,000 boxes or so will go from Palermo before the end of March. The total quantity expected to be exported during the season, therefore, will be around 90,000 boxes--about 3,600 tons.

The price being paid for Bitter Oranges is 160 or 165 lire per box, of about 36 kilos gross (about 31 kilos net), ex warehouse. All the fruit is being shipped unwrapped.

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For the first shipment from Syracuse oranges of very good quality were packed. I have been to inspect those now being loaded there, however, and have found it necessary to reject quite a number. As a result of the business obtained for the first shipment, the price had been forced up by the growers, and a number of packers had bought inferior fruit.

SWEET ORANGES.

The total crop this season is expected to reach about 125,000 tons. Much of it will be wasted, as the bulk does not travel well. Formerly, oranges from Sicily were shipped to the North of Italy, to Germany, Poland, etc., the journey being overland and taking only a few days.

A vessel now plies regularly between Syracuse and Malta, and about 500 tons of oranges a month are sent there. The forces are also taking small quantities, and whenever possible supplies are sent to the mainland. Unfortunately, however, lack of shipping has prevented as many going there as could conveniently be absorbed.

There is, however, one type of sweet orange grown in Sicily - the Ovali - which is stated to travel very well, and a trial shipment of about 350 tons is being made to U.K. on the "Empire Peacock" from Syracuse. I have inspected the oranges and they certainly appear much stronger than the average Sicilian orange. Dr. Fois is confident that this type will stand up to the journey. Ovalis comprise about 10% of the total crop. If, therefore, the trial shipment arrives in good condition, it should be possible to arrange for shipments of appreciable quantities. The price which is being paid at Syracuse for this small quantity, however (425 lire per box of about 40 kilos gross, i.e., about 35 kilos net), is far too high, and if substantial quantities are to be contemplated later an appreciable reduction should be obtained. In order to be more in line with U.K. views on price, a figure in the region of 225 lire per box should be fixed.

SWEET ORANGE OIL.

About 1,600 lbs. were shipped on the "Jersey Hart", from Catania.

Orders have been placed for approximately 60,000 lbs., the bulk of which will be procured from Calabria, where a better quality oil is produced than in Sicily. Furthermore, if extensive orders were placed in Sicily production of lemon oil would be affected, as all the principal plants are fully engaged on that variety at present.

A figure of 450 lire per kilo, ex warehouse, is being paid for the sweet orange oil, and a further 10,000 to 15,000 lbs. should be shipped in the next week or two. (As with the lemon oil, it has been agreed that an additional 100 lire per kilo will be paid for coppers).

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BITTER ORANGE OIL.

About 6,300 lbs. have been shipped so far, the latest consignment being approximately 2,600 lbs. on the "Jersey Hart", from Catania. A further 1,100 lbs., now ready for shipment by Arenella in Palermo, completes the total orders placed for this variety.

Price:- 450 Lire per kilo, ex warehouse.

TANGERINE OIL.

About 770 lbs. have been shipped to date. Orders placed amount to approximately 5,000 lbs.

Price:- 550 Lire per Kilo, ex warehouse.

BERGAMOT OIL.

A quantity of 25,000 kilos (approximately 55,000 lbs.) was shipped on the "Norvarg", from Messina. This represents the total order placed with the Consorzium at Reggio.

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The oil consists of eleven different batches, and each batch has been tested and approved by Professor la Face. All of the oil has a minimum ester content of 38%. Included with the shipment is a case containing eleven bottles, one from each batch - for sampling purposes. 17,000 kilos were packed in tins, the remaining 8,000 kilos being in zinc containers. The latter should be transferred to more suitable containers as soon as possible - before July next.

Price paid:- 725 lire per kilo, delivered warehouse, Reggio.

Before this shipment was made there was a stock in Reggio of 160,000 kilos, stated to be in excellent condition. Production this season is estimated to increase this quantity by a further 120,000 kilos.

Containers are desperately needed in Reggio, however, and if further supplies are required - either by U.K. or U.S. - it will be necessary to provide them. The obvious solution is to supply some large biscuit tins (referred to in my comments under "Lemon Oil"), and the Consorzium are eager to receive supplies; they confirm that they would make up into ideal containers.

CITRIC ACID.

There are two producers in Sicily - Arenella in Palermo, and Sandersons in Messina. Arenella is at present producing, and 300 tons has been shipped to the U.K. A further quantity of between two and three hundred tons is now ready for shipment, but this is being held pending further instructions as a result of cable from Troopers, Ref. No. 50048 CA 16, dated 18th December, 1943. The shipment of 300 tons had been made before the cable requesting no shipment to U.K. beyond 50 tons had been received.

Arenella will continue to produce citric acid until about the end of May, when they switch over to the manufacture of tartaric acid. During that time they will probably produce about 600 tons, including the quantity already in stock, making 900 tons with the amount already shipped.

Before the war, Arenella produced citric acid by both the calcium citrate (Natural) and the biological process. Today, however, they are manufacturing by the calcium citrate process only, as the building where the biological product was prepared has been requisitioned as a warehouse.

Sandersons are not in production; in fact, in view of the acute coal position in Messina (there is insufficient to cope with the needs of essential services), I suggested in a recent report to A.F.H.Q., M.G.S., that as Sanderson would require 5,000 tons of coal to produce 800 tons of citric acid - their potential annual output with their present plant - production for this year at any rate should be confined to the Arenella factory. I have now received a reply stating

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As a matter of interest, Sandersons have been very busy extending their citric acid plant since the outbreak of the war. They have partially completed big extensions - work on which is now suspended - enable them to produce biological citric acid; before the war, they produced by the calcium citrate method only. They state that when these extensions are completed they will be able to produce about 5,000 tons of citric acid per annum.

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The price now being paid to Arenella - 80 lire per kilo, ex warehouse - is approximately double the figure which, under normal purchasing conditions, U.K. would be able to pay to enable the product to be sold at the controlled price in England. I have gone into this matter very closely with Arenella, who state that they used to import calcium citrate very cheaply from Belgium, but now have to depend entirely on local production which is much more expensive. I asked to see their actual costs, and whilst I was not able to vouch for the accuracy of outturn figures, from what I saw there is no doubt that 80 lire was not an unreasonable figure. Apart from the cost of the calcium citrate, a very important item in the costs is the yield of essential oil which features as a credit item. Arenella pointed out that if a higher price were paid for the lemon oil then the citric acid price could be reduced appreciably. On the other hand, if Arenella were paid a higher price for lemon oil everybody else would expect to receive a higher price for that commodity also. I discussed the position with A.M.G., and it was eventually agreed, in view

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of the elastic arrangement which prevails regarding prices to be paid by U.K., that A.M.G. should pay Arenella 80 lire per kilo for the citric acid, the difference to be offset by U.K. paying eventually higher prices to A.M.G. for some other commodity or commodities. Fortunately, apart from the trial order for sweet oranges, there is no other instance where A.M.G. have been paying prices in excess of those U.K. is prepared to pay; in fact, in some instances there is a useful margin in the other direction. Incidentally, although Sandersons did not quote a firm figure, they indicated that they had in mind a price of at least 120 lire per kilo.

TARTARIC ACID AND ARGOLS.

Arenella are the only manufacturers of tartaric acid on the island. They should start production in June (they are unable to commence earlier as part of the citric acid plant is required to make the tartaric) and expect to be able to produce about 700 tons this year. They have none in stock at present.

As far as price is concerned, Arenella are unable to give any firm quotation at the moment. All they can say is that it will be cheaper than the citric acid; in that event, there should be little difficulty in reaching agreement. Arenella are now endeavouring to make arrangements to make their tartaric acid plant self-supporting, and so enable them to produce it at the same time as citric acid. If they are successful, they will, of course, be in a position to produce appreciably larger quantities.

Two shipments of Argols have been made recently, as follows:

Per "Jersey Hart", Catania	Approx.	61 tons
" "Norvarg", Messina	"	49 "
Total ..	"	110 "

There are two big dealers in Argols in Sicily - Antonino Roberto, in Messina, and Miceli-Ainis, in Catania.

Roberto is at present under contract to Arenella to supply them with all the argols he procures in Sicily for their Tartaric Acid production. The 49 tons shipped from Messina was purchased from Roberto, being a stock he had imported from the mainland. Roberto hopes to be able to obtain further small quantities from the mainland from time to time, and anticipates being in a position to supply a further 50 tons or so very shortly. The price paid to Roberto for the last order was 2,360 lire per 100 kilos, f.o.b., basis 60% Tartaric Acid, with a guaranteed minimum of 50% Tartaric Acid.

The 61 tons shipped from Catania were supplied by Miceli-Ainis. Ainis expects to be able to provide , if required, about 1,500 tons of Argols this year.

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The 61 tons shipped from Catania were supplied by Miceli-Ainis. Ainis expects to be able to provide, if required, about 1,500 tons of Argols this year. He has been told to go ahead and obtain 700 tons, including the small quantity already shipped. What is the maximum quantity required for shipment either to U.K. or U.S.?

Miceli-Ainis was paid 1660 lire per 100 kilos, f.o.b., for the quantity supplied, basis 60% Tartaric Acid. A figure of 1560 lire was originally fixed, with a minimum of 50% Tartaric, but as Ainis was able to supply a minimum of 58% Tartaric he was given a premium of 100 lire per 100 kilos.

Enquiries are now being made for Wine Lees, with a Tartaric Acid content of some 25% to 28%, but no definite information is yet available as to quantities likely to be forthcoming. They are likely to be fairly appreciable, however.

CITRUS PULPS.

It is not possible to obtain from Sicily supplies of pulps which conform to U.K. specifications. The plant is not available to produce it.

It is interesting to record, however, that Germany obtained from Sicily, pulps of appalling quality. They were interested in obtaining very large quantities, the quality being a very secondary consideration. Many firms who had never produced before started making, under shocking conditions. There are still several thousand tons left on the island, but it is quite useless.

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NUTS.

Recent shipments comprise:-

Filberts:-

Per "Dimitrios Inglesis", Palermo	Approx.	239	tons
" "Norvarg", Messina	"	339	"
Total ...		578	"

Almonds, Sweet, Shelled:-

Per "Dimitrios Inglesis", Palermo -

Old Crop	Approx.	27	tons
New Crop	"	36	"
Total ..	"	63	"

making the total quantity of this variety shipped to date - approximately 351 tons.

Almonds, Sweet Unshelled:-

Per "Dimitrios Inglesis", Palermo	Approx.	37	tons
" "Miguel Larrinaga", Syracuse	"	287	"
Total	"	324	"

making the total quantity of this variety shipped to date - approximately 753 tons.

Bitter Almonds, Shelled.

Two tons of this variety were shipped on the "Dimitrios Inglesis", from Palermo, making the total quantity shipped to date 18 tons.

Bitter Almonds, in Shell.

Only seven quintals of this variety have been shipped,

Until recently, although U.K. is interested in obtaining substantial quantities of nuts, very few orders have been placed. As soon as the first purchases were made, prices began soaring. There are hundreds of small growers, so to institute any form of price control would have involved a whole army of officials for it to have been at all effective. The only really effective way to bring prices back to more reasonable levels was to hold off. In the meantime, it was made known that U.K. was prepared to accept deliveries if reasonable prices were charged; otherwise there was nothing doing. The nuts keep, so there was no

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Furthermore, as there is every good reason to anticipate a bumper crop 7024 next season, it was anticipated that the speculators would not be anxious to find themselves holding stocks for too long.

The waiting policy is now having its effect, and fairly substantial purchases have been made, particularly at Syracuse. Already between two and three thousand tons of unshelled almonds have been purchased and are in stock there; in fact, the available warehouses are full. Unfortunately, however, it has not been possible to effect shipment as rapidly as desired. It was hoped to ship a substantial quantity on the "Miguel Larrinaga", but the nuts could not be loaded in sufficient time to enable the boat to catch a convoy. However, when fresh fruit shipments have finished, it is proposed to arrange for composite cargoes to be sent from the East Coast. This will enable large quantities of nuts to be loaded on one steamer, which can then pick up supplies of juice, essential oils, etc.

From Syracuse, within the next three months, it is anticipated that at least 10,000 tons of unshelled almonds will be available. The price being paid today is 1,050 lire per quintal, ex warehouse, for hard shell nuts, new season's. New season's shelled almonds have been purchased for 3,800 lire per quintal, and for old season's 3,200 lire per quintal has been paid.

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Filberts were a very poor crop last season, and it is not expected that substantial quantities will be forthcoming. However, there will probably be a few more hundred tons available, the price now being paid being 2,000 lire per quintal for new season's crop. A price of 2,500 lire per quintal was paid for a quantity of 350 tons in Messina, but future quantities are being procured at the lower figure.

Nuts provide another example of the need for first-class checkers at the docks. A considerable amount of trouble was experienced with one Messina shipper who persisted in sending bags with holes in them. I sent a number of wagons back, and noticed that the same wagons were coming down again, in exactly the same condition as that in which they had been sent away. The wagons were simply taking a walk round the buildings and returning, hoping either for the best or that I, too, had taken a walk! I then suspended loading of all nuts, and went round to the two warehouses where they were stored. No attempt at all was being made to repair broken bags, so I made it clear that unless some concrete evidence was forthcoming of a real effort on the part of the supplier no further bags would be loaded. The following morning I went round again and this time the bags were being sorted and repaired. However, it is highly desirable that a really first-class man should at all times be available to see that no bags are loaded unless they are in a fit condition. Until special instructions were given by me there was nobody in the hold to repair any bags which became broken during the loading, although obviously such a person is just as essential as is a cooper for lemon boxes.

Another merchant was supplying a small quantity of filberts - 100 tons - for this shipment on the "Norvarg". I went on to his warehouse and had a look at the condition of his bags. They were quite passable, but on inspecting the nuts themselves I found they were of very poor quality indeed. New season's nuts had been contracted for, but they were a very poor lot, many of them being two or three season's old by the appearance and taste of them. This shipper - di Noto - was forbidden to send any more nuts to the docks, but unfortunately 12 tons had already been loaded. They should be kept separate from those of the other shipper - Simone - who, although his bags were poor, was providing good nuts, at least as far as one could judge from the various samples drawn.

MUSTARD SEED.

A trial shipment of 486 bags, of one quintal each, has been made to U.K. The seed was sent uncleaned, owing to the difficulty in arranging for power to be laid on at the cleaner's, and also because it was considered that the cleaning would not in any case have been at all sufficient, necessitating cleaning in England in any case.

The price paid was, 1,069 lire per quintal, ex warehouse.

No further shipments will be made until a report has been received on the quality.

Declassified E.O. 12356 Section 3.3/NND No. T8501

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No further shipments will be made until a report has been received on the quality.

PECTIN.

Neither Arenella nor Sanderson is in a position to supply powdered pectin at present. Arenella's pectin plant was damaged, and in any case both factories state that production cannot be contemplated for the time being owing to lack of alcohol.

Arenella's powdered product was submitted some time ago to London, who found it to be inferior in quality. A sample of Sanderson's powdered variety, alleged 220 grade, has now been sent to U.K., together with a number of other samples, on the "Jersey Hart". The samples are addressed to the Ministry of Food at Portman Court, and marked for the attention of Mr. Shipston.

Sandersons state that in normal times they can produce 50 to 60 tons a year of powdered pectin.

Arenella have quoted a production figure for the liquid pectin of 220 quintals per day. It is suggested that, as Palestine is in need of pectin, shipments of the liquid variety should be sent there from Sicily, as it is uneconomic to ship such a low grade to U.K. Furthermore, the liquid pectin deteriorates rapidly. Arenella have quoted a price of 8.8 lire per kilo, ex warehouse.

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Sandersons have been unable to supply a sample of the liquid variety as they have not produced any this season. They claim to be able to produce 3,000 tons per annum. As usual, their ideas of price are high, and they have indicated a figure of 12.5 lire per kilo, plus 2 lire per kilo for barrels.

TOMATO PRODUCTS.

There are three producers of any standing in Palermo - Contorno, Raspanti and Pensabene. I have been to their factories, and frankly do not think very much of any of them. Two of them have suffered fairly appreciable damage, and they were all in a very dilapidated state. None of the factories produced anything last season, as few tomatoes were grown. A maximum price was fixed which was not sufficiently attractive to the growers so cultivation was neglected.

As a result of these visits I am all the more certain that it would be far better to concentrate on Naples as a potential source of supply for tomato products. The quality there has always been recognised as being superior to the Sicilian, and as tinplate would be required in any case I suggest it should be sent to Naples, unless they have sufficient already.

I have spoken to Col. Hayes about this matter, and he informs me that the whole question of production of tomato products is now being investigated in Naples.

CONCENTRATED ORANGE AND LEMON JUICES.

Samples of concentrated juices from Arenella have already been reported upon by London, who found them to be of very poor quality indeed. Arenella have promised to let me have full details of their process for examination.

A trial shipment of 14 small casks each of concentrated orange and lemon juice was sent to U.K. on the "Norvarg". These casks represent a bulk trial order prepared by Sandersons, who state that they are able to produce 350 tons of concentrated juice in a season.

WINES.

A trial shipment of 900 hectolitres was made to U.K. on the "Garma". No further shipments will be sent there until a report has been received on the quality.

CONCLUSION.

Flying Officer Lloyd has copies of all contracts placed on the East Coast, and is fully conversant with up-to-date details regarding the position of all of them. I sincerely trust that it will be possible for Flying Officer Lloyd to be allowed to continue working on export matters, as right from the start he has

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CONCLUSION.

Flying Officer Lloyd has copies of all contracts placed on the East Coast, and is fully conversant with up-to-date details regarding the position of all of them. I sincerely trust that it will be possible for Flying Officer Lloyd to be allowed to continue working on export matters, as right from the start he has displayed an enthusiastic interest and co-operated in every possible way. The knowledge he has acquired will be of immense value on the development of exports.

Any suggestions contained in this report are not offered in any critical sense - they are given in the sincere hope that they may be of some help in the furtherance of exports of foodstuffs from Sicily. For all the assistance and co-operation I have received from all quarters during my stay I am deeply grateful. 7023

/s/ J. W. SEYMOUR.

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11

MINUTES OF FOURTH STAFF MEETING

INDUSTRY & COMMERCE SUB-COMMISSION

0900 hours, 24 March 1944 - Naples

Present

Col. W. P. EVANS
Col. J. S. E. TODD
Lt.Col. F. M. REITER
Lt.Col. R. P. KOENIG
Maj. W. J. MASKREY
Maj. R. A. MARTINO
Maj. A. S. BRERETON
Maj. D. A. JACOBS
Maj. O. E. LEWIS
Maj. E.E.R.KILNER
Capt.W.G.ADAMS
Capt.W.E.SCOTTEN
T/Sgt. D. GIARDINA

1. Colonel Evans expressed his regret for not being able to attend last meeting due to other urgent business.

2. Draft to be prepared of Director's speech at Executive Meeting, as last was inadequately reported, for general circulation.

3. The Staff was informed that a Committee from C.C.A.C. was here making reports on A.C.C. activities.

4. Major Martino who went on tour with Major Waters inspecting the Clothing Stores on Via Roma informed the Staff that it was Major Waters' opinion that clothing should not be imported here. He was satisfied that enough clothing existed here for the civilian population. Major Martino finally convinced Major Waters to take a trip to "back alleys" and get a picture of the poor population, but opinion was expressed similar situation existed nearly everywhere. In Major Martino's opinion the committee was set in type of report that they were going to render on their return.

5. Colonel Evans said that it was his opinion that visits would be more frequent. Suggestions were asked to cope with this sort of visit. Could we make reports that we could have ready for them and let them read exactly what we are doing.

6. Major Brereton suggested a more complete monthly report.

7. Lt. Col. Koenig was of the opinion that different committees would deal with different subjects and that would not help the matter. If monthly reports were prepared they would not take time to even read them. Agreed Capt. W. E. Scotten

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6. Major Brereton suggested a more complete monthly report.

7. Lt. Col. Koenig was of the opinion that different committees would deal with different subjects and that would not help the matter. If monthly reports were prepared they would not take time to even read them. Agreed Capt. W. E. Scotten would co-operate with Major Kilner in the production of the next monthly report, afterwards assuming this responsibility himself.

8. Colonel Evans stated that all correspondence both incoming and outgoing should go to Capt. W. E. Scotten first. All heads of sections will ensure that their report is sent to Capt. Scotten promptly at the end of the month. 7022

9. Colonel Evans stated that the committee referred to above when asked about coal being allocated to the Salerno Glass Works that they would not even listen to the matter. They claimed that the subject of glass was cut during war-time.

10. Colonel Koenig brought up the subject of supplies. He suggested a system should be worked out whereby ACC supplies would be marked in such a way that other agencies would not pick up supplies that were originally intended for ACC. It was hoped this matter would be thoroughly thrashed out at Major Martino's visit to AFHQ.

11. Noted meetings profitable, and to be held at fortnightly intervals; next meeting 8 April at 0900 hours.

12. Meeting adjourned at 1000 hours.

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HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

AJC/df.

Ref. SC 311.3

26 March 1944

MEMORANDUM TO: All Concerned.

ACC ARCHIVES

1. It has been decided to establish within the Commission an organization to collect, arrange and have custody of official documents and records of the Commission's work.

2. An advisory committee has been appointed under whose direction the archivist will work.

3. The purpose of the archives is not to make selection or summaries of documents because it is thought that they will be of interest in the future. Archives are a natural accumulation of the documents made and used in the course of day to day work. They voice no opinion; they are the written facts on a particular case and their value is governed by the extent and carefulness of their preservation. The original and main sources of archives are therefore the actual files accumulated and prepared by the different sections, sub-commissions, regions, etc., comprised within the Commission's organization.

4. It is appreciated that the greater part of the files which have grown up in the life of the Commission may still be in frequent use by the offices in which they originated. There is no desire that any section be pressed to relinquish custody of files which are still required for future reference.

5. At the same time plans need to be made for the receipt, cataloging, storage, and safe custody of such files as can be released by active organizations, and of the files of now defunct bodies such as AMG 15th Army Group.

6. It is hoped that the archives may be of real assistance to sections, etc., in a number of ways: notably in enabling them to relieve pressure on their space by elimination of papers not of permanent value, and by taking over files which are seldom required for current work.

[illegible] of the archivist will continue to be readi-

Declassified E.O. 12356 Section 3.3/NND No. 785011

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6. It is hoped that the archives may be of real assistance to sections, etc., in a number of ways: notably in enabling them to relieve pressure on their space by elimination of papers not of permanent value, and by taking over files which are seldom required for current work.

7. Files in the custody of the archivist will continue to be readily available whenever it is found necessary to consult them.

8. The administration of the archives is placed under the Secretary General, with whom all correspondence will be conducted. A representative from his office will visit you at an early date in order to discuss the disposal of material at present available.

7021

M. S. Lush

M. S. LUSH,
Brigadier,
Executive Commissioner.

DISTRIBUTION:

Deputy Chief Commissioner - 1
Regions I, II, III, IV, V & VI - 6 each
(includes copies for distribution to provinces)
Administrative Section - 10) Includes copies
Economic Section - 12) for distribution
R.C. & M.G. Section - 8) to sub-commissions
Political Section - 2
Independent Sub-Commissions - 2 each
SG - 1
DSG - 1
AMG 5 Army - 3
AMG 8 Army - 3

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SECRET

Headquarters
Allied Financial Agency
APO-394

18 March 1944.

Activities of Allied Financial Agency during
the month of February 1944.

1. In accordance with instructions contained in cable 2305 (FAN 161) of 11 July from A G W A R, the following report is submitted for transmission to the Treasuries at London and Washington covering the activities of A F A for the period from 1 February to 29 February 1944. As far as possible the information requested by the Secretary of the Treasury in his letter of 31 August 1943 to the Secretary of War, is included in this report.

2. (a) The Consolidated Statement of the Assets and Liabilities of A F A, as at the close of business on 29 February 1944, is attached as ANNEX 1. As compared with the statement of 31 January 1944 the total of assets and liabilities increased from Lire 43,155,014,823 to Lire 43,156,377,654 or by 1,362,831 Lire, a much smaller figure than in the previous month, when the increase amounted to 2,249 million lire. The increase in February is accounted for principally by the following changes :

(i) No new A.M. Lire notes were received from Washington. An overage of 200,000 lire on the books of the Palermo branch was offset by a shortage of 200,000 lire reported by the Naples branch.

(ii) Sicilian Commercial banks withdrew 210,153,538 lire from their deposits with A F A, reducing the total on deposit to a neglible figure of 625,000 lire.

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(ii) Sicilian Commercial banks withdrew 210,153,538 lire from their deposits with A F A, reducing the total on deposit to a neglible figure of 625,000 lire.

(iii) The Economic and Supply Division deposited 43,978,092 lire, representing the proceeds of goods sold to the civilian population. The Public Health Division also deposited 1,407,481 lire.

(iv) Receipts for account of AMG Economic and Supply Division which differ from deposits in that the amounts have been allocated according to the source of the goods sold, (See Schedule III to ANNEX I), increased 135,876,880 lire.

7020

(v) Various Army units deposited PX and unit funds in the amount of 26,649,153 lire.

(vi) The Controller of Property deposited 1,053,411 lire.

(vii) Other deposits increased by 1,934,323 lire.

(b) Statements of Assets and Liabilities of Branches, as of the close of business on 29 February 1944, appear in the condensed consolidating statement as ANNEX II.

..../ 3. Receipts

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3. Receipts and Disbursements. A comparison with the statement of 31 January shows the following changes in assets other than cash on hand and in banks.

(a) During the month the total of other balances with banks declined from 232,635,037 lire to 49,130,652 lire. This change was the result of the following developments:

(i) Deposits of Sicilian commercial banks with A F A, which ceased to bear interest on 31 December 1943, were withdrawn, with the exception of the small amount of 625,000 lire. The Banca d'Italia pays interest at the following rates :

Sight Deposits	1½%
Deposits at 8 day's notice	2½%
Deposits at 15 day's notice	3 %

It is understood that the Bank of Italy will begin on 1 March to pay 4 % on deposits held for a period of three months, and 4½% on deposits held for a period of four months or more.

(ii) The amount deposited by various U.S. Army PX, company, mess and other funds increased 26,649,153 lire. In addition to the accounts now operated by the Banco di Napoli for the Naples branch, deposits of this type at the Bari branch have attained the sum of 7,940,832 lire.

(b) Funds held by accounting officers in the field were reduced in the amount of 203,129,135 lire. The sum of 525,465,154 lire was reclassified to other accounts, while accounting officers in the field drew an additional 322,336,019 lire in cash, distributed as follows :

	Net New Cash Advances	Interbranch Transfers
Bari	200,168,000	- 1,280,749
Naples	16,216,631	- 615,904
Palermo	55,954,250	- 6,960

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Deposits at 6 day's notice 2½%
Deposits at 15 day's notice 3 %

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	Net New Cash Advances	Interbranch Transfers
Bari	200,168,000	- 1,280,749
Naples	16,216,631	- 615,904
Palermo	55,954,250	- 6,960
Sassari	11,774,200	- 200,000
Region IV	38,222,938	+ 2,103,613
	322,336,019	-

(c) During the month the sum of 105,745,562 lire was expended for the purchase in Italy of goods destined for export or for resale in Italy. Payments were made as follows :

For Export to United States	165,737
" " " United Kingdom	68,756,821
" " " North Africa	7,017,644
" " " Corsica	88,400
" " " Malta	27,514,981
Destined for Resale in Italy	2,201,979
	105,745,562

...../ (d) The cum

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the army finance officers, at which time they first appear on the A F A Statement.

(g) AMG/ACC Expenditure, less revenue indicates net revenue of 58,813,357 lire, as compared with net revenues of 49,888,035 lire at the end of January. The cumulated net expenditure of A F A is shown as 2,077,518 lire.

Other divisions of AMG and ACC reported a cumulative excess of revenue over expenditure in the amount of 60,890,875 lire, as compared with 52,110,079 lire at the end of January 1944.

4. Currency Statement.

(a) During the month of February, currency movements in the accounts of A F A may be summarized as follows :

	Lire
Cash on hand and in banks (including mutilated) as of 31 January	21,066,189,829
New A.M. Lire Notes received in February	n i l
Total available during February	21,066,189,829
Cash on hand and in banks (including mutilated) as of 29 February	18,332,481,535
Total net disbursements in February	2,733,708,294

The total disbursements of cash in February appear somewhat larger than the net total of 2,472,530,741 lire paid out in January, but this is in part the result of non-recurrent receipts accruing in January in the form of repayments of bank loans, and the return to A F A of cash formerly held by field officers of AMG. During the month of January banks repaid 343,687,684 lire, while field officers returned 1,016,667,028 lire in cash. "Gross" disbursements in January might therefore be stated at 3,832,885,453 lire, a substantially larger figure than the "gross"disbursements in February, computed in similar fashion, amounting to 3,843,877,611 lire.

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(b) Mutilated A.M. lire notes redeemed and held by A F A increased from 1,998,096 lire at the end of January, to 3,228,255 lire at the end of February.

7019

(c) During the month A F A accumulated on balance yellow seal dollars and BMA pounds, despite the payment to British Army paymasters of 107.2 million lire value in BMA pounds during the month. The amount of yellow seal dollars held increased from $ 718,891.41 on 31 January to $ 894,836.56 on 29 February, indicating that $ 175,945.15 was taken up for AFA account in February, by the branches in Palermo, Naples and Bari. In addition to the £ 268,000 in BMA currency and British Coin paid to the British paymasters, £ 358,076-9-4½ was taken up by AFA in BMA currency and British Coin during the month.

...../ (d) In ANNEX V

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

(d) The cumulative total of advances thus far classified, which excludes those extended by accounting officers in the field during February, is tabulated below :

	Bari	Naples	Palermo	Sassari	RegionIV	Total
	(in million lire)					
To Italian State Treasury & State Institutions	1087	85	1754	683	34	3643
To Provinces	14	34	367	7	2	424
To Communes	19	224	731	2	35	1011
Total to Public Bodies	1120	343	2852	692	71	5078
To Others	2	7	2	-	10	21
Total Advances	1122	350	2854	692	81	5099

The total shows an increase of 803 million lire, as compared with 31 January 1944. This compares with total advances of 1300 million lire in January.

For a review of the cumulated deficit of Italian public bodies since the date of liberation, refer to ANNEX III.

(e) Loans to banks, all of which are carried on the books of the Palermo branch, were reduced by 114 million lire, as a result of repayment by the Sicilian commercial banks of credits granted them under the original agreement, which expired on 31 December 43. The remainder is due for repayment on 31 March 1944. Included in the remaining balance under this item is one loan made for the purpose of assisting a small bank in financing the seasonal movement of crops, which falls outside the terms of the original credit agreement, however.

(f) Disbursements to the Allied Armed forces in February are summarized below :

	Bari	Naples	Palermo	Sassari	RegionIV	Total
	(in millions of lire)					

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(f) Disbursements to the Allied Armed forces in February are summarized below :

	Bari	Naples	Palermo	Sassari	RegionIV	Total
			(in millions of lire)			
U.S. Army	211	653	70	-	-	934
U.S. Navy	-	-	18	-	-	18
British Army	496	400	107	+	-	1003
British Navy	-	-	-	+	-	+
R.A.F.	-	-	-	7	-	7
French Armed Forces	-	374	+	-	-	374
All Allied Armed Forces	707	1427	195	7	-	2336

+ Less than 1 million lire.

The total amount of 2336 million lire is approximately four-fifths of the total of such disbursements in January, amounting to 2863 million lire, and is much smaller than the total sum of 4266 million lire which was paid out in December 1943. The February figure includes 107 millions of spearhead currencies, as against 49 millions paid over to the armed forces in January in spearhead currencies. These refunds of BMA pounds and yellow seal dollars to the armed forces represent amounts paid in to Italian banks by the public, and were in all probability originally disbursed by the armed forces some weeks or months prior to the date of the repayment by A F A to

3...../the army

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(Revised Figures)

	31 January 1944. A.M. Lire	Met. Lire	Total Lire	29 February 44. A.M. Lire	Met. Lire	Total Lire	February change A.M. Lire	Met. Lire	Total Lire
				(in million lire)					
Bari Area	958	432	1390	925	473	1398	- 33	+ 41	+ 8
Naples "	106	747	853	154	887	1041	+ 48	+140	+188
Palermo "	?	?	1500 est)	1285	335	1620	?	?	+120
Sassari "	100	68	168	103	72	175	+ 3	+ 4	+ 7
Region IV(incl in Bari)									
Liberated Italy	?	?	3911 est)	2467	1767	4234	?	?	+323 est in part

A part of the reserve is required to cover AFA's deposits with the Banca d'Italia, set forth below. AFA's deposits with other banks may be considered as covered by cash held in the vaults of these banks.

AFA Deposits with Banca d'Italia

	(million lire)
Bari	118
Naples	97
Palermo	132
Sassari	4
Total	351

The total liabilities of the Banca d'Italia in liberated Italy are not known, but most probably lie within the range of 20 to 40 billion lire.

(g) A second report has been prepared by the Public Safety Sub-Commission on the forging and raising of Allied Military Currency in Sicily, to 31 January 1944. Seventy-one cases of raised notes have been investigated involving 176 notes, as follows:

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	(million lire)
Bari	118
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Total	351

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Raised from	1	lira	to	2	lire	1	note
" "	1	lira	"	10	lire	52	notes
" "	2	lire	"	10	"	1	note
" "	10	"	"	100	"	1	note
" "	50	"	"	500	"	111	notes
" "	50	"	"	1500	"	1	note
" "	100	"	"	1000	"	9	notes
						176	notes.

Total original value of 176 notes -.6565 lire
Total forged " " " " -66632 lire.

Many of these forgeries are crude, but the raising of many 50 lire notes to 500 lire notes was accomplished sufficiently well to pass casual inspection by the use of yellow crayon to convert the border and center of face from blue to green. Seventeen arrests had been made in Sicily prior to 31 January 1944. In Region III, 14 cases of forging or raising have been reported to AFA, by the Public Safety Sub- Commission.

...../ AFA has now

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(d) In ANNEX V an attempt is made to estimate the amount of A.M. lire held by the banks and the public at the end of each month beginning August 1943. The monthly rate of addition to this total is shown below:

Total Value of A.M. Lire in Hands of all Italian Banks and the Public, August 1943 to date.
(Excluding deposits of AFA with Italian banks and Funds Held by Accounting officers in the Field in Form of Cash)

	Total Outstanding Lire	Change During Previous Month Lire
31 August 1943	1,023,510,401	1,023,510,401
30 September 1943	2,832,986,522	1,809,476,121
31 October 1943	4,463,014,925	1,630,028,403
30 November 1943	7,751,937,255	3,288,922,330
31 December1943	10,925,748,386	3,173,811,131
31 January 1944	14,102,572,467	3,176,824,081
29 February 1944	17,420,062,465	3,317,489,998
		17,420,062,465

Of the total outstanding, it is estimated that 2,117,000,000 lire was held by the Banca d'Italia, in addition to 350 million lire held as cover for AFA's deposits with the Banca d'Italia. That is to say, about 15,300 million lire of A.M. currency was in the hands of the Italian commercial banks and the Italian public as of 29 February.

(e) The value of unopened boxes of A.M. lire remaining at the disposition of AFA as of 29 February is tabulated below. In addition to the amounts tabulated below as "available", commercial banks hold some unopened boxes, particularly in smaller denominations, and some unopened cartons from broken boxes.

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31 August 1943	1,023,510,401	1,023,510,401
30 September 1943	2,832,986,522	1,809,476,121
31 October 1943	4,463,014,925	1,630,028,403
30 November 1943	7,751,937,255	3,288,922,330
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		17,420,062,465

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Value of A.M. Lire Available in Reserve Cash and A.M. Lire Disbursed, by denominations.
29 February 1944.
(in millions of Lire)

	1000	500	100	50	10	5	2&1	Total
Available	5728	4458	4077	1547	510	451	50	16821
Disbursed	11932	6340	4787	2102	246	207	154	25768
	17660	10798	8864	3649	756	658	204	42589 +

+ Excluded from this total is a shipment of 720,960,000 lire received at Palermo at the end of January, but lost at sea while being transhipped from Palermo to Naples.

(f) The cash reserve of the Banca d'Italia in various areas may be summarized as follows :

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AFA has now been authorized by CCAC to redeem raised notes at the original face value, provided the holder had no criminal intent.

(h) On 3 March a report was made to the Chief Finance Officer by a committee under the chairmanship of the Chief of AFA, relative to the status of currency printed in Rome and L'aquila after 7 August 1944, bearing the monogram of the Banca d'Italia on the reverse in place of the small vermillion seal bearing the lictor's fascio. Extracts from this report are reproduced as ANNEX VI.

5. Custody of Foreign Assets. The Regional Finance Officer of Region III has rendered a report on the foreign assets impounded under his receipts, the most important of which are :

British pounds	21-11-3
U.S. dollars	244.70
Mexican pesos	14,958.20
German R.M.	169,343,13
French Francs.	78,112.40

6. Policy and Organization. Refer to the February report of the Finance Sub-Commission, the relevant portion of which is attached as ANNEX VII.

7. Personnel. As of 29 February, the personnel of AFA, excluding civilian laborers and clerks, and armed military guards, comprised 9 Officers and 7 enlisted men, EM/OR's, as well as four officers and one enlisted man temporarily attached, detailed as follows :

	Officers		EM/OR's	
	Asgd	Attached	Asgd	Attached
Bari	1	1	-	1
Naples	2	1	1	-
Palermo	2	1	3	-
Sassari	1	-	-	-

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German R.M.	169,343,13
French Francs.	78,112.40

6. Policy and Organization. Refer to the February report of the Finance Sub-Commission, the relevant portion of which is attached as ANNEX VII.

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	Officers		EM/OR's	
	Asgd	Attached	Asgd	Attached
Bari	1	1	-	1
Naples	2	1	1	-
Palermo	2	1	3	-
Sassari	1	-	-	-
Headquarters (incl Reg.IV)	3	1	3	-
	9	4	7	1

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Approved :

James H. PENICK,
Major, Sp. Res.
Chief of AFA.

George H. Willis,
Lt. SC-V(S), USNR.

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Value of A.M. Lire in Hands of Banks and Pub
(Excluding Deposits of AFA with banks and Cash Funds Held by Accoun

	31 August
New A.M. Lire received (after deduction of shortages)	2,163,200,000
Less - Lire held by AFA in current cash, reserve cash, provision against credits granted to banks, and current accounts (incl. mutilated)	237,727,952
A.M. Lire Outstanding	1,925,472,048
Deduct -	
A.M. Lire held by Finance Officers of Armed Forces	
U.S. Finance Officers	
Funded through AFA Palermo Army	650,503,647
Funded through AFA Naples	-
Funded through AFA Bari	-
Funded through AFA Sassari	-
Total U.S. Finance Officers	650,503,647
British Paymasters, Italy	
Funded by all branches ++	71,458,000
French Paymasters	
Funded by all branches	-
A.M. Lire Held by All Allied Armed Forces	721,961,647
Deduct - Funds Held By Acctg Officers of AMG/ACC in Cash+	-
Reported	180,000,000
Estimated	
Total A.M. Lire Held by All Banks and Public	1,023,510,401

++ Excludes small amount held by R.N., R.A.F., and Empire forces, estimated
+ Excludes receipts for funds disbursed but not yet allocated to expenditur
this item on the Statement of Assets and Liabilities.

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ue of A.M. Lire in Hands of Banks and Public
with banks and Cash Funds Held by Accounting Officers of AMG/ACC)

	31 August	30 September	31 October.
ion of shortages)	2,163,200,000	9,772,184,000	11,757,784,000
ash, reserve cash, nted to banks, and ated)	237,727,952	3,836,393,846	2,084,845,850
	1,925,472,048	5,935,790,154	9,672,938,150
of Armed Forces			
Army.	650,503,647	670,567,317	408,239,217
	-	1,692,138,984	1,406,883,464
	-	-	-
	-	-	-
cers	650,503,647	2,362,706,301	1,815,122,681
	71,458,000	190,097,331	1,747,469,952
	-	-	-
ied Armed Forces	721,961,647	2,552,803,632	3,562,592,633
s of AMG/ACC in Cash+	-	-	1,647,330,592
	180,000,000	550,000,000	-
d Public	1,023,510,401	2,832,986,522	4,463,014,925

., R.A.F., and Empire forces, estimated at not more than 50 million lire.
rsed but not yet allocated to expenditure accounts, which are included in
ets and Liabilities.

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	Value of A.M. Lire in Hands of Banks and (Excluding Deposits of AFA with banks and Cash Funds Held by Ac	
	30 November	31 De
New A.M. Lire received (after deduction of shortages)	16,567,968,000	39,39
Less -Lire held by AFA in current cash, reserve cash, provision against credits granted to banks, and current accounts (incl. mutilated)	3,302,003,153	20,2
A.M. Lire Outstanding	13,265,964,847	19,1
Deduct -		
A.M. Lire held by Finance Officers of Armed Forces		
U.S. Finance Officers:		
Funded through AFA Palermo - Army	331,604,977	32
Navy	12,209,358	
Funded through AFA Naples	1,948,183,031	3,4
Funded through AFA Bari	-	
Funded through AFA Sassari	-	
Total U.S. Finance Officers	2,291,997,366	3,76
British Paymasters, Italy		
Funded by all branches ++	1,833,945,311	1,99
French Paymasters		
Funded by all branches	-	2
A.M. Lire Held by all Allied Armed Forces	4,125,942,677	6,00
Deduct-Funds Held by Accty Officers of AMC/ACC in Cash+		
Reported	1,388,084,915	2,2
Estimated	-	
Total A.M. Lire Held by All Banks and Public	7,751,937,255	10,92

++ Excludes small amount held by R.N., R.A.F., and Empire forces, estimated

\+ Excludes receipts for funds disbursed but not yet allocated to expenditu this item on the Statement of Assets and Liabilities.

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alue of A.M. Lire in Hands of Banks and Public
FA with banks and Cash Funds Held by Accounting Officers of AMG/ACC)

	30 November	31 December	31 January	29 February
ion of shortages)	16,567,968,000	39,392,287,600	42,589,727,520	42,589,727,520
sh, reserve cash, ted to banks, tilated)	3,302,003,153	20,231,751,624	20,843,337,718	17,948,717,992
	13,265,964,847	19,160,535,976	21,746,389,802	24,641,009,528
of Armed Forces				
Army	331,604,977	327,566,919	318,000,000	320,257,000
Navy	12,209,358	15,000,000	20,000,000	23,573,000
	1,948,183,031	3,417,581,279	3,139,096,262	3,140,396,043
	-	-	701,721,301	656,956,106
	-	-	104,649,838	78,938,983
ers	2,291,997,366	3,760,148,198	4,283,467,401	4,220,121,132
+	1,833,945,311	1,991,608,366	1,923,537,547	1,547,287,547
	-	251,463,372	343,780,865	553,538,384
Forces	4,125,942,677	6,003,219,936	6,550,785,813	6,320,947,063
of AMG/ACC in Cash+	1,388,084,915	2,231,567,654	1,093,031,522	-
	-	-	-	900,000;000
nd Public	7,751,937,255	10,925,748,386	14,102,572,467	17,420,062,465

N., R.A.F., and Empire forces, estimated at not more than 50 million lire.
ursed but not yet allocated to expenditure accounts, which are included in
ects and Liabilities.

(viii) Since the conversion would be on a one to one basis, there will be no resulting economic and financial benefit, in the territory already liberated.

If the notes in question were withdrawn, additional A.M. lire would be required. It is estimated that a maximum of 100 million lire issued under the October decree may now be outstanding in liberated Italy. More may be found in Rome. On the otherhand, one or two billion lire of notes issued under the August decree may be circulating at the present time in liberated territory. From the standpoint of currency available, these would be manageable quantities, without recourse to overstamping and re-issue of notes withdrawn from circulation.

Should however, a program regarding the notes in question be ordered, the following steps would have to be taken :

(i) The Badoglio Government would decree that the notes in question, i.e. notes issued either after 7 August or after 3 September 1943, cease to be legal tender as of a given date. It would announce in addition provisions for the redemption and retirement of notes so withdrawn.

(ii) Civilians would be given four weeks from the date of announcement to present for conversion currency issued under post-armistice decrees. Special provisions would have to be drafted to take care of currency in the hands of Allied Forces.

(iii) The Bank of Italy would agree to accept these notes for retirement and to pay out other Italian currency. It would, in addition, have to establish a new procedure for handling mutilated currency since the distinguishing marks of these notes appears only on one of the margins in small print.

(iv) Italian banks, their agents, and Postal Savings Institutions would be instructed to accept the designated currency under instructions from the Bank of Italy. Italian banks would be

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Should however, a program regarding the notes in question be ordered, the following steps would have to be taken :

(i) The Badoglio Government would decree that the notes in question, i.e. notes issued either after 7 August or after 3 September 1943, cease to be legal tender as of a given date. It would announce in addition provisions for the redemption and retirement of notes so withdrawn.

(ii) Civilians would be given four weeks from the date of announcement to present for conversion currency issued under post-armistice decrees. Special provisions would have to be drafted to take care of currency in the hands of Allied Forces.

(iii) The Bank of Italy would agree to accept these notes for retirement and to pay out other Italian currency. It would, in addition, have to establish a new procedure for handling mutilated currency since the distinguishing marks of these notes appears only on one of the margins in small print.

(iv) Italian banks, their agents, and Postal Savings Institutions would be instructed to accept the designated currency under instructions from the Bank of Italy. Italian banks would be required to post deposited currency within two weeks after receipt, to the Bank of Italy or to the AMG/ACC Finance Officers for transmission to the Bank of Italy.

(v) AFA might have to deposit some additional currency with the Bank of Italy, and in some cases might have to transport currency for the Bank of Italy to cover conversion in other areas. (These steps would probably not be required if conversion is confined to post-armistice issues alone).

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NOTES BEARING SEAL OF BANCA D' ITALIA.

Denomination.	Decree dates and Source. (all 1943)	Lowest Serial Nº. (A)	Highest Serial Nº. (B)	be &
1000 lire	11 Aug & 10 Aug O.C.V., I.P.S., Rome	R13	217	
1000 lire	23 Aug & 9 Aug Ofc.di B.I. D'Aquila	C206	M209	
1000 lire	8 Oct & 9 Aug " " "	0211	T213	
500 lire	none	-	-	
100 lire	23 Aug & 9 Aug " " "	H1060	F1123	14
50 lire	23 Aug & 9 Aug " " "	?	G1081	
50 lire	8 Oct & 9 Aug " " "	I1093	N1146	11

Issued under Post-Armistice decrees in all Italy (mini

Issued under Pre-Armistice decrees in all Italy (minim

Minimum Amount of New Type in all Italy.

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NOTES BEARING SEAL OF BANCA D' ITALIA.

rce.	Lowest Serial N°. (A)	Highest Serial N°. (B)	No of Notes between lowest & highest Nos. (C)	Lire Value of(C) (D)	N° of Specimens Examined
V., I.P.S., Rome	R13	217	9,400,000	9,400,000,000	53
i B.I. L'Aquila	C206	M209	760,000	760,000,000	9
" "	0211	T213	500,000	500,000,000	15
	–	–	–	–	0
" "	H1060	F1123	14,080,000	1,408,000,000	330
" "	?	G1081			?
" "	I1093	N1146	11,710,000	585,500,000	68
st-Armistice decrees in all Italy (minimum)				1,085,500,000	83
re-Armistice decrees in all Italy (minimum)				11,568,000,000	392
of New Type in all Italy.				12,653,500,000	475

Deficits of Italian Treasury and of Local Governments since Liberation

In the following tabulation an attempt is made to summarize the deficits of Italian public bodies since the date of occupation or the establishment of effective control by the Badoglio government, and to indicate the source of these funds. As reports in most cases have been derived from branches of AFA, the total is distributed among the various regions served by AFA branches.

Approximate Total of Deficits of Treasury & Local Governments Financed from date of Liberation to 29 February, 1944 ²+

(in million lire)
(revised)

	A F A	A.M.G. Fin.C.	Advances From B.I.	Short-Term Securities (net)	Long Term Securities Paid % By B.I.	Total
Unclassified	-	500(est)	-	-	-	500 ?
Bari Area	1120	-	1437 +	140	-19	2678
Naples "	343	-	1166	70	-29	1550
Palermo "	2852	-	-- +	81 +	-13	2920
Sassari "	692	-	862	78	-2	1630
Region IV	71	-	?	?	?	71
TOTAL	5078	500(est)	3465	369	-63	9349

\+ Through 31 January 1944.
% Excluding coupons paid in the amount of 48 mn. lire by Naples and 16 mn. by Palermo.
²+ Assumption is made that there was no change during the period in cash holdings of the Italian Governmental bodies.

The above tabulation brings out the appreciable economy in the disbursement of AM lire which has been effected in the Naples, Sassari and Bari areas by means of direct advances from the Bank of Italy to the Italian government to cover the deficits of the Italian treasury, [illegible] of Italian armed forces. It is hoped that this

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Unclassified	-	500(est)	-	--	-	500 ?
Bari Area	1120	-	1437 +	140	-19	2678
Naples "	343	-	1166	70	-29	1550
Palermo "	2852	-	-- +	81 +	-13	2920
Sassari "	692	-	862	78	-2	1630
Region IV	71	-	?	?	?	71
TOTAL	5078	500(est)	3465	369	-63	9349

+ Through 31 January 1944.
% Excluding coupons paid in the amount of 48 mn. lire by Naples and 16 mn. by Palermo.
a+ Assumption is made that there was no change during the period in cash holdings of the Italian Governmental bodies.

The above tabulation brings out the appreciable economy in the disbursement of AM lire which has been effected in the Naples, Sassari and Bari areas by means of direct advances from the Bank of Italy to the Italian government to cover the deficits of the Italian treasury, including the pay of Italian armed forces. It is hoped that this system can soon be applied in Sicily, thus reserving A.M. lire for the finance officers of the Allied forces, who prefer to take currency in the form of unopened boxes of new AM Lire, rather than in packets of used Metropolitan lire, or mixed boxes of used AM Lire and used Metropolitan lire.

The cumulated deficits since liberation, at a minimum 9349 million lire, may be compared with the total of 12019 million lire paid out to civilians by the armed forces of the Allies (ANNEX IV). The sum of these two figures, or 21368 million lire, may be regarded as a basic source and determinant of the current income of the civilian population. As indicated in ANNEX III of the December report of AMFA, the third factor of significance, which it is impossible to estimate, would be the expenditure on current consumption paid out of bank deposits held at the time of liberation, or financed by the sale of liquid assets at the time of occupation.

...../ In view of

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In view of the revised figures quoted in the above table, which have been modified by the inclusion of a credit balance held by the Italian Treasury in the branches of the Banca d'Italia in Lucania, in the Bari area, at the end of January, it is not possible to make a direct comparison with the similar tabulation in ANNEX III of the January report. However, it is possible to state that the deficits of the Treasury and of the local Italian authorities in February amounted to at least 1825 million lire, financed as follows :

	Million Lire
Advances from AFA	800
Advances from Bank of Italy (Sassari and Naples areas only)	773
Short-Term securities	252
	1825

It may be estimated that the armed forces provided some 1877 millions of income to Italian civilians in February, of which some 1558 millions were paid out by individual officers and troops. The latter/sum is appreciably smaller than the minimum figure for the public deficits in February, without allowance for the missing data from Palermo and Bari regions.

The Banco di Napoli has supplied the following list of prices at which various securities were being traded in Naples as of 17 March 1944:

Andamento mercato (non ufficiale) dei titoli di Stato sulla piazza di Napoli del giorno 17 Marzo 1944.

Specie dei titoli	Prezzi	Tendenza
B.Tes.Nov. 5% 1944	da £. 95.= a £. 97.=	ricercati
B.Tes.Q.li 5% 1948	" " 86.75 " " 87.25	"
B.Tes.Nov. 5% 1949	" " 84.75 " " 85.25	"
B.Tes.Nov. 5% 1950 1^e.	" " 84.25 " " 84.75	"
B.Tes.Nov. 5% 1950 2^e.	" " 84.= " " 84.50	"

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Specie dei titoli	Prezzi		Tendenza
B.Tes.Nov. 5% 1944	da £. 95.=	a £. 97.=	ricercati
B.Tes.Q.li 5% 1948	" " 86.75	" " 87.25	"
B.Tes.Nov. 5% 1949	" " 84.75	" " 85.25	"
B.Tes.Nov. 5% 1950 1^e.	" " 84.25	" " 84.75	"
B.Tes.Nov. 5% 1950 2^e.	" " 84.=	" " 84.50	"
B.Tes.Nov. 5% 1951	" " 83.50	" " 84.=	"
B.Tes.Nov. 4% 1951	" " 72.75	" " 73.25	"
Rendita Italiana 5%	" " 83.25	" " 83.75	ricercata
Rendita 3.50 % (1906)	" " 95.75	" " 96.25	"
Redimibile 5%	" " 84.=	" " 84.50	sostenuto
Redimibile 3.50%	" " 67.=	" " 68.=	offerto

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ANNEX VI

Extracts from Interim Report of

Committee on Currency.

"

2. Data

Briefly summarized, the committee has discovered that a substantial quantity of notes of the Banca d'Italia have been issued subsequent to 7 August 1943, bearing a small circular seal of the Banca d'Italia in place of the lictor's Fascio, which formerly appeared on the reverse side of the notes in vermillion. This change was ordered by Ministerial decree of 7 August, under Badoglio. A much smaller number of notes has appeared in liberated territory, bearing the same seal, but issued under a decree of 8 October. From specimens thus far examined the amounts known to have been issued are tabulated in ANNEX I. "

"

5. Conversion and Repudiation of Unconverted Notes of Recent Issue

It is not desirable at the present time to withdraw notes of the Bank of Italy issued under decrees promulgated during August and October 1943, for the following reasons :

(i) The amounts of currency involved are relatively small.

(ii) Since the Italians are already sensitive to the possibility that a distinction may be made between AM lire and Metropolitan lire, such a step may well lead to a flight from all Metropolitan lire. Many Italians are illiterate, and confused rumours readily circulate even among literate peoples, where currency is concerned.

(iii) The position of the present Italian Government might be seriously prejudiced unless a distinction were made between certain August and all October issues. Notes issued under the August decrees were designed, authorized, and in some cases issued by the present Badoglio Government.

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(iii) The position of the present Italian Government might be seriously prejudiced unless a distinction were made between certain August and all October issues. Notes issued under the August decrees were designed, authorized, and in some cases issued by the present Badoglio Government.

(iv) Although conversion could be confined to notes issued under October decrees, such notes would be difficult for the layman to distinguish. In the end, suspicion would attach to all Metropolitan lire. Deliberate mutilation of notes for purposes of evasion would be stopped only at the cost of refusing some bona fide holders of mutilated notes.

(v) Partial conversion on a small scale might well force a more comprehensive program before necessary plans had been developed and currency supplies secured.

(vi) There might be some serious monetary disturbance in German-occupied Italian, as well as other European territories. Should the Allies occupy significant Nazi-controlled areas within a reasonably short period of time, these disturbances could prove embarrassing. On the other hand, if this period should prove to be long, such developments could be viewed favourably.

(vii) The Nazis could with little inconvenience resume the printing of notes which could not be distinguished from notes not subject to withdrawal under the program adopted.

..../ (viii) Since the

7010

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HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13015/F

25 March 1944

SUBJECT: Staff requirements.

TO: RFO Region I
" " II
" " III
" " IV
" " V
" " VI
SFO AMG 5 Army
SFO AMG 8 Army
Chief Accountant HQ ACC
HQ AFA (with sufficient copies for AFA Branches)
Revenue Sub-Section HQ ACC
Customs Sub-Section HQ ACC
Insurance Department HQ ACC
Finance Sub-Commission Detachment, SALERNO.

It is notified for information that there is a possibility that additional personnel (Officers and OR/EM) will shortly be available for duty with ACC at Headquarters, in Regions and with AMG Armies.

You are requested to submit by return your minimum requirements for staff, in order that necessary assignments can be made if and when this personnel becomes available.

for E.H. FOLEY, Jr.,
Colonel,
Joint Chief Finance Officer.

PFP.

7069

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
Office of the Vice-President
APO 394

ES/HJW/adv

ES/41

17 March 1944.

SUBJECT: Procedure for Recommendations Regarding Price Fixing.

TO : Industry and Commerce Subcommission
Agriculture Subcommission
Finance Subcommission
Food Subcommission
Labor Subcommission
Transportation Subcommission
Electric Power Subcommission

Reference my memorandum of 3 March on price fixing.

1. Recommendations for the fixing of prices, wages, transportation charges, etc., prepared for consideration by the price group, should have the following distribution:

1 copy for each interested subcommission
1 copy for Economic Section files
1 copy for Mr. Wadleigh
1 copy for any person outside ACC (such as, for instance, a representative of Region III) who is to meet with members of the price group to discuss the recommendation.

2. Officers preparing such recommendations who are in doubt regarding distribution may consult Mr. Wadleigh, in order to assure that all attending meetings of the group shall have opportunity to study the recommendation before meeting to discuss it.

3. Whenever a recommendation has been approved, a memorandum to that effect bearing my signature will be sent to those interested.

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

Copy to:-

1 ea to subcommissions concerned.

7008

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

CONFIDENTIAL

Ref/A25/18/CA.

23 March 1944.

SUBJECT: Powers and Rights of Allied Forces and Allied Military Government in Unoccupied Italy.

TO : See Distribution Below.

1. HQ. A.A.I. (Admin. Echelon) C.M.F. has issued an Administrative Instruction to all Military formations outlining the situation in general terms and substantially as stated in memoranda from this HQ dated 23 Jan and 31 Jan already in your possession.

2. The following extracts are quoted for your information :

(a) Although there will be officers of the Allied Control Commission in unoccupied ITALY they will be there to advise and control the Italian Government and not as governors. One of the most important functions of the Regional and Provincial Officers of the Commission will be liaison between Allied Military formations in the area and the Italian administrative officials. All but the most routine dealings between the Italian administration and the Allied Military authorities must be conducted through the Commission. When the Italian Government is directly represented on a control board or committee, the Military may, of course, deal directly with that organisation without the intervention of the Commission.

(b) Requisitioning.

The Allied Forces have retained the power and right to requisition private and public property and services in unoccupied ITALY - this right must be exercised sparingly and only for reasons of genuine military necessity. This right will be exercised through the Italian authorities. If, for example, a building is needed by the military it should be requisitioned through the Sindaco of the town where the building is

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Consequent on reservation of the power to try such offenders there is reserved to the Allied Forces the power to arrest persons who are believed to have committed such offences. High ranking Italian officials and officers of the Italian Armed Forces should, however, only be arrested in collaboration with the appropriate Italian official (e.g. the Prefect or the Commanding Officer of the officer concerned). In all cases of arrest the agreement of the local officer of the Allied Control Commission will be obtained beforehand, except in an emergency, when he should be informed immediately after the arrest.

(d) The right is reserved by the Commander-in-Chief to declare specific areas in unoccupied ITALY to be Military Zones. Should the situation in any area become such as to convince the District Commander that such action is necessary, he should, after consulting the Regional Commissioner, report accordingly to HQ. A.A.I. giving full reasons to justify his view. It may happen that the local Italian authorities may ask for the assistance of Allied troops in quelling civil disturbances. If such request is made the local commander will point out that the quelling of civilian riots or disturbances is a matter for the Italian Administration and he will refuse such assistance unless he is of the opinion that it is necessary for the protection of Allied Military interests. Before rendering such assistance the local commander will warn the local official requesting his assistance that the territory in question will be made forthwith an Allied Military Zone. If time permits the local commander will consult the local officer of the Commission before giving assistance.

(e) Prisoners of War and Civilian Internees.

The Allied Forces may continue to hold or require the Italian Government to hold in Custody military or civil prisoners of war in unoccupied ITALY. If the Allied Forces require to arrest any person for security or other reasons such arrest should be carried out in collaboration with Italian officials unless in any particular case it is thought that a request to the Italian police to arrest a suspect would be ineffective. In all cases, except in emergency, the local officer of the Commission must be informed of the intention to make any such arrest, whether by the Allied or Italian authorities. If he is not in agreement the matter will be referred to higher authority. Normally such persons will be detained in 371 P.W. Camp.

(f) Process in Italian Courts.

Declassified E.O. 12356 Section 3.3/NND No. 789011

for the assistance of Allied troops in quelling civil disturbances. If such request is made the local commander will point out that the quelling of civilian riots or disturbances is a matter for the Italian Administration and he will refuse such assistance unless he is of the opinion that it is necessary for the protection of Allied Military interests. Before rendering such assistance the local commander will warn the local official requesting his assistance that the territory in question will be made forthwith an Allied Military Zone. If time permits the local commander will consult the local officer of the Commission before giving assistance.

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(f) Process in Italian Courts.

No member of the Allied Forces may be prosecuted or sued in Italian Courts.

(g) The agreement now reached with the Italian Government makes the rights of the Allied Forces in the Provinces of Apulia identical with their rights in the areas recently transferred from Allied Military Government to Italian Government.

3. The instruction emphasises that except where, in emergency, immediate action is required by the Allied Forces for their own protection and security, all action required from the Italian Administration should invariably be taken through the medium of the Regional or Provincial Commissioner.

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It is further notified that where <u>immediate action</u> is taken without previous reference to the Allied Control Commission for emergency reasons, the appropriate officer of the Commission will be informed as soon as possible.

4. It will thus be appreciated that HQ. A.A.I. are seeking to obtain the fullest co-operation between military commanders and the Allied Control Commission. It should be your constant endeavour to reciprocate.

NORMAN E. FISKE
Colonel,
Deputy Executive
Commissioner.

<u>DISTRIBUTION</u>:

All Regional Commissioners.
SCAO's 5th and 8th Armies.
Distribution "C".

Declassified E.O. 12356 Section 3.3/NND No. 785011

NORMAN E. FISKE
Colonel,
Deputy Executive
Commissioner.

DISTRIBUTION:

All Regional Commissioners.
SCAO's 5th and 8th Armies.
Distribution "C".

7006

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

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

Ref/278/60/CA. 24 March 1944

SUBJECT: Regional Orders and Proclamations.

TO : All Regional Commissioners.
SCAO's 5th and 8th Armies.

1. It has been suggested that Orders and Proclamations issued by one Region may be of interest and value to other Regions. At present it is noted that copies of such orders and proclamations are not distributed outside the Region which publishes them.

2. One copy of every order or proclamation issued by a Region will be forwarded to every other Region and to SCAO's 5th and 8th Armies. One copy should also be sent to A.C.C. HQ, R.C. & M.G. Section, for record.

NORMAN E. FISKE
Colonel
Deputy Executive
Commissioner

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

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

SECRET

Regional Control and Military Government Section

Ref/316/26/CA. 24 March 1944

SUBJECT: Control of Movement.

TO : Regional Commissioner,
Region I, II, III, IV, V, VI, VIII, IX.
SCAO., AMG 5 Army.
SCAO., AMG 8 Army.

1. Further to instructions issued by these H.Q. in letter 316/16/CA of 12 March 1944, it should be realised that although restrictions on the movements of civilians in AMG territory in rear of the Army boundary has been lifted, it is necessary to help the Army by every means in our power in their search for enemy agents, a number of which are known to be operating behind our lines.

2. Consideration should be given to the establishment or increase if already in existence of check posts by the Carabinieri, or Guardia di Finanza, near points where roads and railways cross Provincial boundaries. These need only be manned for a few hours daily at irregular times.

3. Attention is drawn to the need for the strictest enforcement of the ten kilometer limit on civilian movement inside the Army boundaries.

NORMAN F. FISKE
Colonel,
Deputy Executive
Commissioner

Copy to: HQ. AAI (Ref. our 316/20/CA of 19 March 1944)
HQ. No. 1 District.
HQ. No. 2 District
HQ. No. 3 District.
Public Safety Sub-Commission

SECRET

7004

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

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

Ref/234/43/CA. 23 March 1944.

SUBJECT: Venereal Disease.

TO : Regional Commissioners,
Regions I, II, III, IV, V, VI, VIII, & IX.
SCAO AMG 8 Army.
SCAO AMG 5 Army.

1. Further to this H.Q. letter 234/13/CA of 8 Mar 44.

2. With reference to para.4 of the above quoted letter, it should be noted that so far as Italian agencies are concerned, the primary responsibility for the enforcement of such laws rests upon the Agenti di Publica Sicurezza, and not upon the Carabinieri.

NORMAN E. FISKE
Colonel,
Deputy Executive
Commissioner.

Copy to: Admin. Section - For P.S. Sub-Commission.

7003

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

REFERENCE: Adj.461. 23rd. March. 1944.

SUBJECT : Distribution Lists - HQ.A.C.C.

TO : Distribution below.

1. Reference Headquarters, Allied Control Commission Distribution Lists recently issued under separate cover.

2. Pending receipt of printed booklet entitled "Office Procedure", the following explanation of the above noted Distribution Lists is forwarded for information.

3. (a) List "A" covers all the possible recipients under the present organization, and provides for the largest number of copies in each case.

(b) List "B" includes all Branches of Headquarters except Sub-Commissions, It also includes Regions, A.M.G. Armies and outside authorities.

(c) List "C" is the internal distribution for Headquarters, It covers all Sections, Branches, and Sub-Commissions of Headquarters, but does not include Regions, A.M.G. Armies, and outside authorities.

(d) All three Lists include the A.C.C. Liaison Section, H.Q. A.A.I.(late A.C.M.F).

4. (a) It will be noted that the Lists have been divided into 3 Groups.

(i) Group 1 consists of all Sections, Branches, and Sub-Commissions of Headquarters, and the Liaison Section H.Q., A.A.I (late A.C.M.F.).

(ii) Group 2 consists of the Regions and A.M.G. 5th and 8th Armies.

(iii) Group 3 consists of the outside authorities with which Allied Control Commission principally deals.

(b) A serial number has been allotted to each recipient.

(c) The object of this is to give originators of correspondence an easy means of cutting down the distribution to what is actually necessary.

Example: "Distribution "B" plus Serials 6 & 10 less serials 67,68 and 74", signifies that the orginator desires copies to go to the Interior and Property Control Sub-Commissions for which distribution "B" does not provide, but does not desire copies

Declassified E.O. 12356 Section 3.3/NND No. 789011

Branches, and Sub-Commissions
and outside authorities.

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By command of Lieut General MACFARLANE:

L. T. MONTANT, Jr.
2nd Lt., AGD
Adjutant

1062

DISTRIBUTION:

Secretary General	1
Deputy Secretary General	1
Admin. Section	1
Economic Section	1
Executive Commissioner	1
Civil Affairs Branch	2
Information Division	1
Exec Offrs (Est.Br.)	1
G-1 (A)	1
G-1 (B)	1
G-4 (A)	1
G-4 (B)	1
Adj (Main)	1
Adj (Rear)	2
Political Section	1

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

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
OFFICE OF G-4
APO 394

G4/54/ 11 March 1944

Subject: Responsibility of Motor Transport

To :

1. Attention of all officers to whom motor vehicles are permanantly assigned is invited to the following instructions concerning maintenance and repair of such vehicle.

a. Speed limits established in operating areas will not be exceeded. Under no circumstance will the speed limit painted on the rear of the vehicle be exceeded.

b. Capacity loads of vehicles will not be exceeded.

c. Enlisted drivers will be used at all times except in case of illness of driver or other emergency (See Par. 16, AR-850-15).

d. Drivers will remain with their vehicles at all times, when dispatched from motor pool. Vehicles will not be left unattended except in an emergency and then only after every possible precaution has been taken to insure against the theft of vehicle or its parts.

e. Stolen vehicles will be reported to this headquarters immediately, accompanied by a complete report covering date, place, and circumstance. All officers and men are advised that, unless proven beyond reasonable doubt, this headquarters will assume that such vehicle was lost through carelessness or neglect on the part of the officer or enlisted man driving such vehicle, and will take necessary steps to have the value of such vehicle deducted from the responsible individual's pay.

f. Passenger limits of the following vehicles will not be exceeded:

Truck, 3/4 ton, 4x4, C&R	4 passengers
Truck, 1/4 ton, 4x4, (Jeep)	3 passengers

g. Civilian passengers will be transported only on official business and then only on the approval of the officer having charge of the particular vehicle.

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h. In case of accident, Form No. 26 for Americans and Form #A.386 for British will be completed at the scene of the accident by the driver of the vehicle and forwarded to this Headquarters immediately. Officer to whom vehicle is assigned will be responsible for the proper completion of these forms.

i. Drivers should be assigned to each vehicle and changes of assignment discouraged.

j. Enlisted drivers will not be assigned to requisitioned or rented civilian vehicles with out prior authority of this headquarters.

k. Vehicles will be inspected once every thousand miles or once every thirty days, provided the vehicle has not travelled a thousand miles before the end of the thirty day period.

n. Officers ordering drivers to violate any of the above orders will be reported to this headquarters.

2. Officers to whom vehicles are permanantly assigned will be responsible that instructions listed above are fulfilled.

3. a. Motor Vehicles may be taken into ACC motor pools at the following locations for servicing:

Headquarters, ACC - Naples
Region I, Headquarters - Palermo
Region II, Headquarters - Matera
Det. Headquarters, ACC - Salerno
Region V - Campobasso

b. If not near any of the above locations at the time vehicle needs servicing, an attampt should be made to have vehicle serviced at some other army motor repair shop which may be in the proximity.

4. Officers to whom vehicles are assigned will be responsible for the rationing, living accomdations and discipline of their drivers.

By command of Lieutenant General MACFARLANE:

Walter P. Scoggins

WALTER P. SCOGGINS
Major, QMC
G-4

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

SUBJECT : Locations

According to records held at this HQ the undermentioned OR/ORs is/are at present serving under your Command.

Please complete the following proforma and return it to this HQ forthwith.

BY COMMAND OF LIEUT GENERAL MASON MACFARLANE.

F.A.PURGOLD,
Lt.Colonel, R.A.,
G-1.

Detach here

To:- G-1,
HQ Allied Control Commission, C.M.F.

LOCATIONS - O.Rs

No.	Rank	Name.	Date of joining present Formation Region or Sub-Comm.	State if posted or if attached from unit outside AMG/ACC. If attached, show parent unit.	If no longer held on your strength, state when posted and date.

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F.A.PURGOLD,
Lt.Colonel, R.A.,
G-1.

Detach here

To:- G-1,
HQ Allied Control Commission, C.M.F.

LOCATIONS - O.Rs

No.	Rank	Name.	Date of joining present Formation Region or Sub-Comm.	State if posted or if attached from unit outside AMG/ACC. If attached, show parent unit.	If no longer held on your strength, state when posted and date.

000

Signature.....

Date.....

Formation, Region or Sub-Commission.

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

Declassified E.O. 12356 Section 3.3/NND No. 785011

MINUTES

Regional Commissioners Conference

Saturday, March 4th

Ref/124/CA. 0900 hrs.

Presiding : Brigadier M.S.Lush.

PRESENT

Brigadier M.S.Lush, C.B.E., M.C.(Chairman)	Executive Commissioner.
Brigadier General E.E.Hume	S.C.A.O. 5 Army AMG.
Brigadier M. Carr	R.C. Region IV.
Brigadier J.K.Dunlop, O.B.E., M.C.	R.C. Region VI.
Colonel N.E.Fiske	Dep.Exec.Commissioner.
Group Captain C.E.Benson, D.S.O.	S.C.A.O. 8 Army
Colonel F.L.Whitley	R.C. Region V.
" J.A.C.Pennycuick	R.C. Region VIII.
" R.P.Marshall	C.S. Region IV.
" J.O.M.Ashley	C.S. 5 Army AMG.
" J.J. Albright	Estabs. Officer.
" D.S.Adams	C.S.O. Econ.Section.
" A.E.Young	Security Branch.
" S.A.Fitch	Internal Trans.Sub-Com.
" R.H.Farren	Executive Officer (Br).
" R.G.Kirkwood	Director, Displaced Persons Sub-Com.
Lieut.Col.A.N.Hancock	R.C. Region I.
" G.H.McCaffrey	R.C. Region II.
" The Lord Forrester	C.S. Region III.
" E.O.Hobbs	C.S. Region IX.
" R.R.Cripps	C.S.O. Admin.Section.
" E.L.Clough	Executive Officer (A).
" F.A.Purgold	G-1, (Br).
" A.C.Bowman	Chief Liaison Officer, AOC.
" T.Farley Smith	Staff, R.C.&M.G. Section.
Major W.Driffield-White	" " "
" E.Brown	Liaison Officer, Flambo, (afternoon only).
" R.Friend	Liaison Officer, FMC

Group Captain C.E.Benson, D.S.O.
Colonel F.L.Whitley
" J.A.C.Pennycuick
" R.P.Marshall
" J.O.M.Ashley
" J.J. Albright
" D.S.Adams
" A.E.Young
" S.A.Fitch
" R.H.Farren
" R.G.Kirkwood

Lieut.Col.A.N.Hancock
" G.H.McCaffrey
" The Lord Forrester
" E.O.Hobbs
" R.R.Cripps
" E.L.Clough
" F.A.Purgold
" A.C.Bowman
" T.Farley Smith
Major W.Driffield-White
" [illegible].Brown

" P.Friend James

" Bordass
Capt. P.S.Gurney
" L.W.Stearns
" E.Talbot
1st Lieut.D.K.Young

S.C.A.O.
R.C. Region V.
R.C. Region VIII.
C.S. Region IV.
C.S. 5 Army AMF.
Estabs. Officer.
C.S.O. Econ.Section.
Security Branch.
Internal Trans.Sub-Com.
Executive Officer (Br).
Director, Displaced Persons Sub-Com.
R.C. Region I.
R.C. Region II.
C.S. Region III.
C.S. Region IX.
C.S.O. Admin.Section.
Executive Officer (A).
G-1, (Br).
Chief Liaison Officer, ACC.
Staff, R.C.&M.G. Section.
" " "
Liaison Officer, Flambo, (afternoon only).
Liaison Officer, HQ.ACMF, (afternoon only).
Int.Transport Sub-Com.
Industry & Commerce Sub-Com.
Asst. G-1 (Am).
Staff, R.C. & M.G.Section.
" " "

The Chairman called the Meeting to order at 0900 hrs.

Item No.1.

Coordination of Road Transport with Regions.

Director, Internal Transportation Sub-Commission (Col.Fitch) explained the salient points of the proposed organisation for road haulage transport as issued to Regional Commissioners 11 Feb 44. Progress of plans was reported which included formation of Truck Unit of 80 trucks, and the availability of further 250 trucks. Of those allotted to Region II a total of 65 were now found to be unroadworthy. Arrangements have been made by Adm. Echo ACMF to attach competent officers for the purpose of ensuring that all trucks assigned were put into roadworthy condition. Three officers had been detailed and would be attached for one month.

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Chairman stressed the importance of the organisation and emphasised that the Chief Commissioner was not satisfied with the progress made since the publication of the instructions, and asked Regions to report on the state of organisation in their areas.

Region I - organisation working. Additional trucks required to augment services. Number required 100.

Region II - little progress.

Region III - organisation ready to accept 50 trucks at once.

Region IV - plans made, estimate initial requirements 200 trucks.

Region V - plans made, estimate initial requirements 125 trucks. Ultimate requirements 380 to cover the whole Region, but it was required to know under what conditions the operatives would be clothed, fed and paid, and what sort of terms could be offered to contractors.

From Region V remarks, it was obvious that there was some misconception as to the nature of the scheme. The Chairman therefore explained that the outline of the plan and the agreements reached with the Italian Government authorities were as follows :

(a) Vehicles are to be assigned to A.C.C.

(b) Vehicles will be sold to the Italian Government with the option to re-purchase. Italian Government will contract out with public agencies and road haulage concerns on a basis whereby the road haulage concern undertakes the upkeep and maintenance of the vehicles, payment of the employees, and general management in return for kilometrage allowance on tariffs fixed in relation to areas and terrain.

(c) The Minister of Commerce, Italian Government, has undertaken to locate the agencies. Regional Commissioners would be informed (except in Region I).

Col. Adams (Economic Section) confirmed that these were the broad lines of of the arrangements made with the Italian Ministry of Commerce. Question was asked whether the Italian Government could own vehicles operated in A.M.G. Regions, and it was suggested that Italian Government could furnish vehicles in such Regions but that would have to be under the operational control of the R.C. at all times and for all purposes.

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(b) Vehicles will be sold to the Italian Government with the option to re-purchase. Italian Government will contract out with public agencies and road haulage concerns on a basis whereby the road haulage concern undertakes the upkeep and maintenance of the vehicles, payment of the employees, and general management in return for kilometrage allowance on tariffs fixed in relation to areas and terrain.

(c) The Minister of Commerce, Italian Government, has undertaken to locate the agencies. Regional Commissioners would be informed (except in Region I).

Col. Adams (Economic Section) confirmed that these were the broad lines of of the arrangements made with the Italian Ministry of Commerce. Question was asked whether the Italian Government could own vehicles operated in A.M.G. Regions, and it was suggested that Italian Government could furnish vehicles in such Regions but that would have to be under the operational control of the R.C. at all times and for all purposes.

R.C. Region I explained the scheme now operating in Sicily under I.N.T. and in conjunction with Ispettorato Generale di Motorizazions which is represented in every Province in Italy.

Region II has the organisation S.I.T.A.

Region III has a similar organisation in C.A.N.

Region V has a number of contractors willing to form a pool in Foggia.

From this it appeared that the scheme could operate as soon as the necessary trucks became available.

Agreed that in AMG territory, trucks should be turned over to R.Cs. and accounted for in the same way as AFA lire, or any other commodity. On the turn-over of territory to the Italian Government the vehicles would also be turned over to the Italian Government on payment. Vehicles would then be turned over to contractors against receipt and guarantee of maintenance and upkeep.

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Contractors to be paid allowance on distance according to tariff. R.C. Region I undertook to send to this H.Q. form of existing contract which has actually been used.

R.Cs. were asked to send in immediately their plan for freight charges and kilometrage allowance. It is appreciated that there will be differentiations and these will be coordinated at this H.Qs.

Deputy Executive Commissioner (Col. Fiske) took the opportunity to explain that A.F.H.Q. had ordered the return to the Italian Army of all Italian military equipment, especially transport vehicles. R.Cs. had been instructed to return all Italian military transport vehicles to the Italian Military authorities. Where this would vitally disorganise the existing transport system for civilian supply, or other works, R.Cs. were asked to state the case for each individual vehicle and then to submit to this H.Qs. without delay.

Item No.2.

Relation and Channel of Communication between Regions and Sub-Commissions.

The Chairman stated that Sub-Commissions have the right to deal direct with the technical members of Regional and Army AMG Staffs on technical matters. S.C.A.Os. and R.Cs. were asked to give their views as to routine of channels of communication.

5 Army - no trouble so long as orders were not issued.

8 Army - satisfactory. Attention was drawn to the instructions regarding entry into Army areas. Essential that all officers should first obtain permission to enter these areas and inform the Army staffs who they were visiting.

Region I - satisfactory, but complaint raised regarding the introduction by independent Sub-Commissions of Units into Regional area without warning of arrival or explanation of functions.

Region II - attention drawn to "mavericks" (unbranded calves). Cases cited: Mr. Mooton activities in connection with silk, Mr. Wilson something to do with Industry and Commerce. Major Knight reputedly Supply Officer Apulia. Various AFA agencies. None of these people appear to have any credentials, nor did theypresent themselves at Regional H.Qs. to explain their presence in the Region.

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Region III - satisfactory, but a request that all correspondence be addressed to Regional H.Q. for the attention of any special officer.

Agreed that correspondence should not be addressed to officers in the Regions by name. The R.C. suggested that Heads of Sub-Commissions should remember that Regional Control existed even in Naples and that contacts should be effected through the Regional Commissioner. 6997

C.S.O. Admin. Section (Lt.Col.Cripps) asked that correspondence from Regions to Sub-Commissions should be addressed to the Executive Commissioner, H.Q. A.C.C. and routed to the Sub-Commission concerned. Also agreed that communications from the Italian Government to Regions must be sent through H.Q. A.C.C.

Region IV - no objection with the same proviso as Region III. It was noted that as the H.Q. of Region IV would not when in operation be situated in the same town as the central H.Q. the question would not arise.

Region V - no objection. R.C. requested that any officer travelling in the Region should give advance notice of their probably arrival in order that arrangements for their feeding and accommodation might be made. Also requested that all contacts within the Region should be made either through the R.C. in the first instance, or that he should at least be informed of the intentions of the visiting officer.

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Chairman instructed that an order to this effect should be published in the Daily Bulletin and repeated once a week until further notice.

Region VI - no objection. Suggested that military communications relating to the Region be reported to R.C. Visitors to be instructed to carry blankets.

Item No.3.

The Rt. Hon. the Viscount Stansgate, Vice President Administrative Section, and representatives of Legal (Col.G.R.Upjohn), Interior (Lt.Col.R.A.B.Spicer), and Public Safety (Col.P.G.Kirk) Sub-Commissions joined the Conference.

(a) Chief, Legal Sub-Commission explained that it was proposed that decrees issued by the Italian Government and published in the "Gazzetta Ufficiale" should, where applicable, be applied to M.G. territory. Machinery, by which this was to be effected, would be the provision of a space in the "Gazzetta Ufficiale" for the inclusion of a notice over the signature of the Chief Commissioner, which would indicate that certain decrees had received the warrant of the Chief Commissioner. One copy of the "Gazzetta Ufficiale" so signed would be returned to the Italian Government and one copy similarly signed would be retained by the Legal Sub-Commission.

It was suggested that some of the decrees might be made to apply in Army areas. Agreed that no such authentication should be given except after consultation with R.Cs., and S.C.A.Os., likely to be concerned.

Posting of Proclamations and Orders. Attempt was being made to find a means by which the printing and posting of a large number of large size Proclamations and Orders should be obviated. In many cases this was unnecessary and wasteful because Proclamations and Orders are not read by the Italian people. Posting had to be carried out to conform with the laws and usages of war. This could be done by the posting of a small bill containing the necessary Proclamations and Orders in small print. The communication of the Proclamations and Orders in the appropriate quarters in occupied territory could best be effected by means of a small booklet to be handed to officials.

Agreed that such a procedure would be desirable.

(b) German Property.

Chief, Legal Sub-Commission, stated that a ruling had been sought regarding the status of German property in occupied territory. He gave as his opinion that this could not be confiscated merely because it was enemy property. Custody can

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(c) Communications.

Col. Upjohn reminded the Conference that under the Armistice terms the Armed Forces of the Allies were allowed complete control of all communication systems. For that reason military authorities were within their rights in denying to the Italian Government the use of any tele-communication facilities.

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(d) Prostitution.

Col. Upjohn advised that the control of prostitution was a very delicate matter and any steps taken by R.Cs. should be fully coordinated with the Legal Sub-Commission.

(e) Review of Court Cases.

The Chairman said that it was incumbent upon R.Cs. to take a very active interest in the review of all Court cases within their Region. They should from time to time actually review cases themselves, especially those in which their own officers might be impugned, or against whom allegations might have been made, or might have subsequently been made. Col. Upjohn quoted cases.

Item No.4.

Refugee Situation.

Head of the Refugee Branch (Lt.Col.Hulls) amplified his explanation of the Refugee problems of the previous day, emphasising that,

(a) As the Transit Camps essential to a successful solution were still not provided, the more or less direct flow of refugees from the front to rear (Regions) had to continue.

(b) For military reasons some areas were still banned as reception areas. It was hoped that bans would be lifted but whilst they were on the accommodation problem was accentuated.

(c) Refugees were known to be unpopular in reception areas. This is understandable but must be surmounted.

The immediate problem was to cater for 50,000.

Suggestions.

1. Every household in the reception areas must be obliged to take in some refugees.

2. The numbers to be accommodated in an area would have to be a percentage of the existing population, with variations according to the type of area. Variation from 5 to 10%.

3. Sending refugees abroad was ruled out owing to shipping problems.

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3. Sending refugees abroad was ruled out owing to shipping problems. Therefore, start would be made on the percentage basis at once. Noted that Region II absorption had been 1% only to-date.

4. Over the next 6 weeks it was required that ,

Region I should take 10,000
Region II " " 20,000
Region III " " 10,000 (District III were being pressed to raise the ban on some of its closed areas).
Region VI (Sardinia) to take 10,000 if shipping could be arranged.

6996

(d) Feeding en route. The present arrangement was to put rations for 48 hours on the trains. This had not been entirely satisfactory, but would be continued. In addition, it was required to have feeding stations (soup kitchens) at 4 points (SALERNO, PAOLA, CATANZARO and REGGIO) along the railway route. One meal per train of 700 people at each point.

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Equipment - 10 sawyer stoves would be provided.

Organisation of team of workers was necessary, e.g. Mayor, doctor, priest and some women.

Stockpiles of food would have to be formed - initial supplies would be forthcoming.

(e) Work required in camps and on route must be done by Italians up to 100%. Instructions and advice would be circulated to assist Provincial Officers in solving problems.

R.Cs. agreed to accept allotment and organise local help at feeding points and committees to deal with refugees in the communes. Subsequent local feeding problems would have to be dealt with by :

(a) Relief payments.

(b) Supplementary estimates for civilian supply.

Nominal rolls of refugees arriving at any place were promised as far as possible. R.Cs. were asked to realise the enormous amount of clerical work involved and to be patient if lists were not always furnished. (Lt.Col.Hulls left the Conference).

Item No.3 (Cont'd).

(f) Interior Sub-Commission.

Chairman emphasised that the work of this Sub-Commission was integrally bound up with Local Government, which was also the R.Cs. and P.Cs. principal province.

Importance of reports stressed and therefore knowledge of methods of government desirable. Proposed course was briefly explained; as a result of this course it was expected that whilst the officers who had taken it would not necessarily be at Regional or Provincial H.Q. they could and would be expected to be the go-betweens on technical local government matters.

The Interior Sub-Commission must be kept informed on all appointments and removals of higher officials.

(g) Public Safety.

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(g) Public Safety.

Head of Sub-Commission (Col.Kirk) asked to be kept informed, with as little delay as possible, on all unusual events in Regions, and Provinces. This was specially necessary to enable the requirements in CC.RR to be arbitrated on broad lines and an even balance maintained.

Pointed out that CC.RR is a national organisation and command responsibility was being resumed. There would be changes in local commands and transfers of individuals for various reasons. No attempt should be made to influence these changes or prevent them on grounds of "losing a good man", or the break up of pleasant associations.

Reasons for a protest against moves would need to be very substantial.

The question of supplies (excluding food) for CC.RR is being taken up by Land Forces Sub-Commission.

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(h) Screening of Italian Officials.

Head of Security Branch (Col.Young) explained briefly the use of the "Scheda Personale" (copy attached) and how the screening scheme had been worked in Regions I & II. With modifications dictated by experience, a new form was being printed and would be brought into use in all Regions.

Chairman announced the formation of the Zanibone Committee and organisation for the purge promulgated. Suggested that a member of the Committee should be co-opted on to the organisation being formed in Region III. R.C. Region III declined to accept this without further examination.

(i) Control of Movement.

1. Agreed to remove all restriotions on travel and purchase of goods other than emassed commodities within Regions.

2. Agreed that Regional Commissioners may arrange movement between Regions.

3. This should result in freer movement of abundant foodstuffs and assist in tracing black market dealings.

(Suggest that pass issued for outward movement be taken at end of journey and replaced by one for homeward journey. This would mean a little more clerical work but would stop traffic in permits).

Region V would like a special directive to prevent abuses and define the responsibilities of the R.C., P.Cs. and P.Os. in relation to military bans in Foggia Province.

Agreed that special precautions should be taken to prevent controlled foodstuffs getting on to the black-market through these relaxations.

(The following officers and officials, from the Petroleum Section, Admin. Echelon, A.C.M.F., were present during the discussion concerning their activity:

Colonel H.B. Eyles
Lt.Col. J.L. King
Capt. E.C. Borrego
Mr. A. Hofland
Mr. R. Frothingham.

Colonel Griffin and Lt.Col. Jenny came into the meeting to present the material

Declassified E.O. 12356 Section 3.3/NND No. 1990M

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Item No.5.

Distribution of Petrol Products.

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Chairman introduced Lt.Col. King to explain the work of the Petroleum Section, A.C.M.F.

Region II - Control was difficult because registration was not completed before the turnover to the Italian Government. Brigadier Lush replied that the Government would doubtless now cooperate in this.

S.C.A.O. 5 Army : The material presented would have special reference to Rome.

Agreed that returns on petrol supply bids be quarterly and not monthly.

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Item No.6.

Personnel and Transport Situation (Colonel Albright) - (See attached Schedule "A").

Col. Albright said that many shortages existed as a result of calls for personnel to be used in other theatres and operations. The ultimate prospect for this theater was approximately 1222 officers, equally divided between American and British, which was considerably below the previous authorized strength of more than 1400. It would, therefore, be impossible to have fixed establishments within Regions. Personnel must be posted where required. Ceilings will, however, be set up for Regions. Also, with this situation prevailing, all advancements of officers and OR/EM would be dealt with by ACC HQ, upon recommendation from the Regions and Sub-Commissions. It is hoped that Tables of Organization can be set up for enlisted men so that a fair distribution of grades might be maintained.

This shortage of personnel will make more imperative the fullest possible use of Italian personnel for cooks, waiters, drivers, etc. A detachment of Italian soldiers including an officer and NCO's was being set up to be trained as drivers, under supervision of American officers, who would be responsible for supervising the training and tests in order that the requirements of vehicle maintenance be observed. Italian typists must be used to the fullest extent within the limitations of security.

Region VI: asked if the Italian soldiers now used and others to be used would receive Allied rations and was told that they now do receive these rations.

Region IV: inquired if there would be a directive covering the proposed Italian drivers and was informed that a directive would be issued.

Next asked whether Commanding Officers could administer discipline by appointment or reduction of enlisted men (A), and it was to be handled now. Recommendations are to be sent to the Commanding Officer of the Regiment who would appoint one officer as a board to recommend action, but only for reduction, as all promotions in the theatre are frozen, promotion could not be made to fill a vacancy created by a reduction. Suggested that the Regional Commissioners be appointed as the boards for their various Regions to accomplish the appropriate recommendations.

Region V: asked whether personnel loaned to Region II were still a part of Region V, and was told that the matter was under consideration, to be determined by a comparison of the needs of the Regions concerned. The numbers of personnel allotted by A.F.H.Q. would be adequate, if the personnel was economically used.

Region IV: asked how plans could be determined if there were no fixed establishments. Numbers to be allotted to Regions would be made known. But change and fluidity of personnel would have to be maintained.

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Region IV: asked how plans could be determined if there were no fixed establishments. Numbers to be allotted to Regions would be made known. But change and fluidity of personnel would have to be maintained.

Lt.Col.Spicer inquired if previous recommendations for advancement had been disregarded and was answered by the Brigadier that they had not.

Establishment Officer: on the assignment of Officers and EM/ORs, said that owing to the difficulties of location and mail, all permanent postings would be made by ACC H.Q. H.Q. must be notified of all moves of personnel within Sub-Commissions or Regions. The Armies might make requests for attachment of personnel by application to Regional Commissioners or to H.Q. after clearing through Regional Commissioners.

S.C.A.O. 5 Army: asked what is the status of the Rome Party until the formation of its Sub-Region. Establishment Officer replied that in some cases their positions were not yet determined, but generally they would be attached to formations with which they were now working.

Agreed that Rome Party specialists may be summoned to meetings, if the specialists are notified through the Regional Commissioners.

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Establishment Officer: British vehicles are expected from NATOUSA for the Refugee and Displaced Persons Sub-Commissions which could then return the vehicles borrowed from Region IV. The American T/E's were now approved and additional vehicles would be available as soon as they could be assembled. Interest Regions and Sub-Commissions should submit requests especially for trailers. In order that priorities might be determined, reasons for request should accompany. At present, Refugees and Displaced Persons have the first priority. A Pool would be set up to cover emergency demands; T/E's will not be fixed. Maintenance is to be handled by local units of other formations.

Region IV: asked for a reduction in personnel records and returns to prevent duplication. Consideration is promised.

S.C.A.O. 5 Army: said that EM/OR drivers were essential as Italians could not be used in the forward areas. Agreed that 5th and 8th Army must have priorities on personnel.

Region I: asked what the procedure was for forwarding requests for Italian drivers. Instructions being issued re Civilians, Army drivers, apply HQ. ACC.

The Chairman asked the R.Cs. to impress upon their Officers that they should, when visiting this H.Q. make a point of trying to see him, the Deputy Executive Commissioner and the Establishments Branch, as they all are interested in the individual officers, their problems, and the situations which arise in their Regions. Also, officers coming to this H.Q. might reasonably serve as channels for questions arising in their Regions.

S.C.A.O. 8 Army: suggested that O.Rs. should be inspected before departure from NATOUSA as they have previously arrived here badly equipped. Agreed that Establishments Branch would take care of this.

Establishments Officer said that attempts were being made to bring over the EM/ORs still at Tizi Ouzou.

Item No.7.

Public Works Programme - special reference to highways and roads.

Lt.Col. Jenny explained that Military highways were the responsibility of the Army, and though largely handled by A.C.C. and civilian agencies, had to be under the direct control of the Army. The personnel working on this project ought to be controlled by Headquarters, especially in Regions III and IV, but the

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A great deal of information is collected by this Sub-Commission and it is always available to other members of A.C.C. The correct use of channels through H.Q. should be observed, with special reference to contacting ministers of the Italian Government.

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Item No.8.

Liaison.

Lt.Col. Bowman introducing the subject as Chief Liaison Officer, ACC HQ., emphasised that the following points should be observed in liaison work :

1. Be sure the contact or request is necessary.
2. Make all original contacts through the Liaison Officer to ensure that the proper agency is reached, and that too many people do not initiate contacts.
3. Make requests specific, and only if justified.
4. Make the use of liaison two-way.

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Item No.9.

Medical Supplies.

Colonel Griffin said that help was requested from the Regions in collecting information upon which to base requisitions. Normally the operations of the Sub-Commissions would extend only down to the Regional level except in cases of emergency. The prices of supplies would be determined and notified to the interested persons. All possible aid should be given to restoring drug-making industries.

Item No.10.

Other Matters.

(a) Chairman: said that the present delicate political situation made it imperative to keep information flowing in from the Regions. In cases where urgency made it necessary, PC's would communicate directly with this HQ.

Region V: asked whether the personnel attached to P.W.B. would be returned and was informed that they would not, their functions having been concentrated in the P.R.O. at Headquarters.

(b) After a brief discussion of the form and date of filing monthly reports, it was agreed that the reports could be summarized and accompanied by more expanded reports from the Specialist Divisions. The date of submission of the report would remain the 10th of the month.

The Conference closed at 1730 hrs.

10.March.44.

W. DRIFFIELD-WHITE
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Minutes prepared by:
Major W.Driffield White,
and Lt.D.K.Young.

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DISTRIBUTION:

All present and attending	(43)
Secretary-General.	1
Admin. Section	2
Econ. Section	2
Civil Affairs Branch	1
Italian Refugees Branch	1
Information Branch	1
Establishment Branch	
G-1 (A)	1
G-1 (B)	1
Spares	6

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Declassified E.O. 12356 Section 3.3/NND No. 789011

INSTRUCTIONS FOR BRIT. M.T. SENIOR N.C.Os.

ATTACHED FOR DUTY TO REGIONS.

1. All A.C.C. W.D. Transport and M.T. personnel are under the control of this H.Q. It will be the responsibility of the senior N.C.O. to take charge of all A.C.C. Brit. W.D. Tpt. in his region and assist and advise the C.C.A.O. on points which effect W.D. transport.

2. You will be responsible for seeing that maintenance duties are carried out efficiently on all vehicles. The daily task system will be enforced. You will ensure that every vehicle will be allocated one day off in each week for maintenance.

3. 406 Inspections will be carried out on all vehicles under your charge twice each month. Arrangements have already been made for every regions vehicles to be affiliated to a R.A.S.C. W/Shops.

4. You will be responsible for the turn out of drivers. You will ensure that they are clean and tidy at all times. Vehicle parks and any other parking space used by A.C.C. tpt will be clean and vehicles parked in an orderly manner.

5. All accidents will be reported to this H.Q. and a statement together with necessary diagrams attached. In the event of a vehicle becoming certified for evacuation, you will ensure that the evacuation certificate is forwarded to this office immediately so that the necessary action can be taken to obtain a replacement vehicle.

6. You will render to the Executive Officer of your region, every week, an up to date vehicle state in order that his office can keep true records as to vehicle position in each region.

7. Visits will be made by Lieut. B.N.A. Smallshaw, O i/c Brit. W.D. Tpt., for the purpose of inspecting vehicles and giving advice on problems connected with this tpt. All N.C.Os. should take the fullest advantage of thise visits.

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In the Field.
10 March 1944.

Lieut.
O i/c Brit. Tpt
G-4 Brch
H.Q. A.C.C.

6993

Declassified E.O. 12356 Section 3.3/NND No. T85011

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

Ref/234/15/CA 9 March 1944.

SUBJECT: Hospital Facilities for Women Suspected to be Sources of VD Among Military Personnel.

TO : All Regions and SCAO's, 5 & 8 Armies.

1. As a result of conferences held in Naples, Palermo and Bari recently between ACC and representatives of British and American troops stationed in Italy and Sicily, ACC has agreed to provide hospitalization for diagnostic and treatment purposes of all women suspected to be sources of venereal disease infections among military personnel.

2. To put the above mentioned program into effect it is desired that RPHO's establish hospital facilities for such women in the principal cities of their regions where military personnel are located. The location and size of the institutions needed should be decided by the RPHO's after consultation with the Provost Marshals and Medical Officers of military personnel located within the region.

3. Italian personnel shall be used in the hospitalization program although this shall not preclude assistance offered by medical officers stationed in the vicinity for supervision and technical assistance.

4. It was agreed at the above mentioned conferences that it would be the joint responsibility of the Provost Marshalls and Italian Police authorities to bring to the hospital for examination and treatment those women suspected to be potential sources of venereal disease among troops.

5. Details of diagnosis and treatment to be used in the above program are contained in attached "Instructions for Management of Venereal Disease Hospitals".

6. The "Instructions" should be issued to the Director of each VD Hospital, to each Medico Provinciale and to the local Ispettrici Malattie Venerii. Further copies can be obtained on application direct to Public Health Sub-Commission.

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NORMAN E. FISKE,
Colonel, Cavalry,
Deputy Executive
Commissioner.

6992

DISTRIBUTION:

Region I	10	AFHQ	1
Region II	10	DDMS No. 1 Dist.	1
Region III	6	DDMS No. 2 Dist.	1
Region IV	5	DDMS No. 3 Dist.	1
Region V	5	Surgeon, PBS	1
Region VI	6	Surgeon, LBS	1
Regions VIII & IX	1 each	Surgeon, Metro Area, Naples	1
SCAO 5 Army	6	Surgeon, 15th Air Force.	1
SCAO 8 Army	6	Surgeon, 12th Air Force	1
Admin. Directorate	1	Dr. Vezzoso, C/o Minister of Interior, Salerno	1
Public Health Sub-Commission	1		
ACC Liaison HQ AGMF	1		

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. SEC.

2153/INFO
9 March 44

SUBJECT: Information on Occupied Italy

TO : Regional Commissioners
Heads of Sub Commissions

Could questionnaires be supplied by Mar 21 detailing information required on Occupied Italy.

These questionnaires will be passed on to Intelligence Agencies dealing with this subject and a considerable percentage of answers to information requested may be expected.

C.A. Bragdon Capt
for NORMAN E. FISKE
Colonel, Cavalry
Deputy Executive Commissioner

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. SEC.

2153/INFO
9 March 44

SUBJECT: Reading Room

TO : Sub Commissions

It would be appreciated if this Division could be supplied with details of what Reports the Sub Commissions would consider most useful to be made available in the Reading Room.

C.A. Bragdon Capt
for NORMAN E. FISKE
Colonel, Cavalry
Deputy Executive Commissioner

6991

SECRET

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13071/F

10 March 1944.

REPORT OF THE FINANCE SUB-COMMISSION HQ ACC

FOR FEBRUARY 1944

During February the Headquarters of the Finance Sub-Commission continued to be located in Naples, with representation at Salerno, the present seat of the Italian Government. The DCFO was absent during the month and the CFI was Acting DCFO.

I. PRICES AND THE COST OF LIVING

A. Price and Cost of Living Developments in February

1. Increase in bread ration

The most important development in prices and the cost of living during February was an increase in the bread ration to 200 grams per person per day, announced for all of occupied Italy beginning 7 February. Previously the ration was 125 grams in Naples and 150 grams in most of the other provinces. It is not yet known whether this ration is in fact being distributed in provinces other than Naples.

2. The cost of living

In Naples the effect of the increase in the bread ration was to reduce the weekly expenditure necessary for the purchase of 2 kilos of bread nearly 50%, from about 150 lire in the first week of February to about 80 lire after the increase. Increases in the prices of other foods over the January average have partially offset this gain, but the cost of purchasing the representative food budget for one person for one week (detailed in the January report), declined to about 320 lire for the week ending 15 February. Comparable figures for other recent dates are as follows:

month of January	-	348
week ending 30 January	-	391
" " 7 February	-	362

Declassified E.O. 12356 Section 3.3/NND No. 789011

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month of January	-	348
week ending 30 January	-	391
" " 7 February	-	369
" " 15 February	-	319
" " 23 February	-	334
" " 29 February	-	342

3. Bread prices

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The price of black market bread in Naples rose sharply during January and the first week of February, reaching 135 lire per kilo. After the increase in the ration the price fell to 120 lire on 15 February and rose again to 130 lire, the current price. Since the price has not declined appreciably it is probable that civilians have continued to spend the bulk of their income for black market bread in order to increase their total bread consumption.

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4. Other prices

The Naples black market prices of potatoes, pasta, olive oil, and milk have shown little change during the month. Fruits, greens, fish, and cheese, however, have increased sharply. The increase in fish and cheese prices (about 50%) has brought the relationship between meat, fish, and cheese prices into line with the rest of liberated Italy.

B. Price Recommendations

1. Seed wheat

The opinion of the Sub-Commission was requested on the price to be charged farmers on 550 tons of seed wheat proposed to be distributed for seed use. A price of 600 lire per quintal was recommended on the conditions that:

(a) the farmers receiving the wheat be required to demonstrate a need for seed, to explain why they are without seed, and to agree to account for the disposition of their new crop through the Amassi; and

(b) that the Consorzio keep adequate records of the distribution of the seed.

2. Rents

An increase of 12% in living quarter rentals and 15% in other rentals has been proposed by the Italian Government. This Sub-Commission has recommended that the increase not be granted. While it is true that rents are very low in comparison with other prices, we believe that the hardship that would be imposed upon hard-pressed urban workers by a rent increase would not justify an increased income to the owners of urban real estate who are for the most part wealthy and who are holding real estate more as a hedge against inflation than as a source of current income.

3. Coal

(a) In view of the underestimate of the cost of sea transport for Sardinian coal moving from Sardinia to Sicily and the mainland, it has been recommended that the average price of such coal should be increased from the 600 lire per metric ton agreed upon at the price meeting in Algiers to 750 lire. It was also recommended that the subsidy making possible the sale of Sardinian coal in Sardinia at 150 lire be discontinued

Declassified E.O. 12356 Section 3.3/NND No. 789011

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(b) It was recommended that coal imported from other areas be sold by the Italian coal agencies for use in Allied military purposes at a price adequate to cover costs plus a reasonable profit. Payment would be made in the form of a payment certificate convertible by the coal agency through the Government. Coal used for other than Allied military purposes would be billed to the Italian Government at landed cost and sold by the Government to the coal agencies at a price permitting the latter to distribute the coal at current maximum retail prices. At present the Italian Government charges the coal agencies 1200 lire per metric ton. It was recommended that the price charged by the Government should be low enough to permit the coal to be sold at retail at not over 1400 lire per metric ton.

4. Telegraph rates

The Italian Government has proposed a 100% increase in telegraph rates. This proposal was referred to the Telecommunications - Postal Sub-Commission in

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order that they might make a decision in keeping with the decision on telephone rates which are currently being reviewed. We believe that telegraph rates are of little importance either to Italian businesses or Italian individuals.

II. ALLIED FINANCIAL AGENCY

A. Foreign Exchange Transactions

A large part of the time of officers of the Headquarters, Allied Financial Agency, and the personnel of the branch office in Palermo was employed in perfecting arrangements for financial transactions with the U.S. or U.K. and other allied or neutral countries.

1. Remittances from the U.S. and the U.K.

On 7 February 1944 the U.S. Treasury and War Department announced the restoration of facilities for living expenses remittances to Sicily, and the Treasury Department issued General License No. 32A, from which relevant paragraphs are quoted below:

"(1) Certain remittances to Sicily for living expenses authorized.

A general license is hereby granted authorizing remittances by any individual through any domestic bank to any individual within Sicily, and any domestic bank is authorized to effect such remittances, provided the following terms and conditions are complied with:

(a) Such remittances are made only for the necessary living expenses of the payee and his household;

(b) If the payee is not a citizen of the United States, the total of all remittances to such payee and his household effected in any three month period under this general license may not exceed £ 100;

(c) If the payee is a citizen of the United States, the total of all remittances to such payee and his household effected in any one calender month under this general license may not exceed £ 75, except that additional sums not exceeding £ 25 in any one calender month may be remitted for each member of such payee's household in addition to the payee who is a citizen of the United

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(c) If the payee is a citizen of the United States, the total of all remittances to such payee and his household effected in any one calender month under this general license may not exceed £ 75, except that additional sums not exceeding £ 25 in any one calender month may be remitted for each member of such payee's household in addition to the payee who is a citizen of the United States, provided that in no case shall a sum in excess of £ 150 per calender month be remitted to any such payee and his household;

(d) Such remittances are not made from a blocked account other than from an account in a banking institution within the United States in the name of, or in which the beneficial interest is held by, a citizen of the United States who is the payee or a member of his household; and

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(e) Such remittances are effected only by the payment of the dollar amount of the remittance to a domestic bank for credit to a post-liberation blocked account in the name of "Bank of Sicily, Account AF".

"(2) Duty of individuals and domestic banks acting under this license.

All individuals making such remittances and all domestic banks effecting such remittances shall satisfy themselves that the foregoing terms and conditions are complied with. ....

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"(4) Reports by domestic banks maintaining post-liberation blocked accounts.

Domestic banks maintaining post-liberation blocked accounts in the name of "Bank of Sicily AF" shall report promptly the establishment of such accounts, and the balances therein at the end of each calender month, to the appropriate Federal Reserve Bank.

"(5) Refunds.

Domestic banks are authorized to refund the amount of any remittance ordered pursuant to this general license when such domestic banks are advised that such remittance cannot be effected.

"(6) Waiver of General Ruling No. 11 and General Ruling No. 5A.

Transactions authorized herein and communications with persons in Sicily relating thereto are authorized notwithstanding General Ruling No. 11. Domestic banks are authorized, notwithstanding General Ruling No. 5A, to send to and receive from the Bank of Sicily non-negotiable bank payment orders covering remittances or refunds authorized herein.

"(7) Definitions.

As used in this general license:

(a) The term "household" shall mean:

(i) those individuals sharing a common dwelling as a family; or

(ii) any individual not sharing a common dwelling with others as a family.

(b) The term "post-liberation blocked account" shall mean a blocked account:

(i) which is established pursuant to this license or any other license or other authorization expressly referring to a post-liberation blocked account;

(ii) to which funds may be credited only pursuant to this

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in Sicily relating thereto are authorized notwithstanding General Ruling No. 11. Domestic banks are authorized, notwithstanding General Ruling No. 5A, to send to and receive from the Bank of Sicily non-negotiable bank payment orders covering remittances or refunds authorized herein.

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(i) which is established pursuant to this license or any other license or other authorization expressly referring to a post-liberation blocked account;

(ii) to which funds may be credited only pursuant to this license or any other license or other authorization expressly referring to a post-liberation blocked account; and

(iii) with respect to which payments, transfers, or withdrawals or other dealings may not be made or effected except pursuant to this license or any other license or other authorization expressly referring to a post-liberation blocked account."

TAM Airgram 1, which transmitted this General License to this Headquarters also quoted relevant paragraphs from letters addressed to the Banco di Sicilia by the Guaranty Trust Company, the Chase National Bank, the National City Bank, and the Irving Trust Company. The remaining four correspondent banks chosen by the Banco di Sicilia had not as yet prepared communications for the Banco di Sicilia, at the time of issuance of the General License. Some nine other U.S. financial institutions have already applied to the Banco di Sicilia to act as correspondents for remittance purposes, but no additions to the existing list of correspondents are being made without the prior approval of AFA Headquarters, because of the limited staff available to AFA

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branches for processing correspondence and for effecting the necessary accounting entries on the books of the Allied Financial Agency.

TAM Airgram 1 also required certain changes in the procedure outlined in the original proposal made by the Allied Financial Agency; in that credits to the AF dollar accounts held by U.S. correspondents for the Banco di Sicilia would not be effected until the U.S. banks were notified that the payee had received lire. This will avoid the necessity for debiting these AF accounts when refunds must be made to the remitter because lire cannot be paid to the designated beneficiary. The relevant passages from the Airgram are quoted below:

> "2. Banks designated in your cable 21 January 1944 have been notified of their selection by the Bank of Sicily as correspondents, and these banks have been instructed to forward their remittance schedules as outlined in your 16 January 1944 letter addressed to 'Banco di Sicilia, APO No. 4400 c/o Postmaster, New York, New York.' Replies have been procured thus far from New York banks only. With respect to accounts to be opened by such designated banks, you are requested to facilitate prompt submission to these banks by Banco di Sicilia of following:
>
> (a) Request from Banco di Sicilia that account be opened on terms specified, i.e., that credits to accounts for remittances will be made only after banks here have received:
>
> (i) receipts executed by designated beneficiaries; and
>
> (ii) guarantees by the Banco di Sicilia that designated persons received the payments;
>
> (b) Specimen signatures of persons authorized to operate accounts and execute guarantees that designated beneficiaries received remittance payments;
>
> (c) Authentication by appropriate Allied Military Authorities of signatures and authority of persons who will operate accounts and execute guarantees."

In accordance with the instructions contained in the two documents just mentioned, the branch office in Palermo took measures to procure and transmit to the U.S. banks the necessary documents. Correspondence from the U.S. banks is addressed to the Banco di Sicilia at APO 4400, and is then collected by AFA

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requested to facilitate prompt submission to those banks by Banco di Sicilia of following:

(a) Request from Banco di Sicilia that account be opened on terms specified, i.e., that credits to accounts for remittances will be made only after banks here have received:

(i) receipts executed by designated beneficiaries; and

(ii) guarantees by the Banco di Sicilia that designated persons received the payments;

(b) Specimen signatures of persons authorized to operate accounts and execute guarantees that designated beneficiaries received remittance payments;

(c) Authentication by appropriate Allied Military Authorities of signatures and authority of persons who will operate accounts and execute guarantees."

In accordance with the instructions contained in the two documents just mentioned, the branch office in Palermo took measures to procure and transmit to the U.S. banks the necessary documents. Correspondence from the U.S. banks is addressed to the Banco di Sicilia at APO 4400, and is then collected by AFA Palermo. This correspondence is given to the Banco di Sicilia, after appropriate records are made by AFA. Correspondence from the Banco di Sicilia is now addressed to the U.S. correspondent banks through channels, but AFA Palermo has suggested that a special Post Office address, such as the Federal Reserve Bank of New York, be utilized for routine matter passing to the U.S. banks.

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In order to effect payments to U.S. citizens at the higher level contemplated by the General License, the Palermo branch of the Allied Financial Agency has notified us that the following arrangements have been made with Consul General Nestor in Palermo:

"all remittance lists covering payments to American citizens will be submitted to the Consul General for certification that the payees are in fact American nationals. However, Mr. Nestor again pointed out that most of his documents are in Washington and that it will be necessary for him to refer to the State Department in those cases where the documents of a payee are insufficient to enable him to express an opinion as to citizenship status. Moreover, payees who are not domiciled in Palermo will be required to forward to the Consul General their citizenship papers before payment

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can be made, thereby involving a certain amount of correspondence and delay."

As the Combined Civil Affairs Committee, through the Combined Chiefs of Staff, has directed that the dollar and sterling proceeds of remittances be under the "exclusive supervision and control of the Allied Financial Agency", AFA Palermo was directed to secure a signed undertaking from the Banco di Sicilia that orders of payment, either mail or cable, on its AF dollar or sterling accounts with its foreign correspondents, would be promptly delivered to the order of AFA Headquarters, upon presentation of demands for such orders of payment, which in all cases must be signed by two officers of AFA Headquarters. (The authorized signatures of the officers of AFA Headquarters have been transmitted to all branches of AFA with instructions to distribute to all interested banks.)

With respect to remittances from the United Kingdom, the Bank of England addressed a letter to the Banco di Sicilia on 10 February 1944, agreeing to open a non-interest bearing "AF account" for the Banco di Sicilia, and setting forth the terms and conditions for operating the account. These are in agreement with the procedure outlined in the January report. The Banco di Sicilia has accepted these terms by cable, and will confirm the acceptance by letter.

On 1 March 1944, following the conclusion of negotiations with the Banco di Napoli, the Military Government Section of AFHQ was advised that the Banco di Napoli is prepared to effect remittances to Sardinia and to the following provinces on the mainland, following the Sicilian procedure, as soon as the necessary authorization is obtained from the authorities in the United States and the United Kingdom:

Reggio Calabria	Brindisi
Cosenza	Lecce
Catanzaro	Taranto
Potenza	Avellino
Matera	Benevento
Foggia	Salerno
Bari	Napoli

As in the case of the Banco di Sicilia, AFA Headquarters will reserve the right to limit the total number of correspondents in the United States, as this is dictated by the practical limitations imposed by the limited personnel available to the branch office of AFA in Naples.

It is also hoped that no authorization for remittances to American nationals on a differential scale will be authorized by this second Central

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As in the case of the Banco di Sicilia, AFA Headquarters will reserve the right to limit the total number of correspondents in the United States, as this is dictated by the practical limitations imposed by the limited personnel available to the branch office of AFA in Naples.

It is also hoped that no authorization for remittances to American nationals on a differential scale will be authorized by this second General License, as there are no consular representatives in Sardinia or on the mainland who may pass on the nationality of American applicants, and reference to the Consul General in Sicily is impracticable.

2. Advances to British, American and other Allied Nationals

The procedure outlined in the report for January was embodied in a draft executive memorandum designed to be circulated by the Allied Control Commission. However, the Political Section of ACC has not as yet approved this draft. In the meantime the various Regional Finance Commissioners are making advances in cases where they are satisfied that the applicants are nationals and that the funds are required to cover minimum essential needs. The principal difficulty which has delayed the establishment of a uniform procedure is the fact that there is no U.S. consular representative in Sardinia or on the mainland of Italy, while the Consul General at Palermo is reluctant to render decisions as to nationality of American applicants, as he has pointed out that most of the files of the old Sicilian Consulate are still in the State Department in Washington. There appears to be no alternative open to field officers of AMG/ACC at present other than to refuse assistance and to transmit to

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the Finance Sub-Commission, for Consul General Nestor, the supporting documents submitted by American applicants who do not possess:

(a) A U.S. passport valid on 30 June 1941;

(b) an American certificate of registration valid on 30 June 1941;

(c) a notice of official approval by a proper officer of the State Department of application for a certificate of registration for a period extending beyond 30 June 1941;

(d) satisfactory evidence that the applicant was receiving advances through Swiss diplomatic representatives prior to his appearance in liberated Italy.

The obligation to repay is fixed in terms of dollars or sterling, but repayment may be made in lire equivalent to the dollar obligation at the rate of exchange prevailing on the date of repayment or equivalent to the sterling obligation at the rate of exchange prevailing on the date on which the advance was granted.

Requests have been made by the Greek and Czech missions and by other allied missions in Italy that the Allied Financial Agency advance lump sums to them for the relief of their destitute nationals, who are not actually employed by the staffs of the missions. In view of the fact that the governments of these missions have provided no funds and given no directions, through CCAC, similar to those provided by the British and American Governments, and in the light of the severe limitations on actual advances imposed both by regulation and by administrative difficulties in the case of British and American nationals, the Allied Financial Agency considers that it has no authority to grant advances of this type. In cases of extreme necessity, some Allied nationals are receiving advances as individuals, however, in amounts exceeding the Italian relief scale.

3. Foreign Exchange Resulting From Exports

Correspondence was exchanged with the Military Government Section, AFHQ, regarding the appropriate procedure for setting up AF accounts in which the proceeds of exports from Italy to Allied and neutral countries will be deposited, but no such accounts have as yet been opened.

B. Financial Transactions with the Allied Armed Forces

During the month the Allied armed forces continued to draw funds from the branches of AFA according to standard procedure. In response to a

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Requests have been made by the Greek and Czech missions and by other allied missions in Italy that the Allied Financial Agency advance lump sums to them for the relief of their destitute nationals, who are not actually employed by the staffs of the missions. In view of the fact that the governments of these missions have provided no funds and given no directions, through CCAC, similar to those provided by the British and American Governments, and in the light of the severe limitations on actual advances imposed both by regulation and by administrative difficulties in the case of British and American nationals, the Allied Financial Agency considers that it has no authority to grant advances of this type. In cases of extreme necessity, some Allied nationals are receiving advances as individuals, however, in amounts exceeding the Italian relief scale.

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B. Financial Transactions with the Allied Armed Forces

During the month the Allied armed forces continued to draw funds from the branches of AFA according to standard procedure. In response to a request for information on the types of Italian currency acceptable to the Bank of Italy, AFA Headquarters advised the Finance Officer of the Fifth Army that the Bank of Italy would supply sets of notes now acceptable to serve as a guide to the finance officers of that army.

The Allied Financial Agency was advised that the Military Government Section of AFHQ had suggested, on 7 February, that the British Treasury and other British Ministries concerned consider the possibility of establishing bank accounts with the Banco di Napoli and the Banco di Sicilia, for the purpose of effecting British military and naval payments by cheque, thus avoiding transfers of physical cash, on the assumption that there might already be enough cash in the hands of banks in the regions where the military disbursements take place. AFA has received no information as to the action taken on this recommendation, but should such a decision be made, it appears probable that army transport would be needed in many cases to move physical cash for the Bank of Italy and/or the private Italian bank concerned, to areas such as the front lines.

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C. Accounting

Statements of assets and liabilities were prepared by the AFA branches at Palermo and Bari as of 10 February 1944, as a result of the change from AMG to

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ACC in Regions I and II. It has, however, been decided to refer to the Headquarters and to all branches of the Allied Financial Agency by that title, instead of retaining the name of Allied Military Financial Agency for the Naples branch, and other branches in AMG territory.

D. Lire Currency

The branches of the Allied Financial Agency were directed to prepare twice a month a statement showing the total number of unopened boxes of AM Lire held by them in each denomination, together with a similar report on the number of unopened boxes held by Italian banks. These reports will be consolidated at AFA Headquarters, to provide current data on the supply available in each area.

E. Foreign Assets and Foreign Currency

On 12 February authority was requested of the Combined Chiefs of Staff to authorize Italian banks to accept blue seal dollars and pound sterling notes at the current exchange rate in lire, for account of the Allied Financial Agency. The Military Government Section of AFHQ has authorized this procedure, subject to confirmation by the Combined Chiefs of Staff, which has not yet been received by AFA.

In response to a request from the War Office in London, MGS was advised of the various types of currency being brought in to Italy by Yugoslav refugees. Besides notes issued under Alexander I and Peter II, these include Croatian kunas printed in Germany since 10 April 1941, and Italian lire currency. No authority has as yet been received to accept any of these notes for account of the Allied Financial Agency.

The Chief of AFA met with the Finance Commissioner of Region III to discuss the voluntary opening of safe deposit boxes in that area. It was reported that 12,000 out of 19,650 boxes in Naples City had been opened and that a list of the small amount of foreign assets taken into custody by the Finance Officers was being prepared.

F. Relations with Italian Treasury

The Chief of AFA participated in conferences with the Minister of Finance in the Italian Government which will result in the provision of overdraft credits by the Banca d'Italia to the Italian Treasury in Sicily to cover public deficits. This will make use of the large supplies of currency now in the hands of the Banca d'Italia there and conserve unopened boxes of AM Lire for subsequent disbursement to the Allied armed forces.

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The desirability was discussed of withdrawing some currency now in circulation for the purpose of avoiding excess reserves in the Italian banking system, and thus facilitating supervision of budgetary expenditure. The Chief of AFA recommended the establishment of a new account in the Banca d'Italia for the Allied Financial Agency, to be covered at all times by 100 per cent cash reserve in lire. In this account would be deposited the surplus cash of the Banca d'Italia, in repayment of advances previously made to the Treasury by AFA. It would be hoped that AFA would not be called upon to draw much of this amount in physical cash, as personnel is not available for counting large sums. It was also pointed out that some conflict arises between the objective of facilitating budgetary control and the desire to secure investment of excess reserves in public securities, thus reducing interest rates on government securities.

G. Statistical and other Information

A member of the Headquarters staff participated in the elaboration of a statistical questionnaire to be sent to all branches of the Banca d'Italia and tabulated by the head office of that institution. An attempt was made to include in this report all the items of information which will be of value to the Allied

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Financial Agency in future months.

Data were collected from the Banca d'Italia and from other sources for several special studies being undertaken by the Sub-Commission.

H. Inspection Trip

The Chief and Vice-Chief of AFA visited Matera, Bari, and Foggia on 21 - 23 February. At Matera they were informed by the Regional Finance Officer that Italian civilians in Apulia and in Region II had always had access to their saf deposit boxes without restriction, and that consequently almost no foreign assets had been impounded either by AFA or by the Finance officers of AMG. Fascist bank accounts had been blocked, and some securities and other assets belonging to such persons taken into custody. The Acting Regional Finance Officer of Region II agreed that he would return to AFA a large number of unopened boxes of AM Lire which had been deposited by Finance Officers in Italian banks in Region II.

At Bari the vaults in which reserve cash is stored were inspected and found to be satisfactory. The principal problem faced by the branch manager of AFA in that city is consideration of the demands presented to him by various Allied missions for funds to be expended on the relief of their nationals. As explained heretofore, he has no authority to extend such advances.

At Foggia it was arranged that Region V will draw necessary funds from the branch at Bari, if possible. Eventually a branch of AFA may be established in Region V.

I. Establishment of New Branches

As of 31 January, books were opened for a branch of the Allied Financial Agency in Region IV. The files of this branch are at present maintained in the office of AFA Headquarters.

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III. FINANCIAL INSTITUTIONS

A. General

1. New management for the Bank of Naples and the Bank of Italy, Naples.

Arrangements were made through the Public Relations Officer, ACC, and the Psychological Warfare Board for wide newspaper publicity to be given to the appointment of Mr. Cesare Ricciardi as Special Commissioner of the Bank of Naples, Mr. Arturo Rossignoli as General Manager of the same bank, and Mr. Arturo Atti as Commissioner of the Bank of Italy in liberated Italy. Their appointments were announced on 15 February and were well received. On the eve of the public announcement the Italian Minister of Finance convened a meeting of Naples bankers to acquaint them with the names of the Government's appointees and to stress the importance of the role of the banks in Italy's economic future. In order that the action of the Italian Government might have effect in Region III, the Legal Sub-Commission at our request drafted General Orders 21 and 22, making applicable to AMG Territory the relative Italian Government decrees.

2. Implementation of AFHQ Administrative Memorandum No. 95

Following the 17 January meeting of the Local Resources (Italian) Board (see January operations report), the Finance Sub-Commission developed a comprehensive program whereby the Italian Government is to pay for all goods and services furnished to the Allied Armed forces. In brief, it is planned that a voucher will be given to each supplier, showing the goods or services furnished and the cost thereof. The supplier will present such voucher to the Intendente di Finanze of his province and the Intendente, after receiving a duplicate voucher direct from the Army, will order payment to the supplier through the Banca d'Italia or the post office system.

After discussion with interested sections of AFHQ Advanced Administrative Echelon and American and British finance officers, representatives of the Finance Sub-Commission met with Brigadier General Hamblen, AFHQ, who approved the plan in principle. Subsequently a voucher form and a draft instruction from AFHQ directing that the plan be instituted were drawn up and cleared with the Army. The Italian Government was consulted early in the planning and the Minister of Finance has agreed to the arrangements and is issuing appropriate instructions to his Intendentes. It now remains to present the final documents to AFHQ, which will instruct the British and American [illegible]

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3. Payment of interest during a moratorium period

In January it was agreed that Article 2, Section 2 of Proclamation No. 5 should be amended by deleting the clause providing for the non-accrual of interest during a moratorium period. After this action was taken, a question arose whether in new areas it would not be desirable in the case of fixed term obligations to stop the accrual of interest between the date of maturity of the obligation and the termination of the moratorium. The question was discussed with the Legal Sub-Commission and it was found that the weight of Italian legal precedent is on the side of allowing interest to accrue on all obligations, demand as well as fixed-term, during a moratorium period. The Finance Officers of Region IV and AMG Fifth Army were accordingly advised that in future Proclamation No. 5 should be interpreted strictly, i.e., that payment of interest is unaffected by the moratorium.

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4. Termination of restrictions on real property transactions

The Minister of Finance informed us that in the provinces of Bari, Brindisi, Lecce, and Taranto (where no restrictions were ever applied) the volume of real property transactions has shown a decline rather than an increase and that he recommended lifting the restriction both in the area under control of the Italian Government and AMG territory. After consideration of the question the Sub-Commission agreed with this recommendation, on the grounds that (a) unnecessary restrictions should be lifted, and (b) the Italian Government would increase its revenues through the turnover tax applicable to land transfers. Accordingly, the Minister of Finance was informed that the Finance Sub-Commission was prepared to permit the Italian Government to terminate the restriction provided that statistics on the volume of real property transactions are furnished to us at regular intervals of a few weeks. The Minister of Finance agreed to do so. A general order will be published in AMG territory lifting the prohibition.

5. Paper for Buoni del Tesoro Ordinari and Banca d'Italia vaglie

We were advised by MGS, AFHQ that supplies of first grade bond paper could be made available to the Italian Government for the printing of B.T.O's and vaglie. An order was placed on behalf of the Government for 175,000 sheets for B.T.O's and 215,000 sheets for vaglie.

6. Financial controls program

In connection with the program of blocking and other financial controls, an analysis was begun of Italian foreign exchange, foreign trade, and trading with the enemy decrees, in order to determine whether modifications are required at the present time. Work was continued on a report requested by CCS showing the number of bank accounts blocked in Italy, the value of such accounts and the ownership thereof. Representatives of the Finance Sub-Commission also collaborated with the Controller of Property in considering what action ACC desires of the Italian Government toward property of German, Hungarian, Roumanian and Bulgarian nationals.

7. Clearance of draft decrees.

The Finance Sub-Commission consulted with the Legal Sub-Commission on the preparation of a memorandum setting forth the procedure whereby Italian Government draft decrees are to be cleared by ACC.

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8. Financing of highway construction

Arrangements were concluded whereby road repairs requested of the Public Works Sub-Commission by the Allied armies will be financed out of a newly established capital in the budget of the Italian Ministry of Public Works. Actual disbursement, where practicable, will be by means of mandati or vaglie. It is estimated that the cost for the remainder of calendar year 1944 will exceed six hundred million lire and may eventually reach two billion lire.

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B. Commercial Insurance

1. Formation of Naples insurance committee

Activities of the Insurance Unit, CFI, have been directed to the formation of a committee of insurance interests in Naples to act as a responsible and representative body with which the Finance Sub-Commission can deal and through which instructions can be transmitted to insurance companies. The formation of such a committee was suggested to the Under Secretary of Commerce and Industry, who approved and placed the matter in the hands of senior officials of the leading companies. An announcement of the committee's formation is expected in the immediate future.

2. Revocation of Region II insurance directive.

During the month, Region II reported the cancellation of their orders to insurance agents dated 20 December 1943, which had been the cause of considerable apprehension to Company officials and to the Under-Secretary of Commerce and Industry (see January report). Agents in Region II are now required to place themselves under the orders of their nearest Company superiors, and the offer of AFA advances for the claims they were supposed to pay has been cancelled.

3. Authority of Naples offices over local agents

Considerable attention has been devoted to bringing the Naples offices of insurance companies into control of their organizations in liberated Italy, as it was known that the most important companies had empowered their Naples offices to assume this control in the event of severed communications with their Head Offices, and had provided them with funds for the purpose. The Under-Secretary of Commerce and Industry expressed his strong wish that this should be accomplished as soon as possible, as the present uncoordinated activities of agents in liberated territory might, unless properly controlled by company officials, have undesirable effects. Some delay has been experienced in securing details of the powers granted by Head Offices to their Naples offices, and the Insurance Unit is not prepared to recommend a formal assumption of control by these branches until it is fully informed as to the extent of such powers. A draft instruction was prepared during the month, however, and requires only the insertion of the names of the Companies concerned before being submitted for approval as a definite ACC order to Regions. Copies of the powers granted to the Naples officials of the Assicurazioni Generali, and the Alleanza Vita (of the Generali group) were received in

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Italy can be put on a sound administrative footing with a central point (the Naples Committee) at which Allied or Italian governmental contact can be efficiently maintained.

4. Plan for handling insurance problems in Rome

A memorandum has been drafted and submitted to the CFI outlining certain information on insurance that will be needed when Rome is reached and a plan for handling the operations of insurance companies. This plan has been devised because it is considered that the existence of Head Offices in Rome (particularly that of the Istituto Nazionale di Assicurazioni) will present problems of the type which will be encountered later in Milan and Turin. The plan embodies provisions to remove certain administrative difficulties hitherto experienced by the Insurance Unit which to a great extent prevented earlier co-ordination in Regions II and III, and may cause considerable trouble later if left untouched.

5. Insurance intelligence

During the month, copies of the 1942 accounts of the two largest Companies (Assicurazioni Generali & Riunione Adriatica) were obtained and forwarded to the CFI, attention being drawn to the high proportion of real estate (the only asset subdivided by countries) owned by both Companies in certain occupied European countries. From the 1942 Italian Insurance Annual a fairly up-to-date list of Companies operating in Italy was compiled and submitted, also showing published details of the sequestration of British and French Companies in 1940/41. From the same Annual, leading statistics of all Companies are now available up to the end of 1940.

6. Investigation of Naples insurance company.

Direction has been sought for the investigation of the head office of the Naples "Compagnia Partenopea di Assicurazioni e Riassicurazioni", which is known to be actively engaged in marine business. Although it is only a small Company with assets of about 2 million lire, investigation is recommended on the lines visualised for Rome if only for the practical experience to be gained thereby.

7. Marine insurance

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7. Marine insurance

On 9 February 1944 representatives of the Insurance Unit attended a meeting in Naples of shipowners and marine insurance officials. The business discussed was war risks and ordinary marine risks on vessels of 300 tons and less. The meeting was informed that in view of the complete lack of facilities for insuring war risks in AMG areas, ACC was willing to authorise extension to those areas of Proclamation No. 9 of the Italian Government in which the Government announced that assumption of such risks would be undertaken by the Government in substitution for the former facilities in Rome. Region III had earlier ruled to the Companies that the Government scheme was not applicable to the Naples area. In the course of general discussion, the shipowners expressed doubts as to the security of the scheme (doubts which appeared to be based on a lack of confidence in the Government, and on what subsequently proved to be a misunderstanding of a decision of the Government to assume, but to defer payment on, war risks undertaken by the Fascist Government). On receipt of the Insurance Unit's report on the meeting, the Finance Sub-Commission declined to proceed with the extension of the Government's scheme, on the grounds that it was apparently not desired by the shipowners. Both the latter and the insurers have been informed accordingly, but while it is expected that their definite agreement will eventually be received, the present situation is that of a standstill. The meeting was unanimous that

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present facilities in liberated Italy are inadequate for coverage of ordinary marine risks on these vessels. The amount of cover that local insurance officials can provide is clearly limited (although it is being stretched as far as is reasonably possible by reinsurance amongst themselves), and wider cover is desirable. Insurers and shipowners requested the intervention of ACC with a view to procuring access for them to the British insurance market. They were informed that under present conditions this is not possible.

8. Aid to insurance companies in communicating with agents and policy-holders

Conversations have taken place with the Telecommunications - Postal Sub-Commission with a view to aiding the Naples offices of insurance companies to establish postal communication with their agencies and policyholders. It is understood that an internal service is now in operation in Italian Government territory, but connection of Naples to it has not yet been established. The handicap worked on the companies by this lack of postal services is emphasised. The Insurance B... has also managed to facilitate the travel of officials of companies for the purpose of inspecting agents normally under their care, and has secured a number of passes for them from the appropriate authority.

C. Social Insurance

1. Problems of authorization

There are a number of situations in which institutions continue to collect funds for a specific type of disbursement, but have not continued or resumed payments on the ground that they were not authorized to do so. Under Royal Decree Law No. 5 dated 8 January 1942 Italian employers are directed to set aside one-twelfth of the total yearly salary paid to their employees for an indemnity on termination of employment. The amount varies with length of service and rate of remuneration and the funds are held by Istituto Nazionale delle Assicurazioni, the Naples Office of which is withholding payment of these indemnities because no instruction was received from Rome prior to our occupation. The matter was previously raised in Sicily in September and after due consideration we recommended the resumption of payments throughout Sicily, which establishes a clear precedent for similar authorization on the mainland. It is recommended that this authorization should be issued in all areas under our direct jurisdiction, and that the Italian government should be approached to determine whether action is necessary in Regions I and II.

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Royal Decree Law No. 1345 dated 30 October 1941 directed provincial offices of Istituto di Previdenza Sociale to pay allowances on behalf of the Italian Government to dependents of non-manual workers employed in Africa. The Naples office of Previdenza is, however, withholding these payments in the absence of instructions from Rome or other competent authority. Meanwhile it is understood that the Italian government has authorized resumption of these payments in the territory under its control. It is recommended that resumption of these payments be authorised, which will put an end to the anomalous situation of permitting contributions to be collected while not authorizing payment of benefits.

2. Problems of coverage

Employment of large numbers of civilians by Allied armed forces, including ACC, has raised certain problems relative to their

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status under Italian social insurance laws. Employers contracting with our armed forces should be subject to the same obligations relative to social insurance of their employees, as are other private employers. Under international law, and by the terms of our own proclamations, statutes not formally abrogated by us remain in effect. As long ago as 5 November 1943 the Italian Government agreed (No 2492/AC) to reimburse all accident claims of civilian employees of the Allied armies whom it is compulsory to insure under Italian law. It is emphasized that this law (No 1765 of 1935) applies only to scheduled extra-hazardous occupations and, whether publicly or privately employed, clerical and administrative employees are not covered. Thus the employees of AMG or ACC coming within this latter category are excluded.

In consequence of a report received by the CFO of difficulties being experienced by Eighth Army in connection with claims settlements in respect of accidents to civilians employed by them, due to non-availability of officials of Istituto Nazionale Infortuni in the forward areas, arrangements have been made for the National Secretary of the Istituto in Naples personally to visit Main HQ Eighth Army with a view to making suitable arrangements to meet the situation.

The Italian Government has now adopted a plan for covering all necessary social insurances for civilian employees of the Allied armies, for 20% of payroll (plus a fraction of one per cent for expenses). This accords with our recommendation in January that only essential coverages be considered. The application of this plan, however, has met with certain objections:

(a) the armed forces cannot recognize any right to be taxed by hitherto existing public authority.

(b) they hesitate to accept any situation which tends to multiply their already large volume of paper work.

(c) for security reasons, they cannot reveal to any civilian agency the size of their civilian payroll.

It is understood that the Italian Government is willing to assume the financial burden, in order to solve the first objection. Simplification of coverages and forms which is now being studied by the

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It is understood that the Italian Government is willing to assume the financial burden, in order to solve the first objection. Simplification of coverages and forms which is now being studied by the Italian Government may meet the second objection. The third objection might be met by calculating premium payments on an annual basis in arrears, as this would appear to dispose of the security difficulty.

3. Contributions

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Social insurance institutions continue to operate under financial difficulties in the area so far liberated. In this area the balance between contributions and disbursements was always less favorable than in the country as a whole. Contributions have not been received in satisfactory volume, however, by any of the institutions concerned. Enforcement of collections from contractors with the armed forces was until recently lax. Industrial employment has been reduced in many areas owing to the destruction of factories and equipment by military action, and materials shortages complicate this difficulty. Istituto di Previdenza Sociale is further hampered by shortages of stamps by which payment of contributions is ordinarily effected. Other methods of payment, especially for large groups of manual workers, result in widespread violations difficult to detect due to instability of employment, lack of suitable records, and inadequate inspections and audits. Pensions are paid both for old-age and invalidity and for accidents involving death

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and permanent disability. For such cases reserves are set aside out of contributory income, but if still safe, most of such reserves are in Rome. The unavailability of these past contributions adds greatly to the present financial weakness of social insurance institutions in liberated Italy.

4. Suspended reimbursements and the wage base

The Labour Sub-Commission has recently become interested in incorporating a number of indemnities in the basic wage, among them the indennita di presenza (bonus for presence at work). They hold that the indemnity has become regarded as part of the worker's normal compensation, and that its termination would be widely interpreted as a wage-cut. They propose (a) that suspension of reimbursement of part of the indemnity by Istituto di Previdenza Sociale be lifted, (b) that this be made retroactive to 1 October 1943, and (c) that the whole matter be thoroughly studied with a view to finding a more satisfactory solution eliminating IPS entirely from the picture. There is, however, a more direct route to the principal objective. It is not recommended to reconstitute a discredited system for the brief period during which necessary action is to be taken which will completely replace it. IPS does not have the funds to make these reimbursements, and resumption of them would further add to the advances currently being made by AFA. It has not been shown that Italian employers generally are unable to advance the full indemnity themselves, and apparently this is the ultimate intention of the proponents. It is recommended that these reimbursements should be permanently revoked and if it seems just collection of the 5% payroll tax, a part of the proceeds of which may partially have covered these reimbursements. It is also recommended that there should be consultation with the Italian Government to insure uniform action.

5. Problem of benefits

The report on proposed state pension increases, submitted by the Insurance Unit on 11 February, estimated that additional payments of from L. 25,000,000 to L. 26,000,000 will probably be required monthly in the 26 provinces completely liberated when the estimate was made. Pressure for a similar adjustment of private pensions must be expected, we concluded, and anticipating this, we should ask corresponding adjustment of contribution rates to resist not only an inflationary tendency, but [illegible] of the actuarial foundations of the system. We had been

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Istituto di Previdenza Sociale be lifted, (b) that this be made retroactive to 1 October 1943, and (c) that the whole matter be thoroughly studied with a view to finding a more satisfactory solution eliminating IPS entirely from the picture. There is, however, a more direct route to the principal objective. It is not recommended to reconstitute a discredited system for the brief period during which necessary action is to be taken which will completely replace it. IPS does not have the funds to make these reimbursements, and resumption of them would further add to the advances currently being made by AFA. It has not been shown that Italian employers generally are unable to advance the full indemnity themselves, and apparently this is the ultimate intention of the proponents. It is recommended that these reimbursements should be permanently revoked and if it seems just collection of the 5% payroll tax, a part of the proceeds of which may partially have covered these reimbursements. It is also recommended that there should be consultation with the Italian Government to insure uniform action.

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The recent change in the status of the Italian Government necessitates reconsideration of the "modus operandi" in effecting any increase in state pensions. At a meeting held on 19 February, these recommendations regarding state pensions were adopted so far as ACC is concerned, and are being discussed with representatives of the Italian Government.

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D. Post Office Financial Services

1. Preparation of temporary savings certificate

Stocks of postal savings bonds are running low throughout liberated Italy and vigourous efforts were made during February to provide a temporary certificate and to begin reprinting of the original bonds. The design of the temporary certificate was worked out with the Telecommunications-Postal Sub-Commission and the Under Secretary for Posts and Telecommunications of the Italian Government. Paper was secured from AFHQ and a first order for 250,000 certificates was placed. Deliveries to the post office system will be made at the beginning of March.

2. Reprinting of postal savings bonds

The reprinting of the original form of postal savings bonds has been delayed by difficulties in obtaining supplies of suitable paper. Paper has finally been secured from stocks requisitioned at Foggia and is in process of delivery to the printer. Certain essential chemicals have also to be provided. It is estimated that the new bonds will not be on sale for at least three to four months.

3. Responsibility for operation of post office financial services

As a result of several meetings with the Telecommunications-Postal Sub-Commission during the month a procedure was drafted setting forth the responsibilities of each sub-commission for the operation of post office financial services. A memorandum embodying this procedure was submitted to the Executive Commissioner's office for appropriate distribution.

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IV. ITALIAN GOVERNMENT FINANCE - EXPENDITURES AND REVENUES

A. Budget and Expenditure Control

1. Present position

(a) The absence of effective expenditure control

To date there has been little effective control of Italian Government expenditures either by the Italian Government itself or by ACC. This has been the result of the inadequacies of the Italian system as presently operated by the Government, disruptions due to war, and serious shortage of ACC supervisory personnel.

At the present time there is no budget to provide a control over expenditures. The Italian budget was made in Rome and included expenditures for all of Italy. To meet this difficulty the Minister of Finance has required that "accredimenti", authorizations formerly issued by particular Ministries to permit certain agencies or officials to make expenditures within the budget, be signed by the Minister of Finance. This device, however, provides little control, for accredimenti have no time period and expenditures in any period may be greater or smaller than the amount of accredimenti issued in that period. Indeed, many Ministries are still using accredimenti issued by the Fascist Government. Through the use of accredimenti the Government is not able either to control the expenditures of the Ministries or to know what their expenditures are. Furthermore, the accredimenti system provides even less knowledge of military expenditures than of civil expenditures since the armed forces are permitted to disburse funds before obtaining accredimenti. Finally, no adequate figures of disbursements can be obtained even after the disbursements have been made, since reports of large amounts of Civil government disbursements are grouped under the heading "pagamenti collettivi", rather than under the Ministry for whose account the disbursements were made.

(b) Budget estimates

The Italian Government has submitted the budget data shown below. These data do not represent a budget in the sense of authorizations

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(b) Budget estimates

The Italian Government has submitted the budget data shown below. These data do not represent a budget in the sense of authorizations to spend. They are rather estimates of the Minister of Finance submitted to ACC in connection with an analysis of whether the Government's cash position would cover the requirements of the coming month. The data make possible comparison of the Minister's estimates for February with estimates for earlier months. They refer to civil government operations in Puglia (less Foggia) and to military needs in all of liberated Italy.

Government Budget Estimates

	December 1943	January 1944	February 1944
	(millions of lire)		
Finance	93.0	20.0	20.0
Justice	2.5	5.0	5.0
Foreign Affairs	1.0	1.0	1.0
Education	7.0	13.0	13.0
Interior	100.0	55.0	70.0
Public Works	5.0	6.0	10.0

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Government Budget Estimates (Contd.)

	December 1943	January 1944	February 1944
	(millions of lire)		
Communications	165.0	190.0	210.0
Agriculture	1.0	3.0	3.0
Industry & Commerce	1.0	.5	.5
Popular Culture	1.0	-	-
Total Civil Ministries	376.5	293.5	332.5
Monopolies	1.0	7.0	45.0
Lottery	.1	.5	.5
Public Debt	5.0	16.0	22.0
Buoni del Tesoro Ordinari	21.0	Meaningless capital and transfer items incorrectly included in December estimates.	
Buoni del Tesoro Poliennli	2.0		
Enti Militari	3.0		
Contrablilta Speciale - Varie	25.0		
Fondi Somministrati	86.0		
Collettivi Varie	25.0		
Sub Total	168.1	86.5	67.5
Total (exclusive of military)	544.6	380.0	400.0
Army	577.0	578.2	614.4
Navy	135.4	237.6	281.0
Air Force	143.1	104.4	78.1
Total Military	855.5	920.3	973.5
Total	1,400.1	1,300.3	1,041.0

(c) Cash disbursements

Figures submitted by the Banca d'Italia on cash disbursements by the Civil Ministries in Puglia are very incomplete. They total only 30 million lire for December and 40 million lire for

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Enti Militari	3.0	}	and transfer items
Contrablilta Speciale - Varie	25.0	}	incorrectly included in
Fondi Somministrati	86.0	}	December estimates.
Collettivi Varie	25.0	}	
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Total	1,400.1	1,300.3	1,041.0

(c) Cash disbursements

Figures submitted by the Banca d'Italia on cash disbursements by the Civil Ministries in Puglia are very incomplete. They total only 30 million lire for December and 40 million lire for January, only 8% and 14% respectively, of the budget estimates for these months. The great incompleteness of these data is shown below:

Comparison of Estimates for Civil Ministries made by Minister of Finance with disbursements recorded by the Banca d'Italia (Puglia)

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(thousands of lire)

Ministry	Dec 1943 Estimates	Dec 1943 Disbursements	Jan 1944 Estimates	Jan 1944 Disbursements
Finance	93,000	24,032	20,000	29,575
Justice	2,500	1,645	5,000	3,426
Foreign Affairs	1,000	2	1,000	2
Italian Africa	-	3	-	1
Education	7,000	2,223	13,000	3,937
Interior	100,000	992	55,000	1,434
Public Works	5,000	449	6,000	548
Communications	165,000	45	190,000	336

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Comparison of Estimates (Contd.)

Ministry	Dec 1943 Estimates	Dec 1943 Disbursements	Jan 1944 Estimates	Jan 1944 Disbursements
Agriculture	1,000	270	3,000	445
Industry and Commerce	1,000	56	500	108
Popular culture	1,000	-	-	-
Foreign Exchange	-	-	-	-
Total Civilian Ministries	376,500	29,717	293,500	39,812

In addition to these disbursements, the Italian Government makes large disbursements grouped under the heading "pagamenti collettivi". This heading covers disbursements made by banks for the account of the Italian Government which are not charged to the books of the Ministry concerned until the entire transaction has been completed. For example, the pay roll for a given project would be turned over to a bank and disbursements on the pay roll would appear as "pagamenti colletivi" until all the workers had drawn their wages, perhaps several years later. The heading includes, among other things, disbursements for the account of the civil Ministries. These disbursements totalled 490 million lire in December 1943 and 514 million lire in January 1944. Thus to the total known Ministerial expenditures of 40 million lire would have to be added an unknown part of undifferentiated expenditures totalling 514 million lire if true monthly cash disbursement figures for January were to be obtained.

(d) The accredimenti system

Under the present system the Minister of Finance signs "accredimenti" on authorizations for the Ministries to make expenditures. From the inception of the Badoglio Government to the end of December, the total of accredimenti issued was 1,535 million lire, 611 for the Civil Ministries and 924 for the Armed forces. These figures do not represent disbursements, however, since the accredimenti need not be used in the period in which they are issued, and, for the military forces, accredimenti need not be obtained before disbursements are made.

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(e) It is sometimes thought that ACC can control Italian Government expenditures through its ability to provide or refuse AM lire to the Government. The experience in February when no currency advances were made clearly demonstrates that this is not the case. Specific control cannot be achieved because there is no direct relation between any particular expenditure and the advance of currency to the government. General control cannot be achieved because total Government expenditures are only one of the factors which affect the cash position of the Banca d'Italia and, therefore, the necessity for making currency advances. With effective control of the money market and with popular confidence in the government, the return flow of currency to the Banca d'Italia through government revenues, sale of government securities, and growth of bankers' deposits at the Banca d'Italia should normally be enough to take care of the currency needs of the government. The provision by ACC of currency to fill the gap in the currency circuit is quite a different problem from that of expenditure control. Effective expenditure control must, therefore, depend upon direct methods.

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(f) The Expenditure Control Officer is submitting a complete report on Italian State expenditures, with recommendations for future policy, to the CFO.

2. New plan for expenditure control

(a) Sicily. The unreliable state of communications between the provincial capitals in Sicily and the Italian Government in Salerno make it obviously impossible to restore expenditure control to the peacetime pattern of centralization. The shortage of qualified Italian personnel make it desirable for ACC officers to continue for the time being some of their functions and to assist such Italian personnel as can be assigned to Sicily. The present political situation in Sicily makes it necessary that any regional expenditure office be established in such a way as to avoid an appearance of autonomy. With these three points in mind a plan for expenditure control in Sicily was developed by Finance Sub-Commission Headquarters and representatives of the ACC regional office in Palermo. This plan was presented to the Italian Government and agreement in principle was obtained. The details of operation were then worked out with the Italian administrative officials concerned and the necessary instructions drafted. In essence the plan provides that ACC personnel in Sicily will continue to function as in the past until 1 April 1944. Thereafter the Italian Government with a quasi-branch office in Palermo will operate the system now used by ACC with some modifications. These modifications provide for a monthly financial program for each of the agencies of the Government. The budget period is 1 April to 30 June. Monthly estimates and subsequent authorities to spend will be based on the appropriate financial programs. A central recording office for the Banca d'Italia figures is provided in Salerno where detailed records of past expenditure will be made available to the Italian Government. State aid to local governments will be channelled through Palermo, thus limiting the size of the financing problem.

(b) Mainland. For that portion of the mainland now under the Italian Government no instructions have been issued, but agreement has been reached that this area will be administered from 1 April under the procedure now in effect for Puglia.

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(b) Mainland. For that portion of the mainland now under the Italian Government no instructions have been issued, but agreement has been reached that this area will be administered from 1 April under the procedure now in effect for Puglia. This should materially curtail the work of ACC in Region II. It was agreed that in this Region, as in Sicily, the forms used by ACC will be employed for the first three months to obtain information on which the Minister of Finance can base his budget for 1 July 1944 to 30 June 1945. With respect to the communal budgets for 1 January to 31 March 1944, which will be approved by the ACC regional staff, it was agreed that no new expenditures for rehabilitation will be approved, but work already in progress will not be stopped. Reports will be rendered to the Italian Finance Ministry by the Banco di Napoli concerning uncompleted liquidation of Fascist organizations in order that decisions may be taken as to disposition of assets and reallocation of essential functions.

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B. Revenues

1. Revenue stimulation.

Trips were made to Sicily and Foggia and to parts of Region II by officers of the Revenue Sub-Section. Their purpose was to encourage the resumption of normal activities by the Italian tax offices and tax officials.

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A number of provinces were visited, and various problems were investigated. This procedure is considered effective, and it is intended that it should be continued throughout all liberated territory. Reports will be prepared by the visiting officers for discussion with the CFO, CRO, and appropriate Italian officials.

2. Tax revision

A program for increasing the State Revenues and improving the revenue system was further discussed. A preliminary memorandum was prepared, discussed with the CFO, and handed to the Italian Minister of Finance on 27 February 1944. The memorandum, a copy of which is attached as Exhibit "A", contains plans for

(a) emergency measures to increase the State Revenues by temporary duties,
and (b) initial steps to revise the Italian tax structure.

3. Monopolies

Tobacco formerly produced approximately 90% of the monopoly revenues; salt 5-6%. Monopoly receipts in the three months to 31 December 1943, compared with the corresponding period in 1942, show for the four provinces of Bari, Brindisi, Lecce, and Taranto an increase of about 50%, from 84 million to 123 million lire. The tobacco factories at Bari and Lecce escaped damage and continued to operate. Tobacco factories in Cava dei Terreni, Scafati, and Naples were not in continuous production. Large [illegible] of manufactured tobacco were seized by the Germans. The cigarette factory at Naples was wrecked by the enemy and now has only three machines in operation. Difficulties now being encountered are lack of transport to move leaf tobacco to factories, lack of cigarette and packing paper, and destruction or requisitioning by the army of a large proportion of the curing and drying warehouses. Transport is now being allotted as available. Cigarette paper has been ordered from the U.S., and machines are being repaired and put into operation where possible. The problem of requisitioning has not been fully met, but representations have been made to the Army.

Tobacco retail prices were increased as from 1 January 1944 by 100% and the Italian Government has proposed an increase of 70% in the purchase price of the 1943 tobacco crop. This proposal is being studied by the Finance Sub-Commission but no decision has yet been reached. The 1942 tobacco crop has not yet been fully absorbed.

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(8) initial steps to revise the Italian tax structure.

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4. Consumption tax

The consumption tax was in the past a major source of communal revenues, normally producing 40% to 50% of such revenues. This source of revenue has declined sharply, and is now 50% or less of what it was formerly Investigation indicates that this decline is due to shortages of commodities (meat, gas, and electric power were principal sources of this tax), transactions in the black market, and the fact that the tax is assessed on a per quantum rather than an ad valorem basis. Further, the schedule of taxable commodities has not been revised for some time to take account of shifts in consumption habits and availabilities. A report on the consumption tax has been prepared, recommending higher rates on the old schedules (the maximum rates remained unchanged from 1932 to 1943, when a 10% increase was applied), inclusion of new items which are objects of present expenditure, and substantial revision of the collection machinery.

5. Taxation of Allied Forces by Italian Government

At the request of MCS, AFHQ careful consideration was given to the problem of preserving the principle that no Italian taxes shall be assessed against imports, purchases, or acts of the Allied Forces in connection with

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their official duties. It is believed that personal or unofficial activities, however, might properly be subjected to taxation. A detailed plan was prepared which proposed certification by Army officers making official purchases that such were in fact official purchases, thus allowing Italian vendors adequate protection against assessment of taxes on such sales.

This proposal was prepared for forwarding to AFHQ by Dr. Henry Grady, Deputy Vice President, Economic Section, ACC, under date of 24 February 1944. The approval of AFHQ has not yet been received.

6. Proposal for increasing alcohol distillation from native wine, subsidized by increased wine tax

A proposal was received from Region I that the surplus of wine in that Region might be utilized to enlarge the normal operations of Ente Distillazione Materie Vinose, which customarily buys wine at an artificial price from growers and sells it to distillers at a lower price for subsidized manufacture of alcohol. The proposed increase in alcohol output would entail an increase in the tax on wine. The matter was discussed with the Minister of Finance and it was agreed that sectional tax revision was to be avoided. The matter was closed, however, when the Industry and Commerce Sub-Commission, ACC advised on 1 March 1944 that the project was impractical and uneconomical owing to the existence of adequate stocks of the type of alcohol to be produced, to the scarcity of fuel for the distillers, and to the inferior grade of alcohol which would result.

7. Revenue Statistics

Comparative State revenue returns from all provinces in liberated Italy for the fiscal years 1942/43 and 1943/44 have not yet been received, but those provinces for which returns are available show the following results:

TOTAL REVENUE RECEIPTS (EXCLUDING CAPO X[a])

(millions of lire)

Province	Jan 1944[b]	Jan 1943[b]	Seven months ending Jan 1944	Seven months ending Jan 1943	% seven months ending Jan 1944 to seven months ending Jan 1943
Catanzaro	5	10	41	72	59
				15	80

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output would entail an increase in the tax on wine. The matter was discussed with the Minister of Finance and it was agreed that sectional tax revision was to be avoided. The matter was closed, however, when the Industry and Commerce Sub-Commission, ACC advised on 1 March 1944 that the project was impractical and uneconomical owing to the existence of adequate stocks of the type of alcohol to be produced, to the scarcity of fuel for the distillers, and to the inferior grade of alcohol which would result.

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(millions of lire)

Province	Jan 1944[b]	Jan 1943[b]	Seven months ending Jan 1944	Seven months ending Jan 1943	% seven months ending Jan 1944 to seven months ending Jan 1943
Catanzaro	5	10	41	72	59
Matera	2	1	12	15	80
Bari	53	71	472	399	118
Brindisi	3	2	38	26	142
Lecce	5	4	57	45	126
Taranto	4	7	48	76	63
Foggia	2	8	51	86	59
Benevento	4	2	9	23	40
Naples	30	145	463	906	51
	108	250	1,191	1,648	72

[a] CAPO X represents revenue from sale of government securities and miscellaneous Treasury transfers.

[b] January is not a tax payment month; therefore figures have limited significance.

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As pointed out last month, tax collections are higher than last year in those areas that escaped the disruption of war, and very much below last year in other areas. Since the areas where war disruption was least are, as would be expected, disproportionately represented in the reports, the 72% figure given for total revenues in the seven months ending January 1944 as a percentage of the same period a year ago is unquestionably too high. The total figure would probably not run over 60%.

The breakdown by sources of the tax receipts from the same provinces given above is as follows:

(Amounts in millions of lire)

	Jan 1944	Jan 1943	Seven months ending January 1944		Seven months ending January 1943		Column (3) as percent of (5)
			Amount	Percent	Amount	Percent	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Monopolies	40	144	437	36	685	40	63
Direct Taxes	14	7	411	33	384	22	107
Indirect Taxes	42	64	248	20	404	23	61
Lotteries	3	10	72	6	69	4	103
Manufacturers' Tax	6	12	52	4	82	5	63
Customs	.1	15	12	1	108	6	11
	105	252	1,232	100	1,732	100	71

Column (7) shows that direct taxes and lotteries are now yielding higher revenues than last year, while monopolies, indirect taxes, and the manufacturers' tax are yielding only about 60% of the revenue obtained last year, and customs are yielding almost nothing. Columns (4) and (6) show that, despite these differences in the yield of various taxes, the percentage of total revenues derived from each of the sources has not varied greatly.

C. Cash position of the Italian Government

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Monopolies	40	144	437	36	685	40	63
Direct Taxes	14	7	411	33	384	22	107
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	105	252	1,232	100	1,732	100	71

Column (7) shows that direct taxes and lotteries are now yielding higher revenues than last year, while monopolies, indirect taxes, and the manufacturers' tax are yielding only about 60% of the revenue obtained last year, and customs are yielding almost nothing. Columns (4) and (6) show that, despite these differences in the yield of various taxes, the percentage of total revenues derived from each of the sources has not varied greatly.

C. Cash position of the Italian Government

No advances of currency were made to the Italian Government during February 1944. The Italian Ministry of Finance presented estimates of the Government's cash position for Puglia (less Foggia) for February on 8 February. No figures on the cash position in Regions I and II were available. The figures for Puglia are shown below in tabular form. No advance was requested by the Italian Government. The experience of the Banca d'Italia during the month was such that there was no need for us to make an advance.

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ESTIMATES OF CASH POSITION OF ITALIAN GOVERNMENT

FEBRUARY 1944

(Millions of Lire)

Estimated total cash expenditures of Italian Government in February (Military plus civil government in Puglia)		1,239
Less:		
Government receipts	189	
Currency available for use in Banca d'Italia at beginning of month in excess of minimum reserve	260	
Inflow of currency to Banca d'Italia through increased deposits, reimbursements of advances, etc.	330	
Payments made outside Puglia for which vaglia may be used	415	
Total resources to be subtracted		1,194
Net estimated needs of Italian Government for currency in February to be advanced by Allied Financial Agency		45

Discussions were initiated with the Ministry of Finance concerning a reconsideration of the currency reserve position for all of the territory restored to the Italian Government. Definitive results have not been attained but the problem is receiving active consideration, looking toward a net decrease or partial sterilization of the total amount of currency now outstanding.

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V. ACCOUNTING SECTION

A. Allied Financial Agency

1. Instructions were sent out outlining the procedure to be followed on the handing over of Regions I and II to the Italian Government. Such procedure will follow the lines laid down in telegrams from the Combined Chiefs of Staff as follows:-

(a) The books of AFA will not be closed but will be continued without break.

(b) A balance sheet of AFA will be prepared as at 10 February 1944 and will be subsequently revised to reflect transactions recorded later, but referring to periods prior to 10 February.

2. The books of AFA Region IV were opened and have since been kept up to date and a Balance Sheet as at 31 January 1944 prepared.

3. Consolidated accounts for all Regions as at 31 January 1944 were prepared.

4. The question of remittances from U.S.A., U.K. and other countries to private individuals in Italy was discussed with AFA and the accounting proced... agreed upon.

B. AMG/ACC Accounts

1. Instructions were sent to Fifth and Eigth Army Sub-Accountants as to which Regional Chief Accountant they should report.

2. All Regional Chief Accountants were instructed that on the change over of Regions from AMG/ACC separate Revenue and Expenditure Accounts were to be maintained for AMG and ACC.

3. Consolidated Revenue and Expenditure Accounts for AMG and ACC for the period to 31 December 1943, and for each individual month to that date, were prepared and Head Office books were opened and written up to record same.

4. Assistance was given to the Chief Accountant of Region IV in preparing his first AMG/ACC accounts.

5. A new Sub-Head of accounts for "Messing and Out-of-Pocket Expenses"

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to date and a Balance Sheet as at 31 January 1944 prepared.

3. Consolidated accounts for all Regions as at 31 January 1944 were prepared.

4. The question of remittances from U.S.A., U.K. and other countries to private individuals in Italy was discussed with AFA and the accounting proced... agreed upon.

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4. Assistance was given to the Chief Accountant of Region IV in preparing his first AMG/ACC accounts.

5. A new Sub-Head of accounts for "Messing and Out-of-Pocket Expenses" was set up following on Administrative Order No. 2.

6. The Heads and Sub-Heads of accounts for AMG/ACC Expenditure were completely revised to reflect a simplification in the classification of such expenditure. Instructions and chart showing old and new classifications were sent to all Regions.

C. Supplies Accounting

1. (a) Accounting instructions and relative forms were drawn up in conjunction with the Public Health Sub-Commission.

(b) Instructions were issued to AMG/ACC Regional Chief Accountants as to monthly analysis to be submitted of the figures shown for supplies purchased for export, supplies purchased for resale in the same Region and supplies purchased for resale in another Region.

(c) Instructions as to completion of the monthly returns were sent to all Regions.

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2. A reorganization of the Regional Supply Accounting was effected by assigning accountants to the Economics and Supply Division of each Region to act as supply accountants on the ESD staff. It was emphasized that the primary responsibility for the preparation of the Regional Supply Accounts lies with the Regional ESD. The officers so appointed were for the most part already fulfilling the functions of supply accountants, but figured on the staff of the Chief Accountant and not in the Regional ESD staff with the result that they had no official status in the Region or in the ESD.

3. The system of supplies accounting in Region III and in the Naples warehouse was thoroughly investigated and revised, the new system coming into force on 1 March. It was found that much work was required:

(a) to revise the system; and

(b) to prepare proper records of past transactions.

Two officers are at present working on (b) and a statement of stock movements for the period to 31 December has been prepared, and a statement for the month of January is in course of preparation. The various sales accounts are being investigated and past invoices, which were not priced owing to the absence of a price list, are now being priced.

4. A meeting was held with officers of the Economic Section on the future policy to be adopted for handling imported supplies. It was agreed that the Italian Government should be approached with a view to their forming an organization which would purchase all imports at the port of entry and would undertake their subsequent distribution and resale with such assistance and under such supervision as AMG/ACC considers necessary. A memorandum on this subject was written to Colonel Adams of the Economic Section. A meeting was also held with representatives of the Economic Section and of the Societa Magazzini Generali with a view to ascertaining whether they were willing and able to undertake all warehousing on behalf of AMG/ACC. The Magazzini Generali expressed themselves as willing to undertake this work and further discussions are in progress. It is hoped to combine the proposed scheme for the Magazzini Generali with the scheme for the proposed Italian Government organization.

5. Statements of stock movements and sales have been received from Region I for the period to 31 December 1943, from Apulia for the period to 31 January 1944 and from Region VI for the period to 31 December 1943. These statements have been reviewed. Region III is referred to in paragraph 3 above. No reports have yet been received from Region II, but the Regional Supply Officer has been given assistance and it is understood that reports may soon be expected. Discussions have been held with the

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6. An accounting officer from Sicily attended the ESD accounting school organized by Region IV and lectured on ESD accounting problems experienced in Sicily. 6977

D. Emergency Financial Assistance to U.S. and British Nationals

. Forms for requests for assistance and receipts were designed in conjunction with AFA and instructions (not yet issued) were prepared for all Regions.

E. Italian Refugee Branch

1. Accounting instructions were prepared and issued to all Regions and AMG Fifth and Eighth Armies.

2. Personnel was loaned to the Refugee Branch to start their Naples records.

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F. Displaced Persons Sub-Commission

Draft accounting instructions were prepared and sent to the Displaced Persons Sub-Commission for consideration, but no reply has yet been received.

G. Local Purchases by Allied Armies

A form for use by the Allied Armies when purchasing supplies from civilians was designed. This form, which will serve as a voucher by which the civilian supplier will obtain payment from the Italian Government for supplies furnished to the Allied Armies, was passed to the Controller of Financial Institutions for further discussion with the Italian Government and the Allied Armies.

H. Accounting for Supplies issued by Armed Forces to Co-belligerents

Discussions were held with the Land Forces Sub-Commission and with MGS with regard to the Combined Chiefs of Staffs' instructions that ACC should account for supplies issued direct by the Armed Forces to co-belligerents. It was agreed that the Land Forces Sub-Commission should submit monthly consolidated reports to the Chief Accountant ACC showing the total imports received by Italian army depots. Issues to co-belligerents from Army depots should cease except for such issues as will be replaced in kind from Italian Army stocks and which would be accounted for between the Army depots and the Italian Army. Issues from Army depots to co-belligerents are however being made, and on instructions from AFHQ reports of such issues are being sent by Army depots to the Chief Accountant ACC. AFHQ therefore suggested to CCS that accounting for such issues should be handled not by ACC but by the Armies. CCS replied by instructions that priced lists of issues from all American depots should continue to be sent to and accounted for by ACC, but that instructions as to issues from British depots would be given by London. ACC have replied stating that whilst they can record priced returns from Army depots they cannot be responsible for checking returns, nor can they be responsible for seeing that all returns are received; they have therefore suggested that one consolidated report be submitted by the American Army for all issues. Instructions from London for dealing with British issues are awaited.

I. Railway records

Discussions were held with the Internal Transportation Sub-Commission on their proposed system for recording traffic handled in AMG territory.

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I. Railway records

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J. Messing and Billeting Expenses

Further discussions were held with the Executive Officer regarding purchases of equipment, etc. for messes and billets and a letter was issued by the Executive Officer to all Regions further defining the limits of the authority of Regional Officers to authorise such expenditure.

K. Petroleum Products issued by AMG for civilian use

The Chief Accountant discussed with the Petroleum Section AFHQ, the question of issues of petroleum products to civilians in forward areas where there is no CIP organization. It was agreed that Petroleum Section could, on the request of AMG, appoint a local CIP representative in any forward area who would be responsible direct to the Petroleum Section for accounting for petroleum products issued to civilians. Transactions prior to the appointment of such CIP representative would be accounted for by AMG.

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VI. CUSTOMS AND EXCISE

A. Field Survey

During February, officers of the Customs and Excise Sub-Section were engaged in making a field survey of the ports of entry of Italy in order to reactivate the Italian Customs Service. The results of this survey will be presented in the next monthly report of the Finance Sub-Commission.

VII. MONTHLY FINANCIAL REVIEW OF ITALY

In the course of its operations, the Finance Sub-Commission has been gathering information on financial developments in Italy. In the future, much more data will be available with the activation of a new office of coordination in the Banca d'Italia, which has, in cooperation with the Finance Sub-Commission set up a system of financial reporting by the branches of the Banca d'Italia in liberated Italy. To present this material in usable form, the Finance Sub-Commission, beginning with February, is issuing a Monthly Financial Review of Italy. The Review will present the latest available statistical and other data on government financing, banking and monetary developments, other financial developments, and from time to time will include descriptive studies of the Italian financial system. Due to its length, this review is not incorporated in this report but is available for separate distribution.

A.P. Grafftey-Smith

A.P. GRAFFTEY-SMITH,
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Acting Chief Finance Officer.

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Deputy Exec Comm.
2

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Ref/44/5/CA.

6 February 1944.

MINUTES
EXECUTIVE COUNCIL
23rd Meeting
4 February 1944

PRESENT

Lt.General Sir Noel F.N.Mason MacFarlane (Chairman)	Chief Commissioner.
Major General S.S.Solodovonik	Soviet Rep. with A.C.C.
Brig.General Erskine E. Hume	S.C.A.O. 5th Army.
Brigadier M.S. Lush	R.C. & M.G.S., Exec.Comm.
Brigadier Parkinson	Director P.H.Sub-Commission.
Brigadier Gueterbock	Chief of Staff.
Brigadier Carr	R.C.A.O. Region IV.
Brigadier Dunlop	R.C.A.O. Region VI.
Mr. Henry Grady	Economic Section.
Mr. Ian Campbell	MEDBO.
Mr. Caccia	Political Section.
Mr. Reber	" "
Col. Whittley	R.C.A.O. Region V.
Col. Young	Security and Intelligence.
Col. Evans	Director, Industry & Commerce Sub-Commission.
Col. Adams	Chief Staff Officer, Econ.Sec.
Col. Spofford	D.C.C.A.O.
Col. Fiske	Deputy Exec. Commissioner.
Col. Bain	Director Labor Sub-Commission.
Col. Upjohn	Director Legal Sub-Commission.
Col. Grafftey-Smith	Director Finance Sub-Comm.
Col. Kirk	Director P.S. Sub-Comm.
Col. Fitch	Director Int.Transportation Sub-Commission.
Commodore Palmer	Chief, Naval Section.
Col. Adams	C.S.O. Econ. Section.
Col. Belser	Region 5.
Col. Henderson	Director, Telecommunications & Postal Sub-Comm.

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Brigadier Gubbins
Brigadier Carr
Brigadier Dunlop
Mr. Henry Grady
Mr. Ian Campbell
Mr. Caccia
Mr. Reber
Col. Whittley
Col. Young
Col. Evans

Col. Adams
Col. Spofford
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Col. Bain
Col. Upjohn
Col. Grafftey-Smith
Col. Kirk
Col. Fitch

Commodore Palmer
Col. Adams
Col. Belser
Col. Henderson

Lt.Col.MacCaffery
Lt.Col.Poletti
Lt.Col.Smith
Lt.Col.Carl Miller
Lt.Col.French
Lt.Col.Jenny

Lt.Col.Harris
Lt.Col.Reiter

Lt.Col.Monfort
Lt.Col.The Lord Forrester
Lt.Col.Hancock
Lt.Col.Cripps
Lt.Col.Spicer
Lt.Col.Legg
Lt.Col.Feasey
Major Dickie
Major John Ames
Major Sir P. Magnus
Major Friend James
Major Washburn
Major Barry
Major Van Dusen

R.C.A.O. Region IV.
R.C.A.O. Region VI.
Economic Section.
MEDEO.
Political Section.
" "
R.C.A.O. Region V.
Security and Intelligence.
Director, Industry & Commerce Sub-Commission.
Chief Staff Officer, Econ.Sec.
D.C.C.A.O.
Deputy Exec. Commissioner.
Director Labor Sub-Commission.
Director Legal Sub-Commission.
Director Finance Sub-Comm.
Director P.S. Sub-Comm.
Director Int.Transportation Sub-Commission.
Chief, Naval Section.
C.S.O. Econ. Section.
Region 5.
Director,Telecommunications & Postal Sub-Comm.
R.C.A.O. Region II.
R.C.A.O. Region I.
D/Director Labor Sub-Comm.
D/Director Finance Sub-Comm.
Liaison Officer.
Director P.W. & Mining Sub-Commission.
Director Prop.Control Sub-Com.
Chief Industrial Planning Staff.
D/S.C.A.O. 8 Army.
D/R.C.A.O. Region III.
D/R.C.A.O. Region I.
S.O. Admin. Section.
Director Int. Sub-Comm.
Director Food Sub-Comm.
Chief of Staff, Region 5.
D/Director Ag., For., & Fish.
Executive Officer, SCAO 5 Army
Conductor to Gen.Solodovonik.
A.C.C. Liaison,HQ. ACMF.
Education Sub-Commission.
Electric Power Mission.
Secretary.

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230. The Chairman called the meeting to order at 1430 hrs.

231. The Chairman stated that he wished the Director of each Sub-Commission to give a brief statement of the principal activities of that Sub-Commission during the past two weeks, so that all present both from H.Q. and the field would have a general idea what each Sub-Commission was doing and the chief problems which confronted it.

232. Interior Sub-Commission. (Lt.Col.Spicer)

(a) The chief activities of this Sub-Commission during the past two weeks was the translation of the text of various Italian laws and decrees relating to local government, and the checking of reports from the Italian Government relating to conditions in King's Italy.

(b) The Sub-Commission has also dealt with a number of applications for the appointment and removal of public officials. The Italians often desired the appointment of officials in unocoupied territory which A.M.G. had removed. In a few cases the Italians had tried to put forward men who were of poor calibre.

(c) Little had been done as yet on the ecclesiastical side and no difficulties had been encountered.

233. Public Safety Sub-Commission. (Col. Kirk)

(a) The activities of this Sub-Commission to-date had been advisory rather than operational.

(b) In connection with the police little direct contact was made at H.Q. because dealings with the Italian Police were largely handled by the Regions. The coordination of civilian internees had been worked out between the various Headquarters. It is believed that in the future this will largely be handled by the Army. Considerable effort has been made to procure arms, equipment and pay for the Carabinieri.

(c) Studies have been instituted of prisons in an effort to alleviate the congestion in Region 2. This could be done either by obtaining the release by the military of some of the prisons now used by them; by turning over to the Italian Government the problem of caring for prisoners sentenced by Allied Military Courts, and by the removal of any civilian internees that still might be incarcerated in prisons.

(d) A study has been instituted in connection with the Fire and Civilian Defence organisations and their equipment. An effort was being made

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(d) A study has been instituted in connection with the Fire and Civilian Defence organisations and their equipment. An effort was being made to coordinate the various agencies for registration and licensing.

234. Public Health Sub-Commission. (Brig. Parkinson)

(a) The typhus epidemic in Naples has been stayed for the moment. Cases have fallen from 35 to 40 down to 17 to 25 a day. However, there are still a substantial number of cases and the epidemic is far from over. Experiments were being made of the new disinfestation equipment. A Typhus Board has been set up on which representatives of the Army and Navy and A.C.C. sit. This Board will not exist permanently as the Army and Navy are anxious for A.C.C. to take over the problem as soon as possible.

(b) A survey had been made of the hospital situation. One of the chief problems is securing an adequate ration of food for hospital and institutional purposes, as the inmates were not able to supplement the regular ration with additional food from outside sources.

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(c) Contacts have been made with the various veterinary sources, and laboratories are being set up for the provision of serums.

(d) The Venereal Disease problem in Naples and in the 5th Army area is still tremendous. The authorities are trying to combat the evil by putting un-licensed houses out of bounds to troops, and by instituting hospital treatment for the cases found, but the figures are still high.

(e) Red Cross clothing has recently arrived and is being distributed.

(f) A Program has been undertaken for the control of malaria during the coming season which promises to be a sizable problem, as the irrigation ditches have been destroyed. Every effort must be made to restore adequate malarial controls.

The Chairman emphasised the necessity of each R.C.A.O. recognizing, treating and reporting every case of typhus in his area. A.C.C. will have to take over the typhus problem even in Naples as soon as possible, and the situation must be watched closely to prevent any spread.

235. Legal Sub-Commission. (Col. Upjohn)

(a) The Minister of Justice was not very strong but could act on a low level as he had in Foggia when he set up a Court of Appeal there because the usual Court of Appeal operating from Bari was unable to function in Foggia.

(b) The publication of decrees originating in King's Italy was frequently desirable in occupied territory, as it would mean fewer general orders and a more unified system. A program has been instituted for making such decrees effective in occupied territory. Each Sub-Commission should submit any decrees promulgated in Italian territory which it thought should be made effective in occupied territory.

(c) The Italian Government has been very cooperative in connection with the suggestions of this Sub-Commission for the appointment and promotion of Judicial officials. He seldom allowed men to leave posts in occupied territory, as they had been trying to do in Region 2, and then secure Judicial appointments in Italian territory. No recommendations of this nature were made or approved except after careful vetting, in an effort to see that they were in the interest of all concerned.

(d) At present as in the past many cases were unnecessarily tried in the Allied Courts, particularly in Sicily. Many of these cases could be handed over to the Italian Judicial system. The Allied Courts should try only cases in which Allied interests were directly involved, after

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(d) At present as in the past many cases were unnecessarily tried in the Allied Courts, particularly in Sicily. Many of these cases could be handed over to the Italian Judicial system. The Allied Courts should try only cases in which Allied interests were directly involved, after the Italian Courts began to function in any area.

(e) All R.C.A.Os. should notify the Legal Sub-Commission at once if any Legal personnel were placed in office so that the Legal Sub-Commission could be kept informed of the work being done by their personnel. 6974

The Chairman emphasized the importance of the last two items mentioned by Col. Upjohn and also indicated that the decrees of the Italian Government should not be published in occupied territory unless separately promulgated or approved in some form.

236. Education Sub-Commission. (Major Washburn)

(a) The vetting of all personnel for previous Fascist activities continues. The higher officials are vetted by H.Q., and the lower officials by the Regions.

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(b) Some textbooks have been completed and are being printed in Palermo for use in Sicily and Calabria. Those intended for the balance of Italy would be printed in Naples as soon as paper became available.

(c) A Local Committee was being set up to handle youth problems, using Naples as a test ground.

(d) A survey was being made of the Italian School system, including the allocation of the various schools and statistics relating to their condition and capacity.

(e) Detailed instructions were given to all Directors of Education in the provinces indicating how they were to proceed in educating the youth.

The Chairman asked to what extent Italian youth had become saturated with Fascist doctrine. Major Washburn replied that he thought that they were not as badly affected as the German youth were by Nazism, and many of them in the south were thoroughly sick of the Fascist teachings.

237. Property Control Sub-Commission. (Lt.Col.Harris)

(a) Administrative Instructions are being brought up-to-date for use in Regions III and IV so that a coordinated and uniform program will be in operation.

(b) Efforts are being made to regularise the position of Allied and French property in King's Italy.

238. Fine Arts and Monuments Sub-Commission. (Lt.Col.Cripps, S.O.Admin.Section)

Since most damage to historical and artistic objects was done by our troops rather than by the enemy, the representatives of this Sub-Commission should be sent forward with the troops to prevent damage. Brig. Lush said that he thought that it was the Lines of Communication troops that did the damage and not the fighting troops. The Chairman said that he thought that it was a question of constantly educating the troops as to the objects and buildings which must be preserved. Lt.Col. Harris stated that in Region IV Allied property was posted by the R.C.A.C. indicating that it was out of bounds to troops, and that a similar program might be used in respect of historical or artistic monuments.

239. Industry and Commerce Sub-Commission. (Col.Evans)

The program of this Sub-Commission fell into three branches :

(a) Re-habilitation of industry, which was limited by shortage of coal

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238. Fine Arts and Monuments Sub-Commission. (Lt.Col.Cripps, S.C.Admin.Section)

Since most damage to historical and artistic objects was done by our troops rather than by the enemy, the representatives of this Sub-Commission should be sent forward with the troops to prevent damage. Brig. Lush said that he thought that it was the Lines of Communication troops that did the damage and not the fighting troops. The Chairman said that he thought that it was a question of constantly educating the troops as to the objects and buildings which must be preserved. Lt.Col. Harris stated that in Region IV Allied property was posted by the R.C.A.O. indicating that it was out of bounds to troops, and that a similar program might be used in respect of historical or artistic monuments.

239. Industry and Commerce Sub-Commission. (Col.Evans)

The program of this Sub-Commission fell into three branches :

(a) Re-habilitation of industry, which was limited by shortage of coal and power.

(b) The allocation of raw materials and collection of information thereon for the Local Resources Boards.

(c) The export of surplus commodities.

Mr. Grady said that Col. Koenig of the Public Works and Mines Sub-Commission had indicated that Sardinian coal was much better than the local people thought. If certain equipment is received as expected these mines will be able to produce a million tons annualy by June. The chief limiting factor was transportation.

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240. Electric Power Mission. (Major Harry)

The program for supplying power to Rome from the south in the event that the installations in Rome itself were destroyed by the retreating forces was explained. Power needed for operating the Vatican, which would probably not be cut off by the Germans, would not assist the population very much.

241. Labor Sub-Commission. (Col. Bain)

(a) The re-organisation of the employee exchanges in Sicily was being undertaken, as the present system of registration was found to be useless. In Catania reports of a black market in skilled labor had been received. An order mobilizing all labor was being prepared to prevent it.

(b) The Provincial Labor Offices were about to be placed under the Ministry of Labor rather than under the Prefects, because appointments had been influenced by politics.

(c) Orders had been issued recently permitting labor unions to organise freely. King's Italy had agreed to abolish the sindacal system of labor organisation. An officer has been assigned to keep in touch with newly formed labor organisations. He has talked to the leading members of the recent Bari Conference and believes that the political parties will not disturb the unions until they are formed, after which they will no doubt have some political connection. The people organising unions were for the most part groping in the dark and have received considerable advice from the Sub-Commission.

(d) The Italian social insurance system was extremely complicated. It was being studied and overhauled.

242. Agriculture, Forestry and Fisheries Sub-Commission. (Major Dickie)

(a) Every effort is being made to plant the seed for the coming season in time and to secure an equitable distribution of the available fertilizers and insecticides.

(b) A census is being taken of the present agricultural productive capacity, because the existing statistics were found to be so old as to be of no real value.

(c) Efforts are being made to organise more effective control of agricultural

Declassified E.O. 12356 Section 3.3/NND No. 785011

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(c) Efforts are being made to organise more effective control of agricultural production, which program is being worked out with the Italian Government. The cooperation of the Italian Government including the Ministry of Agriculture has been very satisfactory.

(d) A survey of forests and the creation of a system for their control is in progress. 6973

(e) Efforts are being made to remove as many restrictions as possible from the fishing areas, and to find proper equipment for the fishing fleets.

The Chairman asked if any collective farming had existed in Italy. Major Dickie thought there had been some but that it was not very widespread. Owing to the fact that his staff in the Regions was limited, there had been little opportunity to go into this question thoroughly.

In response to a question by the Chairman, Major Dickie stated that it would probably be necessary to release on leave certain soldiers during the coming harvest. Already the calling up of young men had produced complaints in Foggia.

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243. Food Sub-Commission. (Lt.Col.Legg)

(a) It was explained that although this Sub-Commission was only two weeks old, efforts were already being made to secure an equitable distribution of the available sources of food. Close collaboration is being maintained with the Internal Transportation Sub-Commission, because the handling of bulk wheat from warehouse to consumer was chiefly a question of road transport.

(b) A conference is being held this weekend of all the Supply Officers. The chief problems are those relating to milling, the provision of sacks, and the allocation between maintenance and build-up. At the conference it would be ascertained how the Regions wanted the jobs done, and this H.Q. if possible would try to do it that way.

(c) One of the chief present problems is the existence of different ration scales in different areas. For instance in the 8th Army area 150 grams is allotted to light workers, and as much as 500 grams daily to heavy workers. Such rations could not be supplied. In other Regions a pasta ration had been set up even though it was not included in the basic standard ration. The standard ration scale should be adhered to until there was enough available to increase it for all. Heavy workers were entitled to more food that light workers, but that they should secure this additional quantity by the issuance of a supplementary ration over the standard ration, and not by fixing different scales.

(d) Additional warehouse space was necessary in order to provide for the bulk supplies which were being imported. An example of this was the expected receipt of 9,000 tons of sugar at Bari and Reggio to last for a considerable period of time. Owing to the exigencies of the shipping situation, this quantity was being received at once instead of over the period during which it was needed.

(e) Sufficient extra supplies existed to care for the needs of hospitals and institutions. If the Director of the Public Health Sub-Commission made recommendations for supplementary rations, they could in large part be granted.

Brig. Lush emphasised the importance of letting the Regions know at all times what could be expected in the future in the way of food supplies.

A discussion then followed concerning the new A.F.H.Q. memorandum authorising all labor employed by the Armed Forces to receive a midday meal from Army rations. Lt.Col.Poletti emphasised the impossibility of supplying a midday meal for workers spread over a large area, and considered that there was no

Declassified E.O. 12356 Section 3.3/NND No. 785011

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The Chairman then requested Brig. Lush to call in all R.C.A.Os. for a meeting with the Food Sub-Commission in order to work out the policy on the subject.

244. Public Works and Mines Sub-Commission. (Lt.Col.Jenny)

(a) A.F.H.Q. has started a program for the maintenance of military highways in Regions II, III, and IV under the supervision of this Sub-Commission. There are 3,000 kilometres of highways now included in the program. Under this program the Army fixed priorities, the Italian Engineering authorities made a survey of the materials needed and of the local availability of these materials. The Army furnished those materials that were not locally available. The Sub-Commission supervised the execution of the work, and made certain that the money was properly spent and that the priorities were maintained. Most of these jobs were handled from H.Q. rather than from the Regions so that one group could deal with the reorganized Italian engineering authorities. It is impossible to provide food for workers on highways covering 3,000 kilometres.

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(b) The rationing of electricity is becoming increasingly important because of the shortage of power, and all users are being urged to cut down wherever that is possible.

(c) The Ministry of Public Works of the Italian Government covers the entire engineering field, including the re-habilitation of all industry. Therefore, it is not only this Sub-Commission but also the Industry and Commerce Sub-Commission will have to deal with that Ministry.

245. Finance Sub-Commission. (Lt.Col.Miller)

(a) One of the most serious existing problems is the failure of the present tax structure to provide the necessary revenue. Officers have been detailed to the field to stimulate the activity of the tax collecting agencies.

(b) The sale of Postal Savings Bonds is about to commence.

(c) Payments to refugees of the United Nations except those from the U.S. or U.K., have been made at the low relief scale paid to Italians. An increase in these payments is being arranged. Remittances to Sicily from the U.K. and U.S. are being authorised through the Combined Chiefs of Staff whereby restricted amounts may be sent from those places to relatives and friends in Sicily.

(d) It is hoped that the Bank of Italy will soon be operating on a completely national basis.

(e) Studies are constantly being conducted concerning currency and revenue in liberated Italy. If the presses and plates in Rome have been destroyed it is probable that private printings of Italian currency will be made in the U.S.

246. Internal Transportation Sub-Commission. (Col.Fitch)

(a) He outlined the difficulties that were encountered in securing sufficient transport from the armies, particularly rail transport. Now that some passenger trains are being run a permit system will have to be worked out which can be operated by the Italian Government.

(b) Transport by ship has been impeded by the fact that most small ships which could be used for coastal work have been chartered by some branch of the Armed Forces.

Declassified E.O. 12356 Section 3.3/NND No. 780011

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(b) Transport by ship has been impeded by the fact that most small ships which could be used for coastal work have been chartered by some branch of the Armed Forces.

(c) On the matter of road transport the Chief Commissioner has been able to secure a promise for a thousand vehicles from the Commanding General in charge of the Italian theater, provided that some organization could be developed within the next two months to handle this transport so that formations of the Army would no longer be faced with requests for their transport from A.C.C. Two hundred of these vehicles are now available and the rest will be made available when the organization to handle them has been fully established. The operation of these lorries will be handled by a civilian organization created for the purpose and supervised by A.C.C.

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The Chairman emphasised the necessity of forming this organization within the next two months so that at the end of this period he could tell General Alexander that he was ready to accept the lorries.

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247. Shipping Sub-Commission (MEDHO). (Mr. Ian Campbell)

He said there was two classes of shipping, ocean going ships which had been taken over for military and naval uses, and coastal shipping. Efforts were being made to determine which schooners, if any, were available for coastal shipping, which goods had to be carried in them, and who was to operate them. MEDHO decides which ships ought to be used for essential coastal sea movements.

248. Political.

The Chairman then stated that the recent conference in Bari had indicated that these groups desired the King to abdicate, but beyond this they had no fixed program as to their future operation, or as to the form of Government which they desired to set up in Italy. There were a large number of political currents which were too complex for any brief description. The fact that the Government has not the full support of the people hampers A.C.C. because the Government is not confident enough of its position to press strongly for important action that should be taken. However, it is the job of A.C.C. to treat the existing Italian Government as an Administrative machine rather than as having any particular political complexion, and to work with it to produce as efficient a governmental organization as possible.

249. Regional Control and Military Government Section. (Brig. Lush).

This Section deals directly with the field. An important branch of the Section is the one which handles refugees and prisoners of war, and other surplus people. There were two parts to this work :

(a) The amalgamated Prisoner of War and Displaced Persons Sub-Commissions, under Colonel Kirkwood. This group deals with the non-Italian Displaced Persons, including civilian internees, and has the responsibility of caring for them in camps while they are in Italy and then sending them abroad at appropriate times. It has been operating exclusively on the eastern side of the Peninsular, chiefly because there were so many Yugoslavs involved. Approximately 6,000 persons have already left the Pensinsular as a result of the activities of this group.

(b) Lt.Col.Hulls deals with the Italian refugees displaced by the fighting. An Italian Committee has been set up to assist and work with the Sub-Commission. The duties of this group consist of collecting people in the forward areas and sending them to the rear areas where they are handed over to Italian officials. It is hoped that the provision of food and the caring for these persons can soon be handed over to the

Declassified E.O. 12356 Section 3.3/NND No. 789011

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Brig. Lush emphasised that these groups, both because of the public interest manifested in their operations and because of the suffering which they could avoid, should be given every sort of cooperation in the regions.

250. Telecommunications and Postal Sub-Commission. (Col.Henderson)

(a) It had been very slow work securing the release of circuits by the Army for civilian use, and securing the necessary stores for the rehabilitation of such circuits.

(b) The Italian Government has been handicapped because, for military reasons, it has not been allowed to use the wireless. It is hoped that soon communications to Sicily and Sardinia can be sent by the Italian Government over Allied Military Circuits.

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(c) Civilian Postal Service has been started in Regions I and II, but not in Naples or abroad. The availability of the necessary censors is the limiting factor. It is hoped that foreign mails might start on a restricted basis by February 15.

(d) The maintenance of standard rates for such civilian telecommunication and postal services as did exist is most important.

251. ThemChairman stated that the Navy Section was operating at Taranto, with a representative in this area, that the Air Section was operating at Bari, and that the Military Section was in Lecce where it would have to stay for the present because the Italian War Ministry was remaining there. As soon as the Commando Supremo moved to Salerno, Brig. Duchesne would accompany it. As soon as Rome fell the H.Q. of these three services on the Italian side would be set up there and the A.C.C. representatives would also be there, although the Naval and Air operations would possibly continue to be directed from the south.

252. The meeting adjourned at 1655 hours.

Lewis H. Van Dusen Jr.
LEWIS H. VAN DUSEN, Jr.
Major, Ord.
Secretary.

DISTRIBUTION:
Chief Commissioner.
Deputy Chief Commissioner.
R.C.A.Os. of ALL Regions.
S.C.A.O. 5th and 8th Armies.
Chiefs of all Sub-Commissions.
All Vice-Presidents.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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All Vice-Presidents.
All Deputies to Vice-Presidents.
Spares (25)
Secretary (2)

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13003/F

21 March 1944.

SUBJECT: Finance Sub-Commission Files

TO : All Officers, Finance Sub-Commission.

Considerable unnecessary inconvience has been caused by non-availability of Finance Sub-Commission files when required.

All Officers will take special note that no Finance Sub-Commission file will be passed between Officers (except in cases where both officers concerned are employed in "Provincia" Building) or taken from Room 73, "Provincia" Building without full particulars being given either to the Chief Clerk or to the File Clerk. In the case of files being passed between Officers, the responsibility for advising the Chief Clerk or File Clerk rests with the receiving Officer.

No Officer will retain a Finance Sub-Commission file for longer than 48 hours and under no circumstances will such files leave the office of the Officer to whom they are temporarily on charge, nor will correspondence be extracted from such files.

Attention is also drawn to the necessity for Officers receiving official mail in envelopes addressed to them personally to pass such correspondence for registration prior to action being taken. Registration of incoming items will, of course, be effected within the Sub-Section or Department in the case of Finance Sub-Commission offices located outside "Provincia" building.

for A. P. GRAFFTEY-SMITH,
Colonel,
Joint Chief Finance Officer.

RHLA/rad

6970

[redacted]
ALLIED CONTROL COMMISSION
BRANCH IG SECTION
APO 394

[redacted]

8 March 1944

SUBJECT: PRICE-FIXING

1. The Economic Section is now responsible for fixing the price of imported and Italian produced commodities that are essential civilian supplies. It will advise the Allied Force Local Resources Board of prices to be paid by the Allied Force for locally produced supplies so as to prevent competitive buying. Consideration will also be given to public utility and transportation rates, rents and wages.

2. Price decisions are issued direct to Regions under ACC control whilst the Italian Gov't is asked to publish appropriate legislation giving effect to price decisions in those areas (at present Regions I, II, & VI and Salerno Province in Region III) where ACC now acts as adviser to the Italian Gov't. There will be prior consultation and joint agreement with the Italian Gov't before such requests are made.

3. Such price decisions will be made not merely with reference to actual cost. Their effect on the prices of other commodities and services and on the general cost of living will also be considered bearing in mind the ACC policy to resist inflationary tendencies.

4. If, in order to avoid inflation, the prices fixed do not cover costs of production, it follows that domestic production will tend to cease unless the producer receives a subsidy which makes production worth while or else is able to obtain black market prices for his products. Though subsidies may be debited against the Italian Gov't it is unreasonable to reject uniformly all proposed price increases and expect the subsidies to be met by a Gov't which, at the present time, has a considerable budget deficit which shows no signs of being reduced.

5. Though it is necessary to consider applications for price and rate increases, and answer enquiries as to prices to be charged to producers, wholesalers, retailers and consumers, Allied Control Commission must not permit all initiative to come from outside. There will be a continual price review so that A.C.C. may decide in advance of enquiries the rates and prices that shall operate.

6. Sub-commissions of the Economic Section are concerned [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 785011

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7. Though it is necessary to consider applications for price and rate increases, and answer enquiries as to prices to be charged to producers, wholesalers, retailers and consumers, Allied Control Commission must not permit all initiative to come from outside. There will be a continual price review so that A.C.C. may decide in advance of enquiries the rates and prices that shall operate.

8. All Sub-commissions of the Economic Section are concerned to a greater or less degree with price decisions. The knowledge of their specialist officers is required to investigate the justification of proposed increases or reductions in the prices of agricultural products, food, imported commodities, transportation and public utility rates, and labour, and to consider the effect of the decisions taken on the cost of living and the finances of the Italian Gov't. Each Sub-commission will nominate a member of a Price Group charged with the responsibility of contacting other members as and when required so that price decisions may be made quickly. Actual Group meetings will be called by the Vice President or Executive Officer of the Economic Section. Mr. Sedleigh of the Economic Section will be Secretary of the Price Group.

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9. Price decisions fall into different categories. The Algiers Price Conference held in Jan 1943 decided that landed cost will be the basis for the price of imported commodities. By the addition of appropriate charges for handling and distribution, prices charged to wholesaler, retailer, and consumer may thus be determined. The determination of these prices will be made by the Price Section of the Industry & Commerce Sub-commission. For economic reasons, such as the poverty of consumers, it may be necessary to fix a price that does not cover costs. Such cases will be referred to Mr. Sedleigh, Secretary of the Price Group. He will consult appropriate members of the Group and will then make a price recommendation to the Vice President or Executive Officer of the Economic Section who will decide the price to be charged. The decision will be communicated

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the cost to the Italian Gov't of any necessary food subsidy may then be ascertained and an agreed price recommendation made by the appropriate members of the Price Group. A full justification record of the decision made by the Economic Section will be maintained by Mr. Wadleigh. The decision will be communicated to the Italian Gov't by the Economic Section and to others concerned by the Price Section of Industry & Commerce Sub-commission. Once the decision is taken all enquiries on such prices will be answered by the Price Section. Industry & Commerce Sub-commission will act in a similar advisory capacity when the price determination of other industrial products is being considered. Otherwise the procedure and responsibilities will be the same as in the case of agricultural products.

9. Decisions on Transportation and Public Utility rates, Rents, and Wages, will be handled by the Economic Section in consultation with the Price Group members of the Sub-commissions concerned. These Sub-commissions will investigate existing rates and proposals to amend them. They will contact the corresponding Ministry of the Italian Gov't and will make recommendations to the Economic Section which will communicate decisions to the Italian Gov't and others concerned. Mr. Wadleigh will again maintain a full justification record of the decisions made.

10. Full and accurate records of current statutory and "black-market" prices of essential commodities and produce must be available in the Economic Section. These records will be maintained by the Price Section of Industry & Commerce Sub-commission. All other Sub-commissions who obtain such information for their own purposes will ensure that it is made available to the Price Section. Price Section records will be made available to Mr. Wadleigh so that he may observe the general trend of prices, investigate anomalies, and recommend action required to ensure that ACC price determination and policy may be upheld at all times.

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

Distribution:-
Agriculture
Finance (2)
Food
Internal Transportation
Industry and Commerce (2)
Labor
Public Works and Utilities
Mr. Wadleigh
File

Declassified E.O. 12356 Section 3.3/NND No. 785014

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

Ref/361/10/CA. 19 March 1944.

SUBJECT: British and American Red Cross.

TO : All Regional Commissioners & S.C.A.Os. 5 and 8 Armies.

1. For the guidance and direction of all officers of the Allied Control Commission, this directive sets forth the relationship between ACC and the American and British Red Cross Societies.

2. The assistance of the American and British Red Cross Societies is on a voluntary basis. Both groups are distributing clothing through indigenous welfare agencies, with the aid of the Italian Red Cross. The Red Cross Socieities have accepted the responsibility of supervising distribution and performing such welfare activities among the needy populace as ACC may direct. Red Cross participation is of a temporary nature, since it is desired to have local agencies ready to assume the responsibility of caring for themselves in a very short time.

3. Red Cross personnel, assigned to assist ACC in the discharge of their responsibilities are not to be placed in charge of any set program. Red Cross personnel are under the direction of the Allied officers to whom they are assigned and will take orders within the framework of Red Cross policy, reporting regularly to the officer responsible for their work as to the progress or completion of the assignment.

4. One member of the Red Cross staff in each Region will be designated by the Red Cross Director as Regional Supervisor. Through him submissions of reports to Red Cross office will be made. It is understood that the contents of such reports will have been discussed with ACC officers before the Supervisor submits them to Red Cross Headquarters. The Supervisor will also have the responsibility for clearing with ACC officers the details of service in his Region. A member of the Red Cross staff attached to the Italian Refugee Branch, or to the Displaced Persons Sub-Commission, will be designated by the Red Cross Director to undertake similar duties to those of the Regional Supervisors.

5. Red Cross workers will participate in the following :

Declassified E.O. 12356 Section 3.3/NND No. 789011

have accepted the responsibility of supervising distribution and performing such welfare activities among the needy populace as ACC may direct. Red Cross participation is of a temporary nature, since it is desired to have local agencies ready to assume the responsibility of caring for themselves in a very short time.

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5. Red Cross workers will participate in the following :

(a) Joint preliminary planning, for present and future relief operations, in cooperation with ACC.

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(b) Surveys of relief needs in cooperation with divisions of ACC (particularly the Sub-Commissions of Public Health and Welfare and Displaced Persons, and the Italian Refugee Branch of R.C. & M.G. Section).

(c) Assisting and advising with ACC on specialized relief projects, particularly with women and children and civilian hospital service, in cooperation with the other activities of ACC.

(d) Supplying advisory services to ACC on matters pertaining to relief and Red Cross activities which may be of value to the overal administration of the territory under occupation.

(e) Liaison with the Italian Red Cross and/or other indigenous local agencies in the planning for use of their personnel, facilities, and supplies in present and future operations.

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6. For the Red Cross to exercise properly these functions, ACC accepts the responsibility for :

(a) Billeting and messing ARC and ERC War Relief Staff on assignment.

(b) Transportation and travel orders of Red Cross Staff, if necessary.

(c) Office space, clerical aid and other assistance as necessary for the proper prosecution of their duties to the extent it is possible for ACC to provide.

NORMAN E. FISKE
Colonel, Cavalry,
Deputy Executive
Commissioner.

DISTRIBUTION:
Distribution "A" (less Group 3)
British and American War Relief Board.

Declassified E.O. 12356 Section 3.3/NND No. 785011

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
OFFICE OF G-4
APO 394

SWM/wll

REFERENCE : G4/108/3

20 March 1944.

SUBJECT : TRANSFERS TO CIVIL AFFAIRS - U.K.

TO : Distribution below.

Reference this H.Q., letter No. 16002/G-1 of 17 March 1944, forwarding a list of British Officers and 1 Other Rank selected for transfer to the U.K.

1. All officers on this list (who are not stationed in Naples) will be warned to report to the H.Q., Commandant, Allied Control Commission H.Q., before 1700 hours on Wednesday, 29 March 1944, for billeting orders.

2. Special duties in connection with this draft are allotted as follows:

(a) O.C. Draft----------Colonel J.O.M. Ashley.

(b) Staff Officer ----------Lt. Col. T. Farley - Smith.
(To whom all instructions will be sent pending the arrival of Col. Ashley).

(c) Admin. Officer----------Major W.H. Pearey.

(d) Baggage Officers--------Capt. E.D. Meyler.
Capt. W.G. Adams.

3. The shipping authorities expect embarkation to take place between 4 - 8 April 1944. Definite date will be notified as soon as it is known.

6967

Declassified E.O. 12356 Section 3.3/NND No. 785011

billeting orders.

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(To whom all instructions will be sent pending the arrival of Col. Ashley).

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Capt. W.G. Adams.

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6yc/

S.W. Miller.
S.W. Miller.
Major, R.A.
G-4.

DISTRIBUTION

Executive Commissioner
Establishments Officer
Executive Officer
Economic Section
Administrative Section
Italian Refugee Branch
Security Branch
Civil Affairs Branch
Displaced Persons Sub-Commission (Bari)
Displaced Persons Sub-Commission (HQ ACC)
Public Safety Sub-Commission
Telecomms and Posts Sub-Commission
Property Control Sub-Commission
Food Sub-Commission
MFA and A Sub-Commission
Transportation Sub-Commission
Legal Sub-Commission
Army Sub-Commission(Lequile)
Army Sub-Commission(HQ ACC Main)
Finance Sub-Commission
Army Sub-Commission(HQ ACC Rear)
Industry and Commerce Sub-Commission
HQ Commandant (Main)
HQ Commandant (Rear)
Regional Commissioner Region 1
" " " II
" " " III
" " " IV
" " " V

(continued overleaf)

Declassified E.O. 12356 Section 3.3/NND No. 785011

DISTRIBUTION (continued)

Regional Commissioner Region VI
" " " VIII
" " " IX
SCAO AMG HQ 5 Army
SCAO AMG HQ 8 Army
Major J.N. Watson, c/o French Base 901
G-1 (will you please make all arrangements re L/Cpl Trunks)
Col. J.O.M. Ashley
Lt. Col.T. Farley-Smith
Major W.H. Pearey
Capt; E.D. Moyler
Capt. W.G. Adams
H.Q., A.A. in I (for movements) (Adm. Ech)
Capt. Sutar, Movements, Naples.
Capt. Hale, G-4
File

Declassified E.O. 12356 Section 3.3/NND No. 785011

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & I.G. SECTION

2153/INFO
17 March 44

SUBJECT: Request for Planning and Instructional

TO : Regional Commissioners
Heads of Sub-Commissions

Reference this HQ 2153/INFO dated 12 MAR 44

1. The request, referred to in the above mentioned memorandum, may, in some cases, be difficult to fulfill.

2. The intention, in view of the limited Staff at your disposal, is to request only copies that may be available and not to have any copies made for this purpose.

NORMAN E. FISKE
Colonel, Cavalry
Deputy Executive Commissioner

6966

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

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE : 16002/G-1

17 March 1944

SUBJECT : Transfers to Civil Affairs - U.K.

TO : Distribution below

1. The attached list of British Officers selected for transfer to Civil Affairs, United Kingdom, is forwarded for information.

2. It is anticipated that the party will embark at the end of March, but a definite date will be notified when final arrangements have been made with the authorities concerned.

3. The officers concerned will be alerted pending receipt by you of further instructions, which will be issued in due course.

BY COMMAND OF LIEUT GENERAL MASON MACFARLANE

F.A.PURGOLD,
Lt.Colonel, R.A.,
G-1.

DISTRIBUTION

Executive Commissioner
Establishments Officer
Executive Officer
Economic Section
Administrative Section
Italian Refugees Branch
Security Branch
Civil Affairs Branch
Displaced Persons Sub-Commission (Bari)
Displaced Persons Sub-Commission (HQ ACC)
Public Safety Sub-Commission
Telecomms & Posts Sub-Commission
Property Control Sub-Commission
Food Sub-Commission
MFA & A Sub-Commission
Transportation Sub-Commission
Legal Sub-Commission
Army Sub-Commission (Lequile)
Army Sub-Commission (HQ ACC Main)
Finance Sub-Commission
Army Sub-Commission (HQ ACC Rear)
Industry & Commerce Sub-Commission
HQ Commandant (Main)
HQ Commandant (Rear)
G-4
Regional Commissioner Region I
" " " II
" " " III
" " " IV
" " " V
" " " VI
" " " VIII
" " " IX
SCAO AMG HQ 5 Army
SCAO AMG HQ 8 Army
Major J.N.Watson, c/o Frnd
File

69655a

RCE/es

HEADQUARTERS
ALLIED CONTROL COMMISSION,
APO 394.

Regional Control and Military Government Section.

Ref: 231/27/CA. 19th March 1944.

SUBJECT: Cleaning of Towns and Villages.

TO : Regional Commissioner, Region I (10)
" " Region II (10)
" " Region III (4)
" " Region IV (4)
" " Region V (4)
" " Region VI (4)
" " Region VIII (1)
" " Region IX (1)
S.C.A.O., AMG, 5th Army (1)
S.C.A.O., AMG, 8th Army (1)

1. I enclose herewith copies of correspondence from G.O.C., No.3 District.

2. Cleanliness in towns and villages is of such importance in the matter of public health and in the interests of Allied troops that every opportunity should be taken to urge the Italians to better efforts. The action taken by G.O.C. No.3 District will be of tremendous help to Provincial officers and I should like Regional Commissioners to suggest to the District HQ. in their Regions that similar action should be taken wherever it is possible. Only by the closest co-operation between Allied military medical authorities and the Italian authorities under the advisory control of the A.C.C. can we get this country into a state fit for Allied troops. If we neglect for one moment our bounden duty in this matter the country will be black with flies, buzzing with mosquitoes and our hospitals will be full of dysentery and malaria cases.

3. Regional Commissioners and their medical staffs have a very great

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

"	"	Region VIII (1)
"	"	Region IX (1)
S.C.A.O., AMG, 5th Army		(1)
S.C.A.O., AMG, 8th Army		(1)

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3. Regional Commissioners and their medical staffs have a very great responsibility in this matter and must see that in the coming hot weather they do not fail.

T M S Mitch

Brigadier,
Executive Commissioner.

6964

MSL/JG.

Copy to: Public Health Sub-Commission.
Secretary General.

Declassified E.O. 12356 Section 3.3/NND No. 789017

COPY.

DO/66

Maj-Gen A.L. Collier,
Headquarters,
No.3 District,
C.M.F.

7.Mar.44.

Some notes on the 3 District Conference about the cleaning of towns have been sent to you under our letter 196A dated 2 Mar. I hoped that after the Conference we should have been able to send you something a bit more helpful, but the more I think of it the more it seems to be a matter of District, Area, Town Majors and units - or groups of units - forming their own committees and getting down to it with the local Italian authorities. I am very keen too that these committees should deal not only with cleaning up their towns and villages, but should also supervise all anti-malaria activities. If we have two sets of committees for these two purposes there will be over-lapping and waste of effort.

Col STOTT of 1 IRTD has made a most successful start on cleaning up his local villages and I attach some notes from him as to how he has set about it.

I am trying to find out from AMG/ACC exactly the legal action we can take against Italian civilians who fail to obey the sanitation regulations, and will let you know the answer.

As to extra pay for Italian sanitation personnel, Col CRICHTON, Director of Public Health, Region III, has undertaken to go into this. But it will take time and I am sure the immediate answer is for units to engage local labour on the authority of Area Commanders as described in para 3 of Stott's letter.

I shall put down cleaning/anti-malarial work on the agenda for the next Commanders Conference so that Area Commanders can make verbal reports as to the progress achieved, difficulties encountered and new suggestions for coping with the problem.

(SGD) A. L. COLLIER.

Declassified E.O. 12356 Section 3.3/NND No. 785011

COPY.

Subject: Measures for improving ~~Hygiene and~~ Sanitation in Billets and elsewhere.

~~2 District~~
Tel. ~~Ext 43~~ 96/A

2 Mar 44.

"A" 57 Area.
"A" 94 Sub Area

ACC

1. The G.O.C. is much concerned with the state of cleanliness existing in the towns and villages in the District. Almost everywhere there are dumps of refuse, decaying vegetables and filth. In a few weeks time the weather will be getting warmer and these dumps will prove a ready breeding ground for flies.

If the health of the troops is not to be impaired, it is essential that steps be taken NOW to clean up all towns and villages where troops are stationed. This can only be done by every officer and other rank doing his bit. The excuses that a unit is only in temporary occupation or that it is already too busily employed will not be accepted. Man power is much too valuable to run any risks with, an extra hour or two of overtime now may save three or more weeks in hospital later.

2. Existing arrangements.

(a) Military. Units are responsible for cleaning up their own billets and for burning or burying refuse.

(b) Civil. In towns there was in peace a system of street cleaning and garbage collecting under the Podesta. In NAPLES this system has been revived by ACC and PBS and some progress has been made, but not enough. In country towns and villages, although ACC have issued instructions, very little clearance of refuse has been done. The difficulties are:

(i) Shortage of man power
(ii) Low wages
(iii) Lack of transport to remove refuse
(iv) Uncontrolled dumping by householders

3. Action to be taken on military premises.

(i) Cleanliness of billets is of course a first essential in any unit. It is not enough to have the billet itself clean, the area around [illegible] This area must be increased as much as

Declassified E.O. 12356 Section 3.3/NND No. 785011

in hospital later.

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(i) Shortage of man power
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(iii) Lack of transport to remove refuse
(iv) Uncontrolled dumping by householders

3. Action to be taken on military premises.

(i) Cleanliness of billets is of course a first essential in any unit. It is not enough to have the billet itself clean, the area around it must be clean too. This area must be increased as much as possible.

(ii) Rubbish dumps are not always well sited, units must make sure they are well away from billets and that rubbish is always taken to them. Incinerators must be constructed and pits dug.

(iii) The troops must be told of the reasons and necessity for cleaning up and keeping billeting areas clean. 6963

(iv) The unit Anti-Malarial squad can combine this with their other duties and they can do a lot to help, but they will require considerable assistance, especially at the outset.

(v) It is permissable to engage labour and clean up areas round billets. These labourers must be properly supervised, or they may merely move the refuse out of sight.

4. Assistance to Civil Authorities.

(a) All units must be prepared to afford some assistance to the Civil Authorities. This can best be done by forming small committees to discuss the best means of help. The committee should consist of:

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

The Town Major or where none exists
The senior military officer
A medical officer
Civil Affairs Officer
The Italian Mayor

(b) The loaning of transport by units for carrying refuse is obviously unpopular, but it will have to be done.

(c) Units must insist that their recommendations are carried out by the Italian authorities; only by frequent repetitions can any result be achieved. Civil penalties exist for civilians who fail to carry out instructions given by both ACC and Military authorities. Details of these will be forwarded later.

(d) The GOC on a recent visit to the IRTD CERVINARA saw an example of what can be done to clean up villages. Notes on the methods employed will be forwarded, but a personal visit to the IRTD would be of even more value.

5. Combination of Hygiene and Malaria Committees.

The work of Hygiene and Malaria Committees is so inter-related that they should be regarded as one and work as such.

6. In order to keep a check on progress it will be necessary for monthly reports to be made. These reports should contain:

(a) A survey of work carried out.
(b) Amount of transport that has been used. How difficulties in its provision have been overcome.
(c) Details of extra labour employed.
(d) Any recommendations and suggestions.

7. It is again emphasised what a potential danger to the health of the Forces exists in the present filthy conditions. Every officer and other rank must be told of this and of the necessity for helping all he can to get things better.

(Sgd) I. LOURIE,

Declassified E.O. 12356 Section 3.3/NND No. 785011

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7. It is again emphasised what a potential danger to the health of the Forces exists in the present filthy conditions. Every officer and other rank must be told of this and of the necessity for helping all he can to get things better.

(Sgd) I. LOURIE,
Colonel, IC Adm.

Declassified E.O. 12356 Section 3.3/NND No. T8501

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

Ref/25/23/CA. 18 March 1944.

SUBJECT: Communications with the Vatican.

TO : Regional Commissioners, Regions I, II, III, IV, V, VI, VIII, IX.
S.C.A.Os. 5th and 8th Armies.

1. New instructions have now been received from AFHQ regarding communications with the Vatican.

2. Communication facilities by mail and radio with the Vatican can be made available to ecclesiastical authorities only in Italy, Sicily and Sardinia, subject to the following provisions :

(a) The Communications must, for the present, originate only South of the Northern boundaries of the Provinces of Bari, Potenza, Avellino, Salerno or in Naples City and Benevento town.

(b) All communications will be restricted to ecclesiastical matters.

(c) No communication will be permitted direct with the Vatican, but both mail and radio must always be passed through AFHQ.

(d) Radio messages may be written in the English language only, must be addressed "FREEDOM FOR INC", and dispatched in clear franked "FIL".

(e) Letters need not be written in English, but must be addressed "CARE OF INC SECTION, AFHQ".

3. The procedure to be followed by Regional Commissioners to implement the above instructions will be as follows :

(a) The communications will be transmitted by the representatives of the Roman Catholic Church to the Provincial Commissioner of their Province who will forward them to their Regional Commissioner.

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

subject to the following provisos :

(a) The Communications must, for the present, originate only South of the Northern boundaries of the Provinces of Bari, Potenza, Avellino, Salerno or in Naples City and Benevento town.

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(e) Letters need not be written in English, but must be addressed "CARE OF INC SECTION, AFHQ".

3. The procedure to be followed by Regional Commissioners to implement the above instructions will be as follows :

(a) The communications will be transmitted by the representatives of the Roman Catholic Church to the Provincial Commissioner of their Province who will forward them to their Regional Commissioner.

(b) Regional Commissioners will dispose of the communications as follows :

(i) Mail will be addressed as stated in para. 2 (e) and forwarded by normal official mail service.

(ii) Radio messages will be forwarded to ACC Signals, Naples, franked "VATICAN MESSAGE", in addition to "FIL" vide para. 2 (d) above. 6962

4. The necessity for restricting the volume of communications is emphasised. No indication may be given to the ecclesiastical authorities as to the time required to transmit communications.

5. The above arrangements supersede all previous instructions on the subject.

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6. Regional Commissioners of Regions I and II will please note that the instructions contained in AMG 327 of 27th January 1944, and 25/6/CA of 11th February 1944, are hereby cancelled. It will be seen that the new facilities apply to only one of the three categories of mail dealt with in the instructions which are now cancelled. The two services which are now no longer available through Vatican channels (private communications other than Church mail and Prisoner of War mail) are provided for in this HQ Memorandum 127/41/CA of 11 March 1944.

7. Regional Commissioners will arrange to acquaint the civil and ecclesiastical authorities in their Regions with the contents of paras.2 and 6 above.

NORMAN E. FISKE
Colonel, Cavalry,
Deputy Executive
Commissioner.

Copy to: Telecommunications and Posts Sub-Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785011

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13071/F

17 March 1944.

SUBJECT: Preparation of Sub-Section reports for inclusion in Monthly Operations Report of the Sub-Commission.

TO: Col. H.G. Crawshaw, Accounting Sub-Section.
Commander P.G. Fraser, Customs & Excise Sub-Section.
Major J.H. Penick, AFA.
Major J. Osmon, Insurance Dept.
Major B.D. Nash, Revenue Sub-Section.
Lieut-Commander J.J. Lawlor, SALERNO Detachment.

1. It is of considerable importance that the Sub-Commission's monthly report be as complete, as accurate and as well written as possible. The report is circulated to finance officers in the field, to superior authority in ACC, and to the Governments in London and Washington. To all of these organizations it represents the only complete source of information on the Sub-Commission's activities. Moreover, the report represents the only continuing historical record of the Sub-Commission.

2. It has been found that preparation of the Monthly Operations Report has entailed a large amount of rewriting of the materials submitted by the various Sub-Sections. It is obvious that the editors of the report are not as well equipped for this task as those who are more intimately acquainted with the subject matter. It is felt that if more time and care are devoted to organizing the material of each Sub-Section, writing each topical section so that it tells its story clearly and effectively, and conforming style to that adopted for use in the final report, a much more valuable report can be prepared.

3. It is requested that in future reports be improved by conforming style to the main report in accordance with the directives in paragraph 4, and that an attempt be made to improve content in accordance with the suggestions in paragraph 5.

Declassified E.O. 12356 Section 3.3/NND No. 789011

1. It is of considerable importance that the Sub-Commission's monthly report be as complete, as accurate and as well written as possible. The report is circulated to finance officers in the field, to superior authority in ACC, and to the Governments in London and Washington. To all of these organizations it represents the only complete source of information on the Sub-Commission's activities. Moreover, the report represents the only continuing historical record of the Sub-Commission.

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3. It is requested that in future reports be improved by conforming style to the main report in accordance with the directives in paragraph 4, and that an attempt be made to improve content in accordance with the suggestions in paragraph 5.

4. In general, questions of style can be answered by reference to the January or February reports of the Sub-Commission. In particular, the following points should be observed:

(a) Captions: the Sub-Sections' captions are to appear in capitals, underscored, and centered. Major subjects discussed are to be captioned with initial capitals and lettered with capital Roman letters followed by a period. The parts of such subjects are to be captioned in lower case, with one initial capital, and numbered in Arabics followed by a period. Small Roman letters enclosed in parentheses may then be used for further breakdowns. Note that no punctuation is used after the caption, and that no captions other than those distinguishing the Sub-Sections are underscored.

6961

(b) Spelling: British spelling will be used throughout.

(c) Abbreviations: Military abbreviations are to be written in capitals, without periods. For example: CCS, AFHQ, AFA, etc. Other abbreviations, such as U.S. or U.K., are written in the usual manner.

(d) Names: Members of the Finance Sub-Commission are referred to by title, and not by name. Persons outside the Sub-Commission may be referred to by name, but titles are preferred.

Declassified E.O. 12356 Section 3.3/NND No. 789011

(e) Numbers: Numbers, whether in tables or in the text, should be rounded wherever possible. For example, 12,086,921 lire should be called "12 million lire" in the text. In a table, figures should be rounded and zeros dropped, the magnitude of the figures being indicated by an appropriate heading, such as "(millions of lire)".

(f) Dates: Dates are to be written as: "14 January 1944".

(g) Copy should be submitted in double-space typing, and in duplicate.

5. (a) The material should contain all significant policy decisions taken during the month with a sufficient discussion of background, or references to earlier reports, to make intelligent appraisal possible.

(b) The material should contain as many significant statistics as possible. These statistics should be used either as information relevant to the argument or as general information of interest to the reader.

(c) Each paragraph should contain a topic sentence so that the reader knows the purpose of the paragraph.

(d) Before submission to this office the material of Sub-Sections should be sufficiently reworked so as to constitute a clear, organized narrative.

C&F Crafty-Smith

A.P. CRAFTY-SMITH,
Colonel,
Joint Chief Finance Officer.

Declassified E.O. 12356 Section 3.3/NND No. 785011

1762

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE: 16098/G-1 16 March 1944

SUBJECT : Returns of Officers and O.Rs.

TO : Distribution below.

The following amendments will be made in the instructions and appendices attached to this HQ letter 16098/G-1 of 4 March 1944:

1. Monthly Strength Return - Officers -

   Substitute "HQ Commandant, HQ ACC" for "G-4 (B)" in last line of para 1(a).

2. Form ACC R.1 -

   Substitute "2359" for "1200".

3. Form ACC R.2 -

   Substitute "Monthly Return as at 2359 hours on" for "week ending strength as at 2359 hours Friday".

BY COMMAND OF LIEUT GENERAL MASON MACFARLANE

F.A. PURCOLD,
Lt-Colonel, R.A.,
G-1

WHB/FAD.

DISTRIBUTION

Regional Commissioner REGION I
" " " II
" " " III
" " " IV
" " " V
" " " VI
" " " VIII
" " " IX
AMG HQ FIFTH ARMY
" " EIGHTH ARMY
Executive Commissioner
Secretary General
Executive Officer (B)
Civil Affairs Branch
Security Branch
Establishment Branch
Displaced Persons Sub-Commission
Italian Refugees Branch
G-4
HQ Commandant, Main
" " , Rear
Economic Section (10)
Admin. Section (8)
Political Section
Land Forces Sub-Commission
Telecommunications & Post Sub-Commission
War Material Disposal Sub-Commission
P.R.O.

6960

Headquarters
Allied Control Commission
APO 394

ROUTINE ORDERS

by

Lieut-General Sir NOEL MASON MACFARLANE, KCB, DSO, MC.

Issue No. 2 Date: 13 March 1944

ESTABLISHMENTS BRANCH

6. Stationery, Army Forms and Books

Reference ACC RO No. 1 dated 6 March 1944. All Regions located within 57 Area will forward indents to:

OC, 862 Adv Stationery Depot, 57 Area.

(G4/112)

7. Return of Warlike Stores

In addition to the return requested from Regions and Rear HQ, SALERNO, under ACC RO No. 2 dated 6 March 1944, all Sub-Commissions and Departments of this HQ will render to the office of G-4, HQ Allied Control Commission, not later than 21 March 1944 and the 21st of each subsequent month, a return of Warlike Stores in possession of British Officers on their strength as at the 15th of the month.

OC, British Detachment, HQ, Allied Control Commission will render the above return for all Officers and ORs on his strength.

The following items are considered Warlike Stores:

Pistols Revolver

.38 No. 2 Mark I or I+
.38 Webley Mark IV
.38 Smith and Wesson
.38 Colt
Any other types or Calibre

Compasses. Show by marks.

Prismatic Mark III, VIII, IX
Magnetic, Pocket or Marching.
Sub (State type and make)

Watches G.S.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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OC, British Detachment, HQ, Allied Control Commission will render the above return for all Officers and ORs on his strength.

The following items are considered Warlike Stores:

Pistols Revolver

.38 No. 2 Mark I or I+
.38 Webley Mark IV
.38 Smith and Wesson
.38 Colt
Any other types or Calibre

Rifles

.303 No. 1 Mark III or III+
.303 No. 3 (Pattern 14)
.303 No. 4 Mark I
Any other types

Bayonets

State number and Marks

Scabbards Bayonets

State number and Marks

Sub-Machine Guns. (Carbine Machine)

9 mm Sten, Marks I, II, or III. Show holdings by marks.
.45 Thompson M1928, AI, MI, MIII. Show by marks.
Magazines Sten or Thompson. Show by make

Compasses. Show by marks.

Prismatic Mark III, VIII, IX
Magnetic, Pocket or Marching
Sub (State type and make)

Watches G.S.

R.A. Ingersoll
Trade Pattern

Wristlet W/T Non Magnetic or T.R.

Binoculars Prismatic 6959

No. 2 Kershaw, Taylor, Hobson, Watson, Baker. Other makes.

Bicycles

Mark IV, V, VI.
Trade Pattern.

(G4/103)

Declassified E.O. 12356 Section 3.3/NND No. 780011

8. Postings - Officers

The following extracts from Part II Orders (Officers) are published for information :

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities.	Part II Order No. & Date
Postings				
T/Major C.A. KEITH	111507	HQ 15 Army Gp. (X(i))	P/A to AMGAC wef 10 Sep 43. Remains X(i) List	Ser. 31. 16.2.44.
W/Lieut G.H. BURROWS	242935	Mil Govt Sch & Hlding Centre X(i).	AMG Region IV. X(i) 31 Dec 43.	Ser. 41. 18.2.44.
T/Major C.R. MERRALL	152685	(X(iv))	Reference Part II Order Ser. No. 5 dated 20 Jan 44, para 4. Amend Casualty to read: P/A to Mil Govt Sch & Hlding Centre and posted to X(i) List wef 26 Oct 43.	Ser. 6. 9.2.44.
S/Lt Col A.L. WOOD	27019	Mil Govt Sch & Hlding Centre X(i)	P/A to AMG Region IV wef 11 Oct 43.	Ser. 257. 18.2.44.
S/Lt Col A.L. WOOD	27019	X(iv)	Reference Part II Order No. 64 dated 13 Jan 44 para 3. Delete all ref to this officer	Ser 257. 18.2.44.
T/Capt J.P. WATKINS	104766	X(iv)	P/A to Holding Centre, Mil Govt Sch wef 5 Oct 43. Posted to X(i) List	Ser. 48. 3.2.44.
A/Lt Col C.J. HAYES	47437	Mil Govt Sch & Hlding Centre. X(i)	P/A to AMGOT 15 Army Gp wef 21 July 43.	Ser. 64. 4.2.44.
W/Lieut J.K. BAIRD	279842	No. 1 GRTD X(iv).	AMGAC. X(i) 21 Dec 43	Ser. 55. 15.2.44.

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			44, para 4. Amend Casualty to read: P/A to Mil Govt Sch & Hlding Centre and posted to X(i) List wef 26 Oct 43.	
S/Lt Col A.L. WOOD	27019	Mil Govt Sch & Hlding Centre X(i)	P/A to AMG Region IV wef 11 Oct 43.	Ser. 257. 18.2.44.
S/Lt Col A.L. WOOD	27019	X(iv)	Reference Part II Order No. 64 dated 13 Jan 44 para 3. Delete all ref to this officer	Ser 257. 18.2.44.
T/Capt J.P. WATKINS	104766	X(iv)	P/A to Holding Centre, Mil Govt Sch wef 5 Oct 43. Posted to X(i) List	Ser. 48. 3.2.44.
A/Lt Col C.J. HAYES	47437	Mil Govt Sch & Hlding Centre. X(i)	P/A to AMGOT 15 Army Gp wef 21 July 43.	Ser. 64. 4.2.44.
W/Lieut J.K. BAIRD	279842	No. 1 CRTD X(iv).	AMGAC. X(i) 21 Dec 43	Ser. 55. 15.2.44.
W/Lieut E.A. BLOOMFIELD	279841	No. 1 CRTD X(iv).	AMGAC. X(i) 21 Dec 43	Ser. 55. 15.2.44.
W/Capt W. MACKENZIE	93586	HQ AMG. X(i)	AMG Region III. X(i). 28 Sep 43	Ser. 55. 15.2.44.
T/Major G. DOLLAR	33676	CRTD X(iv)	AMGOT. X(i) 29 Nov 43	Ser. 39. 9.2.44.
T/Major R.N. MILBANKE (MC)	37124	AMGOT HQ X(i)	To No. 2 S.A.S. Regt. X(i) 8 July 43.	Ser. 42. 10.2.44.
Lt Col THE LORD GRIMTHORPE Lt Col C.W. QUIN-SMITH	28486) 376120)	No. 1 C.R.U. X(iv)	(Ref Part II No. 1032 (dated 3 Nov 43. Amend (to read: Posted to Mil (Govt Sch & Hlding Centre (X(i) List.	Ser. 52. 11.2.44.

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8. Postings - Officers (Cont'd)

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities.	Part II Order No. & Date
Major G.G. CALROW	18807	HQ Admin AMGAC X(i).	P/A to Allied Force Local Resources (North Africa) Board wef 9 Dec 43.	Ser. 58. 14.2.44.
Major Sir J.E.T. RITCHIE	73721	Draft RZXZH	Disembarked in this theatre of Operations on 27 Jan 44. and P/A to Mil Govt Sch & Hdg Centre posted to X (i) List	Ser 73. 19.2.44.
W/Lieut W.M.V. LEWIS	233198	3 Bn W.G.	Posted to HQ Allied Control Commission X(i) wef 7 Oct 43.	Ser. 32. 20.2.44.
Lt Col G de C.E. FINDLAY	12396	Mil Govt Sch & Hdg Centre X(i)	Ref Part II Order Ser No. 1122 dated 28 Dec 43 para 4. Amend casualty to read: P/A to AMG Reg IV wef 29 Sep 43. Posted to X(i) List	Ser. 40. 4.2.44.
A/Major J.R. GREGORY	119814	Mil Govt Sch & Hdg Centre (X(i))	P/A to AMG Reg IV wef 26 Sep 43. Remains X(i) List	Ser. 46. 5.2.44.
W/Lt, (T/Capt) R.C. MARKS	75237	X(iv)	Posted to Hdg Centre Mil Govt Sch & Hdg Centre wef 5 Nov 43. Posted to X(i) List	Ser. 50. 5.2.44.

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9. Awards - Officers

The following extracts from Part II Orders (Officers) are published for information:

Awards

Authority is given for the Award of the Africa Star to the undermentioned

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wef 7 Oct 43.

Lt Col G de C.E. FINDLAY	12396	Mil Govt Sch & Hdg Centre X(i)	Ref Part II Order Ser No. 1122 dated 28 Dec 43 para 4. Amend casualty to read: P/A to AMG Reg IV wef 29 Sep 43. Posted to X(i) List	Ser. 40. 4.2.44.
A/Major J.R. GREGORY	119814	Mil Govt Sch & Hdg Centre (X(i))	P/A to AMG Reg IV wef 26 Sep 43. Remains X(i) List	Ser. 46. 5.2.44.
W/Lt, (T/Capt) R.C. MARKS	75237	X(iv)	Posted to Hdg Centre Mil Govt Sch & Hdg Centre wef 5 Nov 43. Posted to X(i) List	Ser. 50. 5.2.44.

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9. Awards - Officers

The following extracts from Part II Orders (Officers) are published for information:

Awards

Authority is given for the Award of the Africa Star to the undermentioned Officers.

Name	Personal Number	Rank	Rank held at Date of Qualification	Part II Order No. & Date
G.H. BURROWS	242935	W/Lieut	W/Lieut	Ser. 16. 13.2.44.
A.S. BRERETON	45559	T/Major	T/Major	Ser. 16. 13.2.44.
G. POLLOCK	136210	T/Col	T/Lt-Col	Ser. 36. 17.2.44.
E.C. BATEMAN	150958	T/Capt	T/Capt	Ser. 7. 11.2.44.
F.H. BURBANK	201838	T/Capt	T/Capt	Ser. 7. 11.2.44.
R.V. BUCKLEY	238774	T/Capt	T/Capt	Ser. 7. 11.2.44.
H. EDSWORTH	27174	T/Major	T/Major	Ser. 7. 11.2.44.
A.B. MATTEI	147837	T/Major	T/Major	Ser. 7. 11.2.44.
E.B. MAYNE	240365	T/Lt-Col	T/Lieut	Ser. 7. 11.2.44.
H.C. THORNITT-SMITH	234556	T/Capt	T/Capt	Ser. 7. 11.2.44.
C.A.P. BERTELLI	152645	T/Capt	T/Capt	Ser. 7. 11.2.44.
R. CRIVON	152242	T/Capt	T/Capt	Ser. 7. 11.2.44.
G.M. DUNCAN	142892	T/major	T/Capt	Ser. 7. 11.2.44.
P. GARIGUE	186968	W/Lieut	W/Lieut	Ser. 7. 11. 2.44
W.R. HARTLEY	149910	W/Lieut	W/Lieut	Ser. 7. 11.2.44.
A.N. HANCOCK	150912	T/Lt-Col	T/Capt	Ser. 7. 11.2.44.

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9. Awards - Officers (Cont'd).

Name	Personal Number	Rank	Rank held at Date of Qualification	Part III Order No. & Date
C.R. MERRALL	136150	T/Major	T/Capt	Ser. 7. 11.2.44.
W.H. CUSLEY	152595	T/Major	T/Capt	Ser. 7. 11.2.44.
C.R.F. YOUNG	N.Y.A.	T/Major	T/Major	Ser. 7. 11.2.44.
M.S. LUSH		Brig	T/Brig	Ser. 248. 11.2.44.
E.G.D. KENNEDY		Major	T/Major	Ser. 248. 11.2.44.
T. MATTHEWS	50248	W/Major	W/Capt	Ser. 248. 11.2.44.
A.S. FARRAR	205467	T/Capt	Lt(QM)	Ser. 69. 9.2.44.
J. CARTER	147065	T/Capt	T/Capt	Ser. 71. 11.2.44.
W.H. PEAREY	34985	T/Major	T/Lt-Col	Ser. 270. 9.2.44.
H.E. ROVE	160850	T/Lt-Col	2/Lieut	Ser. 272. 9.2.44.
F.N. WALDRON	74052	Major	T/Major	Ser. 273. 11.2.44.
G.J. GRANTHAM	N.Y.K.	T/Capt	W/Lieut	Ser. 273. 11.2.44.
H.C. CORBIN	N.Y.A.	T/Capt	T/Capt	Ser. 16. 18.2.44.
E. CHART	118512	Capt	T/Capt	Ser. 16. 18.2.44.
C.C. HAYES	205530	Lt-Col	A/Major	Ser. 16. 18.2.44.
H.F.S. MAGNUS	101795	T/Major	T/Major	Ser. 16. 18.2.44.
H.R. BEARD	N.Y.A.	Lieut	Lieut	Ser. 16. 18.2.44.
T. FARLEY-SMITH	161492	Lt-Col	A/Lt-Col	Ser. 16. 18.2.44.
A.R.A. De CARSTON	N.Y.A.	Lt-Col	T/Major	Ser. 16. 18.2.44.
F.H. McCLEARY	17750	T/Lt-Col	T/Major	Ser. 16. 18.2.44.
J.M. PEARSON	257516	Capt	Lieut	Ser. 16. 18.2.44.
F.J. SCICLUNA	N.Y.A.	Capt	T/Capt	Ser. 16. 18.2.44.
E.J. BOULTON	89343	Capt	T/Capt	Ser. 68. 18.2.44.
E.A.C. TALBOT	136947	T/Capt	T/Capt	Ser. 36. 20.2.44.
R.L. ROLPH	79099	T/Major	T/Capt	Ser. 84. 11.2.44.
W.J. SHERWOOD	146995	T/Major	T/Capt	Ser. 84. 11.2.44.
R.S. TREVELYAN	92362	T/Capt	T/Capt	Ser. 36. 17.2.44.
G. CALROW	18807	Major	T/Major	Ser. 68. 18.2.44.
A.P. GRAFTTEY-SMITH	35329	T/Col	Major	Ser. 68. 18.2.44.

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10. Pay and Allowances - Officers

The following extracts from Part II Orders (Officers) are published for information:

Rank & Name	Personal	Unit	Particulars of Casualties Part II

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E. CHART	118512	Capt	T/Capt	Ser.	16.	18.2.44.
C.C. HAYES	205530	Lt-Col	A/Major	Ser.	16.	18.2.44.
H.F.S. MAGNUS	101795	T/Major	T/Major	Ser.	16.	18.2.44.
H.R. BEARD	N.Y.A.	Lieut	Lieut	Ser.	16.	18.2.44.
T. FARLEY-SMITH	161492	Lt-Col	A/Lt-Col	Ser.	16.	18.2.44.
A.R.A. De GARSTON	N.Y.A.	Lt-Col	T/Major	Ser.	16.	18.2.44.
F.H. McCLEARY	17750	T/Lt-Col	T/Major	Ser.	16.	18.2.44.
J.M. PEARSON	257516	Capt	Lieut	Ser.	16.	18.2.44.
E.J. SCICLUNA	N.Y.A.	Capt	T/Capt	Ser.	16.	18.2.44.
E.J. BOULTON	89343	Capt	T/Capt	Ser.	68.	18.2.44.
E.A.C. TALBOT	136947	T/Capt	T/Capt	Ser.	36.	20.2.44.
R.L. ROLPH	79099	T/Major	T/Capt	Ser.	84.	11.2.44.
W.J. SHERWOOD	146995	T/Major	T/Capt	Ser.	84.	11.2.44.
R.S. TREVELYAN	92362	T/Capt	T/Capt	Ser.	36.	17.2.44.
G. CALROW	18807	Major	T/Major	Ser.	68.	18.2.44.
A.P. GRAFFTEY-SMITH	35329	T/Col	Major	Ser.	68.	18.2.44.

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10. Pay and Allowances - Officers

The following extracts from Part II Orders (Officers) are published for information:

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities.	Part II Order No. & Date
Pay & Allowances				
Capt W.F. COOK	40266	AMGOT 15 Army Gp X(i)	Ref Part II Order No. 1062 dated 25 Dec 43 para 6. Amend Officer's personal number to read as now stated	Ser. 64. 4.2.44.
T/Capt C.H. MORRIS	279371	Admin HQ AMGAC X(i)	Entitled to Servant All. for period 27 July-26 Aug 43.	Ser. 18. 24.2.44.
The u/m Officers are entitled to Servant Allowance wef dates stated:				
A/Lieut D.R. ROBERTSON	291659	Admin HQ AMGAC X(i)	+ 7 Dec 43	Ser. 18. 24.2.44.
T/Lt-Col C.T. FRANCIS	83738	Admin HQ AMGAC X(i)		
T/Major G.A. BAMLET	83806	Admin HQ AMGAC X(i)		

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8. Postings - Officers (Cont'd)

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities.	Part II Order No. & Date
Major G.C. CALROW	18807	HQ Admin AMGAC X(i).	P/A to Allied Force Local Resources (North Africa) Board wef 9 Dec 43.	Ser. 58. 14.2.44.
Major Sir J.E.T. RITCHIE	73721	Draft RZXZH	Disembarked in this theatre of Operations on 27 Jan 44. and P/A to Mil Govt Sch & Hdg Centre posted to X (i) List	Ser 73. 19.2.44.
W/Lieut W.M.V. LEWIS	233198	3 Bn W.G.	Posted to HQ Allied Control Commission X(i) wef 7 Oct 43.	Ser. 32. 20.2.44.
Lt Col G de C.E. FINDLAY	12396	Mil Govt Sch & Hdg Centre X(i)	Ref Part II Order Ser No. 1122 dated 28 Dec 43 para 4. Amend casualty to read: P/A to AMG Reg IV wef 29 Sep 43. Posted to X(i) List	Ser. 40. 4.2.44.
A/Major J.R. GREGORY	119814	Mil Govt Sch & Hdg Centre (X(i))	P/A to AMG Reg IV wef 26 Sep 43. Remains X(i) List	Ser. 46. 5.2.44.
W/Lt, (T/Capt) R.C. MARKS	75237	X(iv)	Posted to Hdg Centre Mil Govt Sch & Hdg Centre wef 5 Nov 43. Posted to X(i) List	Ser. 50. 5.2.44.

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9. Awards - Officers

The following extracts from Part II Orders (Officers) are published for information:

Awards

Authority is given for the Award of the Africa Star to the undermentioned

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Lt Col G de C.E. FINDLAY		Hdg Centre X(i)	1122 dated 26 Dec 43 [illegible] L. Amend casualty to read: P/A to AMG Reg IV wef 29 Sep 43. Posted to X(i) List	
A/Major J.R. GREGORY	119814	Mil Govt Sch & Hdg Centre (X(i))	P/A to AMG Reg IV wef 26 Sep 43. Remains X(i) List 5.2.44.	Ser. 46.
W/Lt, (T/Capt) R.C. MARKS	75237	X(iv)	Posted to Hdg Centre Mil Govt Sch & Hdg Centre wef 5 Nov 43. Posted to X(i) List	Ser. 50. 5.2.44.

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9. Awards - Officers

The following extracts from Part II Orders (Officers) are published for information:

Awards

Authority is given for the Award of the Africa Star to the undermentioned Officers.

Name	Personal Number	Rank	Rank held at Date of Qualification	Part II Order No. & Date
G.H. BURROWS	242935	W/Lieut	W/Lieut	Ser. 16. 13.2.44.
A.S. BRERETON	45559	T/Major	T/Major	Ser. 16. 13.2.44.
G. POLLOCK	136210	T/Col	T/Lt-Col	Ser. 36. 17.2.44.
E.C. BATEMAN	150958	T/Capt	T/Capt	Ser. 7. 11.2.44.
F.H. BURBANK	201888	T/Capt	T/Capt	Ser. 7. 11.2.44.
R.W. BUCKLEY	238774	T/Capt	T/Capt	Ser. 7. 11.2.44.
H. EBSWORTH	27174	T/Major	T/Major	Ser. 7. 11.2.44.
A.B. MATTEI	147837	T/Major	T/Major	Ser. 7. 11.2.44.
E.B. MAINE	240365	T/Lt-Col	T/Lieut	Ser. 7. 11.2.44.
H.C. THORNITT-SMITH	234556	T/Capt	T/Capt	Ser. 7. 11.2.44.
C.A.P. BERTELLI	152645	T/Capt	T/Capt	Ser. 7. 11.2.44.
R. CRIVON	152242	T/Capt	T/Capt	Ser. 7. 11.2.44.
G.M. DUNCAN	142892	T/major	T/Capt	Ser. 7. 11.2.44.
P. GARIGUE	186968	W/Lieut	W/Lieut	Ser. 7. 11. 2.44
W.R. HARTLEY	149910	W/Lieut	W/Lieut	Ser. 7. 11.2.44.
A.N. HANCOCK	150912	T/Lt-Col	T/Capt	Ser. 7. 11.2.44.

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10. Pay and Allowances - Officers (Cont'd)

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities.	Part II Order Nos. & Date
T/Major J.R. POLLOCK	279324	Admin HQ AMG&C X(i)	+ 31 May 43.	Ser. 18. 24.2.44.
T/Capt A.J.C. SAUNDERS	279320	Admin HQ AMG&C X(i)	+ 3 Sep 43.	Ser. 18. 24.2.44.
W/Capt W. MACKENZIE	93586	HQ AMG X(i)	Ceased to be entitled to Servant Allowance wef 28 Sep 43.	Ser. 53. 15.2.44.
Lieut (QM) J.R. ARNO	205943	AMGOT 15 Army Gp X(i)	Ref Part II Order No. 1097 dated 24 Nov 43 para 5. Amend Officer's name as now stated	Ser. 53 15.2.44.
Lieut (QM) J.R. ARNO	205943	HQ AMG X(i)	Elects to continue to draw pay as applicable to QMs under Article 289 R.W. wef 11 Aug 43. +Entitled to Servant Allowance wef 1 Oct 43.	Ser. 57. 16.2.44.
Lieut (QM) F.W. LIGHT	181073	HQ AMG X(i)	Entitled to Servant Allowance for period 1 - 19 Oct 43 and +wef 26 Oct 43.	Ser. 57. 16.2.44.
Lieut R.N.K. BERESFORD	N.Y.A.	HQ AMG X(i)	+Entitled to Servant Allowance wef 12 Aug 43.	Ser. 58. 14.2.44.
W/Lieut M.E. MARSHALL	210549	HQ AMG X(i)	+Entitled to Servant Allowance wef 28 Jul 43.	Ser. 58. 14.2.44.
T/Capt A.C.J. GERMAN	177792	AMGOT X(i)	+Entitled to Servant Allowance wef 4 Aug 43.	Ser. 58. 14.2.44.
A/Capt E.K.W. MATTHEWS	220695	AMG HQ X(i)	+Entitled to Servant Allowance wef 10 Aug 43.	Ser. 58. 14.2.44.

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J.R. ALDO			to QMs under Article 289 R.W. wef 11 Aug 43. +Entitled to Servant Allowance wef 1 Oct 43.	
Lieut (QM) F.W. LIGHT	181073	HQ AMG X(i)	Entitled to Servant Allowance for period 1 - 19 Oct 43 and +wef 26 Oct 43.	Ser. 57. 16.2.44.
Lieut R.N.K. BERESFORD	N.Y.A.	HQ AMG X(i)	+Entitled to Servant Allowance wef 12 Aug 43.	Ser. 58. 14.2.44.
W/Lieut M.E. MARSHALL	210549	HQ AMG X(i)	+Entitled to Servant Allowance wef 28 Jul 43.	Ser. 58. 14.2.44.
T/Capt A.C.J. GERMAN	177792	AMGOT X(i)	+Entitled to Servant Allowance wef 4 Aug 43.	Ser. 58. 14.2.44.
A/Capt E.K.W. MATTHEWS	220695	AMG HQ X(i)	+Entitled to Servant Allowance wef 10 Aug 43.	Ser. 58. 14.2.44.

+ These entitlements continue until affected by subsequent casualties published in this HQ Routine Orders.

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11. Transfers from Other Theatres of Operations - Officers

The following extracts from Part II Orders (Officers) are published for information:

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities	Part II Order No & Date
W/Lieut W.G. BRUCE	177489	AMGOT 15 Army Gp X(i)	T.O.S. BNAF Ex MEF wef 11 Aug 43.	Ser. 253. 16.2.44.
W/Lieut G.H. CAMPBELL	176989	AMGOT 15 Army Gp X(i)	T.O.S. BNAF Ex MEF wef 10 Aug 43.	Ser. 257. 18.2.44.

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12. Appointments and Promotions - Officers

The following extracts from Part II Orders (Officers) are published for information:

Rank & Name	Personal Number	Unit	Particulars of Casualties Dates & Authorities	Part II Order No. & Date
T/Lt-Col R.J.P. THORNE-THORNE	15980	AMGOT 15 Army Gp X(i)	Ref Part II Order Ser. No. 1020 dated 28 Jul 43 para 2. Delete all ref to this Officer.	Ser. 290. 22.2.44.
A/Major J.H. GIFFEN	263394	AMG Reg III Br Sec X(i)	Granted T/Major & W/Capt wef 15 Aug 43. (Authy: W.O.O. 38/43).	Ser. 18. 24,2,44,

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13. Commissions - Granting of

The following extract from Part II Orders (Officers) is published for information:

Rank & Name	Personal Number	Unit	Particulars of Casualties Date & Authorities	Part II Order No. & Date
Strength - Increase				
2/Lieut J.V.VELLA	301892		Granted an Emergency Comm. as 2/Lieut in the General List wef 22 Oct 43. and P/A to HQ AMGAC. Posted to X(i) List. (Authy: AFHQ letter G1(B)1310/A.1 dated 7 Nov 43).	Ser. 15. 15.2.44.

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14. Hospital Admissions and Discharges - Officers

The following extracts of Part II Orders (Officers) are published for

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13. Commissions - Granting of

The following extract from Part II Orders (Officers) is published for information:

Rank & Name	Personal Number	Unit	Particulars of Casualties Date & Authorities	Part II Order No. & Date
Strength - Increase				
2/Lieut J.V.VELLA	301892		Granted an Emergency Comm. as 2/Lieut in the General List wef 22 Oct 43. and P/A to HQ AMGAC. Posted to X(i) List. (Authy: AFHQ letter G1(B)1510/A.1 dated 7 Nov 43).	Ser. 15. 15.2.44.

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14. Hospital Admissions and Discharges - Officers

The following extracts of Part II Orders (Officers) are published for information:

Rank & Name	Personal Number	From	To	Date	Part II Order No. & Date.
T/Major R.W. REEVE	16061	95 Gen Hosp.	Allied Comm X(i)	6 Dec 43	Ser. 28. 16.2.44.
T/Major G.G. HANNAFORD	102796	HQ AMG X(i)	92 Gen Hosp.	22 Jan 44	Ser. 10. 23.2.44.
A/Lt-Col E.A. BARING-GOULD	144808	33 U.S. Gen Hosp.	Reg VI AMG X(i)	4 Nov 43	Ser. 11. 23.2.44.
T/Major G.G. HANNAFORD	102796	92 Gen Hosp.	HQ AMG X(I)	24 Jan 44	Ser. 11. 23.2.44.
T/Capt E. CHART	118512	AMGOT 15 Army Gp X(i)	Ref Part II Order No. 8. dated 19 Jan 44 para 1, item 2. Delete all ref to this officer.		Ser. 15. 15.2.44.

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14. Hospital Admissions and Discharges - Officers (Cont'd)

Rank & Name	Personal Number	From	To	Date	Part II Order No. & Date
T/Lt-Col H.A. SMITH	163414	X(ii)	Ref Part II Order Serial No. 13 dated 19 Jan 44, para 1, item 7. Amend casualty to read: Discharged from 95 Gen Hosp to AMGOT 15 Army Gp on 27 Sep 43. Posted to X(i) List		Ser. 15. 15.2.44.
Lt-Col J. MACFARLANE	241131	Armistice Cont Comm X(i)	84 Gen Hosp	10 Dec 43	Ser. 24. 6.2.44.
W/Lieut W.M.V. LEWIS	233198	Allied Comm X(i)	92 Gen Hosp	28 Dec 43	Ser. 24. 19.2.44.
T/Major F.P. RICHARDSON	128074	Mil Govt Sch & Hdg Centre X(i)	92 Gen Hosp	28 Jan 44	Ser. 87. 18.2.44.
W/Lieut & Paym T.C. SHANKS	128720	AMG & ACC X(i)	65 Gen Hosp posted to X(ii) List	14 Jan 44	Ser. 4. 25.2.44.
Lieut & Paym T.C. SHANKS	128720	65 Gen Hosp	AMG & ACC X(i)	21 Jan 44	Ser. 4. 25.2.44.

(G-1(B))

15. Return to U.K. of Long Service Personnel

(a) The qualifying period for posting of British Personnel to U.K. on grounds of long service overseas, as laid down in GRO 138/44, is five years unbroken Army Service abroad. The present ruling date is the 1st January 1944.

(b) Periods of leave or duty, not exceeding 6 months, spent in U.K. during the five years are not taken to constitute a break for the purpose of eligibility.

(c) In order to provide a forecast of future commitments, the following action

Declassified E.O. 12356 Section 3.3/NND No. 785011

W/Lieut W.M.V. LEWIS	233198	Allied Comm X(i)	92 Gen Hosp	28 Dec 43	Ser. 24. 19.2.44.
T/Major F.P. RICHARDSON	128074	Mil Govt Sch & Hdg Centre X(i)	92 Gen Hosp	28 Jan 44	Ser. 87. 18.2.44.
W/Lieut & Paym T.C. SHANKS	128720	AMG & ACC X(i)	65 Gen Hosp posted to X(ii)	14 Jan 44 List	Ser. 4. 25.2.44.
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(G-1(B))

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(b) Periods of leave or duty, not exceeding 6 months, spent in U.K. during the five years are not taken to constitute a break for the purpose of eligibility.

(c) In order to provide a forecast of future commitments, the following action will be taken by HQ of AMG Armies, Regions and Sub-Commissions :

(i) Headquarters of AMG Armies and Regions will prepare nominal rolls of British personnel who, at 25 February 1944 and who reported to that HQ at any subsequent date, embarked for service overseas before 30th June 1946 and submit them direct to G-1 (B), HQ ACC.

(ii) Heads of Sub-Commissions will prepare similar nominal rolls and forward them to OC, British Detachment of Main and Rear Headquarters who will consolidate them, including any such personnel who are not accounted for by Sub-Commissions and forward the completed nominal rolls to G-1 (B), HQ ACC.

(d) The nominal rolls will state clearly the name, rank, personal number, regiment or corps and date of embarkation of all eligible personnel.

(e) NIL returns will be submitted.

(G-1(B))

R.H. FAIREN,
Colonel,
Executive Officer,
Headquarters, Allied Control Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785011

CONFIDENTIAL

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

AG 312.4-1 SIG-ACM 14 March 1944

SUBJECT: Non-Secret Short Title Unit Designations.

TO : All Concerned.

1. The following non-secret short titles have been approved by AFHQ for use in this Theater. These short titles are not secret code words for units, but are merely to be used for brevity in place of the full name of the organization when messages are transmitted by electrical means.

2. For uniformity and to avoid confusion, no other non-secret abbreviations or short titles will be used. The short title is to be used in the text of the message in place of the whole name of a unit or installation and are not to be used in addressing official correspondence. All new short title names or changes in non-secret short titles will be approved and announced by AFHQ.

UNIT	NON-SECRET SHORT TITLE UNIT DESIGNATION
Administration Movement Control, N.A. Dist.	NAMOVE
Air Commander, Corsica	ACCORS
Air Force, Twelfth	12AF
Air Force, Fifteenth	15AF
Air Force Service Command, XII	XII AFSC
Air Force Service Command, XV	XVAFSC
Air Force Training and Replacement Command, XII	XIIAFTRC
Air Support Command Headquarters, XII	XIIASC
Algiers Sub-District Headquarters	ALSDIST
Algiers Garrison Headquarters	ALGAR
Allied Control Commission, Headquarters, Main	FATIMA
Allied Control Commission, Headquarters, Rear	FATIMA REAR
Allied Force Headquarters	FREEDOM
Allied Force Headquarters Advanced Command Post	FAIRBANKS
Allied Force Headquarters Accommodation Detachment	FAIRFIELD
Allied Force Camp (Near ACMF)	FAIRWAY
Allied Force Headquarters ADV ADM Echelon	FLAMBO
Allied Central Mediterranean Force Headquarters (Main)	FILPOT
Allied Central Mediterranean Force Headquarters (Rear)	FANTOX
Allied Central Mediterranean Force Headquarters (Tac)	FINBAT

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UNIT	NON-SECRET SHORT TITLE UNIT DESIGNATION
Administration Movement Control, N.A. Dist.	NAMOVE
Air Commander, Corsica	ACCORS
Air Force, Twelfth	12AF
Air Force, Fifteenth	15AF
Air Force Service Command, XII	XII AFSC
Air Force Service Command, XV	XVAFSC
Air Force Training and Replacement Command, XII	XIIAFTRC
Air Support Command Headquarters, XII	XIIASC
Algiers Sub-District Headquarters	ALSDIST
Algiers Garrison Headquarters	ALGAR
Allied Control Commission, Headquarters, Main	FATIMA
Allied Control Commission, Headquarters, Rear	FATIMA REAR
Allied Force Headquarters	FREEDOM
Allied Force Headquarters Advanced Command Post	FAIRBANKS
Allied Force Headquarters Accommodation Detachment	FAIRFIELD
Allied Force Camp (Near ACMF)	FAIRWAY
Allied Force Headquarters ADV ADM Echelon	FLAMBO
Allied Central Mediterranean Force Headquarters (Main)	FILPOT
Allied Central Mediterranean Force Headquarters (Rear)	FANTOX
Allied Central Mediterranean Force Headquarters (Tac)	FINBAT 6955
Allied Garrison Commander, Sardinia	FALCON
Allied Ground Forces and Service Troops in Sardinia	SARDEPOT
Headquarters, 2665th Quartermaster Base Depot	FABLE
Hdqrs, Region 6, Allied Control Commission, Sardinia	AECMTO
Army Air Force Engineer Command, MTO, (Prov)	AAFMTO
Army Air Force Headquarters, MTO	ASCMTO
Army Air Force Service Comd., MTO	ABS
Atlantic Base Section	BONSDIST
Bone Sub-District Headquarters	BOUGAR
Bougie Garrison Headquarters	MILSTAF
British Army Staff Headquarters (In USA)	BRITMAN
British Military Mission, Washington, D.C.	CANMIL
Canadian Military Force Headquarters (In UK)	CINCMED
Commander-in-Chief, Headquarters, Mediterranean	
Commander United States Amphibious Forces Northwest African Waters	COMPHIBNAW
Commander United States Naval Forces Northwest African Waters	COMNAVNAW
Constantino Garrison Headquarters	CONGAR
Eastern Base Section	EBS
Eighth Army Headquarters	EIGHTARMY
European Theater of Operations, Hq., U.S. Army (In UK)	ETOUSA

C O N F I D E N T I A L

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

Fifth Army Headquarters	FIVEARMY
First Air Service Area Command	AIRSERV
1st Army Group Headquarters, London	USFAG
Force 133, Adv. Hq., ACMF	FOUNDRY
French Command in Corsica	JUPITER
General Headquarters, Mideast	MIDEAST
G-4 (Mov), AFHQ	FREEMOVES
Gibraltar Headquarters	CHIEF GIBRALTAR
Inter-Services Signals Unit No. 6, BNAF	FELLOWSHIP
Island Base Section	IBS
Joint Rearmament Commission	REARMCO
Malta Headquarters	COMMANDETH MALTA
Mediterranean Allied Air Forces	MAAF
Mediterranean Air Transport Service	MATS
Mediterranean Base Section	MBS
Mediterranean Allied Strategical Air Force Headquarters	MASAF
Mediterranean Allied Tactical Air Force Headquarters	MATAF
Moroccan Sea Frontier Forces, Commander	COMOROCCANSEAFRON
North Africa District Headquarters	NADIST
North African Theater of Operations, U.S. Army	NATOUSA
North African Wing, Hq., ATC, Station No. 1, Tunis	NAFWING
Northern Base Section	NORBASE
Number 1 District Headquarters	DISTONE
Number 2 District Headquarters	DISTWO
Number 3 District Headquarters	DISTHREE
Peninsular Base Section	PENBASE
Persia and Iraq Command	PAIC
Philippeville Garrison Headquarters	FILGAR
Planning Groups from Tactical Units at AFHQ	FORTUNE (Units)
Port Commandant, Algiers	ALEMBARK
Port Commandant, Bone	BONEMBARK
Port Commandant, Bougie	BOUGEMBARK
Port Commandant, Naples	NAPBARK
Port Commandant, Philippeville	FILEMBARK
Port Commandant, Sousse	SOUEMBARK
Port Commandant, Tunis	TUNEMBARK
Prisoner of War - Sub-Commission, Italy	POWCOM
Q(Mov), Algiers	ALMOVES
Q(Mov), Constantine	CONMOVES
Q(Mov), Tunisia	TUNMOVES
Services of Supply, Dakar	AMPLIFIER
Services of Supply, European Theater of Operations, United States Army (In UK)	SOSETOUSA
Services of Supply, North African Theater of Operations, United States Army	SOSNATOUSA
SPAX Garrison Headquarters	SFAGAR

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North African Theater [illegible]	NATHING
North African Wing, Hq., ATC, Station No. 1, Tunis	NORBASE
Northern Base Section	DISTONE
Number 1 District Headquarters	DISTWO
Number 2 District Headquarters	DISTHREE
Number 3 District Headquarters	PENBASE
Peninsular Base Section	PAIC
Persia and Iraq Command	FILGAR
Philippeville Garrison Headquarters	FORTUNE (Units)
Planning Groups from Tactical Units at AFHQ	ALEMBARK
Port Commandant, Algiers	BONEMBARK
Port Commandant, Bone	BOUGEMBARK
Port Commandant, Bougie	NAPBARK
Port Commandant, Naples	FILEMBARK
Port Commandant, Philippeville	SOOEMBARK
Port Commandant, Sousse	TUNEMBARK
Port Commandant, Tunis	POWCOM
Prisoner of War - Sub-Commission, Italy	ALMOVES
Q(Mov), Algiers	CONMOVES
Q(Mov), Constantine	TUNMOVES
Q(Mov), Tunisia	AMPLIFIER
Services of Supply, Dakar	
Services of Supply, European Theater of Operations, United States Army (In UK)	SOSETOUSA
Services of Supply, North African Theater of Operations, United States Army	SOSNATOUSA
SFAX Garrison Headquarters	SFAGAR
Seventh Army Headquarters	SEVENARMY
Southeast Asia Command Headquarters, New Delhi	COPIR
Special Forces, AFHQ	FIGLEAF
Tactical Bomb Force Headquarters	TBF
Tripoli District Headquarters	TRIPDIST
Tunis Sub-District Headquarters	TUNSDIST
Tunis Garrison Headquarters	TUNGAR
XII Air Support Command Headquarters	XIIASC
United States Armed Forces, Middle East, Cairo	AMSME
United States Army Forces in Mideast, Headquarters	USAFIME
War Department, Washington, D.C.	AGWAR
War Office, London	TROOPERS
West African Service Command, Headquarters	WASCUSAF

By command of Lieut General MACFARLANE:

L. T. MONTANT, Jr.
2nd Lt, AGD
Adjutant

DISTRIBUTION:
"A" - Modified

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Declassified E.O. 12356 Section 3.3/NND No. 785011

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. SEC.

2153/INFO
12 March 1944

SUBJECT: Request for Planning & Instructional Material

TO : Regional Commissioners
Heads of Subcommissions

1. An urgent request has been received from MGS - AFHQ for 5 sets each of Regional and Sub-Commission planning and instructional Memoranda and other relevant material for training purposes, also for 5 sets orders, regulations and reports.

2. May copies please be forwarded to this office for onward transmitta

NORMAN E. FISKE
Colonel, Cavalry
Deputy Executive Commissioner

6954

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

SECRET.

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control and Military Government Section.

Ref: 311/18/CA. 13th March 1944.

Subject: Black Market.

To : Regional Commissioners,
Regions I, II, III, IV, V, VI, VIII, IX.
S.C.A.O., AFG, 5 Army.
S.C.A.O., A G, 8 Army.

1. The black market continues to flourish and criticisms, mostly unfounded, are levelled against the A.C.C. both in the United States and in the United Kingdom and in the Press of this country, for its continuance.

2. Much has been done by Regional staffs to check this practice. The collusion of members of Allied troops in the black market adds to administrative difficulties. Enclosed is a copy of a letter addressed to H.Q., A.C.M.F. on this subject.

3. The Chief Commissioner wishes Regional Commissioners to increase their efforts to check the black market. In his opinion one of the best ways to do this is to secure conviction of one of the main leaders in any Region. Probably the only method of doing this is to insinuate agents into the black market organisation. No expense should be spared in a concentrated effort to secure conviction of leading black marketeers in the near future. Regional Commissioners with their Public Safety staffs should turn their attention to this matter without delay.

Brigadier,
Executive Commissioner.

MSL/JG.

Copy to: Admin Section.
Economic Section.

6953

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

SECRET.

HEADQUARTERS,
ALLIED CONTROL COMMISSION
APO 394

Regional Control and Military Government Section.

Ref: 311/17/CA. 13th March 1944.

Subject: Black Market Operations.

To : Headquarters, A.C.M.F.

1. It is well known that the black market flourishes in Italy and constant references are made to its evils in the United States, the United Kingdom and in the Press of this country. Very naturally, those responsible for civil administration bear the brunt of the criticism in connection with this evil.

2. Steps have been taken to combat this black market since the occupation. They have been intensified recently. The objective is to discover some of the principal actors in this theatre and see that they are rigorously punished.

3. Although the prime movers are civilians there is not the slightest doubt that troops play a very heavy part in the operations of the black market. In one day no less than 14 military lorries, some British, some American, were stopped on the roads emanating from Foggia and were found to contain civilian foodstuffs. These were being taken from Foggia and the neighbourhood in the direction of Naples and other towns. The fee is 25,000 lire and as often as not a woman is thrown in.

4. If the transportation of black market produce by military transport could be stopped a very large percentage of the black market would drop away. The temptation to the troops is immense and the malpractice, which is very common, could, it would appear, only be stopped by drastic steps on the part of the military police and rigorous punishment of offenders when caught.

5. The Chief Commissioner would be grateful if action could be taken on these lines and if unit commanders could be told of the evil effects, not only on the civil population but on the troops themselves, of these practices and they could be instructed to impose very heavy sentences on offenders.

M S Smith

Brigadier,
Executive Commissioner.

MSL/JG.

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

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

CONFIDENTIAL

Ref/314/19/CA.

12 March 1944.

SUBJECT: Arrest of Civilians.

TO	: R.C. Region	I	(15)
	"	II	(12)
	"	III	(6)
	"	IV	(9)
	"	V	(4)
	"	VI	(4)
	"	VIII	(2)
	S.C.A.O. 5	Army	(4)
	" 8	Army	(4)

Attached is copy of letter issued by H.Q. ACMF reference ACMF/1401/7/G(Ib) of 2 March 44, forwarded for information and continued cooperation, especially in view of the second part of para.1.

for, NORMAN E. FISKE
Colonel, Cavalry,
Deputy Executive
Commissioner.

6951

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

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control and Military Government Section.
++

Ref: 316/16/CA. 12th March 1944.

SUBJECT: Control of Movement.

TO : Regional Commissioner,
Regions I, II, III, IV, V, VI, VIII, IX.
SCAO., AMG 5 Army.
SCAO., AMG 8 Army.

1. As agreed at the Regional Commissioners' meeting held on 4th March, 1944, restriction on the movement of civilians in AMG territory should be lifted with the exception of Army and Corps areas and the Province of FOGGIA (Region V).

2. This conforms with the freedom of movement already applicable in unoccupied Italy.

3. The movement of motor vehicles between Regions will continue to be regulated by arrangements to be made by the Regional Commissioners concerned. Where passes are deemed necessary these should be made valid for journeys to specific destinations where they should be collected by the authority concerned and a new pass for the return journey issued. This should act as a check on attempted black market operations and all loaded trucks and other vehicles should be subjected to a rigorous police examination.

MSL/JG.

Brigadier,
Executive Commissioner.

Copy to: HQ. A.C.M.F.
HQ. No.1 District.
HQ. No.2 District.
HQ. No.3 District.
Public Safety Sub-Commission.

6950

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

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control and Military Government Section.

Ref: 319/3/CA. 12th March 1944.

Subject: Theft of Electrical Conductor and material.

To : Regional Commissioners,
Regions I, II, III, IV, V, VI, VIII, IX.
S.C.A.O., AMG, 5 Army.
S.C.A.O., AMG, 8 Army.

1. The Chairman of the Central Electrical Board, A.C.M.F. has brought to the attention of the Chief Commissioner the increasing incidence of theft of transmission line, conductor and other electrical material connected with electrical supply.

2. These incidents are seriously interfering with the war effort and unless they are stopped the supply of power for military and essential civilian requirements will be seriously curtailed and the transmission of power to Rome and the North prevented in the future. Cases of theft are particularly bad from the transmission line Frattamaggiore-Liri in the vicinity of Villa Literno and Cellole Crocella.

3. Regional Commissioners will take immediate action to prevent these incidents. Directions or advice should be given to the CC.RR and the courts in order to ensure that rigourous punishment is meted out to convicted offenders. The question of collective punishment should be considered and everything possible should be done to bring this type of theft to an end.

Brigadier,
Executive Commissioner.

MSL/JG.

Copy to: HQ. A.C.M.F.
HQ. No.1 District
HQ. No.2 District
HQ. No.3 District
Central Electrical Board, A.C.M.F.

6949

C O P Y

Subject: Arrest of Civilians: Co-operation between Security/ Counter-Intelligence Organisation and A.C.C.

Headquarters,
Allied Central Mediterranean Force

Br. CONFIDENTIAL = U.S. CONFIDENTIAL

ACMF/1401/7/G(Ib)

2 Mar 44

Fifth Army.
Eighth Army.
1 District.
2 District.
3 District.
P.B.S.
I.B.S.

1. Throughout our operations in SICILY and ITALY, emphasis has been laid on the need for I(b)/C.I. staffs and F.S./C.I.C. personnel to work in the closest co-operation with A.M.G. in all matters involving security action affecting civilians, particularly civil officials.

In general, this co-operation has been achieved with satisfactory results, both parties being usually ready to appreciate the interests or point of view of the other.

2. Such co-operation is of special importance in territory administered by the Italian Government, where political considerations are of greater significance, and where the authority and prestige of the Italian Government and administration should be respected as far as possible.

Except in cases of emergency, therefore, where the need for speedy action is the overriding factor, the Regional or Provincial Commissioner should be consulted before an Italian official is arrested on security grounds or any Italian civilian is interned in territory under Italian administration.

If urgency prevents such prior consultation, the Commissioner concerned should be informed of the action taken as soon as possible thereafter.

If a case were to arise in which the security authority and the Commissioner could not agree on the proposed action, the matter should be referred, if circumstances permit, to this H.Q. and to H.Q. A.C.C. for decision.

This does NOT refer to cases where Italian civilians, other than officials, are charged with security offences.

Declassified E.O. 12356 Section 3.3/NND No. 785011

I.F.S.

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If urgency prevents such prior consultation, the Commissioner concerned should be informed of the action taken as soon as possible thereafter.

If a case were to arise in which the security authority and the Commissioner could not agree on the proposed action, the matter should be referred, if circumstances permit, to this H.Q. and to H.Q. A.C.C. for decision.

This does NOT refer to cases where Italian civilians, other than officials, are charged with security offences.

3. The above principles should normally be applied also in the Regions under Allied Military Government, excluding Fifth and Eighth Army areas.

4. In the Army areas the present policy will continue to be followed, whereby security/counter-intelligence agencies are instructed to keep the local Civil Affairs Officer informed of all security action taken affecting local civilians, particularly as regards arrests, and, wherever possible, to consult the local Civil Affairs Officer before the arrest of a civil official. 6948

5. In territory administered by the Italian Government, security arrests should be effected, whenever possible, through the Italian authorities.

(Signed) ????????
For Lieut.General,
Chief of General Staff.

Copy to: SARDINIA Garrison.
G-2, A.F.H.Q.
Executive Commissioner, A.C.C.
16 F.S. Section.

Declassified E.O. 12356 Section 3.3/NND No. 789011

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

Ref/127/41/CA

11 March 1944.

SUBJECT: Civil Post Office Services.

TO : All Sub-Commissions
Regional Commissioners
SCAO's, 5th & 8th Armies.

The following has been prepared by Telecommunications and Posts Sub-Commission for the information of all concerned:

SUMMARY
OF
CIVIL POST OFFICE SERVICES
available to the Public (excluding military personnel)
as at 1st March, 1944.

(a) Internal

1. MAILS.

Letters and postcards collection and delivery in and between liberated Italy+, Sicily and Sardinia (registered letters, packets and parcels NOT accepted).

Postage Rates (as in operation prior to occupation).

	For delivery in town of posting	For delivery outside town of posting
Postcards	15 centesimi	30 centesimi
Letters (for each 15 gms)	25 "	50 "

Present Maximum Weight Limits for Posting.

In Italy and Sardinia: 20 gms

Declassified E.O. 12356 Section 3.3/NND No. T85011

available to the Public (excluding military personnel)
as at 1st March, 1944

(a) Internal

1. MAILS.

Letters and postcards collection and delivery in and between liberated Italy+, Sicily and Sardinia (registered letters, packets and parcels NOT accepted).

Postage Rates (as in operation prior to occupation).

	For delivery in town of posting	For delivery outside town of posting
Postcards	15 centesimi	30 centesimi
Letters (for each 15 gms)	25 "	50 "

Present Maximum Weight Limits for Posting.

In Italy and Sardinia: 90 gms
In Sicily : 210 gms

Postage Stamps to be used.

Italy and Sardinia : Italian only (AMG stamps may be used later if necessary)
Sicily : AMG only (special print).

6947

+ Region II and Salerno Province (Avellino, and part of Naples and Benevento Provinces to be added shortly).

(b) Foreign

(i) Civil. - Between all the territories in which the internal service operates and all Allied and neutral countries other than those occupied by the enemy.

Declassified E.O. 12356 Section 3.3/NND No. 789011

Postage Rates.

Postcards	:	1.50 lire
Letters	:	Up to 20 gms : 2.50 lire
	:	20-40 gms (maximum weight) 4 lire

Postage Stamps. - As for internal mails.

DETAILED REGULATIONS, INCLUDING CENSORSHIP RESTRICTIONS, ARE ON EXHIBITION IN ALL POST OFFICES.

(ii) Prisoners of War.

Letters and postcards, free of postage, for Prisoners of War in both Allied and Enemy hands.

(iii) International Red Cross Messages.

Agencies are established in Naples, Palermo and Cagliari. A limited service now operating will shortly be made available in all the liberated area. Details will be published by the International Red Cross Committee.

2. FINANCIAL SERVICES.

In the postal delivery area: - Post Office Savings Bank, Postal Bonds, Postal Money Orders.

The Post Office Current Account banking service is in operation to a limited extent.

W. P. Fiske (N.E.F.)

for NORMAN E. FISKE,
Colonel, Cavalry,
Deputy Executive
Commissioner.

DISTRIBUTION:
Chief Commissioner
Deputy Chief Commissioner
Secretary General to Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 759011

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The Post Office Current Account banking service is in operation to a limited extent.

for NORMAN E. FISKE,
Colonel, Cavalry,
Deputy Executive
Commissioner.

DISTRIBUTION:
Chief Commissioner
Deputy Chief Commissioner
Secretary General to Chief Commissioner
Administrative Section 10
Economic Section 12
PW & Displaced Persons Sub-Commission
Italian Refugees Branch
Security Branch
Information Branch
Establishment Branch
Political Section
Navy
Land Forces
Air Forces
Telecommunications & Posts Sub-Commission 10
War Material Disposal
Public Relations Officer
Liaison Section HQ AGMF
Regions I, II, III, IV, V, VI, VIII, IX.
SCAO 5th Army
SCAO 8th Army

Declassified E.O. 12356 Section 3.3/NND No. 785011

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control and Military Government Section.
++

Ref: 160/8/CA. 8th March 1944.

SUBJECT: Interior Administration (Italian Government).

TO : Regional Commissioners,
Regions I, II, III, IV, V, VI, VIII, IX.
S.C.A.O., AMG, 5 Army.
S.C.A.O., AMG, 8 Army.

A. Interior Administration (Italian Government).

1. The Interior Sub-Commission advises the Italian Ministry of the Interior on local government. It also advises the Chief Commissioner on local government in territory under A.M.G.

2. The primary duty of Regional and Provincial Commissioners and their officers is to ensure that local government is carried out by the local Italian administrative officials in all its aspects.

3. It is therefore necessary that Regional Commissioners and their staffs should be in the closest contact with the Interior Sub-Commission, and should know the policy to be adopted with regard to local government throughout liberated territory.

4. In order to ensure that this contact is initiated and that Provincial officers have full knowledge of the intricacies of Italian local government, Regional Commissioners will attach one officer at a time to the Interior Sub-Commission for a period of two weeks. Upon completion of this temporary duty the officer will return to his permanent station, his place being taken by another officer for a similar period. The detail of these officers will continue until further notice.

5. The first batch of officers detailed should report to the Executive Commissioner at 1430 hours on 15th March, this Headquarters to be advised of names of officers by letter.

Declassified E.O. 12356 Section 3.3/NND No. 785011

the Interior on local government. It also advises the Chief Commissioner on local government in territory under A.M.G.

2. The primary duty of Regional and Provincial Commissioners and their officers is to ensure that local government is carried out by the local Italian administrative officials in all its aspects.

3. It is therefore necessary that Regional Commissioners and their staffs should be in the closest contact with the Interior Sub-Commission, and should know the policy to be adopted with regard to local government throughout liberated territory.

4. In order to ensure that this contact is initiated and that Provincial officers have full knowledge of the intricacies of Italian local government, Regional Commissioners will attach one officer at a time to the Interior Sub-Commission for a period of two weeks. Upon completion of this temporary duty the officer will return to his permanent station, his place being taken by another officer for a similar period. The detail of these officers will continue until further notice.

5. The first batch of officers detailed should report to the Executive Commissioner at 1430 hours on 15th March, this Headquarters to be advised of names of officers by letter.

B. Reports and Communications.

6. It is important that the Administrative Section, of which the Interior Sub-Commission is part, should be fully informed of conditions in Regions. Regional Commissioners will therefore send duplicate copies of their reports to the R.C. & M.G. Section, who will forward them to the Administrative Section. There is no objection to Regional Commissioners repeating to the Administrative Section direct, ad hoc reports, either telegraphic or written, on important incidents which may affect administration, the originals of which will be sent to the R.C. & M.G. Section.

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7. Provincial Officers may also communicate through the Regional Commissioners with that Sub-Commission on any technical matters of local government which may be of interest to the Head of the Sub-Commission.

8. Members of the Interior Sub-Commission and other Sub-Commissions of the Administrative Section will visit the Regions from time to time, and Regional and Provincial Commissioners will be given all the facilities of information which they may require.

H.S. [illegible]
Brigadier,
Executive Commissioner.

Copy to: Vice Chief of Staff, Admin Section (2) - includes

Declassified E.O. 12356 Section 3.3/NND No. 785011

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.

Regional Control & Military Government Section.
++

Ref: 283/42/CA. 5th March 1944.

SUBJECT: Allied Military Courts in Unoccupied Territory.

TO : Regional Commissioner, Regions I, II, III & VI.

1. On the handing back to the Italian Government of territory now occupied by the Allied Forces, General, Superior and Summary Military Court will cease to function except to deal with pending cases. Offences against the Allied Forces created by Proclamations and Orders will no longer exist as such.

2. The Allied Forces have reserved to themselves the right to hold military courts in unoccupied territory including the four provinces of Apulia and Sardinia, for the trial of acts hostile to the Allied Forces. An extract from the decree conferring this power upon Allied Courts is appended hereto as Appendix "A". Such Courts will try only cases of a serious nature such as would normally have been brought before a General Military Court during occupation.

3. Where cases of this nature are alleged to have occurred it will be the duty of the Regional Commissioner to have the facts investigated and if he considers that trial by an Allied Military, as opposed to an Italian civil court, is necessary he will so report to H.Q., A.C.C. with a request that a Military Court be appointed.

4. All such courts will be convened only by order of H.Q., A.C.C. and as appears from the decree will punish offenders in accordance with the Italian Codes, but will follow their own procedure.

(a) In view of these facts all charges will be framed under the Italian codes by H.Q., A.C.C. and, therefore, it is essential that in requesting a Military Court pursuant to paragraph 3 hereof, full and complete facts be supplied in order that the charges may be properly framed.

(b) Normally a member of the Department of Special Prosecutions will undertake the prosecution.

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(b) Normally a member of the Department of Special Prosecutions will undertake the prosecution.

(c) Where it transpires in the course of hearing that there is established against the accused (i) any other fact constituting an offence not expressed in the charge, or (ii) evidence of aggravating circumstances (Art. 61, Penal Code) not mentioned in the citation or charge, then on such question being raised by the President or submitted by the Prosecutor, the accused may apply for an adjournment of not less than 5 days to prepare his defence (ref. 444, 445 and 446 Code Penal Procedure).

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If the accused does not ask for time, the offence in question or the aggravating circumstances are forthwith to be included in the charge and the trial proceeded with.

A note of compliance with these rules of procedure must appear on the record.

(d) The procedure to be followed will be the same as the procedure in a General Military Court in occupied territory, except, of course, that all sentences will be imposed in accordance with the applicable Penal Code.

(e) Reviews and appeals are dealt with in paras. 7, 8 and 9 below.

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5. Where a Regional Commissioner requests that a military court shall be appointed, his request will also specify the names of officers available to sit on the court (a court will normally consist of not fewer than 3 officers), the interpreter, the officer to act as prosecuting officer in case none is available from the Department of Special Prosecutions, and the officer to act for the defence in the event of the accused not being represented by an advocate.

6. Every accused will be defended by a legal representative. Where the financial position of the accused does not permit him to engage the service of a legal representative on his own account, arrangements should be made by the Regional Commissioner for the provision of a legal representative in accordance with the provisions of the Italian Code of Penal Procedure (Article 128) and of the Rules of Penal Procedure contained in the Decree No.602 of 28.May.1931 (Article 3 et seq). This procedure provides that in such cases nomination of defending counsel shall be made forthwith and in conformity with the competent Italian jurisdiction for each case by one of the following judicial officials:

(a) an examining magistrate (giudice istruttore);
(b) the public Minister (procuratore del Re or procuratore generale);
(c) president of a tribunal (presidente di trinbunale);
(d) the practor (pretore).

The several jurisdictions of Italian courts being determined by somewhat complicated rules, applications should be addressed in the first instance to the practor of the local court or to a procurator of a tribunal, whichever is the most expeditious or convenient, so that this official may determine the proper functionary having the power to take immediate action in each instance. The advocates or defense procurators, as the case may be, who are nominated under these rules, are obliged to appear for the accused, and are selected for this purpose from an official roll established locally at the seat of each Tribunal. If no such arrangements can be made, the accused must be defended by an Allied officer.

7. Any person convicted by a Military Court may, within 30 days of the imposition of sentence, file with the Regional Commissioner a petition addressed to the Chief Commissioner, H.Q., A.C.C. submitting reasons why the conviction should be set aside or the sentence modified.

8. Where a petition is so filed, the petition together with the record of the case shall be forwarded by the Regional Commissioner to H.Q. A.C.C. for review. Where no such petition is filed the record of the case shall at the expiration of 30 days from the imposition of sentence be transmitted to H.Q. A.C.C. for review.

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9. In any case in which sentence of death is imposed whether a petition is filed or not, the record of the case at the expiration of the 30 days or on filing of a petition, whichever shall be sooner, shall be forwarded by the Regional Commissioner to H.Q. A.C.C. for confirmation of such sentence by the Chief Commissioner.

10. The above directive does not apply in any area which has been declared a military zone. If any area is hereafter declared to be a military zone further instructions will be issued for that area concerning the holding of Allied Military Courts.

M. S. Lush.

M. S. LUSH,
Brigadier,
Executive Commissioner.

Copy to: Regional Commissioner, Regions IV and V.
H.Q., A.C.M.F.
H.Q., No.1 District
H.Q., No.2 District
H.Q., No.3 District
Legal Sub-Commission (3)

Declassified E.O. 12356 Section 3.3/NND No. 780011

Appendix "A" to 283/42/CA
dated 5th March 1944.

Article 3 of Royal Decree Law No. 31,
11th February 1944.

Whoever within the liberated Italian territory commits a hostile act or crime against property to the prejudice of the Allied Military Forces or of any member thereof or of any functionary, representative or agent of United Nations, or whoever takes part in seditious manifestations against the Allied Forces or commits any act which in whatever way may hamper the war effort or help the enemy, shall be punishable under Italian penal law and shall be tried in Allied Military Courts according to their own procedure.

In the case contemplated by the preceding paragraph 1 any member of the Allied Armed Forces can effect the arrest of any person who may be reasonably believed to be implicated in acts herein above contemplated, except where an Italian officer or high government official is concerned, in which case the Italian Government or the appropriate superior local authority will be requested to co-operate in the premises to the extent necessary.

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

RESTRICTED

HEADQUARTERS ALLIED CONTROL COMMISSION
APO 394

MONTHLY CONFERENCE 5 MARCH 1944

The Conference was opened by the Chief Commissioner, Lieutenant General Sir Noel Mason MacFarlane at 1100 hours. General MacFarlane summarized the present situation as follows:

1. Move of the Italian Government to the Salerno Area has been completed.

2. The organization of the Allied Control Commission has reached finality.

3. The regions have been altered recently. Salerno Province has been returned to Region 3, and Region 4 now has a sub-region which will deal with Rome working under AMG 5th Army when Rome is reached and so long as Rome comes within 5th Army Area.

4. There has been a reorganization in the Sub-Commissions. The independent Sub-Commissions now are:

a. Telecommunications
b. Army
c. Navy
d. Air
e. War Material Disposal

Allied prisoners of war are now dealt with directly by ACMF.

5. The Public Relations Branch will now be centralized at Main Headquarters, and PROs will go out into the regions only as required.

6. Close contact has been established between ACC PWB and ACMF.

7. The loss of personnel, officer and enlisted, has been a severe blow, which must be faced. There is a ceiling to the allowable personnel and it is final. It is up to ACC to shift the burden to the Italians as rapidly as they can assume it efficiently in order to place Allied personnel where they can be most useful.

8. Typhus control was taken over by ACC from the Typhus Commission as from 20 February.

9. The Italian Government is now a government of ministers, rather than a government of secretaries.

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d. Air
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9. The Italian Government is now a government of ministers, rather than a government of secretaries.

10. General Gazzera will deal with ACC in regard to PW. The Comando Supremo under General Messe would not deal with the service Sub-Commissions, but only with matters on a high level with the Chief Commissioner. All military matters at a lower level will be handled by Brigadier Duchesne at Lecce with General Orlando, Minister of War, and General Berardi, Chief of Staff.

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(G.O.C-in-C, General Sir Harold Alexander, arrived at conference at 1113.)

11. The fusion of ACC and AMG has opened possibilities which are not fully realized by many, especially in the field, and there is a noticeable tendency not to make use of these advantages. It is important that there be a coherent chain of policy from the time AMG first takes over at the time of occupation to the time when ACC follows in its advisory capacity. As and when the Italian Government takes over, there must be an immediate reduction of Allied personnel who will move to new regions.

12. The question of promotions for American officers is being given all the attention possible.

13. Our main job is to get the maximum in war effort from Italy. AMG penetrates new ground, after which the Italian machine must be made to function under our supervision, and as soon as possible the Italians must run the job themselves with the minimum supervision.

14. The problem of defascistization continually looms up, and there are still

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many people in official positions who have fascist records. This has been necessary for the smooth running of the country. It is desired to replace these individuals as soon as possible, and for this purpose an understudy is necessary who can be trained to take over the position.

15. The food and refugee problems are still important. A large influx of refugees from the Balkans contributed greatly to this. The Red Cross has given admirable assistance. The Chief Commissioner has asked for more Red Cross personnel to work with refugees.

The only real answer to the "black market" situation, which is common to all countries, is to procure adequate supplies.

16. Executive control has been established through the Executive Commissioner and his section. The Chief Commissioner pointed out that the Sub-Commissions may and should deal with their own representatives in regions and provinces, but their instructions should go through the Regional Commissioners.

17. Political situation.

The policy of the Allied Governments was for the ACC to collaborate with whatever government is in power in order to get the best war effort out of the country. Anything which may impede the war effort must be stopped. At present there is a strong opposition which has no constitutional method of articulation. ACC is keeping in close contact with this opposition giving it every opportunity to present its case to the Allied Governments, who are kept fully informed of the political situation.

The problems at present in the political field can be summed up as follows: (1) there is an intense feeling against the King; (2) the arrival in Rome is not on schedule, and (3) it is unfortunate that the opposition parties were able to organize the proposed ten minute stoppage of work. It is thought this latter problem will be settled amicably.

Political tension and excitement of any sort which would interfere with the smooth running of the government and the war effort should be avoided.

I. REPORTS BY REGIONAL CONTROL AND MILITARY GOVERNMENT SECTION.

A. Regional Commissioner, Region I, Sicily. Lt. Col. A. N. Hancock.

1. Good will has been maintained in the Region. A civil upheaval was threatened by government officials at the time of the changeover, because of objection to the Badoglio Government. These officials were advised to remain in office at least until Rome is reached. These recommendations were accepted as orders.

2. Trouble threatened by electric workers was ironed out without diffi-

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2. Trouble threatened by electric workers was ironed out without difficulty by ACC. Managers are asking for increase in rates.

3. One serious situation arose when coal was removed from the South side of the Island for operational purposes, leaving trains without fuel.

4. Satisfactory relations exist with Army and Navy.

5. There was an unexpected arrival of refugees, but they were taken care of by Italians.

B. Regional Commissioner, Region II (Southern Italy), Lt. Col. G. H. McCaffrey.

1. There was no friction or disorder at the time of changeover.

2. The food situation has improved.

3. Crime is down 25% from normal.

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4. Courts in Apulia are unsatisfactory. There have been very few prosecutions against people committing crimes against the Allies.

5. Road haulage is a difficult problem because of lack of trucks and the fact that 1001 GT Coy was handed over with 60 unserviceable trucks. An attempt is being made to get Italians to shoulder more of the responsibility for this transportation.

6. The power situation is not satisfactory.

7. Reduction in personnel has created difficulties.

8. Obstacles have been encountered in moving Headquarters from Matera to Bari. Assistance will be needed from higher authority in order to get suitable accommodations and assistance.

C. Regional Commissioner, Region VI (Sardinia), Brigadier P. K. Dunlop.

1. This region never passed through the AMG stage.

2. The population of Sardinia is just over a million. It is wholely an agricultural and pastoral community. The villages are crowded with Italian soldiers. It is a very malarious region. We must get the Italian soldiers away from the Island before malaria season, or move them to the hills in bivouac if necessary.

3. The political situation is satisfactory.

4. The food situation is now well in hand. A shortage exists of olive oil and sugar. The American Army assumed the feeding of Italian Army on 26 February. Good crops appear to be in prospect.

5. There is much salt and cork ready for export and a little has already been shipped. Island trade with Sicily has been hampered by the Navy's taking over schooners.

6. Prices of consumer goods are going up.

7. There is no refugee problem at present. When there is, it will be principally a shipping problem.

8. Mr. Grady added the comment on Sardinia that fishing and canning will soon get underway.

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D. Regional Commissioner, Region III (Campania), Lt. Col. C. Poletti.

1. The transfer of Salerno Province to this region may cause difficulty in administration.

2. Benevento and Avellino have been visited. Much progress has been made and conditions on the whole in the region are good. 6942

3. Public order in Naples is not very good. The crime rate is high. Some of the Carabinieri scheduled for Rome have been put on duty in Naples to help in dealing with this problem.

4. A squad of 100 trained men is dealing with the black market problem.

5. A public utility strike threat for higher wages and more food was quelled successfully.

6. On the political side there is the opposition to the King and a similar feeling toward the Badoglio Government. There is a feeling that the Fascists are not being cleaned out fast enough.

7. A primary difficulty in connection with the food problem is that there are too many restrictions on free movement of commerce, which curbs individual in-

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tiative. It is desired to relax these restrictions if possible.

People are desirous of having a pasta ration in addition to bread. If necessary it would even be satisfactory to reduce the bread ration if a 42 gram pasta ration could be added.

The special rations which have been given by the services to certain groups doing hard labor have brought complaints from other groups. This will have to be ironed out.

8. Regarding crops, the people are asking which products are going to be amassed under the "Amasso System."

9. A special division has been formed for transport. It is planned to begin garbage hauling and cleaning up the debris in Naples.

10. The courts are clogged at present, both Army and Italian.

11. People are asking for a revision of pensions. (General MacFarlane advised that this was being handled by the Finance Sub-Commission.)

12. Relations with PBS have improved.

13. The prostitute situation is being cleared up. Medical treatment is being administered. Prosecutions are being sought. More stringent legislation is recommended to curb this menace.

E. Regional Commissioner, Region V (Foggia and Campobasso), Colonel F. L. Whitley.

1. Headquarters were opened in Campobasso on 15 February.

2. The Region Headquarters is extremely short of personnel, having only 4 clerks. Request the return of personnel which are out on loan to Colonel Kirkwood.

3. The political situation is very good. It is desired to remedy the Bari radio situation, as there have been numerous criticisms by the Italians of the promises made over this station.

4. Supply situation is generally good. The lack of transportation is the principal difficulty. Supply for only one or two days can be amassed in an area, but no commune has been isolated for more than one day in spite of difficulties. The main roads are all open. In this, the Italians are doing a good piece of work.

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5. The health situation is good, except in Foggia. There is not enough health personnel and no medical officer assigned. The sewage system in Foggia is very bad. Lack of transport and labor difficulty hindered the getting rid of sewage. This latter item has been overcome. The venereal rate is up. No typhus has been reported.

6. This is principally an agricultural area and planting is progressing.

7. Public safety is generally good: crime consists mostly of minor offenses.

8. Education has not been taken up so far.

9. There have been no developments in property control.

10. Legal matters are satisfactory.

11. The greatest problem is black market dealings. A roving patrol is clamping down on this matter. CAOs of other regions have been giving authority to enter Foggia to buy supplies, which has added to the problem in the region.

12. The fuel situation is not serious; there is enough wood for cooking.

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13. The salt situation is now satisfactory, but during the Fall when meat is cured, this will become a problem.

14. General MacFarlane asked when the Regional Commissioner would advise handing over this territory and Region III to the Italians. The Regional Commissioner believed it would be better to keep the region as a military area due to Air Force requirements until all of Italy is liberated.

Colonel Poletti, Region III, stated that he thought it inadvisable to transfer his region at the present time. He believed that handing back the rest of Campania should be deferred until Rome is reached.

F. Eighth Army AMG, Gp. Capt. C. E. Benson.

1. The problem of feeding the Southern part of Campobasso Area could be handled better from the Naples Area.

2. Refugees are a real problem.

3. No typhus has been reported. One small outbreak of typhoid is now under control.

4. There is a question of charging for electric power.

5. Public safety. A close check must be maintained on movements of civilians. Policemen are needed and it would be helpful if some could be borrowed from those reserved for Rome. It is desired that the movement of civilians into Campobasso be stopped.

6. There is no industry in this region, it is almost entirely agricultural. Such industry as there was is located too close to the battle area.

7. 10,000 to 12,000 civilians are working on road construction.

8. No repercussions were caused by the hand over of territory.

9. In regard to finance, banks are being opened up as quickly as possible, and as far forward as possible.

10. Legal and political situations are satisfactory.

The G.O.C-in-C, General Sir Harold Alexander, was introduced by the Chief Commissioner. General Alexander expressed his [illegible]

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The G.O.C-in-C, General Sir Harold Alexander, was introduced by the Chief Commissioner. General Alexander expressed his pleasure at being present at the conference and assured all of his great interest in the Commission's work. He extended his appreciation for the cooperation he had been receiving and the progress which has been made by the Commission.

The conference adjourned and reopened at 1430 hours.

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G. Fifth Army AMG, Brigadier General E. E. Hume.

1. The chief problems are personnel and transportation. The organization has expanded, but personnel have been cut. French speaking officers are needed for liaison with the French Expeditionary Corps.

2. Transportation complicates the food problem.

3. Agriculture is progressing satisfactorily.

4. On the legal side, the principal difficulty lies in dealing with diverse types of troops.

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5. Military arrangements in regard to bridges get priority which sometimes cause civilians to suffer. The Engineers have been very cooperative in this matter.

6. With reference to transfer of territory, Region 3 overlaps the boundaries of the 5th Army, thus coming under the Army Commander as far as territory is concerned.

7. Rome. Carabinieri force already organized is to be taken along. It would be fine to have them work somewhere for the present, but they must not be dispersed, as there are no more to be recruited.

The Rome black market team is now getting training in Naples.

Transportation to Rome will be a big problem. There is none available at present.

H. Refugee Branch (Italians), Lt. Col. L. R. Hulls.

1. It has been endeavoured to keep people from becoming refugees by starting at the front and encouraging them and helping them to stay where they are if possible. When they must be evacuated South, it is done as rapidly and humanely as possible. Lack of transportation has made transit camps necessary. Feeding refugees in transit is difficult. Communications difficulties often prevent word getting through to the areas receiving shipments.

2. 50,000 people have been evacuated to date, 10,000 of these during February. The evacuation of 1,000 per day is necessary in order to keep battle zones and forward lines of communication clear. It will be necessary to absorb still larger numbers in the future. It is best to keep them on the Mainland in order to minimize the shipping problem. The Italians are helping by providing military personnel to run camps.

3. The problem of dispersion is important. Improvement is necessary. Households should be obliged to take refugees. They cannot continue to be thrown together in bunches to look after themselves to the degree in which they have been in the past.

4. General MacFarlane inquired as to the assistance given by the Red Cross. Colonel Hulls replied that they have been giving good cooperation.

I. Displaced Persons Sub-Commission, Colonel Kirkwood.

Declassified E.O. 12356 Section 3.3/NND No. 785011

1. It has been endeavoured to keep people from becoming refugees by starting at the front and encouraging them and helping them to stay where they are if possible. When they must be evacuated South, it is done as rapidly and humanely as possible. Lack of transportation has made transit camps necessary. Feeding refugees in transit is difficult. Communications difficulties often prevent word getting through to the areas receiving shipments.

2. 50,000 people have been evacuated to date, 10,000 of these during February. The evacuation of 1,000 per day is necessary in order to keep battle zones and forward lines of communication clear. It will be necessary to absorb still larger numbers in the future. It is best to keep them on the Mainland in order to minimize the shipping problem. The Italians are helping by providing military personnel to run camps.

3. The problem of dispersion is important. Improvement is necessary. Households should be obliged to take refugees. They cannot continue to be thrown together in bunches to look after themselves to the degree in which they have been in the past.

4. General MacFarlane inquired as to the assistance given by the Red Cross. Colonel Hulls replied that they have been giving good cooperation.

I. Displaced Persons Sub-Commission, Colonel Kirkwood.

1. The biggest problem is Yugoslav refugees which were not originally taken into the plans.

2. This job is a continuous one requiring much personnel. The constant changing of personnel has been a great hindrance.

3. There are 9 camps and 2 hospitals at present. 15,000 have been received plus 1000 more on 3 March. 11 000 displaced persons have been shipped. Small groups are continually appearing all over Italy. At present no difficulty is being experienced in caring for these.

4. Only two cases of typhus have been encountered and these were not in ACC camps. Many people are ill. They all require instruction in sanitation and disinfestation.

5. Request is made that CAOs be instructed not to give passes to internees. Passes will be given by camp commandants.

6. People who wish to go out into the community to live must have permission from the Provincial Commissioner, as well as the camp commandant.

RESTRICTED

Declassified E.O. 12356 Section 3.3/NND No. 785014

7. The matter of food payments must be settled with Regional Commissioner.

8. General MacFarlane asked Colonels Kirkwood and Hulls whether the Yugoslavs and other refugees were doing their own cooking and looking after their own sanitary problems. The reply was that they were not doing much for themselves.

The question was brought up regarding recruiting of Displaced Persons. General MacFarlane stated that Yugoslavs were not to be recruited from the Italian Army.

J. Executive Commissioner, Brigadier M. S. Lush.

1. The heads of Sub-Commissions are to keep the Regional Commissioners well informed.

2. With reference to personnel, by the end of March we shall have a stationary ceiling of 1222 officers, 611 each British and American.

It is desired that an effort be made to get more men into the field and less at Headquarters.

The Security Branch is now taking over much of the work done by field security officers.

3. Brigadier Lush suggested that "Allied Control Commission" be the name for all of ACC/AMG activities. General MacFarlane said that he would give this matter consideration.

II. REPORTS BY ADMINISTRATIVE SECTION.

A. Interior Sub-Commission, Lt. Col. R. G. B. Spicer.

1. There have been conferences with the Minister of Interior and his staff. Liaison is good. There is an objectionable tendency on the part of the Ministry to remove Prefects and officials appointed by AMG, generally because the Minister feels that the appointees are too junior in rank.

2. A survey of Apulia in regard to local government and officials has been made.

3. Local government has flourished in Region 1. It is desired to establish more uniformity throughout the Regions.

B. Public Safety Sub-Commission, Colonel P. C. Kirk.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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B. Public Safety Sub-Commission, Colonel P. C. Kirk.

1. Public safety must now be conducted on a decentralized basis due to lack of personnel and communications.

2. Visits have been made and will continue to be made to the field.

3. There is a need for more police. 6940

4. Clothing and equipment have been handled through military channels.

5. Licensing and registration of motor vehicles is being dealt with in Regions I to V.

6. General MacFarlane asked whether it would be better to have the Public Safety work more centralized. The answer to this query was "yes and No." Some of the activities could be better directed centrally, some could not. A short discussion followed regarding the centralization of control.

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C. Public Health Sub-Commission, Brigadier C. S. Parkinson.

1. Responsibility for typhus control was handed over to ACC by the Typhus Control Commission. There have been between 1400 and 1500 cases. At present there are 700 engaged in the control of the disease. The shortage of soap is a great handicap. If caustic soda could be imported it would be possible to manufacture soap here. A meeting of the Typhus Board brought up the question of relaxation of restrictions on troops. This will be reconsidered at next meeting during coming week.

2. Venereal disease. There is the problem of what to do with prostitutes. 450 are hospitalized at the present moment. Concentration camps have been suggested. A revision of laws and their exact enforcement are needed.

3. Malaria. This Sub-Commission is endeavouring to get an expert to advise on its control. There is a malaria control board. Malaria will be a greater problem this year due to drainage situation.

4. An effort is being made to standardize food in the hospitals.

5. Malnutrition is not apparent, but investigations are being made in schools in Naples and Salerno.

6. An attempt has been made to centralize welfare head in close touch with Labour Sub-Commission. The Red Cross has helped considerably. There is a shortage of personnel in the field, especially in welfare work.

D. Legal Sub-Commission, Colonel G. R. Upjohn.

1. Up to recently the chief work has been concerned with documents connected with the restoration of territory.

2. Italian Government has had some difficulty with Army authorities in some Regions. This Sub-Commission has been ironing out the loose ends to get the situation running more smoothly.

3. The Italian Government has been very cooperative. Decrees proposed by ACC have been made their laws.

4. A new Minister of Justice was appointed.

5. Regarding the state of Italian courts in Apulia, particularly in Taranto and Brindisi, Colonel Upjohn had asked that the procedure be expedited and heavier sentences imposed.

6. In reviewing a large number of cases it has been found that the records

Declassified E.O. 12356 Section 3.3/NND No. 785011

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6. In reviewing a large number of cases it has been found that the records are not well kept.

7. There is an urgent need for legal officers in Naples to clear up congested courts.

8. Decrees issued in Apulia were applicable in restored territory. Decrees issued in future by Italian Government could be made applicable in occupied territory if endorsed to that effect by the Chief Commissioner. The Chief Commissioner stated that ACMF was about to issue a directive defining rights of Allied Forces in restored territory.

E. Education Sub-Commission, Lt. Col. Smith.

1. Defascistization of University of Naples was being accomplished.

2. Text books are finally being received which are void of traces of Fascism.

Declassified E.O. 12356 Section 3.3/NND No. 785011

SECRET.

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

Regional Control & Military Government Section.
++

Ref: 59/3/CA.

6th March 1944.

POLITICAL SUMMARY No.2.

15th February - 4th March, 1944.

1. More complete reports from the provinces received since the last political summary indicate that the transfer of administration to the Italian Government created relatively little interest. Some regret has been expressed that this transfer seemed to show the Allies' intention to strengthen the Badoglio Government.

2. As stated in the previous summary, the Executive Giunta set to work to prepare an agreed programme of action for presentation to the Allied Governments. No reply to their communication calling upon the King to abdicate had been forthcoming. The Giunta's programme must remain a secret document pending consideration by the Allies. As might be assumed it includes a proposal that the King should abdicate.

3. Other proposals now under consideration envisage the King's withdrawal from the political scene without actual abdication.

4. It had been agreed with the Giunta that, pending the consideration of its proposal, no action would be taken by any of its members to aggravate the political situation and that the programme should be considered confidential and not communicated to the press.

5. On 22 February the British Prime Minister made a statement in the House of Commons that the "policy which His Majesty's Government have agreed to provisionally with the Government of the United States was to win the battle of Rome and take a new view when we are there." This statement was received with satisfaction in Royal and Governmental circles, but was taken by the opposition as a negative reply to their proposals. The Party of Action and the Socialist and Communist Parties in Naples decided to call a ten minute strike for eleven a.m. Saturday, 4th March, as a protest. But in order to emphasize that they did not intend any damage to the Allied war effort they called upon workers to do fifteen minutes overtime during the luncheon period on the same

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6. The Badoglio Government has announced the appointment of Signor Zaniboni as High Commissioner for the Purging of Fascism from public life. Zaniboni was elected a Socialist Deputy in 1919, continued in active opposition to Fascism after the advent of Mussolini and was involved in an attempt on his life in 1925. Since that date, he has been in prison and only reached the mainland of Italy from the island of Ponza with the arrival of Allied troops. He has expressed his intention of working in the closest possible collaboration with Allied authorities and his determination to carry out his duties with thoroughness and method. On accepting this post, he was expelled from the Socialist Party of Naples which continues to refuse to permit any of its members to collaborate with the Badoglio Government.

M. S. LUSH,
Brigadier,
Executive Commissioner.

Distribution overleaf.

Declassified E.O. 12356 Section 3.3/NND No. 780011

DISTRIBUTION:

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"	Region II	(10)
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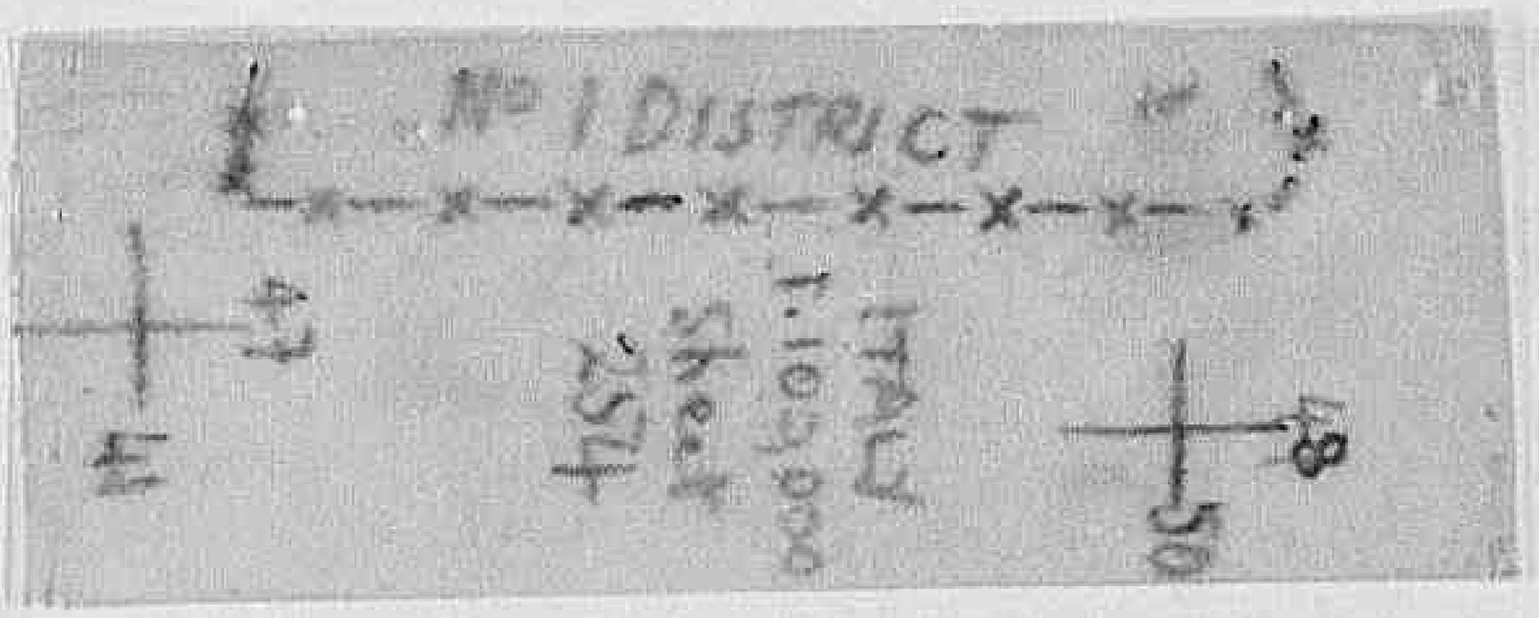
"	Region VIII	(1)
"	Region IX	(1)
S.C.A.O., AMG, Fifth Army		(1)
S.C.A.O., AMG, Eighth Army		(1)
Security Branch		(1)
Political Section		(1)

Declassified E.O. 12356 Section 3.3/NND No. 785011

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



M O S T S E C R E T

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

Ref/136/35/CA

7 March 1944.

SUBJECT: Boundaries of No, 1 District.

TO : R.C. Region II.

The following information contained in APHQ General Order No. 10 dated 2 March is forwarded for your information:

"Reference Map ITALY 1:50,000, Sheet 254-111 REGGIO DI CALABRIA

1. The portion of the region of CALABRIA beginning at the mouth of the stream at D 448507, thence generally Eastward upstream to 46 Easting grid, thence South along 46 Easting grid to River ARELENA at D 4642, thence generally Westward downstream to mouth of river at 449420, now under control of Number 2 District, is transferred to Number 1 District, effective 2359 hours 3 February 1944.

2. Administrative Memorandum Number 66, 1943, General Orders Numbers 59 and 62, 1943, and General Orders Number 8, cs, are amended accordingly.
(AG 370.43-1 GCT-AGM) "

By command of Lieutenant General MASON MACFARLANE:

NORMAN E. FISKE
Colonel, Cavalry
Deputy Executive Commissioner

DISTRIBUTION:
2 - Region I
8 - Region II
1 - Region II
1 - Region IV
1 - Region V

Declassified E.O. 12356 Section 3.3/NND No. 785011

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2 - Region I
8 - Region II
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1 - Region IV
1 - Region V
1 - Region VI
1 - Region VIII
2 - SCAO 5 Army
2 - SCAO 8 Army.
12-Administrative Section
1 - Establishment Branch
2 - Executive Officers
2 - Displaced Persons
1 - Italian Refugee Board
1 - Security Branch
1 - Information Branch
12- Economic Section
1 - Navy
1 - Land Forces
1 - Air Forces
1 - Telecommunications & Posts
1 - War Material Disposal
1 - Public Relations Officer
1 - Liaison Section Hq A.C.M.F.

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MOSTSECRET

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
R.C. & M.G. SEC.

File 2150/INFO

MINUTES of Conference on Archives of A.C.C.
Tuesday 7 Mar 1944 at 1045

1) Present

Brigadier Lush, CBE, MC, in the chair
Mr Hilary Jenkinson, CBE, (Secretary, Public Record Office)
Col Adams (Economic Section)
Lt Col Farley Smith (R.C. & M.G. Section)
Major White (Admin Section)
Capt. Collins (SG Dept)
Capt. Braybrooke (Info Div)

2) Brigadier Lush opened the meeting by stressing the great importance of the subject - that of the proper preservation of a representative body of Archives of the proceedings of the A.C.C.

He then made a survey of Major Hinkel's Memorandum dated 27 Feb 44 calling attention to the need to appoint an Archives Section and an Advisory Committee, the numbers of the latter to be kept small.

Col Adams concurred with all that the Brigadier had said and dwelt upon the necessity for getting the organization in hand with the greatest possible despatch.

3) Brigadier Lush invited Mr Jenkinson to make a statement.
Mr Jenkinson described the importance of archives which were the actual working documents of any department. He pointed out that summaries or extracts made from them could not be a substitute for those original documents, the conservation of which was more immediately important than the writing of a history from them.

He went on to stress two particular matters. First, the organisation necessary for bringing in the files from sections to a Central Archives Department and getting them in order: and secondly the vital need to get the right man for the job, someone who was interested and energetic: his training would be really only a matter of starting him on the right lines.

Mr. Jenkinson mentioned incidentally two questions which will arise later: that of the eventual disposition of Archives due to the joint Anglo-American constitution of the A.C.C.: and the very difficult and delicate problem of arranging for the elimination of documents not of permanent value which would otherwise accumulate in large quantities: upon this last point it might be advisable to take the advice of the Archive Authorities in London and Washington.

He finally pointed out how essential it was for the Archives Officer to have a strong backing: ideally the Advisory Committee must be representative, interested and with weight behind it.

4) The Brigadier, Col. Adams and Mr Jenkinson concurred that it would be necessary to appoint two officers (one British and one American) as Archives Officers. The need for one to travel to Regions etc was visualized.

Mr Jenkinson outlined the type of Officer desirable, which was, if possible a youngish man, preferably a graduate of history or law, of good address, tact, and with an interest in the work.

Brigadier Lush asked for suggestions as to personnel:

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Lt. Col. Farley Smith suggested Capt. Mason Hammond, but it was found that he was not available.

The Brigadier then said that the age consideration could not enter into it but that he would see that personnel was found.

5) The Brigadier brought up the question of the attachment of the Central Archives Department and the meeting concurred that it should be attached to the Information Division, but as an individual entity.

6) The meeting concurred that the Advisory Committee should consist of a representative from each section (the representative of the Administrative Section to be a lawyer) and one from the Secretary Generals' Department.

7) Capt. Collins raised the question of the point at which working files turn into archives, to which Mr Jenkinson replied that it varied with the circumstances of individual sections: it was a matter which could be tactfully worked out by the Archivists in consultation with the Sections concerned. Brigadier Lush gave examples as to how the problem might work out fairly simply.
Major White gave a description of the Administrative Sections new filing system for comment by Mr Jenkinson, who considered that it would greatly facilitate the work of the Archivist.

8) Mr Jenkinson, returning to the subject of elimination, said that, ideally, it should take place before files come to the archivist: he gave examples of possible material to eliminate.

9) Brigadier Lush, summing up, said that
a) the terms of reference of the Committee would be worked out in detail by the Committee itself.
b) Heads of Sections were to be asked to appoint their representative.
c) Representatives were to be asked to bring recommendations of names of officers suitable as Archives officers.
d) The Committee would meet on Sat 11 March 44 at 11 am. at the Conference Room (Room 45), Provincia Building, Naples.

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

VEHICLE INSPECTION REPORT

Date _____

W.D. No._____ Make_____ MOde&l_____ Mileage_____

Drive_____ Body Type_____ Organization_____

Legends; ✓ - Satisfactory, X - Adjustment, XX - Repair, Defective.

OK - Defect corrected, L - Lubricate

1.	Vehicle markings	_____	31.	Steering machanism	_____
2.	Interior of cab	_____	32.	Steering knuckle	_____
3.	Doors	_____	33.	Wheel bearing	_____
4.	Horn	_____	34.	Spring & shackles	_____
5.	Fire extinguisher	_____	35.	Shock absorbers	_____
6.	Rear view mirrors	_____	36.	Brake lines	_____
7.	Windshield	_____	37.	Master cylinder	_____
8.	Windshield wipers	_____	38.	Differential	_____
9.	Panel Instruments	_____	39.	Transmission	_____
10.	Lights & warnings deflectors	_____	40.	Transfer case	_____
			41.	Propeller shaft & jts.	_____
11.	Brakes	_____	42.	Pillow block	_____
12.	Clutch pedal	_____	43.	Driving axles	_____
13.	Handbrake	_____	44.	Muffler & tail pipe	_____
14.	Starter	_____	45.	Tires: (1)_____(2)_____	
15.	Radiator	_____		(3)_____(4)_____(5)_____	
16.	Hose connections	_____		(6)_____(7)_____(8)_____	
17.	Fan and fan belt	_____		(9)_____(10)_____	
18.	Ignition system	_____	46.	Wheels & axle flge nuts	_____
19.	Battery & connection	_____	47.	Winch & cables	_____
20.	Air cleaner	_____	48.	Tarpaulin & fastenings	_____
21.	Fuel filter	_____	49.	Tools and equipment	_____
22.	Carburetor & contls.	_____	50.	Body	_____
23.	Governor & seals	_____	51.	Bumpers	_____
24.	Fuel & oil lines	_____	52.	Towing hooks & pintles	_____
25.	Filler breather cap	_____	53.	Safety chains & straps	_____
26.	Engine oil	_____	54.	General lubrication	_____
27.	Engine	_____	55.	General appearance	_____
28.	Engine mountings	_____	56.	Operators permit (yes or no)	_____
29.	Generator	_____	57.	Accident form 26 (yes or no)	_____
30.	Starting motor	_____	58.	Driver's knowledge of vehicle (yes or no)	_____

REMARKS: _____

_____

_____

RECOMMENDATIONS: _____

_____

_____ 6936

_____

(Signature & rank of Inspector)

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

HEADQUARTERS
2675TH REGIMENT
(Forward Echelon)
ALLIED CONTROL COMMISSION
APO 394

S1/FDG/jr

312.

6 March 1944

SUBJECT: Personnel Records.

TO : See Distribution.

1. Records in this headquarters indicate that WD AGO Form 66-1, Officers' Qualification Cards are not in Regimental files for the following officers in your command:

2. It is directed that all WD AGO Forms 66-1 that are now in company files, or in the possession of the subject officers be forwarded to this Hq without delay.

3. Every effort is being made to maintain a complete file of these forms for guidance in proper assignment of officers. The Commanding Officer will take the necessary action to locate the forms within his command. In the event they cannot be located a brief report will be made, and the required number of blank forms will be sent for completion of a substitute card.

4. It is directed that all personnel records for EMs neither assigned nor attached to your organization be forwarded to this headquarters for clearance to their proper organization.

By order of Colonel PARKIN:

FRANK DI GIACOMO
Captain, Inf,
Actg Asst Adjutant

DISTRIBUTION :

Hq & Hq Co
Det Hq & Hq Co
Co A
Co B
Co C
Co D
Co E
Co F
Co G
Co H
Co I
(Rear Ech) Hq 2675 Regt ACC
Executive Officer (A)
Establishment Officer (A)
G-1 (A)
S-1
Courts & Boards
Files

6935

HEADQUARTERS
2675TH REGIMENT
(Forward Echelon)
ALLIED CONTROL COMMISSION
APO 394

SI/FDG/jr

AG 210.85 6 March 1944

SUBJECT: Relief from Active Duty.

TO : All Companies and Detachments.

1. W.D. Letter, AG 210.85 (30 Dec 43) PO-A-A, dated 12 January 1944, Subject: Relief from Active Duty of officers for whom no suitable assignment exists is digested herewith for the information of American Officers concerned:

a. There are considerable number of officers within the army for whom no suitable assignments are available or in prospect. This condition is occasioned in part by the completion of duties for which they were called to active duty or appointed from civilian life, reduction in overhead, or changes as a result of reorganization which eliminated the officer's specific assignment. It is imperative that the relief of such officers from active duty be accomplished without prejudice to the officers concerned.

b. Any officer over 38 years of age who has served honorably, whose retention on active duty is not essential to the war effort, and who desires relief from active duty for any reason consistent with current policy, may request relief from active duty and may be relieved if his request is approved by Commanding General, NATOUSA.

2. Each recommendation forwarded to this Hq will include a summary of the following information:

a. Surplus Officers

(1) The officer is over 38 years of age.
(2) The officer was rendered surplus as stated in par 1a.
(3) No suitable assignment commensurate with the grade is available or in prospect.
(4) The case is not one that should properly be handled through reclassification proceedings.
(5) The case is not one that should properly be handled through appropriate disciplinary action.
(6) The officer has served honorably, faithfully, satisfactorily.
(7) His record is such as to warrant separation under honorable condition

Declassified E.O. 12356 Section 3.3/NND No. 785011

ed from civilian life, reduction in overhead, or changes in unit organization which eliminated the officer's specific assignment. It is imperative that the relief of such officers from active duty be accomplished without prejudice to the officers concerned.

b. Any officer over 38 years of age who has served honorably, whose retention on active duty is not essential to the war effort, and who desires relief from active duty for any reason consistent with current policy, may request relief from active duty and may be relieved if his request is approved by Commanding General, NATOUSA.

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(4) The case is not one that should properly be handled through reclassification proceedings.
(5) The case is not one that should properly be handled through appropriate disciplinary action.
(6) The officer has served honorably, faithfully, satisfactorily.
(7) His record is such as to warrant separation under honorable condition
(8) Date on which officer became surplus must be shown.
(9) Description of position to which assigned immediately prior to date he became surplus.
(10) Statement whether the position has been eliminated.
(11) If the officer became surplus by reason other than elimination of his position, a statement in detail, of the reason for relief required.

6934

b. Officers Requesting Relief:

Requests from officers over 38 years of age for relief from active duty will contain in a forwarding indorsement, statements showing that service has been honorable, and that retention on active duty is not essential to the war effort.

By order of Colonel PARKIN:

FRANK DI GIACOMO
Captain, Inf,
Actg Asst Adjutant

DISTRIBUTION:
"AN" Modified

Declassified E.O. 12356 Section 3.3/NND No. 785011

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

5 March 1944

SUBJECT: Staff Duty.

TO : Officers Concerned.

1. The following named Officers will serve as Staff Duty Officers in accordance with the following schedule:

5 March 1944		Maj.	S. W. MILLAR	G-4
6	" "	Capt.	H. S. POTTER	Agriculture Sub-Commission
7	" "	Maj.	S. T. MAC CHESNEY	Food Sub-Commission
8	" "	Lt.	C. A. FAHR	Security Branch
9	" "	Maj.	T. K. BRIDGE-REYNOLD	Mon., Fine Arts & Archives
10	" "	Capt.	F. E. GILLETT	Information Division
11	" "	Maj.	S. ANDRUS	Agriculture Sub-Commission

2. The Officers named above will report to the Adjutant's office at 0900 hours on their day of duty to become acquainted with their duties.

By command of Lieut General MacFARLANE:

L. T. MONTANT, Jr.
2nd Lt, AGD
Adjutant

DISTRIBUTION:
1 - Sa O conc'd
1 - Adj
1 - G-1
4 - Hq. B.B.
1 - BB O Mess
1 - File
1 - DCC.O, AMG
1 - Exec, O, Adm.

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

CONFIDENTIAL

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

Ref/312/14/GA

5 March 1944

SUBJECT: Internment of Civilians

TO : All Regional Commissioners,
S.C.A.O.'s 5 and 6 Armies.

1. Attached memorandum No. AMGF/1401/7/G1(b) of 2 Feb 44 lays down new procedure for the internment of civilians. This memo has been approved by this H.Q. and immediate steps will be taken to implement it.

2. Consequent upon the adoption of the procedure referred to above General Order No. 10 issued by H.Q. AMG (then at Palermo) on 3 Dec 43 is cancelled.

3. In view of recent changes there is now no reason why Sicily and Sardinia should be excluded from the scheme (see para. 6 of ACMF memorandum) and H.Q. ACMF is being asked to take the necessary action. Copies of the amending instruction issued by ACMF will be sent to Regions I and VI.

4. For ease of reference a copy of the instruction referred to in the first sentence of the ACMF memo is also attached.

NORMAN E. FISKE,
Colonel, Cavalry,
Deputy Executive
Commissioner.

DISTRIBUTION:

R.C.'s Regions I - III	6	each
" " IV, V, VI	3	"
" " VIII, IX	1	"
S.C.A.O.'s 5 & 6 Armies	2	"
Admin. Section	1	
Public Safety Sub-Com.	1	
Security Branch	1	
H.Q. ACMF	1	
Spares	5	

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE: 16098/G-1 4 March 1944

SUBJECT : Returns of Officers and O.Rs.

TO : Distribution below.

In order that all necessary documentation may be duly completed by GHQ 2nd Echelon, the following returns will be submitted to this HQ on the proformae appended to this instruction. //The returns as now called for will be in substitution of those required under this HQ letter reference 16098/G-1 dated 14 February 1944, which will now be considered as cancelled.//

1. Monthly Strength Return

(a) Officers employed by Formation or Region.

(b) Other Ranks employed by Formation or Region.

2. Casualty Returns

(a) Routine Casualties.

(b) Hospital Casualties.

(c) Reports of Injuries.

(d) Battle Casualties.

It is essential that returns be rendered promptly and in accordance with instructions in order that a consolidated return for AFHQ/ACC may be compiled by this HQ and forwarded to the appropriate authority on due date.

BY COMMAND OF LIEUT GENERAL MAXWELL MACFARLANE.

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(a) Officers employed by Formation or Region.

(b) Other Ranks employed by Formation or Region.

2. Casualty Returns

(a) Routine Casualties.

(b) Hospital Casualties.

(c) Reports of Injuries.

(d) Battle Casualties.

It is essential that returns be rendered promptly and in accordance with instructions in order that a consolidated return for AMG/ACC may be compiled by this HQ and forwarded to the appropriate authority on due date.

BY COMMAND OF LIEUT GENERAL MASON MACFARLANE.

T.A. PURCELL,
Lt-Colonel, R.A.,
G-1

JFJ/F.D.

DISTRIBUTION

Regional Commissioner REGION I
" " " II
" " " III
" " " IV
" " " V
" " " VI
" " " VIII
" " " IX
AMG (2) FIFTH ARMY
" " EIGHTH ARMY
Executive Commissioner
Secretary General
Executive Officer (2)
Civil Affairs Branch
Security Branch
Establishment Branch
Displaced Persons Sub-Commission
Italian Refugees Branch
G-4
HQ Commandant, Main
" " , Rear
Economic Section (10)
Admin. Section (8)
Political Section
Land Forces Sub-Commission
Telecommunications & Post Sub-Commission
War Material Disposal Sub-Commission.
P.R.O.

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Declassified E.O. 12356 Section 3.3/NND No. 789017

RETURNS OF OFFICERS AND OTHER RANKS

1. MONTHLY STRENGTH RETURN - OFFICERS

(a) A Monthly Return will, from date of this instruction, be rendered in duplicate to this HQ by 0900 hours 5th of each month, made up to and including last day of previous month. The first return will reach this HQ 5th April 1944, showing all British and American Officers allotted to and employed in ANC/ACC. Form ACC R.1 as appended will be used; supplies may be obtained through G-4 (S).

(b) British Officers, admitted to hospital, will continue to be shown until returned to duty, unless instructions are issued to the contrary.

(c) British Officers attached for duty but not assigned and those assigned but detached for duty elsewhere, will be shown attached or detached, stating for what purpose and authority, during period of attachment or detachment.

2. MONTHLY STRENGTH RETURN - OTHER RANKS

(a) The Monthly Return called for under HQ Allied Control Commission (G-1) letter reference 16098/G-1, para 3, dated 14 February 1944 is cancelled.

(b) In substitution, a monthly strength return of British O.Rs. will be submitted on Form ACC R.2 to this HQ by 0900 hours 5th of each month, made up to and including last day of previous month. First return to reach this HQ 5th April 1944.

(c) A nominal roll to support the figures given will be attached to each return. Personnel temporarily attached or detached will be shown stating where to or from, for what purpose and authority.

3. CASUALTIES (BRITISH ONLY)

Reporting of Casualties will be grouped under headings as in paras 3 (a), (b), (c) and (d). A separate return, on Form ACC R.3 appended, is required for each group which will be serially numbered.

(a) Routine

All Casualties, other than those reported under paras 3 (b), (c) or (d) will be included under this heading such as the following :

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and its purpose and authority, during period of detachment or detachment.

2. MONTHLY STRENGTH RETURN - OTHER RANKS

(a) The Monthly Return called for under HQ Allied Control Commission (G-1) letter reference 16098/G-1, para 3, dated 14 February 1944 is cancelled.

(b) In substitution, a monthly strength return of British O.Rs. will be submitted on Form ACC R.2 to this HQ by 0900 hours 5th of each month, made up to and including last day of previous month. First return to reach this HQ 5th April 1944.

(c) A nominal roll to support the figures given will be attached to each return. Personnel temporarily attached or detached will be shown stating where to or from, for what purpose and authority.

3. CASUALTIES (BRITISH ONLY)

Reporting of Casualties will be grouped under headings as in paras 3 (a), (b), (c) and (d). A separate return, on Form ACC R.3 appended, is required for each group which will be serially numbered.

(a) Routine

All Casualties, other than those reported under paras 3 (b), (c) or (d) will be included under this heading such as the following :

Promotions, Appointments, Attachments, Transfers, Pay and Allowances, Sentences by Court Martial, Leave of Absence, Furlough, Marriage, Birth or Death of a Child, Alteration in Next of Kin with Postal Address, and Alteration in Medical Category.

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(b) Hospital

Reports on Form ACC R.3 will be submitted for any Officer or Other Rank admitted to or discharged from hospital as the casualty occurs. The hospital or other medical unit to which the Officer or O.R. was sent to or discharged from will always be stated on the form.

(c) Reports of Injuries.

In cases of accidental or self-inflicted injury sustained by an Officer or O.R. whether on or off duty, a report will be submitted on Form ACC R.3. AF B 177 will not be used when accidental injury is sustained in a Battle Area, vide GHQ 37 of 1944. AF B 117 will, in all cases of self-inflicted injury, be completed in duplicate and forwarded as soon as possible to this HQ. The Commanding Officer's opinion (para 4 of AF B 117) will be

signed/.....

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signed by a British Army Officer not below the rank of Captain. In the case of Regions, Sub-Commissions and HQ AMG FIFTH and EIGHTH ARMIES, a covering letter is required, signed personally by the Senior British Officer, stating agreement or otherwise, giving reasons, of the opinion expressed in para 4.

(d) Battle Casualties (British)

Battle Casualties of Officers and O.Rs. belonging to AMG/ACC will be reported immediately by Signal Message to G-1 (British), HQ Allied Control Commission. These Signal Messages will be serially numbered and each will be prefixed by the letters 'BC' in order that missing reports may be checked.

The following code will be used to describe the nature of the casualty :

Killed .. . X Wounded ..... Y Missing ..... Z

also stating the Number, Rank and Unit.

Confirmation of Signal Message will be sent within twelve hours on Form ACC R.3.

No Officer or O.R. will be reported as Killed unless his dead body has been seen and identified.

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RESTRICTED
HEADQUARTERS
2679TH REGIMENT
(Forward Echelon)
ALLIED CONTROL COMMISSION
APO 394

S-1/FDG/vs
3 March 1944

AG 319.1

SUBJECT: Casualty Reports.

TO : All Companies and Detachments.

I -- Non-Battle casualty reports for personnel in this organization must be submitted in accordance with Sec III, Cir 10, NATOUSA, dtd 24 Jan 1944, which is summarized below:

1. LETTER REPORTS OF DEATH, MISSING & INTERNMENT, NON-BATTLE CASUALTIES.

a. Definition. Non-battle casualties are those not resulting from enemy action, as defined in par 2 of this circular. Deaths resulting from disease, accidental or self-inflicted wounds or injury, suicide; individuals dropped as "Missing" or "Interned" not as a result of enemy action.

b. Reports to be Rendered. Letter Report of Death will be prepared or completed by the individual's unit and submitted to this headquarters through channels, addressed to the attention of the Casualty Branch, ACO, in all cases of death not classified as a Battle Casualty. This report will be submitted at the earliest possible date and will precede the Service Record and allied papers. A copy of the Letter Report of Death will accompany the Service Record and allied papers. Reports will not be held awaiting the action of investigating officers. When death occurs in a hospital and the individual at time of death has an organization assignment, the commanding officer of the hospital will prepare as much of the Letter Report of Death as can be furnished from the information available. The report will then be forwarded DIRECT to the individual's unit where it will be completed and forwarded through channels to this headquarters. If the deceased has no unit assignment at time of death or is a member of the detachment of patients, the commanding officer of the hospital will prepare the complete Letter Report of Death and forward it through channels to this headquarters. The information to be included in the Letter Report of Death is as follows:

(1) Full name of deceased.
(2) Army serial number.
(3) Grade, organization, arm or service.
(4) Date and place of death, (specific country, state or territory)

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dropped as "Missing" or "Interned" not as a result of enemy action.

b. Reports to be Rendered. Letter Report of Death will be prepared or completed by the individual's unit and submitted to this headquarters through channels, addressed to the attention of the Casualty Branch, AGO, in all cases of death not classified as a Battle Casualty. This report will be submitted at the earliest possible date and will precede the Service Record and allied papers. A copy of the Letter Report of Death will accompany the Service record and allied papers. Reports will not be held awaiting the action of investigating officers. When death occurs in a hospital and the individual at time of death has an organization assignment, the commanding officer of the hospital will prepare as much of the Letter Report of Death as can be furnished from the information available. The report will then be forwarded DIRECT to the individual's unit where it will be completed and forwarded through channels to this headquarters. If the deceased has no unit assignment at time of death or is a member of the detachment of patients, the commanding officer of the hospital will prepare the complete Letter Report of Death and forward it through channels to this headquarters. The information to be included in the Letter Report of Death is as follows:

(1) Full name of deceased.
(2) Army serial number.
(3) Grade, organization, arm or service.
(4) Date and place of death, (specific country, state or territory)
(5) Nature of injury or disease, and direct cause of death.
(6) Whether or not in pay status at time of death.
(7) Description of circumstances surrounding the casualty in all cases where death is accidental or self-inflicted. Status of individual at time of death, whether in barracks, performing military duties, riding in government vehicle, or authorized leave, etc.
(8) Whether or not on flying status. In the case of paratroops whether or not on jump status. Crew position or classification of all individuals on flying status will be given, i.e. "Pilot", "Navigator", etc.
(9) Whether death was or was not in line of duty, and was or was not the result of deceased's own misconduct. If undetermined, so state.
(10) Statement as to whether the line of duty and misconduct status is or is not to be determined by an investigating officer.

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(over)

CONFIDENTIAL

Declassified E.O. 12356 Section 3.3/NND No. 789011

AG 319.1
Lur, Subj: Casualty Reports, 3 Mar 44 (Cont'd)

(11) Qualifications for which soldier received additional pay other than for flying, jump or overseas status; awards, diving pay, etc.
(12) Military Occupational Specialty, (MOS).

II -- It is directed that all reports be prepared and submitted, in triplicate, according to the above-mentioned instructions with the least practicable delay after casualty has occurred, and forwarded to this headquarters.

By order of Colonel PARKIN:

FRANK DI GIACOMO
Captain, Inf
Actg Asst Adjutant

DISTRIBUTION:
"A" Modified

Declassified E.O. 12356 Section 3.3/NND No. 785011

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

HEADQUARTERS
2675TH REGIMENT
(Forward Echelon)
ALLIED CONTROL COMMISSION
APO 394

S-1/FDG/vs
2 March 1944

AG 330.31

SUBJECT: Reports and Returns.

TO : All Companies and Detachments.

1. By authority contained in Letter Order AG MATOUSA, dated 28 Feb 1944, and Cable FHMGS 58264, the 2675th Regiment ACC is relieved from assignment to Hq Command AF and assigned to Hq and Hq Company, ACIF. The regiment will be serviced by local 9th MAU.

2. Effective immediately, it is directed that all morning reports, strength returns, and monthly rosters be submitted direct to this Hq.

By order of Colonel FARKAS:

FRANK DI GIACOMO
Captain, Inf
Actg Asst Adjutant

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

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

Ref/55/2/CA

NEF/mrd
1 March, 1944

SUBJECT: A.C.C. Information Room

TO : Distribution as below

1. The Allied Control Commission Information Room has been established in Room 45, Provincia Building, for the purpose of making conveniently available to members of the Commission the technical, political and economic information which is being collected by the Information Division.

2. The Information Division has collected intelligence reports, surveys, monographs and summaries from Allied sources, together with periodic and special reports of the various sub-division of the Commission. Documents are classified and secured. A catalogue of this material will shortly be distributed and supplements thereto will be issued from time to time. Announcements of receipt of additional material will also be made in the A.C.C. Daily Bulletin.

3. All elements of the Commission are asked to assist in the maintenance of the Information Room by supplying to the Division copies, preferably in duplicate, of reports and surveys which they may prepare.

4. The Division will deal with special requests for Information from any elements of the Commission. It would be helpful for it to know in general , types of information which would be most useful.

5. Members of the Commission are invited to make full use of the facilities of the Information Room which is open from 0830 hrs. to 1800 hrs. daily; telephone Vapor 46.

By Command of Lieutenant General MASON MacFARLANE:

NORMAN E. FISKE
Colonel, Cavalry
Deputy Executive Commissioner

Distribution: Full internal distribution

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY & COMMERCE SUB-COMMISSION
APO 394

Ref. ACC/5016/IC _____ 1944

SUBJECT: Request for Travel Orders

TO : Economic Section

1. Authorisation for travel to _____
is requested for the u/m personnel on _____.

Rank	Name	ASN	Nationality

2. Travel by _____ is requested.
3. Period of absence will be about _____.
4. It is requested that transport be made available on _____ or as soon as possible thereafter.
5. Brief statement and urgency of mission:

W. P. EVANS
Colonel
Director, Industry & Commerce
Sub-Commission.

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE: 16002/2/G-1 1 March 1944

SUBJECT : Application for Employment in Allied Control Commission

TO : Distribution below

1. In future, British Officers and O.Rs., who apply for employment within the organisation of Allied Control Commission, will be requested to complete, in all detail, ACC Form No. 1, a small supply of which is attached.

2. This form will then be forwarded to this HQ, where the application will receive consideration, and if approved, necessary action taken.

3. No applications, other than on the approved form will be considered.

BY COMMAND OF LIEUT GENERAL MASON MACFARLANE

F.A. FURGOLD,
Lt-Colonel, R.A.,
G-1

RCE/FAD.

DISTRIBUTION

MGS, AFHQ
HQ No. 1 DISTRICT
" " 2 "
" " 3 "
Regional Commissioner Region I
" " " II
" " " III
" " " IV
" " " V
" " " VI
" " " VIII
" " " IX
SCAO AMG FIFTH ARMY
" " EIGHTH ARMY

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

1 March 1944

SUBJECT: Establishment

TO : All Regions, AMG Armies, and Sections, Sub-Commissions and Branches of HQ.

1. Present Position

a. The authorized strength of the 2675 (American) Regt., ACC is 829 Officers, 15 Warrant Officers and 1045 EM. Of these, 74 EM are detached on special duty, but still carried on the strength of the Regiment.

b. The authorized strength of AMGAC, the British Unit created by War Establishment No. NA/266/1 dated 6 January 1944 is 663 Officers and 1347 ORs.

c. On the strength of the above two units is borne the whole of the personnel allotted to ACC-AMG in Italy.

d. The number of Officers scheduled to proceed to U.K. is:

American	200
British	90

The British Officers are being replaced from U.K.; similar replacements will probably not be forthcoming for the American Officers. There will be no further bulk demands for personnel of ACC for other theaters.

2. Sub-Establishment for Regions, etc.

a. The question of Sub-establishments /TOs for Regions, AMG Armies, and Sub-Commissions and Branches of Headquarters has been under consideration, and it has been decided that no attempt will be made to issue them. It is realized that this decision will cause some difficulty and uncertainty in Regions and Sub-Commissions, but the question is fraught with so many complications that it has been found impossible to arrive at any other satisfactory solution.

b. The chief reason for the decision is that conditions, and with them the weight and direction of effort are and will be constantly changing. It is therefore impossible to allot personnel on any permanent basis, and it would be useless — in fact positively harmful to issue Sub-establishments /TOs which would be subject to constant amendment. Personnel will therefore be allotted by this HQ as and when required in accordance with the volume of work to the extent permitted by available numbers. All that can be said is that for the present Region I will operate with about 110 Officers, Region II with 117, and Regior III will be gradually reduced to about 40 after its territory is handed over to the Italian Government.

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3. Ranks and Promotion

a. The question of ranks and promotion will similarly be dealt with centrally by this HQ because it is not possible to lay down any fixed ranks for Officers or EM/OR in Regions since the total personnel will vary as territory is handed over and duties become supervisory on the one hand or operational duties increase under AMG on the other. Similarly, the volume of work in Sub-Commissions is not constant.

b. Recommendations for promotion of Officers (as to which separate instructions on the British side have been issued in Exec Memo No. 19) will therefore be submitted without regard to whether there is or is not a suitable assignment in a higher rank in the particular Region, Sub-Commission, etc., in which the Officer being recommended happens to be serving at the time.

c. Instructions regarding the promotion of both EMs and ORs are being issued shortly.

For the Executive Commissioner:

JOHN J. ALBRIGHT
Colonel, Infantry
Establishment Officer

DISTRIBUTION:
All Regions
AMG 5 Army
AMG 8 Army
Sub-Commissions, Sections, Branches of Hq.

COPY

SUBJECT: Internment of Civilians: Civil P.O.W.

Headquarters
Allied Central Mediterranean Force

BR CONFIDENTIAL - U.S. CONFIDENTIAL

ACMF/1401/7/GI(b)

2 Feb 44

TO: Fifth Army
Eighth Army
No.2 District
No.3 District

Reference this HQ instruction 15.G/1400/2/G(Ib) dated 1 Sept 43.

1. INTRODUCTION

(a) 371 POW Camp has now been established at PADULA (T 4194) in POTENZA Province as an internment camp for civil POW. It will be ready on 7 Feb 44, and it can accommodate females as well as males.

(b) The following instructions set out the procedure which will be adopted with regard to (i) the disposal of civilians already arrested in ITALY and interned since the beginning of the Italian campaign (3 Sep) and (ii) future cases of internment of civilians in ITALY.

(c) It is emphasised that the following instructions refer only to internment cases, and NOT to civilians arrested and charged with a security offence, nor to those detained pending further investigation.

(d) AFHQ and AFHQ Adv Adm Ech have agreed these instructions and approved their application throughout ITALY.

2. DISPOSAL OF CIVILIANS ALREADY INTERNED

(a) All civil internees located in POW Cages in ITALY and any who may, wrongly, be confined in civil prisons, will be evacuated to 371 Camp forthwith.

(b) This H.Q. will supply the Commandant of 371 Camp with a list of all those persons whose internment has been officially authorised by Armies since the beginning of the Italian campaign. 2 District will supply forthwith a similar list in respect of internments authorised by that HQ. P.B.S. is requested to do likewise.

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It can accommodate females as well as males.

(b) The following instructions set out the procedure which will be adopted with regard to (i) the disposal of civilians already arrested in ITALY and interned since the beginning of the Italian campaign (3 Sep) and (ii) future cases of internment of civilians in ITALY.

(c) It is emphasised that the following instructions refer only to internment cases, and NOT to civilians arrested and charged with a security offence, nor to those detained pending further investigation.

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(b) This H.Q. will supply the Commandant of 371 Camp with a list of all those persons whose internment has been officially authorised by Armies since the beginning of the Italian campaign. 2 District will supply forthwith a similar list in respect of internments authorised by that HQ. P.B.S. is requested to do likewise.

(c) The Commandant of 371 Camp will then list the names of those persons in the Camp who do NOT feature in the lists described in para 1 (b) above and about whom he holds no record. He will submit this list to this HQ, 2 District, P.B.S. and A.C.C. These several HQ's should then notify the Commandant 371 Camp whether or not they know anything of the cases and whether or not they see any objection to the release of the persons concerned. The Commandant will then arrange for the immediate release of those to whom no objection is raised. 6923

(d) Those persons whose recommended period of internment has already expired will be released at once, i.e. as soon as they reach 371 Camp. Others recommended for a definite period of internment will be released at the expiration of that period, provided that the Commandant sees no objection to their release, and provided that he is not notified in the meantime of any such objection by the HQ which authorised the internment or by A.C.C. or by this HQ..

(e) Persons whose names feature in the lists described in para.2 (b) above, who do not arrive within reasonable time at 371 Camp, will probably have been evacuated to N.AFRICA. A list of these will be sent by the Commandant (through the usual channels) to AFHQ, with the request that they be returned to ITALY as soon as possible for confinement in 371 Camp or release, priority as regards their return being given to those who were recommended for a short or limited period of internment.

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(f) In addition, AFHQ will be requested by this HQ to arrange for the despatch to 371 Camp of any other civilians who may be confined in POW Camps in N.AFRICA and who are known to have been evacuated from ITALY, but who do NOT feature in the Commandant's list described in 2(e) above. On the arrival of any such persons at 371 Camp, the Commandant will deal with them in the same way as with those described in 2(e) above.

3. FUTURE CASES OF INTERNMENT.

(a) General.

The following instructions on the procedure to be followed in future with regard to the internment of civilians should be read in conjunction with this HQ instruction dated 1 Sep 43, quoted above, the latter remains valid except where modified by the following.

(b) Disposal.

Civilians arrested with a view to internment will continue to be placed in the nearest POW Cage. Thence they will be evacuated through POW channels to 371 Camp.

(c) Records.

(i) Arrest Slips.

As laid down in para 3 of this HQ instruction quoted above, a record of arrest ("Arrest Slip"), signed by the officer i/c the FS Section or CIC Detachment making the arrest, will be handed over to the authority i/c the POW Cage in which the prisoner is originally placed. This slip must accompany the prisoner to 371 Camp; it will be carried by the escort, and handed over to the Commandant of the Camp.

(ii) Authorisation.

Although any FS/CIC officer can arrest a civilian with a view to internment, the Army or District HQ concerned will be responsible for authorising internment. When the HQ concerned receives its "arrest slip" or report of the case, it will consider whether internment is justified or whether the arrestee should be released. In the latter event it will arrange for his immediate release. In the former event, it will indicate its authorisation in the manner shown in (iii) below.

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Civilians arrested with a view to internment will continue to be placed in the nearest POW Cage. Thence they will be evacuated through POW channels to 371 Camp.

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As laid down in para 3 of this HQ instruction quoted above, a record of arrest ("Arrest Slip"), signed by the officer i/c the FS Section or CIC Detachment making the arrest, will be handed over to the authority i/c the POW Cage in which the prisoner is originally placed. This slip must accompany the prisoner to 371 Camp; it will be carried by the escort, and handed over to the Commandant of the Camp.

(ii) Authorisation.

Although any FS/CIC officer can arrest a civilian with a view to internment, the Army or District HQ concerned will be responsible for authorising internment. When the HQ concerned receives its "arrest slip" or report of the case, it will consider whether internment is justified or whether the arrestee should be released. In the latter event it will arrange for his immediate release. In the former event, it will indicate its authorisation in the manner shown in (iii) below.

(iii) Consolidated records.

Army and District HQ's will forward half-monthly to this H.Q. and to the Commandant of 371 Camp a consolidated record of persons arrested whose internment is authorised, giving particulars as hitherto.

(iv) Reason for internment.

The reason for arrest and internment will be stated on both the "arrest slip" accompanying the prisoner and on the half-monthly consolidated record. In both instances, this reason will be stated more fully than has been the custom hitherto, in order that both this HQ and the Commandant of the Camp may be properly informed concerning the case.

(v) Arrests initiated by ACC.

When ACC officers wish to have a person arrested and interned on political grounds, they will, whenever possible, arrange for the actual arrest to be carried out by FSP/CIC. On the rare occasions when this may be found impracticable, they will hand over the prisoner to the FSP/CIC as soon after the arrest as possible. The disposal and records procedure described above will then be followed in such cases. This principle is laid down for the sake of uniformity and simplicity.

(d) Release and Review.

(a) The practice of PS/CIC officers and Army or District HQ's interning persons for a definite period, e.g. 6 months, or recommending their internment for such a period, will be discontinued, as this practice, though not contrary to the letter of international law, resembles too closely an arbitrary term of imprisonment without trial.

Instead, PS/CIC officers will recommend, and the HQ concerned will authorise the internment of the person in question, and they will recommend either that such internment should be for the duration of the war, or that the case should be reviewed after such and such a period (e.g. six months).

(b) At the end of this period the Commandant of 371 Camp will review the case, with the assistance of his interpreter/intelligence officer. If he considers that there is no objection to the release of the prisoner, and if the HQ which authorised the internment or this HQ or ACC have not in the meantime notified the Commandant that they consider that the prisoner should continue in internment beyond this period (owing to fresh evidence coming to light or to the general security situation or for any other reason), the Commandant will arrange for the release of the prisoner.

(c) Apart from reviewing cases at the end of the period recommended by the HQ concerned, the Commandant, with the assistance of his interpreter/intelligence officer, should review all cases from time to time (as frequently as practicable). If he considers that there is good reason on compassionate or other grounds why an internee should be released before the time recommended by the HQ concerned for the case to be reviewed, he will refer the case to this HQ for consideration and decision. If the internment was instigated by ACC the latter will be consulted by this HQ.

4. ADMINISTRATION.

371 Camp will be responsible for all administration and documentation of civil POW.

5. PENINSULAR BASE SECTION.

It is requested that P.B.S. adopt the same procedure, in order that this may be uniform throughout the Italian mainland, and it is suggested that, where reference is made above to District HQ in connection with authorisation for internment or release, P.B.S. should be regarded as the equivalent of a District for this

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considers that there is no objection to the release of the prisoner, and if the HQ which authorised the internment or this HQ or ACC have not in the meantime notified the Commandant that they consider that the prisoner should continue in internment beyond this period (owing to fresh evidence coming to light or to the general security situation or for any other reason), the Commandant will arrange for the release of the prisoner.

(c) Apart from reviewing cases at the end of the period recommended by the HQ concerned, the Commandant, with the assistance of his interpreter/intelligence officer, should review all cases from time to time (as frequently as practicable). If he considers that there is good reason on compassionate or other grounds why an internee should be released before the time recommended by the HQ concerned for the case to be reviewed, he will refer the case to this HQ for consideration and decision. If the internment was instigated by ACC the latter will be consulted by this HQ.

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6. SICILY AND SARDINIA

The above arrangements and procedure with regard to 371 Camp, will NOT, anyway at present, be applicable to SICILY or SARDINIA. 6922

/s/ W. D. Gibson, Lt Col,
for Lieut.General,
Chief of General Staff,
A.C.M.F.

Declassified E.O. 12356 Section 3.3/NND No. 789011

Declassified E.O. 12356 Section 3.3/NND No. T85017

HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Works and Utilities Sub-Commission
APO 394

ACC/101/PWU

29 Feb. 1944

Subject: Regional Maps.

To :

1. We have recently forwarded to your office a map showing Italian Administration Sub-Divisions and A.C.C. Regional Boundaries revised as of Feb. 15, 1944.

2. Executive Memorandum Number 33, dated 27th February 1944, RC and MG Section ACC states new revisions in some of the Regional Boundaries.

3. If you will return your map to this Sub-Commission we will be glad to record these changes immediately and return it to you.

L.A. JENNY,
Lt.Col. C.E.,
Director.

C O P Y

SUBJECT: Arrest or Civilians on Security Grounds SECRET

FIFTH ARMY
SEVENTH ARMY
EIGHTH ARMY
PORTBASE

15 AG/1400/2/G/Ib/

1 Sept. 1943

1. The following instructions regarding the arrest of civilians by military personnel on security grounds are issued in amplification of this H.Q. instruction 15/AG/1400/2/G (Ib) dated 23 Aug. 43.

The procedure set out below will be adopted forthwith in the case of SICILY and will be followed in future operations.

2. Categories of Arrest.

It must be clearly understood by all concerned, in particular by security personnel, that there are three categories of civilians who may be arrested on security grounds.

(a) Those who have committed, or are alleged to have committed, in the territory occupied by our forces, a security offence under international law or the provisions of our proclamations. These should be charged with the offence and tried by a military court.

(b) Those who are not chargeable with a security offence, but who appear on reasonable evidence to constitute a threat to the security of our forces, operations or Military Government, by virtue of their position, personality, sentiments or record.

These should be interned.

(c) Those against whom there is insufficient evidence to charge with an offence or to intern, but whom it is desirable in the interests of security to detain pending further investigation.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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These should be interned.

(c) Those against whom there is insufficient evidence to charge with an offence or to intern, but whom it is desirable in the interests of security to detain pending further investigation.

3. Records and Disposal

(a) General

6920

(i) Whenever a civilian is arrested by military personnel on security grounds, a record of such arrest must be made. This record will include the following items:

Particulars of individual arrested.
Date and place of arrest and by whom arrested.
Where confined.
Reason (in brief) for arrest and classification or category of arrest (ref para 2 above).

(ii) One copy of such record will be handed over with the prisoner to the authority in charge of the prison or cage in which he is confined.

A second copy will be submitted to the local Civil Affairs Officer or Civil Affairs Police Officer.

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A third copy will be forwarded to the Army H.Q. concerned or will be retained to form the basis of a fuller report to Army H.Q. as laid down by Armies.

(iii) Army H.Q. will forward consolidated lists of such records to this H.Q. and to AMGOT H.Q. Palermo, at not more than fortnightly intervals.

(b) Security Offences.

A civilian arrested for the commission of a security offence will be placed in the nearest civil prison or police station approved by AMGOT. If no such establishment is available they will be placed in the nearest P/W cage.

In addition to the brief arrest records prescribed in (a) above, a full report of the case will be submitted to the local Civil Affairs Officer, who will then arrange for the case to be tried by a military court, and for the subsequent disposal of the prisoner.

(c) Internment

A civilian arrested with a view to internment will be placed in the nearest P/W Cage.

In addition to the records prescribed in (c) above, a fuller report of the case will, where necessary, be forwarded to the Army H.Q. concerned. The Army H.Q. will then consider at once whether internment is justified, the Army Security Staff and AMGOT representative consulting. The Army H.Q. will either authorise continued internment or order release, informing the P/W cage accordingly.

Records of arrest in internment cases, forwarded by Armies to this H.Q. and AMGOT H.Q., PALERMO, will show whether continued internment or release was authorised by the Army H.Q. concerned.

NOTE: Authorisation of internment will be the responsibility of this H.Q. in respect of the area in S.E. SICILY for which this H.Q. is directly responsible as regards security.

(d) Detention pending Investigation.

A civilian detained on security grounds pending further inve-

Declassified E.O. 12356 Section 3.3/NND No. 785011

military court, and for the subsequent disposal of the prisoner.

(c) Internment

A civilian arrested with a view to internment will be placed in the nearest P/W Cage.

In addition to the records prescribed in (a) above, a fuller report of the case will, where necessary, be forwarded to the Army H.Q. concerned. The Army H.Q. will then consider at once whether internment is justified, the Army Security Staff and AMGOT representative consulting. The Army H.Q. will either authorise continued internment or order release, informing the P/W cage accordingly.

Records of arrest in internment cases, forwarded by Armies to this H.Q. and AMGOT H.Q., PALERMO, will show whether continued internment or release was authorised by the Army H.Q. concerned.

NOTE: Authorisation of internment will be the responsibility of the H.Q. in respect of the area in S.E. SICILY for which this H.Q is directly responsible as regards security.

(d) Detention pending Investigation.

A civilian detained on security grounds pending further investigation will be placed either in the local prison or in the nearest P/W Cage, according to whether investigations are proceeding with a view to internment or to the preferment of a charge for a security offence.

The Chief Legal Officer of AMGOT H.Q. or the Senior Legal Officer of the Province should be informed of any such detention and his agreement obtained.

The investigation of the case must be pursued as rapidly as possible by the security personnel concerned, so that the civilian detained may be either interned, released or charged with an offence with the minimum delay. If the Security Section making the investigation moves to another area before the case is disposed of, the case must be handed over the incoming security section.

If the detention is to last longer than three months the agreement of the Chief or Senior Legal Officer should again be obtained.

In addition to the records prescribed in (a) above, the ultimate disposal of the case will be reported to those to whom the original record of arrest was sent.

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The procedure outlined above is based on the principle that security arrests should normally be carried out by Security Personnel (F.S.P. or C.I.C.)

It is realised however, that the arrest of civilians for security reasons may sometimes be initiated by a military personnel. In such cases, the civilian arrested should wherever possible be handed over to the nearest F.S. or C.I.C. Section: where this is not practicable, the latter should at least be informed of the particulars of the arrest. The arrest can then be handled in accordance with the procedure laid down above.

Major General,
Chief of General Staff,
15 Army Group.

HQ. 15 Army Group
C.M.F.

Copy to: A.F.H.Q.
AMGOT H.Q., PALERMO
12 F.S. Section
441 F.S. Section
314 F.S. Section
Provost Marshall (U.S.)

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Declassified E.O. 12356 Section 3.3/NND No. 785011

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

28 February 1944.

RULES FOR (A) AND (B) OFFICERS' MESSES, NAPLES

1. Membership of Officers' Messes at Naples will be restricted to Allied Officers and Civilians of Officer status, of both sexes, belonging to ACC. Only Allied Officers of both sexes (including Nursing Service) may be invited as guests. Special guests may be invited with the agreement of the Mess Council.

2. The Mess Council will consist of five elected officers who have power to co-opt. The Headquarters Commandant will be a member ex officio, and act as Executive to insure the operation of the Messes in accordance with the directions of the Mess Council.

3. The Mess Secretary and Treasurer and Mess Officers will be appointed by HQ ACC (Establishment Branch).

4. The Council will frame the policy and control of Headquarters messing.

5. Maximum daily charge for messing for all members will not exceed twenty five lire. Visitors and transient officers will not be charged a sum in excess of ten lire per meal.

6. Mess Officers are authorized to collect an advance either by the sale of books of tickets and chits to members or by means of a cash deposit. Members on leaving the mess will be entitled to a refund for all unused tickets and chits or any unused balance of the cash deposit.

7. The Mess Council will meet twice monthly on or about the 10th and 24th day of the month.

8. General Mess Meetings will be called monthly. All Mess Officials will attend these meetings.

9. The Council will carry out a rough check of the Mess accounts at their first meetingin the month, this in addition to the complete audit laid down in Regulations, which will be carried out quarterly on the orders of HQ ACC. They will also satisfy themselves that the system of handling and safeguarding cash, books, tickets, etc., is sound and that responsibility in regard thereto is defined and not delegated to those who should not be called upon to shoulder it, in accordance with regulations and the practice and custom in the British and American Armies.

10. The maximum number of guests a member may introduce will be limited to two in any one week.

11. Times of meals will be in accordance with the orders of the HQ Commandant and will be posted on the notice Board. Alterations in times of meals may be requested by vote at a General Meeting. Any such requests will be referred by the Mess Council to HQ ACC.

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

12. No singing, music or switching on of radio will be allowed in the mess premises after 2300 hours, without the authority of the Mess Council.

13. The Mess Secretary is authorized to purchase incidental items for Mess use up to a sum of 500 lire. Such purchases should not exceed 2000 lire in any one month.

14. Warning out and Guest Books will be provided in (A) and (B) Messes. Officers intending to be absent for one or more meals or to invite guests will notify to this effect in the appropriate book.

By command of Lieutenant General MACFARLANE:

L. T. MONTANT, Jr
2nd Lt, AGD,
Acting Adjutant.

DISTRIBUTION:
1 ea - Members Mess Council
1 ea - Mess Officers (A) & (B) Messes
(1 for Mess Officer, 1 for Mess Bulletin Board)
1 ea - Capt Marshall (Mess Secy & Treasr)
1 ea - Mess Secretaries (C, D, E, Messes)
1 ea - Executive Officers
1 ea - HQ Commandant
1 ea - Adj
2 ea - File

HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Works & Utilities Sub-Commission
APO 394

Instruction No 2
28 Feb 44

Instructions to Field Engineer Officers regarding the preparation and approval of work and the handling of Contractors' Proposals.

1. When Italian Engineers prepare approximate detailed estimates of cost for various projects they may use the standard forms now used by them for this purpose. These forms are to be filled in in as much detail as possible, and must be submitted without delay to our Field Engineers. In submitting these detailed estimates the Italian Engineer will fill in the first part of the attached form (No ACC/EST/1) in triplicate and sign each copy.

2. P.W.&U. Field Engineers will review these detailed estimates and, if they are staisfied that they properly cover the work to be done and appear reasonable in quantity and estimated cost, they will fill in the second part of all three copies of the attached form, sign them and promptly forward them to the Head of the Area involved who, if satisfied, will sign these forms and forward them to this HQ for approval.

3. Approval for such work will be made either by the Director or Deputy Director of the P.W.&U. Sub-Commission.

4. When approved, one copy will be retained at HQ, one copy will be sent to the Italian Ministry of Public Works as authority to proceed with the work and for financing, and the third copy will be sent to the head of the area for information and prompt transmittal to the Field Engineer as his authority from this HQ to proceed with the work.

5. In the meantime, and to avoid delay, the Italian

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

2. P.W.&U. Field Engineers will review these detailed estimates and, if they are staisfied that they properly cover the work to be done and appear reasonable in quantity and estimated cost, they will fill in the second part of all three copies of the attached form, sign them and promptly forward them to the Head of the Area involved who, if satisfied, will sign these forms and forward them to this HQ for approval.

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5. In the meantime, and to avoid delay, the Italian Engineers will, immediately after they have made the preliminary estimate and submitted it to our Field Engineers, obtain bids from not less than three reliable contractors for the work involved.

6. In the proposal the contractor must, in addition to the technical requirements of the proposal, submit a complete list of all plant, equipment and materials available to him for this particular project and which he will use on the project. It must be clearly understood that the contractor will only list such plant, equipment and materials as he will use on this job and not all other plant, equipment and materials he may have and which may be used elsewhere. A definite date is to be set at which these proposals are to be received. 6917

7. Contractors will submit only sealed bids to the Italian Engineers. The terms of these bids are not to be discussed with these engineers by the contractors, or reviewed by them prior to their official presentation by the contractor.

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

8. Upon receipt of these sealed bids the Italian Engineer will notify our Field Engineer, and these proposals are to be opened by our Engineer in the presence of the Italian engineer.

9. In weighing these proposals these Engineers will be guided largely by the following two factors in the order given:

a. Availability of plant, equipment and materials.
b. Cost, responsibility, and standing of contractor.

10. Upon receipt of approval of this HQ for any specific project the P.W.&U. Field Engineer is authorised to accept the most satisfactory proposal, and authorise the Italian Engineers to accept such proposal and proceed with the work in the most efficient manner.

11. In case of any emergency work, our Field Engineers will telephone to this HQ and obtain approval from the Director or Deputy Director on:

a. Obtaining a release from instructions under para 5 above regarding the obtaining of three bids or more, if, for some reason, this cannot be complied with.
b. Obtaining approval of acceptable bid.

However, the procedure outlined above will be followed as a matter of record, but the field engineer will then make a notation on the three copies of the form to the effect that telephonic approval had been received on date of such approval, what was approved, and by whom this approval was given.

L.A. JENNY,
Lt-Col.,C.E.
Director.

Declassified E.O. 12356 Section 3.3/NND No. 789011

Declassified E.O. 12356 Section 3.3/NND No. T85017

HEADQUARTERS
ALLIED CONTROL COMMISSION
Food Sub-Commission
A.P.O. 394

RHW/s1

28 February 1944

INSTRUCTIONS TO CHECKERS AT MILLS AND WAREHOUSES

1. When a vehicle arrives at the mill or warehouse, the driver should produce to you a pink form which has been issued to him by the AMG Checker at the ship.

2. This pink form will show the date, number of vehicle and drivers name, and name of the ship.

3. If any of these particulars are not on the form try to ascertain them yourself and complete the form.

4. If the driver for any reason, does not produce a pink form, you must make one out showing the above particulars, and on the bottom of the form you must show the reason for the drivers **non production** (e.g. no ticket issued at ship or ticket lost on journey).

5. After the load has been checked you will fill in the appropriate columns showing item, size of unit, and quantity, then sign your name on the pink form (checkers signature).

6. The yellow form in the book will not be used by you at all.

7. The pink forms will be handed to your Sergeant at the completion of your tour of duty.

R. H. WALKER
Captain, RASC

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

U R G E N T

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE : 16002/G-1 27 February 1944

SUBJECT : Officers for U.K.

TO : Distribution below

1. Reference this HQ letter of even number dated 22 Feb 44.

2. Please expedite return of officers considered suitable for return to U.K., requested therein.

3. This is urgently wanted for higher authority and must arrive at this Office not later than 1200 hours Tuesday, 29 Feb 44.

BY COMMAND OF LIEUT GENERAL MASON MACFARLANE.

F.A.FURGOLD,
Lt.Colonel, R.A.,
G-1.

RCE/cs

Distribution.

Regional Commissioners, Regions I, II, V and VI.
SCAO AMG 5 Army
Administrative Section
Economic Section
Civil Affairs Branch
Displaced Persons Sub-Com.
Italian Refugees Branch
Land Forces Sub-Com.
Telecoms & Postal Sub-Com.
War Materials Disposal Sub-Com.
P.R.O.
G-4.
HQ Comdt. (Rear)

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HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY & COMMERCE SUB-COMMISSION
APO 394

Ref. No. ACC/5104/IC

IC/MMR/ejc

24 February 1944

SCHEDULE No. 1, AFLR (I) B.

A. MATERIALS UNDER CONTROL OF ENGINEERING MATERIALS COMMITTEE, AFIR (I) B.

I. Metals: a. Ferrous (Iron and Steel)

1. Billets and Ingots
2. Cable and wire
3. Machine and tool steel
4. Structural Steel
5. Steel of all kinds

b. Non-Ferrous

6. Aluminum
7. Antimony
8. Brass
9. Copper
10. Chromium
11. Lead
12. Pure Mercury
13. Molybdenum
14. Monel metal
15. Nickel
16. Solder
17. Tin
18. White metal for bearings

II. Timber

19. Bulk Timber, over 6" x 6"
20. Constructional timber, Smallest dimension 3" up to 6" x 6"
21. Structural material , " " under 3"
22. Logs
23. Plywood
24. Sleepers or RR Ties

III. Other Building Materials

25. Cement
26. Paint
27. Pigments for paint
28. Varnish

IV. Machinery and Plant

29. Belting

V. Electrical Materials

30. Accumulators
31. Batteries
32. Copper and Aluminium
35. Insulators
36. Jointing Composition
40. Switch gear
41. Transformers
42. Transformer Oil
43. Welding rods

Declassified E.O. 12356 Section 3.3/NND No. 785011

18. White metal for bearings

II. Timber

19. Bulk Timber, over 6" x 6"
20. Constructional timber, Smallest dimension 3" up to 6" x 6"
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27. Pigments for paint
28. Varnish

IV. Machinery and Plant

29. Belting

V. Electrical Materials

30. Accumulators
31. Batteries
32. Copper and Aluminium Conductors
33. Electric Light Bulbs
34. " Light Fittings
35. Insulators
36. Jointing Composition
37. Motors
38. Portable Generators
39. Sulphuric Acid
40. Switch gear
41. Transformers
42. Transformer Oil
43. Welding rods
44. Wires and cables

VI. Industrial Gases

45. Acetylene
46. Oxygen
47. Ammonia
48. Bottles and Containers

6914

VII. Miscellaneous

49. Caustic Soda

B. MATERIALS UNDER CONTROL OF MISCELLANEOUS PURPOSES COMMITTEE, AFLR (I) B.

50. Hemp
51. Newsprint paper
52. Soap
53. Leather and Leather articles (less belting)
54. Matches

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

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394
G-1

REF : 16069/G-1 23 February 1944.

SUBJECT : Regulations Governing ACC/AMG Units.

TO : Regional Commissioner,
Region IV.

Reference your letter R4/270.21 dated 16.February.1944.

1. The administrative difficulties of a combined Allied unit for which the personnel is found by two different nations working under two completely different sets of Army Regulations are fully realised at this Headquarters and cannot altogether be overcome. For example, a combined Court of Enquiry is not considered practicable unless the matter can be decided at this H.Q. British Courts of Enquiry are, as you know, submitted to H.Qs. Districts and American Boards of Survey through American Army channels.

2. Some of the difficulties to which you refer can, however, be overcome, or at least, considerably simplified. To take the specific cases set out in your para.3.

(a) American drivers are in fact now driving British vehicles and British drivers American vehicles, in A.C.C. If this can be avoided it should be, but if it cannot, there is no objection provided the drivers are qualified drivers. This H.Q. has been unable to discover any specific regulation which forbids this practice. In cases where it cannot be avoided, the officer who sanctions such an arrangement will not be held responsible, financially or otherwise, in the case of accident. It is pointed out that in the near future Army vehicles, both American and British, will be driven in increasing numbers by Italian Army or civilians drivers.

(b) Since the property records of both Armies must be kept separately and the regulations concerning them eventually filter back to London and Washington, it is obvious that responsibility for custody should be in the hands of officers of the nation to which they belong. This does not, however, prevent a G-4 of either nationality signing in the first instance

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

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(b) Since the property records of both Armies must be kept separately and the regulations concerning them eventually filter back to London and Washington, it is obvious that responsibility for custody should be in the hands of officers of the nation to which they belong. This does not, however, prevent a G-4 of either nationality signing in the first instance for both British and American stores, nor from exercising general supervision over them.

(c) As stated above, whether a combined Court of Enquiry is practicable depends upon the nature of the enquiry. There is no objection whatever to a combined enquiry being held if circumstances render it immediately advisable. If the matter is one which can be decided at this H.Q no separate proceedings under the regulations of the two nationalities are required. For example, a recent joint board was constituted to enquire into the affairs of an officers' mess. If the matter is not one which can be decided by H.Q., A.C.C., there is still no reason why the proceedings of a joint board should not later be used as evidence to support the proper papers for relief of responsibility either British or American. It is pointed out that in the case, for example, of loss or damage to American stores, one officer may constitute a Board of Survey under NATOUSA Circular 100.

6913

3. This H.Q. would be glad to advise on any other questions of a similar nature which you may wish to submit for guidance.

R. B. RATHBONE,
Colonel,
Establishment Officer.

RBR/JG.

Copies to: Overleaf.

Declassified E.O. 12356 Section 3.3/NND No. 785011

Copy to: Regional Commissioner, Region I
" " " II
" " " III
" " " V
" " " VI
" " " VIII
" " " IX
S.C.A.O., AMG, 5 Army.
" " 8 Army.
G-4
HQ Comdt(Main)
HQ Comdt(Rear)

Declassified E.O. 12356 Section 3.3/NND No. 789017

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

IC/FLR/ejc

File No. ACC/5104/IC

24 February 1944

SUBJECT: Supply of Controlled Materials for Civilian Needs

TO : All Concerned

1. The attached schedule No. 1 AFLR (I) B lists the materials that are under the control of the Allied Forces Local Resources Board.

2. These materials are limited in supply and can only be utilized for essential needs. It is the function of the Industry and Commerce Sub-Commission, HQ-ACC to collect and collate information on the availability of these materials in Italy and to obtain civilian requirements for them.

a. Provincial Supply Officers will locate any stocks of these materials, block or freeze them and have an inventory made.

b. These inventories should include quantities in standard units, sizes, name plate or other descriptive matter of value in selecting these materials for use, location, ownership, condition and by whom blocked or frozen or under whose control or guard. Form ACC-MAT No. 9 will be supplied for this purpose.

c. Copy of these inventories will be submitted to Industry and Commerce Sub-Commission, HQ-ACC at once.

d. Where plants are discovered capable of producing these materials, full data thereon should be submitted to the Industry & Commerce Sub-Commission. Survey form, as per sample attached, should be used. These can be filled out by the plant managements.

e. The Industry and Commerce Sub-Commission, HQ-ACC will transmit the total availability of these materials, both stock on hand and production capacities, to the AFLR (I) B.

f. The items listed in Schedule I will be added to or altered as required, and all concerned notified accordingly.

3. In order to obtain such of these materials as are essential for civilian needs, requirements must be submitted by provinces, through channels, to the Industry and Commerce Sub-Commission.

Declassified E.O. 12356 Section 3.3/NND No. 789011

b. These inventories should include quantities in standard units, sizes, name plate or other descriptive matter of value in selecting these materials for use, location, ownership, condition and by whom blocked or frozen or under whose control or guard. Form ACC-MAT No. 9 will be supplied for this purpose.

c. Copy of these inventories will be submitted to Industry and Commerce Sub-Commission, HQ-ACC at once.

d. Where plants are discovered capable of producing these materials, full data thereon should be submitted to the Industry & Commerce Sub-Commission. Survey form, as per sample attached, should be used. These can be filled out by the plant managements.

e. The Industry and Commerce Sub-Commission, HQ-ACC will transmit the total availability of these materials, both stock on hand and production capacities, to the AFLR (I) B.

f. The items listed in Schedule I will be added to or altered as required, and all concerned notified accordingly.

3. In order to obtain such of these materials as are essential for civilian needs, requirements must be submitted by provinces, through channels, to the Industry and Commerce Sub-Commission.

a. Forms ACC-MAT No. 10 will be used for the preparation of these estimated requirements, separate forms will be used for each commodity.

b. Two copies of forms for each commodity will be submitted each month by the Provincial Supply officers, through the Regional Headquarters, so as to be in the hands of the Industry and Commerce Sub-Commission, HQ-ACC by the 20th of each month. It is the responsibility of each Provincial Supply officer to initiate these forms for the essential requirements of his province.

c. Three months will be estimated in advance. These may be revised each month as conditions require, in the forms submitted each subsequent month.

d. The forms will contain justification for the material, detailing the urgency, and where possible, tied to definite projects.

4. The Regional Supply Officer will carefully screen and check the individual Provincial estimates, endorse them, and forward the corrected and approved forms to the Industry and Commerce Sub-Commission.

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5. The various Sub-Commissions will similarly submit two copies of Form ACC-MAT No. 10 to the Industry and Commerce Sub-Commission, for requirements for special projects not covered by the Provinces or Regions.

a. These will be broken down as far as possible into Provincial areas.

b. The Sub-Commissions, in coordination with the Industry and Commerce Sub-Commission will screen all requirements to avoid duplication or misinterpretation.

6. The Industry and Commerce Sub-Commission will total all requirements for each commodity, and submit them to the AFLR (I) B, as required, for bulk monthly allocation of these materials for civilian needs.

a. Upon receipt of the monthly bulk allocations from the AFLR(I)B, the Industry and Commerce Sub-Commission will allot the materials among the Provinces in accordance with the bids received and priorities indicated.

b. Where possible nearest sources of supply for the materials should be cited together with any other information that may avoid unnecessary transportation, handling, etc.

7. Emergency requests may be submitted by Provinces or Sub-Commissions for immediate urgent needs, utilizing Form ACC-MAT No. 10, using par. 7.

a. These should be transmitted to the Industry and Commerce Sub-Commission, HQ-ACC, through Regional channels for screening, similar to the regular monthly requests.

b. Emergency requests should be kept to a minimum.

By Command of Lieutenant General MACFARLANE:

D. S. ADAMS,
Colonel, CE
Executive Officer
Economic Section

Incls
Schedule 1, par. 1
Form ACC-MAT No. 9
" " " 10
Survey Form

Distribution:-
All Sub-Commissions

Declassified E.O. 12356 Section 3.3/NND No. 780011

b. Where possible nearest sources of supply for the materials should be cited together with any other information that may avoid unnecessary transportation, handling, etc.

7. Emergency requests may be submitted by Provinces or Sub-Commissions for immediate urgent needs, utilizing Form ACC-MAT No. 10, using par. 7.

a. These should be transmitted to the Industry and Commerce Sub-Commission, HQ-ACC, through Regional channels for screening, similar to the regular monthly requests.

b. Emergency requests should be kept to a minimum.

By Command of Lieutenant General MACFARLANE:

D. S. ADAMS,
Colonel, CE
Executive Officer
Economic Section

Incls
Schedule 1, par. 1
Form ACC-MAT No. 9
" " " 10
Survey Form

Distribution:-
All Sub-Commissions
All Regions
Economics Section
Local Resources Section AFHQ

Declassified E.O. 12356 Section 3.3/NND No. 789011

Instruction N°2

Instructions to Field Engineer Officers regarding the preparation and approval of work and the handling of

Contractors' Proposals.

1. When Italian Engineers prepare approximate detailed estimates of cost for various projects they may use the standard forms now used by them for this purpose. These forms are to be filled in in as much detail as possible, and must be submitted without delay to our Field Engineers. In submitting these detailed estimates the Italian Engineer will fill in the first part of the attached form (No ACC/EST/1) in triplicate and sign each copy.

2. P.W. & U. Field Engineers will review these detailed estimates and, if they are satisfied that they properly cover the work to be done and appear reasonable in quantity and estimated cost, they will fill in the second part of all three copies of the attached form, sign them and promptly forward them to the Head of the Area involved who, if satisfied, will sign these forms and forward them to this H.Q. for approval.

3. Approval for such work will be made either by the Director or Deputy Director of the P.W. & U. Sub-Commission.

4. When approved, one copy will be retained at HQ, two copies will be sent to the head of the area for information and prompt

Declassified E.O. 12356 Section 3.3/NND No. 785011

2. P.W. & U. Field Engineers will review these detailed estimates and, if they are satisfied that they properly cover the work to be done and appear reasonable in quantity and estimated cost, they will fill in the second part of all three copies of the attached form, sign them and promptly forward them to the Head of the Area involved who, if satisfied, will sign these forms and forward them to this H.Q. for approval.

3. Approval for such work will be made either by the Director or Deputy Director of the P.W. & U. Sub-Commission.

4. When approved, one copy will be retained at HQ, two copies will be sent to the head of the area for information and prompt transmittal to the Field Engineers who will retain one copy and deliver one copy to Italian Engineer, as his authority from this HQ to proceed with the work, and for making arrangements for financing the project.

6911

5. In the meantime, and to avoid delay, the Italian Engineer will, immediately after they have made the preliminary estimate and submitted it to our Field Engineers, obtain bids from not less than three reliable contractors for the work involved.

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6. In the proposal the contractor must, in addition to the technical requirements of the proposal, submit a complete list of all plant, equipment and materials available to him for this particular project and which he will use on the project. It must be clearly understood that the contractor will only list such plant, equipment and materials as he will use on this job and not all other plant, equipment and materials he may have and which may be used elsewhere. A definite date is to be set at which these proposals are to be received.

7. Contractors will submit sealed bids to the Italian Engineers. The terms of these bids are not to be discussed with these engineers by the contractors, or reviewed by them prior to their official presentation by the contractor.

8. Upon receipt of these bids the Italian Engineer will notify our Field Engineer, and these proposals are to be opened by our Engineer in the presence of the Italian engineer.

9. In weighing these proposals these Engineers will be guided largely by the following two factors in the order given:

a. Availability of plant, equipment and materials.

b. Cost, responsibility, and standing of contractor.

10. Upon receipt of approval of this HQ for any specific project the P.W. & U. Field Engineer is authorised to accept the most satisfactory proposal, and authorise the Italian Engineersto

Declassified E.O. 12356 Section 3.3/NND No. 789011

their official presentation by the contractor.

8. Upon receipt of these bids the Italian Engineer will notify our Field Engineer, and these proposals are to be opened by our Engineer in the presence of the Italian engineer.

9. In weighing these proposals these Engineers will be guided largely by the following two factors in the order given:

a. Availability of plant, equipment and materials.

b. Cost, responsibility, and standing of contractor.

10. Upon receipt of approval of this HQ for any specific project the P.W. & U. Field Engineer is authorised to accept the most satisfactory proposal, and authorise the Italian Engineersto accept such proposal and proced with the work in the most efficient manner.

11. In case of any emergency work, our Field Engineers will telephone to this HQ and obtain approval from the Director or Deputy Director on: a. Obtaining a release from instructions under par. 5 above regarding the obtaining of 3 bids or more, if, for some reason, this can not be complied with. b. Obtaining approval of acceptable bid. However, the procedure outlined above will then make a notation on the three copies of the form to the effect that telephonic approval had been received on date of such approval and by whom this approval was given.

L.A.JENNY. Lt. Col. C.E.
Director.

Declassified E.O. 12356 Section 3.3/NND No. 785011

Form AGC/EST/1

ALLIED CONTROL COMMISSION

PUBLIC WORKS AND UTILITIES SUB-COMMISSION

Estimate of Work to be carried out

Note: This form to be filled in triplicate; one copy to be retained in Sub-Commn HQ file, one to be returned to the head of the area (Lt-Col Thompson and Major Hyland) when approved, and one to be returned to the Italian Engineer who signs certificate 2 (a) below.

ESTIMATES - CAPITAL EXPENDITURE

(APPROVALS)

1. (a) Building, Bridge, Road, Power Stn, Pumping Stn etc, and location.....

(b) By contract or direct labour .....

(c) Whether contract includes all elements; if not state briefly what is specifically excluded .....

(d) Amount of approximate estimate .....

(e) How many competitive tenders received .....

Highest and lowest .....

(f) Is lowest to be accepted; if not, why? .....

(g) Amount of acceptable tender .....

(h) Probable time for completion .....

(i) Any special remarks .....

.....

2. Certificates:

(a) Certified that the attached approximate estimate amounting to Lire .....has been prepared by me; it covers the

Declassified E.O. 12356 Section 3.3/NND No. T8504

(c) Whether contract includes all elements; if not state briefly what is specifically excluded .....

(d) Amount of approximate estimate .....

(e) How many competitive tenders received .....

Highest and lowest .....

(f) Is lowest to be accepted; if not, why? .....

(g) Amount of acceptable tender .....

(h) Probable time for completion .....

(i) Any special remarks .....

.....

2. Certificates:

(a) Certified that the attached approximate estimate amounting to Lire .....has been prepared by me; it covers the full requirements of the project, and is reasonable in amount.

) Signature .....
Italian)
Engineer) Official designation .....
) Date, and place .....

(b) I agree with the preceding certificate and recommend approval of the sum of Lire .....(i.e. accepted tender).

6910

(i) ..... Date .....
Field Engineer.

(ii) ..... Date .....
Engineer in General Charge
of affected region.

3. Approved.

.....
Director, P.W.& U. Sub-Commission.

Declassified E.O. 12356 Section 3.3/NND No. T 8501

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394.
G-1

CONFIDENTIAL.

REFERENCE: 16002/G-1 22nd February 1944.

SUBJECT : Officers for U.K.

TO : Distribution as below.

1. A further number of British officers is required for return to U.K. and service in another theatre. 20 have already been nominated and are leaving at the end of February, and a further 22 nominated by A.F.H.Q. will leave in mid-March.

2. The balance of 48 will be nominated by this H.Q. and will leave during the latter part of March.

3. In order to cause the least interference in the work of Regions and Sub-Commissions, Regional Commissioners will forward to this H.Q. before 28th February a nominal roll of those officers they consider suitable for return to the U.K. Specialist officers should be included in Regional Commissioners' lists and recommendations should be made without regard to rank.

4. I should be grateful if Vice-Presidents of Economic and Administrative Sections would instruct the Heads of their Sub-Commissions to submit lists. Vice-Presidents will be consulted regarding any specialist officers whose names have been recommended by Regional Commissioners.

5. Qualifications for service in ETO are:-

(a) Linguistic ability in French, German, Belgian or Dutch languages.

(b) Knowledge of, or business interests in the above countries.

(c) Actual field experience in A.C.C.

6. Officers recommended need not necessarily possess these qualifications, and although I do not wish Regional Commissioners to submit names of officers whose work has been unsatisfactory, there is no objection to them recommending officers who are obviously not fitted for this theatre and might be suitable for some other. Moreover, opportunity may be taken of recommending officers who,

Declassified E.O. 12356 Section 3.3/NND No. 785011

Sub-Commissions, Regional Commissioners will forward to this H.Q. before 28th February a nominal roll of those officers they consider suitable for return to the U.K. Specialist officers should be included in Regional Commissioners' lists and recommendations should be made without regard to rank.

4. I should be grateful if Vice-Presidents of Economic and Administrative Sections would instruct the Heads of their Sub-Commissions to submit lists. Vice-Presidents will be consulted regarding any specialist officers whose names have been recommended by Regional Commissioners.

5. Qualifications for service in ETO are:-

(a) Linguistic ability in French, German, Belgian or Dutch languages.

(b) Knowledge of, or business interests in the above countries.

(c) Actual field experience in A.C.C.

6. Officers recommended need not necessarily possess these qualifications, and although I do not wish Regional Commissioners to submit names of officers whose work has been unsatisfactory, there is no objection to them recommending officers who are obviously not fitted for this theatre and might be suitable for some other. Moreover, opportunity may be taken of recommending officers who, for private reasons, wish to serve in another theatre.

7. Final selection will be made by this H.Q. Regional Commissioners should, if possible, submit the names of at least six officers and Sub-Commissions at least one each.

Lieut. 6909

For M. S. LUSH,
Brigadier,
Executive Commissioner.

MSL/JG.

DISTRIBUTION:

Regional Commission, Region I	Civil Affairs Branch.
" " " II	Displaced Persons Sub-Com.
" " " III	Italian Refugees Branch.
" " " IV	Security Branch.
" " " V	Establishments Branch.
" " " VI	Land Forces Sub-Com.
" " " VIII	Telecom & Postal Sub-Com.
" " " IX	War Material Disposal Sub-Com.
S.C.A.O., AMG, 5 Army.	PRO.
S.C.A.O., AMG, 8 Army.	Executive Officer.
Administrative Section (8)	G-4.
Economic Section (10)	HQ Comdt (Main) HQ Comdt (Rear).

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

FORWARD ECHELON
HEADQUARTERS
2675TH REGIMENT
ALLIED CONTROL COMMISSION
APO 394

18 February 1944.

SUBJECT: Orders.

TO :

1. The Personnel and Postal Sections of this Headquarters are endeavoring to maintain locator files and assignment records on American officers and enlisted men in the field. In many instances orders effecting the status of personnel have been issued and no copies forwarded to this Headquarters for information.

2. The following corrective measures are requested without delay:

a. All orders affecting the transfer from one company to another will be issued through Forward Echelon, Headquarters, 2675th Regiment, Allied Control Commission upon appropriate request.

b. In instances where military necessity requires immediate transfers, confirmatory orders will be requested from this Headquarters.

c. Copies of all company orders affecting the status of personnel will be furnished this Headquarters.

d. All orders will contain the necessary information of who, what, why, where, when and how, as applicable.

By order of Colonel Albright:

Frank Di Giacomo
FRANK DI GIACOMO
Captain, Infantry
Actg Asst Adjutant

6908

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
INFORMATION DIVISION

SUBJECT: INFORMATION 2143/INFO 1944

TO : _____

The following, which may be of interest to your department, is now available in the Information Division:

JOHN V. HEINEL
Major F.A.
Director
Information Division

HEADQUARTERS
ALLIED CONTROL COMMISSION
INFORMATION DIVISION

SUBJECT: INFORMATION 2143/INFO 1944

TO: _____

The following, which may be of interest to your department, is now available in the Information Division:

JOHN V. HEINEL
Major F.A.
Director
Information Division

HEADQUARTERS
ALLIED CONTROL COMMISSION
A P O 394
Economic Section
Internal Transportation Sub-Commission.

ES/44 20 February, 1944.

SUBJECT: Railway Traffic - Procedure for Documentation.

TO : All Concerned.

PART I

CIVILIAN TRAFFIC MOVING UNDER TARIFF CHARGES.

Movements of civilian traffic (freight and passenger) under tariff charges are subject to the normal documentation and accounting procedures of the Italian Railway administration and none of the provisions of PART II hereof concerning documentation of movements of traffic (freight or passenger) free of tariff charges, for AMG/ACC has any application to such civilian traffic. It is expected that most traffic, arranged by AMG/ACC will move under tariff charges.

PART II

AMG/ACC TRAFFIC, MOVING ON SAME TERMS AS ALL MOVEMENTS FOR ALLIED FORCES, FREE OF TARIFF CHARGES.

FREIGHT:

1. All movements will be documented by use of standard army warrants (form AB 497a) which will be prepared and executed to show the full information indicated on the form, and as explained in Appendix "A" hereto.

2. The AMG or ACC office acting as the shipper (consignor) for each movement will be responsible for documentation and making record of each movement, which process will be accomplished as follows:

3. Warrants will be executed in quadruplicate, and each set numbered consecutively by the issuing officer. More than one wagon may be included on one warrant, but a separate warrant will be made out for each destination point. All copies of the completed warrant will be signed by the stationmaster, to show receipt on behalf of the railway.

4. No. 1 copy (original) will be retained by the issuing office. No. 2 copy will accompany the shipment for delivery to the stationmaster at destination. This for

Declassified E.O. 12356 Section 3.3/NND No. 785011

for A&E/ACC has any application to such civilian traffic. It is expected that most traffic, arranged by AE/ACC will move under tariff charges.

PART II

A&E/ACC TRAFFIC, MOVING ON SAME TERMS AS ALL MOVEMENTS FOR ALLIED FORCES, FREE OF TARIFF CHARGES.

FREIGHT:

1. All movements will be documented by use of standard army warrants (form AB 497a) which will be prepared and executed to show the full information indicated on the form, and as explained in Appendix "A" hereto.

2. The A&E or ACC office acting as the shipper (consignor) for each movement will be responsible for documentation and making record of each movement, which process will be accomplished as follows:

3. Warrants will be executed in quadruplicate, and each set numbered consecutively by the issuing officer. More than one wagon may be included on one warrant, but a separate warrant will be made out for each destination point. All copies of the completed warrant will be signed by the stationmaster, to show receipt on behalf of the railway.

4. No. 1 copy (original) will be retained by the issuing office. No. 2 copy will accompany the shipment for delivery to the stationmaster at destination. This for railway use. No. 3 copy will be sent by quickest means to the A&E or ACC office acting as consignee. No. 4 copy will be retained by the stationmaster at point of origin, for railway use and record.

5. On the 1st. and 16th. of each month the issuing office will forward the No. 1 copies (originals) of all warrants issued during the preceding semi-monthly period to the office of Internal Transportation Sub-Commission, ACC c/o Mov. & Tn., [illegible] Adv. Adm. Sch. CMF, accompanied by an abstract of such warrants showing: 6906

(i) Warrant number and date.
(ii) Station from which shipment was dispatched.
(iii) Destination station of shipment.
(iv) Commodity (general).
(v) Number of wagons and total tons shown on that warrant.

6. On arrival of shipment at destination No. 3 copy of warrant will be checked against the shipment received, warrant receipted and any over (O), short (S), or damage (D) in the shipment noted and signature of railway stationmaster requested covering any such O, S, and D.

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7. On the 1st. and 16th. of each month No. 3 copies of all warrants covering shipments delivered during the preceding semi-monthly period will be forwarded by the office acting as consignee to the office of Internal Transportation Sub-Commission, ACC, c/o Mov. & Tn., AFHQ Adv. Adm. Echn. CMF, such copies to be accompanied by an abstract showing:

(i) Warrant number and date.
(ii) Station from which shipment was dispatched.
(iii) Destination station of shipment.
(iv) Commodity (general).
(v) Number of wagons and total tons shown on that warrant.
(vi) Date delivered.

PERSONNEL:

8. "General Railway Warrants", standard army form AB 494d, will be used for the movement of any AMG or ACC personnel authorised to travel by railway, free of charge. Such warrants will be also used for any civilians who are required to travel by train, free of charge, for AMG or ACC purposes.

9. The AMG or ACC office authorising the movement will be responsible for the issuance and recording of the warrant, which will be accomplished as follows:

10. A warrant will be issued in triplicate for each movement. Each set of warrants will be numbered consecutively by the issuing office. They will be prepared to show the full information on the form, and as explained in Appendix "A" hereto.

11. Copy No. 1 will be handed to the railway stationmaster.
Copy No. 2 will be handed to the traveller or O.C. party, in lieu of a ticket and will be given up to the railway stationmaster at destination.
Copy No. 3 will be retained by the issuing office.

12. On the 1st. and 16th. of each month the issuing office will send the No. 3 copies of all warrants issued during the preceding semi-monthly period to Internal Transportation Sub-Commission, ACC, c/o Mov. & Tn., AFHQ Adv. Adm. Echn. CMF, which copies will be accompanied by an abstract thereof, showing:

(i) Warrant number and date.
(ii) From.
(iii) To
(iv) Number of persons transported.

GENERAL:

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9. The AMG or ACC office authorising the movement will be responsible for the issuance and recording of the warrant, which will be accomplished as follows:

10. A warrant will be issued in triplicate for each movement. Each set of warrants will be numbered consecutively by the issuing office. They will be prepared to show the full information on the form, and as explained in Appendix "A" hereto.

11. Copy No. 1 will be handed to the railway stationmaster.
Copy No. 2 will be handed to the traveller or O.C. party, in lieu of a ticket and will be given up to the railway stationmaster at destination.
Copy No. 3 will be retained by the issuing office.

12. On the 1st. and 16th. of each month the issuing office will send the No. 3 copies of all warrants issued during the preceding semi-monthly period to Internal Transportation Sub-Commission, ACC, c/o Mov. & Tn., AFHQ Adv. Adm. Ech. CMF, which copies will be accompanied by an abstract thereof, showing:

(i) Warrant number and date.
(ii) From.
(iii) To
(iv) Number of persons transported.

GENERAL:

13. Provisions of this Memorandum will be effective on and from 1st. March, 44, and supercedes para 10 of ACC Tn. Memorandum No. 1 dated 10 December, 1943.

14. Initial supply of the warrant forms will be obtained from the representatives, Internal Transportation Sub-Commission at the following places:

c/o Mov. & Tn., AFHQ Adv. Adm. Ech. - CMF.
c/o Mov. Reggio.
c/o Mov. Foggia.

c/o Mov. District No. 2. Bari.
c/o HQ, Region 1 - Palermo.
c/o HQ, Region 2 - Matera.
c/o HQ, Region 3 - Naples.
Transportation Officer - Region 4.
Transportation Officer - Region 6.

Requests for additional copies should be made through the regional offices listed above.

15. Attention is called to the last sentence of PART I, namely: "It is expected that most traffic arranged by AMG/ACC will move under tariff charges".

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APPENDIX "A".

Explanatory notes concerning information required on Warrants (Forms AB 497A and 494A).

1. Most of the information required is clearly indicated by the forms. To insure uniformity and that all essential information will be provided, treatment of possibly confusing entries on the forms will be as follows :

(a) FREIGHT WARRANT - FORM AB 497 .

Lines 1 and 2, styled "Transport d' executor par train" and "For movement by _____": Either or both lines are to be used to show indentification of train on which it is intended movement shall be despatched, by title or description of train and date on which despatch is expected.

Line 3 - "From" - show actual station name, as "Naples - Central Station". "To" show actual station name, as Bari - XY3 station.

Line 4 - "Loading point" and "Delivery point". This will generally be the same as line 3. Where, however, the loading or unloading point has a distinct location indentification it should be shown.

Columns 1, 2, 4 and 8 are self explanatory.

Columns 3 and 7 are not required.

Column 5 "Actual gross weight" means weight of consignment.

The line "signed - RTO" is for signature and title of issuing officer, and the corresponding date line is for the date the warrant is handed in to the stationmaster.

The line marked "Chef de Gare" is for signature of stationmaster and the corresponding date lines is for actual date signed.

Distribution of copies of warrants will be as shown in Memorandum and NOT as shown in printed instructions on the form.

The back of the form is not to be filled in.

Declassified E.O. 12356 Section 3.3/NND No. 785011

expected.

Line 3 - "From" - show actual station name, as "Naples - Central Station". "To" show actual station name, as Bari - XYZ station.

Line 4 - "Loading point" and "Delivery point". This will generally be the same as line 3. Where, however, the loading or unloading point has a distinct location identification it should be shown.

Columns 1, 2, 4 and 8 are self explanatory.

Columns 3 and 7 are not required.

Column 5 "Actual gross weight" means weight of consignment.

The line "signed - RTO" is for signature and title of issuing officer, and the corresponding date line is for the date the warrant is handed in to the stationmaster.

The line marked "Chef de Gare" is for signature of stationmaster, and the corresponding date lines is for actual date signed.

Distribution of copies of warrants will be as shown in Memorandum and N.T as shown in printed instructions on the form.

The back of the form is not to be filled in.

(b) GENERAL RAILWAY WARRANT - FORM AB 494 A (for personnel).

Lines 1 and 2 and the line "Signed - RTO" are to be used the same as shown for corresponding lines under (a) above.

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The signature of stationmaster is not required.

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

DISTRIBUTION.

MGS Adv. Naples
Main HQ, ACC., Naples.
Rear HQ, ACC., Salerno.
HQ, No. 2 District.
Commanding General PBS.
Economic Section, Main HQ, ACC., Naples.
HQ, Region I (Sicily).
" " II Matera.
" " III Naples.
" " IV Naples.
" " V Campobasso.
" " VI Sardinia.

Movements, AFHQ Adv. Adm. Ech., for distribution as under :- (25)

Mov E Italy
Mov W Italy
Mov Taranto
Mov Bari
Mov Barletta
Mov Brindisi
Mov Reggio
Mov Foggia
Mov Railhead Sub-Area (Vasto)
Mov Rear 8 Army
Mov Main 8 Army
Mov Crotone
Mov Torre Annunziata
Mov Castellamare
Mov Naples
Mov Salerno
Mov ACMF

Transportation Officer, PBS Naples.
DGMRS Naples.
Internal Transportation Sub-commission, ACC.
Shipping Sub-commission, ACC.
Food Sub-commission, ACC.
Industry & Commerce Sub-commission, ACC
Public Works & Mines Sub-commission, ACC
Agriculture Sub-commission, ACC
Civilian Clothing Commission.
Displaced Persons Sub-commission, ACC.
Education Sub-commission, ACC.
Electric Power Mission.
Finance Sub-commission, ACC.
Industrial Planning Staff.
Labour Sub-commission, ACC.
Legal Sub-commission, ACC
Monuments & Fine Arts Sub-commission, ACC.
Operations & Security Intelligence.
Public Health Sub-commission, ACC.
Telecommunications & Postal Sub-commission, ACC.
MEDBO
ACC Transportation Sub-commission Rep c/o Mov East Italy c/o HQ, Reg II

Declassified E.O. 12356 Sec. 3.3/NND No. 785011

Mov Brindisi
Mov Reggio
Mov Foggia
Mov Castellamare
Mov Naples
Mov Salerno
Mov ACMF

Transportation Officer, PBS Naples.
DGMRS Naples.
Internal Transportation Sub-commission, ACC.
Shipping Sub-commission, ACC.
Food Sub-commission, ACC.
Industry & Commerce Sub-commission, ACC
Public Works & Mines Sub-commission, ACC
Agriculture Sub-commission, ACC
Civilian Clothing Commission.
Displaced Persons Sub-commission, ACC.
Education Sub-commission, ACC.
Electric Power Mission.
Finance Sub-commission, ACC.
Industrial Planning Staff.
Labour Sub-commission, ACC.
Legal Sub-commission, ACC
Monuments & Fine Arts Sub-commission, ACC.
Operations & Security Intelligence.
Public Health Sub-commission, ACC.
Telecommunications & Postal Sub-commission, ACC.
MEDBO
ACC Transportation Sub-commission Rep c/o Mov East Italy c/o HQ. Reg II.
Mov West Italy c/o HQ. Reg III.
Mov Reggio (Calabria)- Tpn. Officer Reg 4
Mov Foggia Sub-Area. - " " " " 6
Mov No. 2 District (Bari)

Undersecretary of State for Italian Railways & Highways, Naples.
D.C.A.C. AFHQ Adv. Adm. Ech.
D.D.C.A.C. " " " "
"Q" Branch " " " "
C-4 " " " "
D.Q.M.G. " " " "
D/CCT " " " "
D.D. Tn " " " "
H.Q., ACMF (for favour of issue to AMG Armies).
H.Q., 8th. Army.
Commanding General 5th. Army.
Lt.Col. C.H.Lindberg, (Int. Tn. S.C. Representative at ACC Palermo).
HQ., No. 3 District.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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

HEADQUARTERS
2675TH REGIMENT
(Forward Echelon)
ALLIED CONTROL COMMISSION
APO 394

(Date)

SUBJECT: Rotation and Return of Military Personnel

TO :

1. Pursuant to provisions of Circular 221, Hq. NATOUSA, dated 12 November 1943, as amended, commanders will submit recommendations for rotation of individuals who have had at least one year continuous overseas service. Preference will be given to officers and enlisted men who have been overseas longest, have been wounded in action, and who have been decorated or have had combat service.

2. This office will make a monthly consolidated report based on one-half of one percent of the assigned strength of the command as of the date of the submission of the report.

3. It is requested that reports be submitted on Appendix "A" to circular No. 221 so as to reach this headquarters not later than the 15th of the month in order that the consolidated report reach headquarters command in time for consideration in the monthly quota.

By order of Colonel PARKIN:

FRANK DI GIACOMO
Captain, Inf.
Actg Asst Adj.

1 Incl.

Appendix "A" to Circular 221, NATOUSA

6904

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

HEADQUARTERS
AMG 5TH ARMY
Economics & Supply

20 February 1944

TO : C. G., AMG, 5th Army

SUBJECT: Supplies unloaded at Palermo

1. Under orders from DSTO, Naples, three (3) coasters moved to Palermo, on 12 February 1944, and one (1) on 17 February 1944.

2. Information that coasters were to unload at Palermo was received by this Division on 15 February 1944, at 1145 hours.

3. Two (2) officers and four (4) EM were flown to Palermo on 16 February 1944; one (1) EM went by boat 17 Feb. 44.

4. Report by Maj. R.E.H. Horn, in charge of Palermo detachment is attached.

5. His recommendation that the total supplies moved and unloaded at Palermo be transferred to E & S., ACC for use in Region I is approved.

6. It is further recommended that Major Horn be ordered to return to Palermo with one (1) additional officer and five (5) additionnal EM to take complete charge of the transfer; and to set up proper warehouse records for E & S., ACC, Region I, at present terribly undermanned and completely swamped.

KARL S. GATE
Major AUS
Econ & Supply, AMG 5th Army

6903

HEADQUARTERS
AMG 5th ARMY
Economics & Supply.

TO: Major K.S. Cate, Dir. E & S Div., AMG 5th Army

FROM: Major R. E. Horn, AMG 5th Army

SUBJECT: Transfer of Supplies to Palermo

DATE: 19th February, 1944:

1. On 15 February, at 1145 hours I was 'alerted' to proceed at once to Palermo on an emergency assignment connected with the unloading of four coasters diverted from Naples to Palermo containing AMG food destined for Rome.

2. On 16 February, at 1500 hours, together with Capt. Stark and four OR I arrived at Palermo and at once made contact with Major Chayton, A/Chief of E & S, ACC Region 1, in the absence of Major Alexander.

3. Major Chayton informed me that three of the coasters - (a) Arsia, (b) Ezilda Croce, and (c) Pelagosa, had arrived some days previously and had been unloaded, the supplies having been placed in warehouses.

4. I asked him if he had kept a tally of the supplies received. He informed me that he had not and was unable to do so for the following reasons:

(a) Extreme shortage of staff.
(b) The urgency for speed in discharging the cargoes as the ships were required for immediate operations.
(c) Unloading, trucking and warehousing were done at night and many of the warehouses were without lights.
(d) Four different warehouses had to be used simultaneously to expedite the clearing of the ships; these warehouses were not conveniently located and were scattered, thus making supervision difficult.
(e) As many as six trucks were unloaded at the same time at some of the warehouses.
(f) During the whole of this period supplies for Region 1 were also being handled.

5. I next proceeded to an inspection of the warehouses, intending to

Declassified E.O. 12356 Section 3.3/NND No. T85017

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(d) Four different warehouses had to be used simultaneously to expedite the clearing of the ships; these warehouses were not conveniently located and were scattered, thus making supervision difficult.
(e) As many as six trucks were unloaded at the same time at some of the warehouses.
(f) During the whole of this period supplies for Region 1 were also being handled.

5. I next proceeded to an inspection of the warehouses, intending to check the supplies in the warehouses. It was soon apparent that any check would be out of the question as in the darkness sacks of flour, pasta, sugar and grain were all mixed up and stacked together ceiling high. This was also true of the boxes of rations. Warehouses themselves were small and it is not possible to re-stack and check without taking all the supplies out into the open and starting afresh. In this connection it should be noted that rain is and has been falling on and off all the time. 6902

6. The condition of the supplies was as follows:

(a) Sacked goods - a number had been spoiled by exposure as they had been deck-loaded; many more had been split and the contents lost.
(b) Powdered milk - some of the casks had been broached and the contents severely damaged by exposure to the weather.
(c) Cartons of tinned milk - a very large proportion of the cartons were split and the tins either lost, or loose and damaged.
(d) Boxed tinned food - many boxes broken and contents lost or damaged. This type of supply arrived in much better condition than any of the other.

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7. I spoke to Col. Adamson, Director of Shipping I.B.S., who agreed on the condition of the supplies and stated that he had inspected the supplies whilst being unloaded and considered there had been a minimum loss of 20%. I consider this a fair estimate.

8. On the evening of 18 February, a fourth coaster, the "Salvore" arrived and started to unload at 1900 hours. There will undoubtedly be a similar lack of check, damage and loss of supplies for the reasons stated in para. 4 above.

9. I returned to Naples by air on the morning of the 19 February to report to Dir. E. & S., AMG, 5th Army.

10. It is my considered opinion, whole-heartedly supported by Col. Adamson, that the supplies still intact will not stand more than one more handling. Their present condition will not permit further loading and off-loading into ships.

11. In the interests of economy, both in material, labour and shipping, these supplies should be vouched over to ACC Region 1 and equivalent supplies be made available direct to Economics and Supply Division, AMG 5th Army.

12. Attached is an inventory of supplies loaded on to the four coasters.

NOTE: I was given to understand that the supply of powdered milk now held in Palermo is excessive and was not in demand by the local population.

Major.
D.C.L.I.

20.2.44

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

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

HEADQUARTERS
AMG 5TH ARMY
Economics & Supply

20 February 1944

TO : Major K. S. Cato

SUBJECT: Cargoes of the ARISIA, EZILDA-CROCE, PELAGOSA, AND SALVORE

1. The manifest for the Salvore dated 7 January 1944 listed a cargo of 1100.7 tons.

2. On 18 January 1944 letter from Major Smallwood reported a cargo of 669 tons on the Croce.

3. On 18 January 1944 letter from Major Smallwood reported a cargo of 499 tons on the Arsia.

4. On 13 January 1944 letter from Major Smallwood reported a cargo of 673 tons on the Pelagosa. Loading slips in the 397th Port Battalion office show additional loadings of 237.368 tons. Total 910 tons.

5. Attached list shows that above named coasters were loaded with 3178.7 tons.

WALTER M. JACKSON
Captain, AUS

6961

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HEADQUARTERS
AMG 5TH ARMY
Economis & Supply

20 Februnry 1944

	Ezilda-Croce	Polarosa	Arsia	Salvore	Total
Flour	222		284	465	971
Milk	176		117		293
M & V Stew	185	526		121.2	832.2
Pasta	86				86
Soup		237		73.5	310.5
Misc.		147	98		245
B & C Rations				21.4	21.4
C-Beef				163	163
Pre. Butter				115.5	115.5
V - Sausage				9.2	9.2
Pre. Cheese				4.5	4.5
Sardines				56.9	56.9
Herrings				.5	.5
Chili con Carne				70	70
TOTAL	669	910	499	1100.7	3178.7

6900

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DISTRIBUTION:

(9) AMG 5th Army
- (2) CG
- (1) Lt Col Shipp
- (6) Director E & S

(2) AFHQ Advance Administrative Echelon
- (1) Brigadier Fellowes - Movements
- (1) Captain Trevor - DSTO Italy

(4) HQ ACC
- (1) Brigadier Luch
- (1) Chief Accoutant
- (1) Director Industry & Commerce
- (1) Chief Food Sub-Commission

(3) AMG Region 4
- (1) RCAO
- (1) Director E & S
- (1) Director Finance

(3) AMG Region I
- (1) RCAO
- (1) Director E & S
- (1) Director Finance

(1) Transportation IRS
(Col. Adamson)

U R G E N T

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13007/F

21 February 1944

SUBJECT: Servant Allowance

TO: Chief Accountant, Region I.
RFO, Region II.
RFO, Region IV.
RFO, Region V.
Allied Financial Agency, Bari Branch.
Allied Financial Agency, Naples Branch.
Allied Financial Agency, Palermo Branch.
Colonel H.G. Crawshaw, Accounting Section.
Lt-Col. O.V. Claiborne, HQ Allied Financial Agency.
Lt- Comdr. J.J. Lawler USCGR, Salerno Detachment (Finance).
Major B.D. Nash, Revenue Section.
Major J. Osmon, Insurance Section.
Capt. A. Marshall, Toledo-Regina Hotel.

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1. Approval and implementation of the new consolidated War Establishment has now been obtained and all British Officers within the organization of Allied Control Commission and Allied Military Government become entitled to claim Servant Allowance.

2. The allowance will be claimed forthwith on the attached pro-forma, copies of which are enclosed in respect of all Finance Offices assigned or attached to Finance Sub-Commission, Headquarters, A.C.C., and which you are requested to transmit to the Officers concerned. Further copies of the pro-forma may be obtained if required from G-1 (B) Headquarters, A.C.C.

3. It is requested that special attention be paid to the accuracy of effective dates shown on claims. Where provision is made for the second date in para 1 of the claim, the following should be inserted - "to date and to continue".

4. It is pointed out that claims for period that any officer spent at the Military Government School and Holding Centre cannot be considered.

5. Any Officer who is already in receipt of Servant Allowance will complete claim, but will attach thereto a statement to that effect, quoting the effective date.

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

Capt. A. Marshall, Toledo-Regina Hotel.

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4. It is pointed out that claims for period that any officer spent at the Military Government School and Holding Centre cannot be considered.

5. Any Officer who is already in receipt of Servant Allowance will complete claim, but will attach thereto a statement to that effect, quoting the effective date.

6. Officers who have already submitted claims but who are not in receipt of Servant Allowance will re-submit on the attached pro-forma. 6899

7. Instructions regarding completion of claim form are as follows:-

(a) Para 1 will be completed by Officer concerned.
(b) Para 3 will be left blank.
(c) Claim to be signed and date inserted in spaces provided.
(d) Space for C.O's counter-signature to be left blank.
(e) When completed, claims should be returned to this office for disposal.

8. In the interests of Officers concerned, it is advisable that claim forms be submitted with as little delay as possible. In the case of Officers stationed in Naples and Salerno, this should be prior to 25 February 1944. Officers located elsewhere should return same completed as speedily as possible.

A.P. GRAFFTEY-SMITH,
Colonel,
Actin. Chief Finance Officer.

RHA/PFP

Declassified E.O. 12356 Section 3.3/NND No. 785011

SECRET

Headquarters
Allied Financial Agency
APO-394

15 February 1944

Activities of Allied Military Financial Agency during the month of January 1944.

1. In accordance with instructions contained in cable 2305 (FAN 161) of 11 July from A G W A R, the following report is submitted for transmission to the Treasuries at London and Washington covering the activities of AMFA (now AFA) for the period from 1 January to 31 January 1944. As far as possible the information requested by the Secretary of the Treasury in his letter of 31 August 1943 to the Secretary of War, is included in this report.

2. (a) The Consolidated Statement of the Assets and Liabilities of AMFA, as at the close of business on 31 January 1944, is attached as ANNEX I. As compared with the statement of 31 December 1943 the total of assets and liabilities increased from Lire 40,906,496,970 to Lire 43,155,014,823, or by approximately 2,249 million lire, a much smaller figure than in the previous month, when the increase amounted to 23,391 million lire. The increase for January is accounted for principally by the following changes:

(i) New A.M. Lire notes received increased 3,197,440,000 lire as a result of additional shipments from Washington. It will be observed that a sum of 480 lire is shown as "Shortages Revealed on opening Boxes". Several discrepancies, involving both shortages and overages in the cash contents, have been discovered on opening the boxes. Three separate reports have been made to the Combined Chiefs of Staff, under dates of 18 January 1944, 29 January 1944 and 8 February 1944 (FAH/1104). However, neither the overage of

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ington covering the activities of AMFA (now AFA) for the period from 1 January to 31 January 1944. As far as possible the information requested by the Secretary of the Treasury in his letter of 31 August 1943 to the Secretary of War, is included in this report.

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6897

(ii) Sicilian Commercial banks withdrew 1,052,571,462 lire from their deposits with AMFA, as interest has not been paid on these deposits since 31 December 1943. Also the suggestion was made by the Regional Finance Officer that the cash funds of the banks be deposited with the Banca d'Italia, in the normal manner.

(iii) The Economic and Supply Division deposited 73,579,560 lire, representing the proceeds of goods sold to the civilian population. The Public Health Division deposited 1,242,113 lire, and the Legal Division 311,362 lire.

(iv) Receipts for account of AMG Economic and Supply Division increased in the amount of 14,211,820 lire.

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(v) Various Army units deposited PX and unit funds in the amount of 7,789,870 lire.

(vi) The Controller of Property deposited 6,902,296 lire.

(B) Statements of Assets and Liabilities of Branches, as of the close of business on 31 January 1944, appear in the condensed consolidating statement as ANNEX II.

3. Receipts and Disbursements. A comparison with the statement of 31 December shows the following changes in assets other than cash on hand and in banks.

(A) During the month the total of other balances with banks declined from 1,729,591,629 lire to 232,635,037 lire. This change was the result of the following developments:

(i) The cash reserve set aside against AMFA's credits to the commercial banks in Sicily, which amounted to 452,175,000 lire on 31 December 1943, was transferred to cash on hand and in banks, as a result of the expiration of all these credit lines on 31 December 1943.

(ii) Although the deposits of Sicilian commercial banks with AMFA ceased to bear interest on 31 December 1943, only about 200 million lire was reported withdrawn during the first fifteen days of January, despite the offer of interest by the Banca d'Italia at the following rates :

Sight deposits	1½ %
Deposits at 8 day's notice	2½ %
Deposits at 15 day's notice	3 %

Accordingly, the Regional Civil Affairs Officer, Sicily, suggested to the leading commercial banks that AMFA no longer desired to carry their surplus cash funds, thus in a sense competing with the Banca

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Accordingly, the Regional Civil Affairs Officer, Sicily, suggested to the leading commercial banks that AMFA no longer desired to carry their surplus cash funds, thus in a sense competing with the Banca d'Italia. During the remaining fifteen days of the month, the amount on deposit was reduced by about 850 million lire. Of the total withdrawals during the month, 1053 million lire, some 345 millions were required to repay loans made by AMFA, (item 7 on the statement), resulting in a net movement of cash out of AMFA to the banks in the amount of approximately 700 million lire.

(iii) The amount deposited by various U.S. Army PX, company, mess and other funds continued to increase. In addition to some 50 accounts now operated by the Banco di Napoli for AMFA Naples, deposits of this type have now appeared on the statements of the Bari branch.

(B) Funds held by accounting officers in the field were reduced in the amount of 1,266,178,803 lire. The sum of 653,107,825 lire was reclassified to other accounts, while cash transactions with accounting officers in the field resulted in a net refund of 613,070,978 lire to AMFA, distributed as follows :

...../ as follows:

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as follows:

	Net New Advances	Net Refunds	Interbranch Transfers
Bari	315,271,218	-	- 220,753,023
Naples	88,324,832	-	-
Palermo	-	615,013,736	- 397,639,000
Sassari	-	-	-
Region IV	-	401,653,292	+ 618,392,023
	403,596,050	1,016,667,028	-
		403,596,050	
		613,070,978	

(C) During the month the sum of 26,558,451 lire was expended for the purchase in Italy of goods destined for export or for resale in Italy. Payments were made as follows:

For Export to	United States	-
" " "	United Kingdom	8,845,016
" " "	North Africa	7,441,365
" " "	Malta	7,991,618
Destined for	Resale in Italy	2,280,452
		26,558,451

(D) The cumulative total of advances thus far classified, which excludes those extended by accounting officers in the field during January, is tabulated below:

	Bari	Naples	Palermo	Sassari	RegionIV	Total
	(in million lire)					
To Italian State Treasury & State Institutions	850	85	1509	543	26	3013
To Provinces	3	19	364	-	1	387
To Communes	13	147	704	-	13	877
Total to Public Bodies	866	251	2577	543	40	4277
To Others	1	6	5	-	7	19
Total Advances	867	257	2582	543	47	4296

The total shows an increase of 1300 million lire, as compared with 31 December 1943.

For a review of the cumulated deficit of Italian public

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Destined for Resale in Italy 2,280,452

26,558,451

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Total Advances	867	257	2582	543	47	4296

The total shows an increase of 1300 million lire, as compared with 31 December 1943.

For a review of the cumulated deficit of Italian public bodies since the date of liberation, refer to ANNEX III.

(E) Loans to banks, all of which are carried on the books of the Palermo branch, were reduced by 343,687,684 lire, as a result of repayment by the Sicilian commercial banks of credits granted them under the original agreement, which expired on 31 December 43. The remainder is due for repayment in installments on 29 February and 31 March 1944. Included in the remaining balance under this item is one loan made for the purpose of assisting a small bank in financing the seasonal movement of crops, which falls outside the terms of the original credit agreement, however. 6896

..... (F) Dis.

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(F) Disbursements to the Allied Armed forces in January are summarized below :

	Bari	Naples	Palermo	Sassari	RegionIV	Total
			(in millions of lire)			
U.S. Army	468	640	104	32	-	1244
U.S. Navy	-	-	20	-	-	20
British Army	256	400	393	-	-	1049
British Navy	-	-	-	5	-	5
R.A.F.	-	-	-	1	-	1
French Armed Forces	-	360	184	-	-	544
All Allied Armed Forces	724	1400	701	38	-	2863

The total amount of 2863 million lire is approximately two-thirds of the total of such disbursements in December, amounting to 4266 million lire, and is approximately equal to the total sum of 2624 million lire which was paid out in November 1943. However, the January figure includes only 49 millions of spearhead currencies, as against 346 millions paid over to the armed forces in December. These refunds of BMA pounds and yellow seal dollars to the armed forces represent amounts paid in to banks by the public, and were in all probability originally spent by the armed forces some weeks or months prior to the date of the repayment by AMFA to the armed forces.

(G) AMG/ACC. Expenditure, less revenue indicates net revenue of 49,888,035 lire, as compared with net revenues of 39,103,007 lire at the end of December. The cumulated net expenditure of AMFA is shown as 2,222,044 lire. Interest was paid to banks through 31 December 43 on their deposits in the amount of 4,490,512 lire, while the banks paid to AMFA the sum of 2,641,198 lire on their borrowings. Additional interest will, however, be received by AMFA Palermo in February and March on the loans to Sicilian banks which are still outstanding.

Other divisions of AMG and ACC reported a cumulative excess of revenue over expenditure in the amount of 52,110,079 lire, as compared with 39,443,911 lire at the end of December 1943.

4. Currency Statement

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the January figure includes only 49 millions of spearhead currencies, as against 346 millions paid over to the armed forces in December. These refunds of EMA pounds and yellow seal dollars to the armed forces represent amounts paid in to banks by the public, and were in all probability originally spent by the armed forces some weeks or months prior to the date of the repayment by AMFA to the armed forces.

(G) AMG/ACC. Expenditure, less revenue indicates net revenue of 49,888,035 lire, as compared with net revenues of 89,103,007 lire at the end of December. The cumulated net expenditure of AMFA is shown as 2,222,044 lire. Interest was paid to banks through 31 December 43 on their deposits in the amount of 4,490,512 lire, while the banks paid to AMFA the sum of 2,641,198 lire on their borrowings. Additional interest will, however, be received by AMFA Palermo in February and March on the loans to Sicilian banks which are still outstanding.

Other divisions of AMG and ACC reported a cumulative excess of revenue over expenditure in the amount of 52,110,079 lire, as compared with 39,443,911 lire at the end of December 1943.

4. Currency Statement.

(A) During the month of January currency movements in the accounts of AMFA may be summarized as follows:

	Lire
Cash on hand and in banks (incl mutilated) as of 31 December	19,889,105,570
New A.M. lire notes received in Jan.	3,197,440,000
Total Available during January	23,086,545,570

.....Total

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	lire
Total available during January (carried forward)	23,086,545,570
Cash on hand and in banks (incl mutilated) as of 31 January	21,066,189,829
Net outflow of cash	2,020,355,741
Add: Transferred from "Other Balances" to "Cash"	452,175,000
Total net disbursements in January	2,472,530,741

The total disbursements of cash in January appear much smaller than the total of 5,628,957,709 lire paid out in December, but this is in part the result of non-recurrent receipts accruing in January in the form of repayments of bank loans, and the return to AMFA of cash formerly held by field officers of AMG. Banks repaid 343,687,684 lire, while field officers returned 1,016,667,028 lire in cash. "Gross" disbursements in January might therefore be stated at 3,832,885,453 lire.

(B) Mutilated A.M. lire notes redeemed and held by AMFA increased from 455,769 lire at the end of December to 1,998,096 lire at the end of January.

(C) During the month AMFA accumulated on balance yellow seal dollars and BMA pounds, despite the payment to British Army paymasters of 49.6 million lire value in BMA pounds during the month. The amount of yellow seal dollars held increased from $ 460,034.64 on 31 December to $ 718,891,41 on 31 January, indicating that $ 258,856,77 was taken up for AFA account in January, chiefly by the branches in Palermo and Bari. In addition to the £ 124,000 paid in BMA currency and British Coin to the British paymasters, £ 219,220-12-11 was taken up by AMFA in BMA currency during the month.

(D) An attempt is made below to estimate the amount of lire held by the banks and the public:

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343,687,684 lire, while field officers returned 1,016,667,028 lire in cash. "Gross" disbursements in January might therefore be stated at 3,832,885,453 lire.

(B) Mutilated A.M. lire notes redeemed and held by AMFA increased from 455,769 lire at the end of December to 1,998,096 lire at the end of January.

(C) During the month AMFA accumulated on balance yellow seal dollars and BMA pounds, despite the payment to British Army paymasters of 49.6 million lire value in BMA pounds during the month. The amount of yellow seal dollars held increased from $ 460,034.64 on 31 December to $ 718,891,41 on 31 January, indicating that $ 258,856,77 was taken up for AFA account in January, chiefly by the branches in Palermo and Bari. In addition to the £ 124,000 paid in BMA currency and British Coin to the British paymasters, £ 219,220-12-11 was taken up by AMFA in BMA currency during the month.

(D) An attempt is made below to estimate the amount of lire held by the banks and the public:

New A.M. lire received (after deduction of shortage)		Lire 42,589,727,520
Less - Lire held by AMFA in current cash, reserve cash, and current accounts (incl. mutilated),		20,843,337,718
A.M. Lire Outstanding		21,746,389,802
Less - Unexpended funds held by accounting officers in the field(est.)		1,000,000,000
		20,746,389,802
Less - Currency held by Finance Officers of Armed Forces (est)		7,000,000,000
		13,746,389,802

(E) An attempt has been made to estimate roughly the value of unopened boxes of A.M. lire remaining at the disposition of AMFA .....as of 31

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as of 31 January. Reports were received from the branches at Naples, Bari and Palermo and estimates made for Sassari. In addition to the amounts tabulated below as "available", commercial banks hold some unopened boxes.

Approximate Value of A.M. Lire.
Available and A.M. Lire Disbursed, by denominations
31 January 1944.
(in millions of lire)

	1000	500	100	50	10	5	2&1	Total
Available	7136	5056	4327	1670	517	440	89	19235
Disbursed	10684	5758	4671	2229	383	235	115	+24075
	17820	10814	8998	3899	900	675	204	43310++

\+ It is known that more than 15 million lire of this total were held in unopened boxes by Italian banks in Naples alone.
++ Included in this total is a shipment of 720,960,000 lire received at the end of January, but not yet taken on the books.

(F) Attempts have also been made to estimate the value of metropolitan lire outstanding, including the sums held in the cash reserve of banks, including both the German held areas and liberated Italy. The Under Secretary of Finance estimates this amount as 140 billion while the manager of the Bank of Italy in Naples has given us an estimate of 155 billion. These two sources differ widely on the amount outstanding in liberated Italy, Col. Jung estimating 15 billion, (in circulation), as of July 20 1943, and the manager of the Bank of Italy stating that the total Italian circulation may be broken down geo graphically on a population basis, as lower income levels in the south are offset by a tendency to hold more currency, in relation to deposits and other liquid assets. The estimates are broken down into denominations by the latter method on the basis of 1935 data, certain summaries from Italian Africa, and a detailed breakdown of the 3,578 million lire in new notes paid out by the Naples branch of the Bank of Italy during the five months ended August 1943. The proportionate distribution by denominations may be regarded as more reliable than the total shown

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Estimate of Metropolitan Lire Outstanding by denomination.
(31 January 1944)
(in millions of lire)
(including currency in banks and in Banca d'Italia)

	Total	1000's	500's	100's	50's	Small
In Sicily	9200	4000	2760	1520	460	460
In Sardinia	3000	1350	900	450	150	150
Liberated mainland	25625	11500	7700	3825	1300	1300
Total Allied Areas	37825	16850	11360	5795	1910	1910
In Lazio	9650	4800	3200	650	500	500
In No. Italy	107525	54000	35000	8525	5000	5000
All Italy	155000	75650	49560	14970	7410	7410

.....Highly

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also
Highly provisional estimates have/been made of the volume of bank deposits and quick assets in liberated Italy, as of 31 December 1943, as follows:

	Mn. lire
Deposits in banks	35000
Reserves of Commercial banks	
Deposits at Banca d'Italia or AMFA	5500
Currency in bank vaults	6000
Total cash reserves	11500

Summing up the above information, it would appear that as of 31 January the total volume of lire currency (incl A.M. lire) in the hands of the banks and the public in liberated Italy might range between 30 and 50 billion lire, of which some 10 billion may be held by the Banca d'Italia and the commercial banks in their cash reserves, while the public may hold some 20 to 40 billion in lire currency, besides their 35 Billions of deposits in Banks.

(G) The cash reserve of the Banca d'Italia in various areas may be summarized as follows:

	31 Dec. 1943.			31 Jan. 1944			Jenuary change		
	A.M. Lire	Met. Lire	Total	A.M. Lire	Met. Lire	Total	A.M. Lire	Met. Lire	Total
	(in million lire)								
Bari Area	814	445	1259	571	276	847	-243	-169	-412
Naples "	?	?	687	106	747	853	?	?	+166
Palermo "	974	254	1228	?	?	2000est)	?	?	+772
Sassari "	?	?	153	?	?	200est)	?	?	+ 47
Region IV(incl in Bari)									
Liberated Italy	?	?	3327	?	?	3900	?	?	+573 est

(H) Towards the end of Jaunuary it was brought to AMFA's attention that banks in Naples and the Allied Armed Forces had come into possession of a small number of 50 lire notes, bearing a monogram of the Banca d'Italia in place of the small circular vermillion

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	31 Dec. 1943.			31 Jan. 1944			January change		
	A.M. Lire	Met. Lire	Total Lire	A.M. Lire	Met. Lire	Total Lire	A.M. Lire	Met. Lire	Total Lire
				(in million lire)					
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Region IV(incl in Bari)									
Liberated Italy	?	?	3327	?	?	3900			+573est

(H) Towards the end of Jaunuary it was brought to AMFA's attention that banks in Naples and the Allied Armed Forces had come into possession of a small number of 50 lire notes, bearing a monogram of the Banca d'Italia in place of the small circular vermillion Fascist emblem on the reverse, some issued under Ministerial decrees of "8 October 1943 and 9 August 1943", and others issued under Ministerial decrees of "23 August and 9 August". Other notes bearing the same monogram have appeared under Ministerial decrees of "23 August and 9 August 1943", in denominations of 100 lire and 1000 lire. More recently, specimens of the 1000 lire denomination, bearing the BI monogram, have appeared under decrees of "11 August and 10 August, and decrees of 8 October 1943 and 9 August 1943". The dates of the two ministerial decrees appear on each note in small print on the left side of the face. No specimen of 500 lire notes bearing the BI monogram have been seen as yet.

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According to the legend on the notes, they have been printed as follows:

.....Denomination

.....50 Lire

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Denomination	Printed at	Decrees
50 - Lire	Ofc. d.B.I., L'Aquila	8 Oct. & 9 Aug.
50 - "	"	23 Aug. & 9 Aug.
100 - "	Ofc. d.B.I., L'Aquille	23 Aug. & 9 Aug.
1000 - "	"	23 Aug. & 9 Aug.
1000 - "	"	8 Oct. & 9 Aug.
1000 - "	Ofc. Carte-Valori, I.P.S. (Rome)	11 Aug. & 10 Aug

Italian banks appear to have accepted all of these notes without question, except the small number of those yet presented which have been issued under the decree of 8 October. The latter are being redeemed by the Banca d'Italia for the time being, while the Italian government and ACC are considering the definitive status of such currency. The Banca d'Italia, however, is not paying out notes issued under the decree of 8 October.

(I) At the request of the Finance Sub-Commission, a report was prepared by the Public Safety Sub-Commission on the forging and raising of Allied Military Currency in Sicily, to 31 December 1943. Fifty-two cases of raised notes have been investigated involving 130 notes, as follows:

Raised from	1	lira	to	2	lire	1	note
" "	1	lire	"	10	lire	52	notes
" "	2	"	"	10	"	1	note
" "	10	"	"	100	"	1	note
" "	50	"	"	500	"	67	notes
" "	50	"	"	1500	"	1	note
" "	100	"	"	1000	"	7	notes
						130	notes.

Total original value of 130 notes - 4165 lire.
Total forged " " " " - 4263 lire.

Many of these forgeries are crude, but the raising of many 50 lire notes to 500 lire notes was accomplished sufficiently well to pass casual inspection by the use of yellow crayon to convert the border and center of face from blue to green. Eleven arrests

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Many of these forgeries are crude, but the raising of many 50 lire notes to 500 lire notes was accomplished sufficiently well to pass casual inspection by the use of yellow crayon to convert the border and center of face from blue to green. Eleven arrests had been made in Sicily prior to 31 December 1943, and prison sentences of three to six years had been imposed in four cases.

The Bari branch has reported that two notes of 50 lire and four notes of 100 lire, raised to 500 and 1000 lire, respectively, were received from the Banca d'Italia in January.

The Public Safety Sub-Commission in Sicily also submitted to the Finance Sub-Commission the first specimen discovered of forged U.S. currency (non yellow seal). The P.S. Sub-Commission is convinced that this specimen was not produced locally, but has been imported. The note in question is in the denomination of

.....20 dollars

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20 dollars, and purports to have been issued by the Seaboard National Bank of Los Angles California, series of 1929, number 106362A. It is in the current small size of U.S. note, and purports to be signed by W.O. Woods as Treasurer, and by E.E. Jones as Register of the Treasury. The paper is inferior to that used in legitimate currency, and the reverse in green ink, is somewhat blurred. The note was allegedly offered to a motor mechanic in Palermo by two soldiers, one of whom asked for change.

5. Custody of Foreign Assets. As of January 31, 1944, AMFA branches had impounded a small amount of foreign assets. In most areas of liberated Italy the owners of safe deposit boxes have been allowed to open them under the supervision of Finance Officers of AMG, who have impounded foreign assets in the same branch of the bank, against their own receipts, rather than against AMFA receipts. It is reported that very little gold or foreign assets has been discovered. No steps are known to have been taken to require owners to open boxes, or to force their opening in the absence of the owner. The amounts actually impounded against AMFA receipts are summarized below :

Palermo branch-

1. GOLD
   - 11 Coins of 20 lire each
   - 14 Coins of 20 francs each
   - 1 bar of gold (weight 664 grams. M/m 480)
2. Foreign Currencies

French Francs	26,960
Algerian Francs	2,310
Reichmarks	60
Greek Drachmas	600

3. Foreign Securities
   - American Express Travellers Checks $ 160.00
4. Other Foreign Assets
   - Nil.

Bari branch -

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2. Foreign Currencies

French Francs	26,960
Algerian Francs	2,310
Reichmarks	60
Greek Drachmas	600

3. Foreign Securities
   - American Express Travellers Checks $ 160.00
4. Other Foreign Assets
   - Nil.

Bari branch -

Gold. British Sovereign 1.
Notes. British. 14: 1: 6.
Egyptian. E£ 65: 60 piastres.
Canadian. Dollar. 1.

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Cheques.
Canadian Pacific Express Co. £ 2: 5: -
(6 Nov 43. Pte; R.H. Morris)
Canadian Bank of Commerce. £ 2: 5: -
(15Nov 43 Bdr. R. David.)

Naples branch

7% State Loan of Kingdom of Hungary, 1924
(Italian Issue) Lire 20,500

.....6. Policy and

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6. Policy and Organization.

(A) During the first month of 1944, the activities of AMFA Headquarters fell principally into five general categories, namely,

Foreign exchange transactions.
Relations with the Allied Military Forces.
Accounting.
Banking.
Supervision of currency.

(B) Foreign exchange transactions are to be under the control of AMFA in so far as custody and out-payment of foreign assets are concerned. During the month discussions and correspondence covered some five principal questions, briefly outlined below.

(i) Remittances from the U.S. and the United Kingdom. On 8 Jan. this Headquarters received cable advice that the Bank of Sicily was prepared to complete personal remittances according to the plan outlined by AMFA. Subsequently the Regional Chief Financial Officer in Sicily provided the Bank's signed acceptance of his proposal, which modified the original only in specifying a fee of 1 per cent per payee, instead of the flat fee of 100 lire per payee specified by Headquarters. The Bank of England will be sole correspondent in the U.K. As U.S. correspondents the Bank of Sicily proposed eight banks:

Chase National Bank, New York.
Guaranty Trust Co. " "
Irving Trust Co. " "
National City Bank " "
Bank of American National Trust & Savings Assn. San Francisco.
Whitney National Bank. New Orleans.
Alex Brown & Sons. Baltimore Md.
First National Bank of Boston. Boston Mass.

This information was transmitted to M.G.S. on 18 January and 20 January 1944. M.G.S. has advised this headquarters that onward transmission to CCS of a list of correspondents was effected on 20 January. The draft proposal, without the signed agreement of the Bank of Sicily or the list of correspondent banks, was forwarded

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Under the procedure suggested to CCS, each remitter will be limited to one remittance per quarter, not to exceed 10,000 lire, and each Sicilian household may receive only one remittance per quarter. Communications will be limited to one document each way per month from and to each correspondent bank, each of which will pass through the branch of AMFA in Palermo. All dollars and sterling will be held for the Bank of Sicily for AMFA in post-liberated blocked accounts, from which payments will be permitted only on

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the express authorization of AMFA. AMFA will open a dollar account and a sterling account with the Bank of Sicily, and the balances in these accounts will always reflect the total sums in the Bank of Sicily's post-liberated blocked accounts in the U.S. and the U.K., corresponding to sums paid to foreign banks by remitters, after allowance for items in transit. The accounting procedure was so devised as to show as an asset the cumulative total of remittances actually paid in lire.

Subsequently a cable from CCS dated 9 December which had never been received by M.G.S. was repeated on 18 January, requesting authority for the remittance of 2 million lire to Sicily and 6 million lire to the mainland on behalf of the Apostolic Delegate in Washington, both amounts to be paid through the Bank of Sicily. To this M.G.S. replied, with the approval of the D.C.F.O., then in Algiers, that such remittances could be effected through the Bank of Sicily, suggesting that the U.S. Treasury make appropriate arrangements for specific licenses, as these individual payments may exceed 10,000 lire. This will require an amendment to the agreement with the Bank of Sicily, as the fees at one per cent would be excessive. In view of this precedent, further remittances by organizations, in excess of the maximum figure of 10,000 lire per remittance, are to be expected, with each organizational remittance receiving a special license from the Treasury in the U.S. or the Treasury of the United Kingdom.

On 22 January C.C.S. advised this headquarters, through M.G.S., that the Italian Embassy in Buenos Aires wished to arrange for personal remittances from Argentine and other Latin American countries to Sicily and the mainland. The Embassy further wished to defray the operating expenses of the Italian Embassy in Buenos Aires. C.C.S. felt that such remittances should be effected only via sterling or dollars, through the mechanism set up above, and that the proceeds should not be earmarked for any specific purpose such as the expenses of the Italian Embassy in Buenos Aires. This Headquarters was in complete agreement with both suggestions, and so informed C.C.S., as this procedure would limit the number of AMFA's foreign bank accounts, and concentrate those resulting from remitt-

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(ii) Foreign Exchange Resulting from Exports. On 23 January C.C.S. directed that the dollar proceeds of Italian exports would be held in post-liberation blocked accounts with the Bank of Sicily or the Bank of Italy for account of AMFA, in the same fashion as the dollar proceeds of remittances. Employment of such funds would be subject to the "exclusive supervision and control" of AMFA, and would be used, with AMFA and Treasury approval, only for the essential import needs of Italy, for essential diplomatic consular or military expenditure, and for expenditure essential to keep Italian vessels running, and in such other cases as specifically agreed upon between U.S. and British Governments. Foreign exchange credits resulting from exports to or remittances from other Allied countries would also be held in accounts in foreign banks under control of

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..... AMFA.

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AMFA. In the case of Argentina, Switzerland and other non-Allied countries, the proceeds of exports would be converted into dollars or sterling and held in post-liberation blocked accounts.

This cable is now under consideration, as export proceeds received in currencies other than dollars or sterling will present additional problems of supervision for AMFA, and the conversion of neutral currencies into dollars and sterling might be possible only after negotiations with exchange control authorities in these countries. AMFA has as yet taken no steps to open foreign exchange accounts other than the recommendation to the C.C.S. that eight U.S. banks and the Bank of England be authorized to open "Bank of Sicily AF" accounts. To date only the United States Commercial Corporation has advised this Headquarters that it is prepared to pay over to account of AMFA the proceeds of exports from liberated territory, the currency in question being dollars. No advice has been received from the consignees of shipments made to the United Kingdom, French North Africa, and Malta, as yet.

(iii) Advances to British and American Nationals. During the month this Headquarters consulted Mr. E.C. Wailes of the office of the Representative of the United States (Mr. Murphy), Mr. Nestor, former Consul General in Palermo, and Mr. Samuel Reber of the Political Section of A.C.C., in an effort to clarify instructions as to the evidence of American nationality which would be accepted. M.G.S. had directed that American consular officials should pass on the nationality of each applicant claiming American citizenship, but Consul General Nestor, who discussed the matter with this Headquarters on 20 January, reported that he had no formal instructions from the State Department, and did not as yet possess the requisite staff or office equipment. Furthermore, the State Department had authorized payments of 9,000 lire per month for one adult national, and a maximum of 29,250 lire per month for a houshold of three a adult nationals and three or more minor U.S. nationals. In view of the maximum limit of 10,000 lire per quarter fixed for remittances from the U.S., and the lack of real goods needed for an American standard of consumption for civilians in Italy, it was felt that such large payments might contribute to inflation without [illegible] increasing the quantity of essential goods which [illegible]

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The proposed measure follows the line of the emergency advances which the Sassari branch of AMFA was authorized to grant, by instructions from this Headquarters, on 29 December, although the maximum permissible amount per household was raised from 8,000 to 12,000 lire per month. This emergency procedure has been extended to Sicily in January, by directive from the Regional Chief Finance

..... Officer, with

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Officer, with informal reference of American applications to Mr. Nester in case of doubt.

Briefly, this Headquarters proposed that, instead of reserving this function exclusively to the Prisoners of War Sub-Commission, which is not represented in all parts of liberated Italy, all AMG/ACC field officers be permitted to authorize advances of 4,000 lire per month per individual or 12,000 lire per month per household, where nationality could be proved by possession of passports or related documents which were valid before the withdrawal of consulates from Italy. Applicants not possessing such documents would forward applications and supporting evidence through AMG/ACC finance officers to the Finance Sub-Commission, which would route them to the appropriate authorities for a decision on nationality. It was also suggested that dollars or sterling need not be deposited in AMFA's accounts with foreign banks at the time of the advance, but merely that monthly advices be given to the respective Treasuries, which would charge the appropriations of the State Department and the Foreign Office, setting up suspense accounts as is done in the case of War Department and War Office expenditure. When and if an advance is repaid in dollars or sterling, the foreign exchange so derived would be paid to the State Department or the Foreign Office to extinguish the advance, and in the case of a repayment in lire, the suspense balance in the Treasury would be reduced without involving advices to banks and payments from bank accounts.

(iv) Advances to Other Allied Nationals. It was decided that the policy of this Headquarters is to refuse such advances, pending the establishment by the respective Allied governments of a procedure similar to the British or American system of governmental loans. (A representative of the Polish mission was so informed on 20 January 1944). Emergency advances in excess of Italian relief scales are however being made pending approval of this decision by higher authority, in cases of extreme need.

(v) Exportation and importation of currency. After review

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(v) Exportation and importation of currency. After review of the request for the importation of metropolitan lire from Tripolitania, M.G.S. requested advice as to how repatriated Italian nationals concerned had imported large amounts of lire from Italy in the first place, as cited, in view of Article III of Proclamation No 3, which prohibits exportation from or importation into liberated Italian territory of currency, without specific permission of AMG. M.G.S. took the occasion to suggest that no movement of currency between former Italian colonies and liberated territory be authorized, with the exception of small amounts necessary for immediate maintenance needs on arrival in Tripoli. By implication, it was suggested that no exportation from or importation into liberated territory of any currency be permitted, pending further instructions from CCS. No permission has as yet been received from CCS to exchange into lire the dinars brought in by refugees from Yugo-slavia.

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.....(c) Financial

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(C) Financial transactions with the Allied Armed Forces continued with minor modifications in procedure. During the month of January, AMFA was authorized to advance funds to the military personnel of the various Allied missions in liberated Italy, charging these amounts to cost of occupation, like the pay of British and American troops. During the month a standard procedure was established for the deposit of funds of U.S. army units in approved banks, (Bank of Italy, Bank of Naples, Bank of Sicily), for account of AMFA branches, and a directive was issued to branches on 24 January. As the War Department requires that such accounts be held in dollars, each branch was directed to secure and hold yellow seal dollars up to the total amount of its liabilities to such military units. Branches continued to receive yellow seal dollars and BMA pounds in exchange for lire, and CCS authorized AMFA to charge amounts in yellow seal dollars and BMA pounds to occupation costs, when the dollars or pounds are turned over to finance officers of the respective armies in return for receipts expressed in those currencies. Confirmation of this procedure with respect to the delivery of BMA notes to British Army Paymasters has been requested of War Office London who had instructed that such deliveries were to be treated as lire.

(D) Modification in Accounting Procedure, having as its objective the separation of AMFA accounts from those of AMG, as proposed by CCS, was discussed by the chief of AMFA and the Chief Accountant in Algiers during the middle of January. In a memorandum prepared by the Chief Accountant, certain suggestions were made with respect to the detailed listing of accounts and subaccounts on the books of AMFA (which becomes AFA when the Italian government assumes authority). This memorandum has been sent to CCS for consideration. The principles underlying the present subdivision of loans and advances were explained, and the opinion expressed that the loans bearing interest or a definite maturity should continue to be segregated from advances, which bear no interest and have no stated maturity. It was also felt advisable to continue to show as a main account the total of AM lire advanced to Allied Armed Forces. It was also recommended that it was un-

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ers of the respective armies in return for receipts expressed in those currencies. Confirmation of this procedure with respect to the delivery of BMA notes to British Army Paymasters has been requested of War Office London who had instructed that such deliveries were to be treated as lire.

(3) Modification in Accounting Procedure, having as its objective the separation of AMFA accounts from those of AMG, as proposed by CCS, was discussed by the chief of AMFA and the Chief Accountant in Algiers during the middle of January. In a memorandum prepared by the Chief Accountant, certain suggestions were made with respect to the detailed listing of accounts and sub-accounts on the books of AMFA (which becomes AFA when the Italian government assumes authority). This memorandum has been sent to CCS for consideration. The principles underlying the present subdivision of loans and advances were explained, and the opinion expressed that the loans bearing interest or a definite maturity should continue to be segregated from advances, which bear no interest and have no stated maturity. It was also felt advisable to continue to show as a main account the total of AM lire advanced to Allied Armed Forces. It was also recommended that it was unnecessary to segregate worn and mutilated notes other than AM lire. With respect to currency introduced by the Allied forces from other areas, as official military funds, AMFA is prepared to book these amounts, provided that accurate data are supplied by the Allied Armed forces, under clear directives from CCS. However, AMFA is not prepared to take liability for other currency confiscated by AMG or by Allied military forces, unless the currency is physically delivered to AMFA. Neither the chart of accounts nor the memorandum prepared by the Chief Accountant made provision for an account to record currency received from the Italian Treasury for the purpose of paying Allied troops, which is contemplated in the future. A distinction between receipts of this type and repayment of advances made to the Italian Treasury may be desirable.

As of 27 January, instructions were issued by this Headquarters

.....that a

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that a set of accounts would be opened for the prospective branch of AMFA in Region IV, to which will be transferred the accounts previously held for this region by the Bari branch of AMFA. Region IV will comprise Lazio and Umbria while Region V will include Abruzzi e Molise, Marche, and the province of Foggia.

(E) Relations with banks. During the month banks in Sicily began to draw down their deposits with AMFA Palermo, as AMFA ceased to pay interest on deposits as of 1 Jan 1944. The total on deposit had been reduced from 1,263,350,000 lire on 31 December to 1,059,690,000 lire on 15 January and to 210,778,538 lire on 31 January. AMFA has found it unnecessary to make fresh loans or deposit new funds with Italian banks. The commercial banks in Naples report that private transactions in government securities are taking place at somewhat higher prices as a result of the decision to resume payment of accrued interest on Treasury obligations and to repay them upon maturity, as from 1 January 1944.

(F) Currency. During the month the remainder of the AM lire ordered from Washington was received, with the exception of a small amount of 29,680,000 lire. Certain small overages and shortages were summarized in a special report which was transmitted to M.G.S. for onward transmission to Washington. At the request of the branches, this headquarters issued a directive covering the redemption of mutilated currency (BMA pounds, yellow seal dollars and AM lire), providing that a note would be redeemable at face value if five-eighths of its surface, bearing one serial number which could be deciphered, were presented to AMFA. Through MGS, the Combined Chiefs of Staff were informed of this decision, and MGS in addition sought authority for the redemption of raised notes at the original face value. Confirmation has not as yet been received by this headquarters.

In view of the visit of the D.C.F.O. to Washington to negotiate the printing of new Italian currency by private American companies in the amount of 100 billion lire, requested by the Under

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In view of the visit of the D.C.F.O. to Washington to negotiate the printing of new Italian currency by private American companies in the amount of 100 billion lire, requested by the Under Secretary of Finance, an estimate was made of future needs for AM lire. On the basis of this estimate, this headquarters assured the D.C.F.O. that the existing supplies of AM lire notes would cover the requirements of the territory now under Allied control until April 15, 1944, as well as some additional territory, including Rome. However, it was strongly recommended that priority in printing and shipment be given to notes of the largest denominations. Printing of notes in denominations of 10 lire or less could safely be deferred for a long period, as there is already an ample supply on hand.

Towards the close of the month, this headquarters received reports of rising prices for blue seal dollar notes and sterling notes in the black market, up to 150 lire per dollar and 750 lire per pound sterling. It was also observed that North African francs

.....and French

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and French francs were being dealt in by certain money brokers in Naples and in black markets elsewhere, at prices below the official exchange cross rates. These francs are understood to have been brought to this area by German and Italian troops prior to the Allied occupation, but some North African francs may have been brought in by French troops.

7. Personnel As of 31 January, the personnel of AMFA, exclud - ing civilian laborers and clerks, and armed military guards, com- prised 11 officers and 10 enlisted men, or EM/OR's, as well as three officers and one enlisted man temporarily attached, detailed as follows :

	Officers		EM/OR's	
	Asgd	Attached	Asgd	Attached
Bari	1	1	-	1
Naples	2	1	1	-
Palermo	3	1	6	-
Sassari	1	-	-	-
Headquarters (incl REG IV)	4	-	3	-
	11	3	10	1

O.V. CLAIBORNE,
Lieut. Colonel.
Chief of AFA.

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Deficits of Italian Treasury and of Local Governments since Liberation

In the following tabulation an attempt is made to summarize the deficits of Italian public bodies since the date of occupation or the establishment of effective control by the Badoglio government, and to indicate the sources of these funds. As reports in most cases have been derived from branches of AMFA, the total is distributed among the various regions served by AMFA branches.

Deficits Financed, to 31 Jan.
(in million lire)

	AMFA Fin.O.	A.M.G.	Overdraft B.I.	Short-Term Securities (net)	Long-Term Securities Paid By B.I.%	Total
Unclassified		500?				500?
Bari Area	866	-	2000++	-20	-5	2841
Naples "	251	-	878	13	-7	1135
Palermo "	2577	-	-	96	-12	2661
Sassari "	543	-	243+	41+	-1+	826
Region IV	40	-	?	?	?	40
TOTAL	4277	500?	3121	130	-25	8003

\+ Through 31 December 1943.
++ December figure estimated
% Excluding coupons paid in the amount of 48 mn lire by Naples and 16 mn by Palermo.

The above tabulation brings out the appreciable economy in the disbursement of AM lire which has been effected in the Naples and Bari areas by means of direct advances from the Bank of Italy to the Italian government to cover the deficits of the Italian treasury, including the pay of Italian armed forces. It is hoped that this system can soon be applied in Sardinia and in Sicily.

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Unclassified		500?				500?
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From the point of view of the provision of monetary incomes to the civilian population, and the financial contribution to inflation, there is little difference between financing the deficit through advances from AMFA, through advances from the Banca d'Italia, or through the sale of short-term or long-term securities. Each method involves the provision of incomes to Italian soldiers or civilians. The cumulated deficit since liberation, at approximately 8000 million lire, may be compared with the estimated total of 9500 million lire paid out to civilians by the armed forces of the Allies (ANNEX IV). The sum of these two figures, or 17500 million lire, may be regarded as a basic source and determinant of the

.....current income

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current income of the civilian population. As indicated in ANNEX III of the December report of AMFA, the third factor of significance, which it is impossible to estimate, would be the expenditure on current consumption paid out of bank deposits held at the time of liberation, or financed by the sale of liquid assets owned at the time of occupation.

From a tabulation similar to that made above, as of the end of December, it is possible to estimate the volume of public deficits in January, and the method of financing them as follows:

(in million lire)

	AMFA	A.M.G. Fin.O.	Overdraft B.I.	Short-Term Securities	Long-Term Securities Paid by B.I.	Total
Unclassified		-153			-	-153
Bari Area	399	-	230	-7	-	622
Naples "	51	-	408	13	-	472
Palermo "	668	-	-	68	-	736
Sassari	135	-	?	-	-	135
Region IV	40					40
Total	1293	-153	638	74	-	1852

In the Palermo area, where it is possible to estimate the trend of public deficits, the chronological record is as follows:

	Mns of Lire
October	388
November	528
December	609
January	736
Total, four months	2261 +

+ Any change in the cash on hand of the Italian Treasury is

Declassified E.O. 12356 Section 3.3/NND No. 785011

		Fin.O.	B.I.	Securities	Paid by B.I.	
Unclassified		-153			-	-153
Bari Area	399	-	230	-7	-	622
Naples "	51	-	408	13	-	472
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	Mns of Lire
October	388
November	528
December	609
January	736
Total, four months	2261 +

+ Any change in the cash on hand of the Italian Treasury is included in this figure.

The Banco di Napoli has supplied a list of prices at which various securities were being sold in Naples, at various dates. The same source has provided a quotation from the Milan Borsa of 84.25 for 5 per cent Rendita, as against 80 in Naples, as of 15 February 1944. The prices for government securities are quoted below:

.....COMPRA VENDITA TITOLI

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COMPRA VENDITA TITOLI
NAPOLI

		Quotazioni al Dec 31, 1943	Jan 31 1944	Feb 7 1944	1944 Feb15
Rendita Italiana 5%	L.	67.-	81.10	79.50	80.-
" " 3.50%(1902)	"	75.25	85.90	68.50	68.50
" " 3.50%(1906)	"	80.25	90.90	89.50	91.50
" " 3% (lordo)	"	66.-	71.-		
Prestito Redimible 5% Immobiliare	"	68.-	83.45	79.75	80.75
" " 3.50%	"	63.25	71.45		
Prestito della Venezia	"	90.-	85.-		
B.T.N. 5% 1944	"	85.-	94.-		
" " " 1949	"	70.-	81.50	77.50	79.25
" " 1950 1'em.	"	70.-	81.50	77.50	79.25
" " 1950 2'em.	"	70.-	81.50	77.50	79.25
" " 1951	"	70.-	81.50	77.50	79.25
" 4% 1951	"	64.50	74.50	70.-	69.-
Obbl. Elfer 4.50%(Per 500)	"	459.-	480.-		
" Iri 4.50%( )	"	419.-	440.-		

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"	" 1950 1'em.	"	70.-	81.50	77.50	79.25
"	" 1950 2'em.	"	70.-	81.50	77.50	79.25
"	" 1951	"	70.-	81.50	77.50	79.25
"	4% 1951	"	64.50	74.50	70.-	69.-
Obbl.	Elfer 4.50% (Par 500)	"	459.-	480.-		
"	Iri 4.50% ( )	"	419.-	440.-		

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HEADQUARTERS
2675TH REGIMENT
(FORWARD ECHELON)
ALLIED CONTROL COMMISSION
(Provisional)
APO 394

FD/fjm

AG 210.6 18 February 1944

SUBJECT: Appointment of investigating officers.

TO :

1. The commanding officer of each detached company is charged with the responsibility for the investigation of accidents or incidents required to be investigated under the provisions of Circular No. 100, Headquarters NATOUSA, 30 May 1943 (copy inclosed).

2. Accordingly, you will appoint an officer of your command as Investigating Officer, using the form of order specified in paragraph 9, Circular No. 38, Headquarters P.B.S., 21 December 1943 (copy inclosed). All accidents or incidents arising in your command, and required by the circulars above cited to be investigated, will be processed in your command.

3. A copy of Circular No. 76 (Property Accountability), Headquarters NATOUSA, 4 May 1943, is inclosed for your guidance in property accountability matters.

By order of Colonel PARKIN:

Frank Di Giacomo
FRANK DI GIACOMO
Capt., Inf,
Actg Asst Adjutant

3 Incls:
1 - Cir No. 100, N TOUSA, 30 May 1943
2 - Cir No. 38, PBS, 21 Dec. 1943.
3 - Cir No. 76, 4 May 1943, (N.TOUSA)

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

S E C R E T

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

AG/311.22 17 February 1944.

AMENDMENT NO. 2

SUBJECT: Short Title Unit Designation.

TO : All Concerned.

1. Letter this headquarters, AG/311.22, dated 4 February 1944, subject as above, paragraph 4, is amended as follows:

DELETE:

UNITS	SHORT TITLE	LOCATION
ACC, BRINDISI DET.	FATIMA, REAR	BRINDISI
ACC, PALERMO DET	IBS (outer address)	PALERMO
	IBS FOR ROGERS (inner)	

ADD:

UNITS	SHORT TITLE	LOCATION
ARMY SUB-COMMISSION (MAIN HQ)	FATIMA FOR DUCHESNE	SALERNO
ARMY SUB COMMISSION (REAR HQ)	MMIA	LEQUILE Q5397 (LECCE)

By command of Lieut General MACFARLANE:

Nicholas Piombino

NICHOLAS PIOMBINO
WO(jg), USA
Actg Asst Adj

DISTRIBUTION:
"A" (Internal only)

HEADQUARTERS
ALLIED CONTROL COMMISSION
Food Sub-Commission
A.P.O. 394

WJL/s1

16 February 1944

SUBJECT: Ration Scales.

TO : R.C.C's I, II, VI, Regions
RCAC's III, IV, V, Regions
SCAO's 5th and 8th Army

1. The following Ration Scales have been laid down and are effective as from the dates given:

7 February 1944	Normal Consumers (Ration Card Holders)	200 Grams of Bread 8.3 Grams of Sugar per day
10 February 1944	Italian Civilians performing manuel labor for the benefit of the Allied Forces. Per shift of eight hours or more. Authority: AFHQ Letter 47/49 6 February 1944.	A meal per shift consisting of: Flour 1/4 lb. or Bread 1/3 lb. Fresh Vegetables 6 oz. Fresh Meat 1 oz. or Dehydrated Soup 4/5 ozs.

2. Supplies of Soup Powder and Dried Peas have come forward and for the month of March the following issues are to be made. Distribution to Regions is being carried out immediately.

Dehydrated Soup	250 Grams per head of the population
Dried Vegetables--Peas	100 Grams per head of the population

3. When further supplies are ready for distribution, Regions will be notified and informed of the quantities allotted to each and the amount of the Ration. Arrivals of Protein foods are also expected and will be distributed as available.

4. No issues in excess, or in addition to the Ration Scales are authorized.

5. Prices to the CONSUMER are fixed as under. Distributive charges are to be according to the proportion ruling in each Region. Regions should therefore

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10 February 1944	Italian Civilians performing manuel labor for the benefit of the Allied Forces. Per shift of eight hours or more. Authority: AFHQ Letter 47/4Q 6 February 1944.	A meal per shift consisting of:	
		Flour	1/4 lb.
		or Bread	1/3 lb.
		Fresh Vegetables	6 oz.
		Fresh Meat	1 oz.
		or Dehydrated Soup	4/5 ozs.

2. Supplies of Soup Powder and Dried Peas have come forward and for the month of March the following issues are to be made. Distribution to Regions is being carried out immediately.

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Dried Vegetables--Peas	100 Grams per head of the population

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4. No issues in excess, or in addition to the Ration Scales are authorized.

5. Prices to the CONSUMER are fixed as under. Distributive charges are to be according to the proportion ruling in each Region. Regions should therefore allocate the margins as between warehouse, wholesalers and retailers, keeping the total distributive costs as low as possible. Headquarters Allied Control Commission should be informed of the margins so fixed.

Prices to CONSUMERS

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Dehydrated Soup) Soup Powder)	50 Lire per Kilogram.	
Canned Vegetables	30 Lire per Kilogram.	
Dehydrated Vegetables:		
Potatoes	80 " " "	
Carrots, etc.	130 " " "	
Dried Peas	30 " " "	

By Command of Lt. General MAC FARLANE:

W. J. LEGG
Lt. Col., RASC
Chief, Food Sub-Commission

Information Copies:
Chief Commissioners
All Sections & Sub-Commissions
HQ, ACC, & AFHQ

Declassified E.O. 12356 Section 3.3/NND No. 785011

DISTRIBUTION LIST

1 Chief Commissioner
1 Deputy Commissioner
1 Vice President Administrative Section
1 Vice President Economic Section
1 Region Control and Military Govt. Sect. Executive Committee
1 Chief of Staff Administrative Section
1 Secretary General

Sub-Commissions Administrative Section

1 Interior
1 Public Safety
1 Public Health
1 Property Control
1 Legal
1 Education
1 Monuments and Fine Arts

Independent Sub-Commissions

1 Navy
1 Land Forces
1 Air Forces
1 Telecommunications
1 War Material Disposal
1 P.M.O.

Sub-Commissions Economic Section

1 Agriculture
1 Industry and Commerce
1 Labor
1 Food
1 Public Works and Utilities
1 Internal Transportation
1 Shipping
1 Finance
1 Electric power Mission

Executive Commissioners

Declassified E.O. 12356 Section 3.3/NND No. 785011

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1 Shipping
1 Finance
1 Electric power Mission

Executive Commissioners

1 Civil Affairs Branch
1 Displaced persons
1 Italian Refugees Branch
1 Security Branch
1 Establishment Branch

1 A.C.C. Liaison HQ. A.C.M.G.
1 Intelligence Section
1 political Section (Joint Directors)
1 G-1
1 G-4
1 AG
1 HQ Comdt Main
1 AFHQ Adv. Adm. Echelon
1 AFHQ M.G.S.
1 War Diary
4 File
10 Extra Copies

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HEAD QUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION

13010/F

16 February 1944.

Accounting Instructions for
Italian Refugees Branch

1. Payments in Cash

(a) All expenditure in respect of Italian Refugees is considered as a charge against the Italian Government. The general rule for all payments chargeable against the Italian Government is that such payments should be made by some Italian official out of funds advanced to him by AMG, for which he should sign a receipt on form F.12, acknowledging the advance as a debt of the Italian State. In the case of the payments considered in this paragraph, however, it is realised that particularly in forward areas such payments may have to be made by AMG direct and it may not be possible to obtain the signature of a responsible Italian official except at the Headquarters of the Refugees Branch, where there will be an official mission representing, and financed by, the Italian Government. However where circumstances do so permit, payments under this category should be made in the first place by some Italian official, such as a representative of the Italian Mission or the local Prefect or the Intendente di Finanza; in the case of the two latter it may be necessary for the local AMG Finance Officer to advance them cash for this purpose, which advance would be signed for on form F/12 and treated as an advance to the Italian State.

(b) Where this is not possible, payments by the Refugee Branch should be treated as follows:-

(i) Local purchases of food, straw for bedding, cleaning materials, etc. will be paid for, and a receipt obtained on form F/3 in the normal way, except that a third copy will be made for AMFA. This expenditure will be charged to:-

Head: Payments Chargeable to Italian State.
Sub-Head: Payments in respect of Italian Refugees.

It should be noted that the pay of all civilian

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of the payments considered in this paragraph, however, it is realised that particularly in forward areas such payments may have to be made by AMG direct and it may not be possible to obtain the signature of a responsible Italian official except at the Headquarters of the Refugees Branch, where there will be an official mission representing, and financed by, the Italian Government. However where circumstances do so permit, payments under this category should be made in the first place by some Italian official, such as a representative of the Italian Mission or the local Prefect or the Intendente di Finanza; in the case of the two latter it may be necessary for the local AMG Finance Officer to advance them cash for this purpose, which advance would be signed for on form F/12 and treated as an advance to the Italian State.

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Head: Payments Chargeable to Italian State.
Sub-Head: Payments in respect of Italian Refugees.

It should be noted that the pay of all civilian employees of the Refugee Branch will be charged to this Head and Sub-Head and not to AMG/ACC Revenue and Expenditure.

(ii) Payments in cash of subsistence allowance, if any, to refugees would be receipted for on form F/3 (to be prepared in triplicate) which will in the case of individual payments be signed by the actual recipient. Where however large numbers of refugees are being handled it is appreciated that it will not be practicable to have separate receipts signed by each individual payee. A list of payments should therefore be made out showing the amount paid to each individual, who would sign the list against his name, and one form F/3 for the whole amount made out and signed by the paying officer, which form would be supported by the detailed list. The same Head and Sub-Head will be used as in Para. (i) above.

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2. Issues of Supplies

Subsistence supplies issued to refugees may be issued to them:-

(a) Direct by the Army; this will occur only in forward areas. This procedure here is covered by instructions already laid down and the Army will submit lists of such issues to the Chief Accountant, ACC. Should such lists be submitted by the Army to the Refugees Branch they should be forwarded to the Chief Accountant.

(b) (i) By the Refugees Branch. In this case the supplies will be drawn by the Refugees Branch either from the Economic & Supply Division who will account for them in the usual manner or else from the Army, in which case the transaction will be reported to the Regional Economic & Supply Division who will show the supplies in their returns as received from the Army and issued to Refugees.

(ii) Owing to the circumstances in which the issues of supplies to Refugees will be made it may not always be possible to adhere to the general rule that all supplies shall be issued only against payment in cash. It has therefore been decided that all supplies issued to Italian Refugees shall be issued, in the first place, without payment, and any subsequent payment therefor will be effected at Headquarters level. All such issues will be shown by the Economic & Supplies Division as "Other Issues: to Italian Refugees."

(iii) In the case of supplies drawn from the Economic & Supply Division, that Division will issue to the Refugees Branch an Issue Voucher in duplicate for each delivery of supplies, showing the quantity issued and the relative prices and values. The Refugees Branch when they in turn issue the supplies, will whenever possible obtain, as a receipt, the signature of some Italian official, such as a representative of the Italian Mission or the local Prefect or Intendente di Finanza, on each copy of the Issue Voucher; where the signature of an Italian official cannot be obtained, an officer of the Refugee Branch should sign the Issue Voucher. Thereafter one copy of the Issue Voucher should be returned to the Economic & Supply Division. In the event of the quantity of the goods received by the Refugee Branch from the Economic & Supply Division differing from the quantity shown on the Issue Voucher it will be necessary for the Refugee

Declassified E.O. 12356 Section 3.3/NND No. 785011

(ii) Owing to the circumstances in which the issues of supplies to Refugees will be made it may not always be possible to adhere to the general rule that all supplies shall be issued only against payment in cash. It has therefore been decided that all supplies issued to Italian Refugees shall be issued, in the first place, without payment, and any subsequent payment therefor will be effected at Headquarters level. All such issues will be shown by the Economic & Supplies Division as "Other Issues: to Italian Refugees."

(iii) In the case of supplies drawn from the Economic & Supply Division, that Division will issue to the Refugees Branch an Issue Voucher in duplicate for each delivery of supplies, showing the quantity issued and the relative prices and values. The Refugees Branch when they in turn issue the supplies, will whenever possible obtain, as a receipt, the signature of some Italian official, such as a representative of the Italian Mission or the local Prefect or Intendente di Finanza, on each copy of the Issue Voucher; where the signature of an Italian official cannot be obtained, an officer of the Refugee Branch should sign the Issue Voucher. Thereafter one copy of the Issue Voucher should be returned to the Economic & Supply Division. In the event of the quantity of the goods received by the Refugee Branch from the Economic & Supply Division differing from the quantity shown on the Issue Voucher it will be necessary for the Refugee Branch themselves to prepare an Issue Voucher showing the quantities actually received; this Issue Voucher will be signed as explained above and one copy thereof will be returned to the Economic & Supply Division attached to the copy of the original Issue Voucher.

(iv) In the case of supplies drawn from the Army for issue to Italian Refugees, a receipt will be given to the Army and a duplicate kept which will be attached to a copy of the Issue Voucher which must be made out by the Refugees Branch, as explained above, when the supplies are issued to the Refugees. These two documents will be sent in to the Economic & Supply Division of the Region. The receipt given to the Army should show the quantity of the goods, with value where obtainable, the date, and the name and rank and unit of the Army Officer responsible for the issue.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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3. The Refugees Branch Officers responsible for making payments or issuing supplies should keep in touch with the nearest A/G Finance Officer or Sub-Accountant and with the Supply Officer; these officers will assist him in matters of procedure such as obtaining funds and forms, rendering accounts, etc.

H. G. CRAWSHAW.
Colonel.
Chief Accountant,
Finance Sub-Commission.

Declassified E.O. 12356 Section 3.3/NND No. T85017

HEADQUARTERS,
ALLIED CONTROL COMMISSION,
APO 394

SECRET.

Ref: 59/2 /CA.

15th February 1944

Subject: Political Summary.

To : Regional Commissioner, Region I
" " Region II
" " Region III
" " Region IV
" " Region V
" " Region VI
" " Region VIII
" " Region IX
S.C.A.C., AMG, Fifth Army.
" " Eighth Army.

In order to keep you in touch with the political situation a summary compiled by the Political Section will be issued to you twice a month. I attach the first, with sufficient copies for distribution to Provincial Commissioners.

M. S. LUSH,
Brigadier,
Executive Commissioner.

MSL/JG.

6882

S.E.C.R.E.T

POLITICAL SUMMARY
February 1-14, 1944

The Congress of the Six Parties of National Liberation, which met in Bari on January 28 and 29, adopted a resolution calling for (1) the immediate abdication of the King, (2) the formation of an extraordinary government with full powers and with the participation of all parties, and (3) the constitution of a permanent Executive Committee of the Six Parties to prepare conditions necessary to give effect to the foregoing. The resolution further signalized the agreement of the Congress to postpone settlement of the institutional question until a Constituent Assembly could be convened as soon as possible after the cessation of hostilities.

Whereas unanimity was achieved in respect of the foregoing program, it nevertheless represents a compromise designed to conceal the lack of agreement with regard to how the proposed extraordinary government should function. The Rome delegate, Signor Longobardi, indicated that the desire of the six parties in the capital was that the government should assume all powers for the interim before the Constituent Assembly, shelving the monarchy for this period, but it was not clear whether this in fact represented the considered view of the Parties there or merely his interpretation and that of his party, the Socialists. Three of the parties at Bari, the Liberals, the Labor-Democrats, and the Christian Democrats refused categorically to accept proposals put forward by the Action Party, the Socialists and the Communists which would have led to an indictment of the King and the immediate creation of a self-styled government to rival the authority of Badoglio. The unwillingness of the three first mentioned parties to accept such a radical program brought about the compromise which leaves the way open for the succession of the Prince of Piedmont if agreement can be reached upon the extent of powers he should delegate to the government for the interim period.

Upon the return to Naples of the delegates the Executive Junta was formed to include Vincenzo Arangio-Ruiz, Liberal; Francesco Cerabona, Labor-Democrat; Angelo Raffaele Jervolino, Christian Democrat; Vincenzo Calace, Action Party; Oreste Longobardi, Socialist; and Paolo Tedeschi, Communist. The junta has met several times in Naples, one of its first acts being the dispatch of a communication to the King, which recited the decisions of the Bari Congress and invited him to abdicate forthwith. This communication was made on February 6, but has up to the present elicited no apparent action from the monarch or his government. Pending further developments in this respect, which are however not anticipated, the Junta is endeavoring to reach a greater degree of agreement in respect of the points not clarified at Bari. Count Sforza and Senator Croce, with whom the Junta's terms of reference require it to maintain close association, are likewise

Declassified E.O. 12356 Section 3.3/NND No. 785011

before the Constituent Assembly, shelving the monarchy for this period, but it was not clear whether this in fact represented the considered view of the Parties there or merely his interpretation and that of his party, the Socialists. Three of the parties at Bari, the Liberals, the Labor-Democrats, and the Christian Democrats refused categorically to accept proposals put forward by the Action Party, the Socialists and the Communists which would have led to an indictment of the King and the immediate creation of a self-styled government to rival the authority of Badoglio. The unwillingness of the three first mentioned parties to accept such a radical program brought about the compromise which leaves the way open for the succession of the Prince of Piedmont if agreement can be reached upon the extent of powers he should delegate to the government for the interim period.

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In the meanwhile as previously scheduled the transfer of administration of the southern mainland provinces, Sicily and Sardinia to the Italian Government took place as of 0001 hours February 11, and the Badoglio Government with the exception of the defense ministries began to operate from its new temporary capital of Salerno. No incidents or demonstrations have been reported to ACC Headquarters in this connection, although various rumors had been current that the transfer would not be welcomed by the people in many sections. 6891

At Taranto two manifestations of labor distrubances occured during the first week in February which resulted in the removal of the Prefect and Questore but did not take the form of the threatened strike among the dock workers. Although the alleged cause had been lack of food and dissatisfaction with working conditions, investigation indicates that the underlying reason was political in order to discredit the government.

S.E.C.R.E.T

Declassified E.O. 12356 Section 3.3/NND No. 780011

HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY & COMMERCE SUB-COMMISSION
incorporating
Mining Division
Fuel Sub-Commission
Industrial Planning Staff

WGA/cat

ACC/5020/IC

14 February, 1944.

SUBJECT: Office Instructions

TO : All concerned

1. All officers will observe these instructions strictly, otherwise the efficient working of the Sub-Commission cannot be ensured.

2. All incoming mail will be handed to the Chief Clerk for registration, whether privately received or not. (There can be NO exception to this rule).

3. The Chief Clerk will ensure that letters, files, cables, etc. referred to in incoming correspondence are produced and sent forward with that correspondence.

4. He will bring all incoming correspondence to the Co-ordinating officer with blank 'buck-slip' attached. The co-ordinating officer will then arrange correct distribution to responsible section or officer.

Any deviation from this procedure will cause delay and confusion; Chiefs of Sections and other officers will NOT give contrary instructions to the Chief Clerk.

5. There will be a "close period" for files daily from 1200 to 1400 hrs. All files will be collected at 1200 hrs. by the Chief Clerk, brought up to date, and returned for further action by 1400 hrs.

6. The Senior officer present in any Section is responsible that correspondence is dealt with expeditiously, and that files are returned as soon as possible to the registry.

7. If any matter sent to a Section cannot be dealt with within 48 hours, the officer concerned will report the fact to the Co-ordinating officer; files will not be held pending action, but will be returned to the registry with a "Bring forward" date on the buck-slip.

[illegible] will be filed or returned to Central Registry without

Declassified E.O. 12356 Section 3.3/NND No. 789011

3. The Chief Clerk will ensure that letters, files, cables, etc. referred to in incoming correspondence are produced and sent forward with that correspondence.

4. He will bring all incoming correspondence to the Co-ordinating officer with blank 'buck-slip' attached. The co-ordinating officer will then arrange correct distribution to responsible section or officer.

Any deviation from this procedure will cause delay and confusion; Chiefs of Sections and other officers will NOT give contrary instructions to the Chief Clerk.

5. There will be a "close period" for files daily from 1200 to 1400 hrs. All files will be collected at 1200 hrs. by the Chief Clerk, brought up to date, and returned for further action by 1400 hrs.

6. The Senior officer present in any Section is responsible that correspondence is dealt with expeditiously, and that files are returned as soon as possible to the registry.

7. If any matter sent to a Section cannot be dealt with within 48 hours, the officer concerned will report the fact to the Co-ordinating officer; files will not be held pending action, but will be returned to the registry with a "Bring forward" date on the buck-slip.

8. No correspondence will be filed or returned to Central Registry without the initials of the Chief of Section or Co-ordinating officer.

9. A "Bring Forward" diary will be maintained by the Chief Clerk and, in the interests of all, it should be used as much as possible.

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10. Sections will have at least one officer in their offices during working hours, and during the lunch period. Official office hours are from 0830 to 1730, with one hour for lunch.

11. One full working day off a week is authorised, and a roster maintained; any alterations necessary should be notified to the Adjutant.

12. No investigations or travel will be initiated without the approval of Col. Evans or his deputy.

13. All travel and transport orders must be made out by the Adjutant, for transmission to A.G. and G 4 respectively.

Requests will be submitted to him giving full details as to name (for American officers, first name in full), rank, personal number, approxim period of absence, destination, and brief statement of mission.

Declassified E.O. 12356 Section 3.3/NND No. 785011

14. All clerical personnel, typists and interpreters, whether military or civilian, are controlled by the Chief Clerk, and all duties for those personnel will be passed through him for allocation.

W.P. EVANS,
Colonel,
Director, Industry & Commerce
Sub-Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785011

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE : 16098/G-1 14th February 1944.

SUBJECT : Monthly Return of Personnel.

TO : Distribution below.

1. The monthly return of personnel called for under this H.Q. letter 16091/G-1 dated 28 Dec 43 is hereby cancelled.

2. " In replacement, a monthly return will be rendered on a proforma, a specimen of which is attached at Appendix "A" to this letter, and will give all the required information in respect of each individual American and British officer. "

3. " Additionally, a similar return is required in respect of EM/OR's, and this will be rendered on a similar proforma at the same time. "

4. The information contained in each return should be as at 1200 hours on the 21st day of each month, commencing on 21st February 1944.

5. It is intended that this return will be the only one required to be submitted to this office, with the exception of normal W.D. or W.O. returns called for under existing Regulations, but it is stressed that, in order to obviate future correspondence, these returns must be accurate and contain all the information required.

By command of LIEUT. GENERAL MACFARLANE.

for F.A. PURGOLD,
Lt-Colonel, R.A.
G-1.

RCE/ES
DISTRIBUTION:

Administrative Section - 8.
Economic Section. - 10.
Civil Affairs Branch.

Declassified E.O. 12356 Section 3.3/NND No. 785011

this will be rendered on a similar proforma at the same time.

4. The information contained in each return should be as at 1200 hours on the 21st day of each month, commencing on 21st February 1944.

5. It is intended that this return will be the only one required to be submitted to this office, with the exception of normal W.D. or W.O. returns called for under existing Regulations, but it is stressed that, in order to obviate future correspondence, these returns must be accurate and contain all the information required.

By command of LIEUT. GENERAL MACFARLANE.

for F.A. PURGOLD,
Lt-Colonel, R.A.
G-1.

RCE/ES

DISTRIBUTION:

Administrative Section - 8.
Economic Section. - 10.
Civil Affairs Branch.
Displaced Persons Sub-Commission.
Italian Refugee Branch.
Security Branch.
G-4.
HQ Commandant (Main) - 2) To include all personnel including
HQ Commandant (Rear) - 2) clerks, drivers and G.D. men of 2675 Regt. and British Detachment.
Adjutant.
Pool of Interpreters & Translators.
Navy Sub-Commission.
Land Forces Sub-Commission.
Telecommunication & Postal Sub-Commission.
Archivist & Librarian.
War Materials Disposal Sub-Commission.
P.R.O.
A.C.C. Liaison Section.
A.C.C. Liaison Office, HQ. A.C.M.F.
Air Sub-Commission.

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Declassified E.O. 12356 Section 3.3/NND No. 785011

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

Unit: _____

Monthly Return of Officer Personnel as at 1200 hours on

Rank* (a)	Full Christian Names & Surname (b)	Personal Number (c)	Regiment or Corps (d)	Med. Cat. (e)	Date of Birth (f)	Nation-ality (g)	Assignment (In what Capacity he is employed) (h)	

* In the case of British Officers, Acting, Temporary, Substantive and/or War Substantive ranks

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

Appendix "M" to HQ ACC letter 16093/C-1
dated 8th February 1944.

Return of Officer Personnel as at 1200 hours on _____

Regiment or Corps (d)	Med. Cat. (e)	Date of Birth (f)	Nation-ality (g)	Assignment (In what Capacity he is employed) (h)	Whether assigned permanently or attached only (i)	If attached, parent Unit or Region to be stated (j)	Location as at date of Return (k)

Temporary, Substantive and/or War Substantive ranks to be shown.

HEADQUARTERS,
ALLIED CONTROL COMMISSION
APO 394.

Regional Control & Military Government Section.

Ref: 276/31/CA. 12. February. 1944

Subject: Policy on handover of territory to Italian Government.

To: Regional Commissioner, Region I
" " Region II
" " Region III
" " Region IV
" " Region V
" " Region VI
Senior Civil Affairs Officer, AMG 5 Army.
" " " " AMG 8 Army.

---

1. As from 11th February, Allied Military Government has ceased in Regions I and II and the Italian Government has resumed its administration in Sicily and the whole of Southern Italy up to the Northern boundaries of the Provinces of Salerno, Potenza and Bari, and continues the administration of Sardinia.

2. Regional control in these areas will continue but henceforth will be of an advisory nature. The Italian Government, through its various Ministries, will be advised and controlled by Headquarters, Allied Control Commission. Regional Commissioners will be informed of the nature of advice given and will endeavour to ensure, in co-operation with the Italian authorities, that this is carried out in every aspect of government in the Regions.

3. The method by which this advice should be given and the relations between the Allied Regional officers and officials of the Italian administration have already been defined in A.C.C. Memorandum of 23rd January, 1944. I would only add here that advisory control is far more difficult than executive government and calls for an abundance of patience and tolerance. Quite apart from the complexities of the political situation, no government emerging from

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

" " Region IV
" " Region V
" " Region VI
Senior Civil Affairs Officer, AMG 5 Army.
" " " " AMG 8 Army.

---

1. As from 11th February, Allied Military Government has ceased in Regions I and II and the Italian Government has resumed its administration in Sicily and the whole of Southern Italy up to the Northern boundaries of the Provinces of Salerno, Potenza and Bari, and continues the administration of Sardinia.

2. Regional control in these areas will continue but henceforth will be of an advisory nature. The Italian Government, through its various Ministries, will be advised and controlled by Headquarters, Allied Control Commission. Regional Commissioners will be informed of the nature of advice given and will endeavour to ensure, in co-operation with the Italian authorities, that this is carried out in every aspect of government in the Regions.

3. The method by which this advice should be given and the relations between the Allied Regional officers and officials of the Italian administration have already been defined in A.C.C. Memorandum of 23rd January, 1944. I would only add here that advisory control is far more difficult than executive government and calls for an abundance of patience and tolerance. Quite apart from the complexities of the political situation, no government emerging from the oblivion of defeat and occupation can command the immediate confidence of the people. The removal from the administration of many Fascist officials has left the machinery of government without many of the cogs.

4. The administration, therefore, will need all the assistance and advice which can be put at its disposal. Whatever the form of government, efficient administration is essential for our operations. Everything must be done, therefore, compatible with freedom of speech and thought, to gain for the administration the confidence of the people. Initially, doubtless, inefficiency in administration may be anticipated. But Regional officers must do everything in their power to uphold the authority of the Italian officials and to abstain from any executive action themselves. They must be careful in their dealings with Italian officials and the Italian public and in their speech with all and sundry, including other Allied officers, not to bring the administration into contempt, even when its officials seem guilty of inefficiency, corruption and worse. They must help to sort things out and must report any case of bad administration immediately. Regardless of politics it is the duty of Regional officers to put whatever Italian administration may be in office on its feet and to keep it there.

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5. In the initial stages of advisory control considerable numbers of Allied officers will be maintained in the Regions. The tendering of advice, however, is more likely to be successful if it emanates from a few key men in touch with senior officials of the Italian administration than if every Italian

official..../

Declassified E.O. 12356 Section 3.3/NND No. 785011

official is bolstered up by the presence of an Allied officer. The Italians must learn to stand on their own legs. It is the policy of the Chief Commissioner, therefore, to reduce the numbers in Regions substantially as soon as may prove possible and Regional Commissioners should plan to this end.

6. Allied Military Government will continue in the forward areas. No change in policy is intended. But S.C.A.O's, AMG, 5 and 8 Armies, under the operational command of their Army Commanders, will have the benefit of advice on economic and administyrative questions from Headquarters, AMG/ACC. The maintenance of law and order and the safeguarding of military interests will be the chief duties of Regional Commissioners and their staffs, but with the possibility of further territory being turned over to the Italian Government in the near future, more attention will be paid to the necessity for continuity in administrative and economic policy and it is possible that minor changes in practice will be evolved in the light of experience gained in the southern areas. The Italian Government will be closer to the scene of action, and will be in more constant and practical touch with the members of the Allied Control Commission, who will be consulting them, particularly as regards personnel, over administrative and economic matters in forward areas.

7. But the authority remains with the Chief Commissioner and Regional Commissioners should report at once any instances of attempts on the part of the Italian Government to interfere or intervene in areas under Allied Military Government.

M. S. LUSH,
Brigadier,
Executive Commissioner,
for Chief Commissioner.

MSL/JC.

Copy to: Deputy President.
Sec. General for Chief Commissioner.
Deputy Chief Commissioner.
Vice President.
H.Q., A.C.M.F.
H.Q. 5 Army.
H.Q. 8 Army.
H.Q. No.1 District.
H.Q. No.2 District.
H.Q. No.3 District.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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7. But the authority remains with the Chief Commissioner and Regional Commissioners should report at once any instances of attempts on the part of the Italian Government to interfere or intervene in areas under Allied Military Government.

M. S. LUSH,
Brigadier,
Executive Commissioner,
for Chief Commissioner.

MSL/JG.

Copy to: Deputy President.
Sec. General for Chief Commissioner.
Deputy Chief Commissioner.
Vice President.
H.Q., A.C.M.F.
H.Q. 5 Army.
H.Q. 8 Army.
H.Q. No.1 District.
H.Q. No.2 District.
H.Q. No.3 District.
ACC Liaison, HQ. A.C.M.F.
Public Relations Officer.

Declassified E.O. 12356 Section 3.3/NND No. 785011

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

CONFIDENTIAL.

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE : 16004/G-1. 11 February, 1944.

SUBJECT : Assignment - British and American Officers.

TO : Public Safety Sub-Commission.
Public Health Sub-Commission.
Finance Sub-Commission.
Public Works & Utilities Sub Commission.
Legal Sub-Commission.
Education Sub-Commission.
Food Sub-Commission.
Telecommunications & Postal Sub-Commission.
Displaced Persons Sub-Commission.
Italian Refugees Sub-Commission.
Fine Arts Sub-Commission.
Civil Affairs Branch, HQ ACC.
5 Army for AMG.
8 Army for AMG.
Region II.
Region III.
Region VIII.
Region IX.

2

Approval has been given for the assignment of the following British and American Officers as shewn at Appendices "A" and "B" respectively.

F.A.PURGOLD,
Lt.Colonel, R.A.,
G-1.

JHH/es.

Copies to:- Executive Commissioner.
Establishment Officer.
G-1 (B).
G-1 (A).
C.C. British Detachment.
All officers concerned.

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Appendix "A" to 16004/G-1
dated 11 February, 1944.

BRITISH STAFF OFFICERS

Rank	Name	Army Number	Unit	Assigned to
Lt.Col.	PURCELL, W.J.	103044	R.A.S.C.	Legal Sub-Commission
Lt.Col.	KERR, W.	291770	Gen.List.	Displaced Persons Sub-Commission
Major.	REVELEY, G.H.	6099	R.A.	Public Safety Div.Reg.II.
Major.	PRICE, W.E.	301419	Gen.List.	Finance Sub-Com
Major.	HALL, J.F.H.	301332	Gen.List.	Finance Sub-Com
Major.	GREEN, W.H.	282046	Gen.List.	Telecommunications and Postal Sub-Commission.
Major.	WAY, A.G.P.	57001	Gen.List.	Region III.
Major.	DUFOUR, J.E.	N.Y.A.	GD.R.C.A.	Italian Refugees Sub-Commission
Major.	RUSSELL, R.W.	150836	Int.Corps.	AMG 5 Army
Major.	FOX, E.B.	4029	R.E.	AMG 5 Army
Captain.	ALLISON, F.C.	279648	Gen.List.	Italian Refugees Sub-Commission
Captain.	DRUMOND, W.S.	282274	Gen.List.	Telecommunications and Postal Sub-Commission
Captain.	GILLETT, F.E.	59076	Inmin.Dpns	HQ ACC (Adm)
Lieut.	VELLA, J.V.	301892	Gen.List.	Education Sub-Commission
Lieut.	TAYLOR, F.W.D.	136911	Leicester R.	Nucleus HQ Region VIII (Adm).
Lt.Col.	DALE-GLOSSOP, H.W.	147274	-	Public Safety Div.Reg.II.
Col.	PENNYCUICK, J.A.C.	20791	R.E.	A/Chief of Staff, Reg.VIII.

Appendix "B" to 16004/G-1
dated 11 February, 1944.

AMERICAN OFFICERS

Rank	Name	Army Number	Unit	Assigned to
Major	NILSSON JOSEPH E.	0-919802	F.D.	Finance Sub-Com.
Major	HENDRICKSON, ROBERT C	0-523804	Spec.Res.	Legal Div.Region IV.
Major	GARRETT, EARLE W.	0-919177	Ord.	Displaced Persons Sub-Com.
Major	MCBRATNEY, WILLIAM E	0-167111	Spec.Res.	Nucleus Reg.VIII (Adm).
Major	ANDERSON, HAROLD A.	0-523734	Spec.Res.	Public Safety Sub-Com. HQ ACC.
Capt.	NOE, SAMUEL V.	0-521655	Spec.Res.	Education Sub-Com.
Capt.	YARLEY, CHALMERS B.	0-522778	Spec.Res.	Displaced Persons Sub-Com.
Capt.	GRUELLE, ORIC P.	0-439523	C.M.P.	Displaced Persons Sub-Com.
Capt.	BACKIAN, HENRY H.	0-526400	Spec.Res.	AMG 5 Army.
Capt.	WARREN, CLYDE A.	0-521383	Spec.Res.	AMG 8 Army.
Capt.	GODRINGTON, CLAYTON C	0-520630	Spec.Res.	Public Health (for Typhus Sub-Com)
Capt.	FREESE, DUANE D.	0-329509	C.M.P.	Nucleus HQ Region IX (Adm).
Capt.	WILCOX, THEODORE M	0-518066	Spec.Res.	Public Health Sub-Com. HQ ACC.
Capt.	PENNOYER, ALBERT S.	0-181027	C.E.	Education Sub-Com.HQ ACC.
Capt.	KELLER, DEANE.	0-533667	A.U.S.	Fine Arts Sub-Com.HQ ACC.
Capt.	KERR, EWING T.	0-518984	Spec.Res.	Legal Sub-Com.HQ ACC.
Capt.	SAVAGE, PAUL S.	0-522162	-	Public Health Sub-Com.

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Capt.	NOE, SAMUEL V.	0-521655	Spec.Res.	Education Sub-Com.
Capt.	YARLEY, CHARTERS B.	0-522778	Spec.Res.	Displaced Persons Sub-Com.
Capt.	GRUELLE, ORIC P.	0-439623	C.M.P.	Displaced Persons Sub-Com.
Capt.	BACKMAN, HENRY H.	0-526400	Spec.Res.	AMG 5 Army.
Capt.	WARREN, CLYDE A.	0-521383	Spec.Res.	AMG 8 Army.
Capt.	CODRINGTON, CLAYTON C	0-520680	Spec.Res.	Public Health (for Typhus Sub-Com)
Capt.	FREESE, DUANE D.	0-329509	C.M.P.	Nucleus HQ Region IX (Adm).
Capt.	WILCOX, THEODORE H	0-518066	Spec.Res.	Public Health Sub-Com. HQ ACC.
Capt.	PENNOYER, ALBERT S.	0-181027	C.E.	Education Sub-Com.HQ ACC.
Capt.	KELLER, DEANE.	0-533667	A.U.S.	Fine Arts Sub-Com.HQ ACC.
Capt.	KERR, EWING T.	0-518984	Spec.Res.	Legal Sub-Com.HQ ACC.
Capt.	SAVAGE, PAUL S.	0-522162	-	Public Health Sub-Com. (for Welfare).
2nd Lieut.	ARNOLD, LEWIS F.	0-1792070	C.M.P.	Food Sub-Com.HQ ACC.
2nd Lieut.	ALLEN, ARTHUR J.	0-1016137	11 A.D.	Telecommunications & Postal Sub-Com. HQ ACC. 6874
2nd Lieut.	MORRIS, THOMAS A.	0-1797333	C.M.P.	Public Health (For Typhus Sub-Com).
2nd Lieut.	KLEIM, EUGENE W.	0-1797479	C.M.P.	Italian Refugees Sub-Com.
2nd Lieut.	PETRILLO CLEMENT C.	0-19995320	Spec.Ser.	Civil Affairs Branch, HQ ACC.
2nd Lieut.	BANNO, CARL C.	0-57175	A.C.	Legal Sub-Com.
2nd Lieut.	YOUNG, DAVID K.	0-1288156	C.M.P.	Civil Affairs Branch HQ ACC.
Lt. Col.	HOBBS, EDGAR O.	0-172786	M.I.	Acting Assistant Chief of Staff, Region IX.

Declassified E.O. 12356 Section 3.3/NND No. 785011

Appendix "B" (Contd)

Rank	Name	Army Number	Unit	Assigned to
1st Lieut.	ANDERSON, WILLIAM D.	0-517628	S.R.	Displaced Persons Sub-Com
1st Lieut.	GRANT, HARRY A.	0-175962	C.M.P.	AMG 8 Army.
1st Lieut.	CAHN, BERNARD D.	0-523081	Spec.Res.	Legal Sub-Com.HQ ACC.
1st Lieut.	CORWIN, THOMAS H.	0-1320818	A.C.	Public Works & Utilities Sub-Com.HQ ACC.
1st Lieut.	DOWNEY, CLANVILLE.	0-1640401	S.C.	Food Sub-Com.HQ ACC.

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

Ref/142/4/CA. 11 February 1944.

SUBJECT: Organization and Operation of Road Haulage Transport.

TO : H.Q. Regions I, II, III, IV, V.

1. Instructions for the organization and operation of road haulage transport are issued herewith.

2. Immediate steps will be taken to put this plan into force so that trucks may be allocated and brought into use at the earliest possible date.

3. The information asked for in para. III (ii) will be forwarded direct to Int. Tptn. Sub-Commission so as to arrive not later than 21 Feb 44.

NORMAN E. FISKE.
Colonel, Cavalry,
Deputy Executive
Commissioner.

Copies to: A.F.H.Q. Adv. Adm. Ech.
A.F.H.Q. MGS.
No.1 District.
No.2 District.
No.3 District.
Chief Commissioner.
Deputy Chief Commissioner.
Admin. Section.
Economic Section (all sub-comms)
G-4.
A.C.C. Liaison, H.Q. ACMF.
P.B.S.
File.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
INTERNAL TRANSPORTATION SUB COMMISSION
APO 394

10 February 1944

INSTRUCTIONS FOR ORGANISATION AND OPERATION OF ROAD HAULAGE TRANSPORT.

OBJECT OF THE ORGANISATION.: To re-establish Road Haulage Transport Organisations on a civilian basis throughout occupied territory, in order that the needs of the Country may be met and to supervise such organisations so as to ensure that the interests of the Allied Governments are met and that any Road Haulage Transport abuses are eliminated.

I. ORGANISATION.

(a) Regional.

The Regional Control Commissioner will appoint a Regional Road Haulage Transport Control Officer.

(b) Provincial.

The Regional Control Commissioner will add to the duties of his Provincial Civil Supply Officers, those of Provincial Road Haulage Control Officer. These officers will require additional staff, who may be either ACC/AMG or proved reliable Italian military or civilian personnel, with a knowledge of Road Transport.

(c) Duties of the Regional Road Haulage Transport Control Officer.

(i). He will advise his Region HQ on all matters concerning haulage of goods by road.

(ii). He will supervise the Provincial Civil Supply and Road Haulage Transport Control Officers in his Region so far as Road Transport is concerned.

(d) Duties of the Provincial Civil Supply and Road Haulage Transport Control Officer.

(i). To liaise with any civilian Road Haulage organisation existing in his province and assist them in re-establishing that organisation in order that it may operate under his supervision.

(ii). Where no civilian Road Haulage organisation exists in the Province, to liaise with the Consiglio Provinciale Dell 'Economia and through them, to contact the most reliable haulage operator and with him build up an organisation to handle Road Transport.

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Provincial Civil Supply Officers, those of Provincial Road Haulage Control Officer. These officers will require additional staff, who may be either ACC/AMG or proved reliable Italian military or civilian personnel, with a knowledge of Road Transport.

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(d) Duties of the Provincial Civil Supply and Road Haulage Transport Control Officer.

(i). To liaise with any civilian Road Haulage organisation existing in his province and assist them in re-establishing that organisation in order that it may operate under his supervision.

(ii). Where no civilian Road Haulage organisation exists in the Province, to liaise with the Consiglio Provinciale Dell 'Economia and through them, to contact the most reliable haulage operator and with him build up an organisation to handle Road Transport.

(iii). Through the civilian road haulage organisation established, under (i) or (ii) above, to form a pool or pools of vehicles according to the lay-out and transport needs of his province. By the use of the word "pool" it is not meant that all vehicles must be garaged in one building; they can remain with their respective owners and still constitute a pool.

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(iv). To ensure that the civilian road haulage organisation established, under (i) or (ii) above, organises a Maintenance, Repair and Servicing depot or depots. It must be borne in mind that a good mechanical engineer is absolutely essential.

(v). At a specified time and in conjunction with the appropriate Regional Authorities, to cancel all existing civilian load carrying vehicle licenses and issue new permits after proper registration. If the existing C.I.P. system is considered sufficient to prevent road haulage transport abuses, no further action is necessary.

(vi). All drivers will be supplied with a combined work ticket and delivery note, which will bear a serial number. (Copy of this form attached. This work ticket and delivery note to be in triplicate.

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(vi)cont;

(a) One copy to remain in the hands of the civilian transport organisation.
(b) One copy to be handed to the consignor.
(c) One copy to be carried by the driver, signed by the consignee and returned by the driver to the transport organisation.

These forms will be printed in English with an Italian translation. The printing will be carried out by HQ. AMG/ACC. Regions must give early advice to HQ.ACC (Internal Transportation Sub-commission) as to their requirements.

(vii). Arrangements will be made with the appropriate authorities (C.I.P.), so that petrol and lubricants can be delivered in bulk to the maintenance depot or depots established, in order that truck owners can draw their supplies from one source. A monthly petrol account will be kept; this account to be open to inspection at any time.

(viii). All applications for Provincial Road Haulage movement will be made through his organisation.

(ix). He will maintain a record of Road Haulage Movement in his province and render a weekly vehicle availability state to the Regional Road Haulage Transport Control Officer. (Specimen form attached).

II. MOVEMENT OF GOODS BY ROAD.
This can be divided into two categories:-

A. Movement beginning and ending within the Provincial Boundary.
Movement of goods by road within the province will be under the jurisdiction of the Provincial Civil Supply and Road Haulage Transport Control Officer, through whose organisation all requests for movement by road will be made. The Provincial Civil Supply and Road Haulage Transport Control Officer and his organisation will be guided by the following principles:

(i) The Priority of Goods to be carried.
(a) ACC/AMG goods.
(b) Foodstuffs, vegetables, fruits and wine.
(c) Salt.
(d) Livestock and fowls, alive or slaughtered.
(e) Coal and coke for industry.
(f) Cement, lumber and building materials.
(g) Charcoal.
(h) Seeds.
(i) Fertilisers and raw materials for manufacture of fertilisers.
(j) Agricultural machinery.
(k) Soaps.

The above list will be amended by the Regional Control Commissioner as he thinks necessary, having regard to the varying conditions prevailing in dif-

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

II. MOVEMENT OF GOODS BY ROAD.

This can be divided into two categories:-

A. Movement beginning and ending within the Provincial Boundary.

Movement of goods by road within the province will be under the jurisdiction of the Provincial Civil Supply and Road Haulage Transport Control Officer, through whose organisation all requests for movement by road will be made. The Provincial Civil Supply and Road Haulage Transport Control Officer and his organisation will be guided by the following principles:

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- (a) ACC/AMG goods.
- (b) Foodstuffs, vegetables, fruits and wine.
- (c) Salt.
- (d) Livestock and fowls, alive or slaughtered.
- (e) Coal and coke for industry.
- (f) Cement, lumber and building materials.
- (g) Charcoal.
- (h) Seeds.
- (i) Fertilisers and raw materials for manufacture of fertilisers.
- (j) Agricultural machinery.
- (k) Soaps.

The above list will be amended by the Regional Control Commissioner as he thinks necessary, having regard to the varying conditions prevailing in different provinces.

(ii)(a) Goods carried on behalf of ACC/AMG and on behalf of civilian consignors will be carried at freight rates, to be drawn up by each provincial Civil Supply and Road Haulage Transport Control Officer and submitted to the Regional HQ for review and forwarding to HQ.ACC(Internal Transportation Sub-commission) for approval. In submitting such rates for approval, the comparative pre-occupation rates should also be shown.

(b). Existing practices regarding payment of freight charges will be continued. Freight charges for goods carried strictly for ACC/AMG domestic purposes will be paid by the consignor (ACC/AMG)

(c). When ACC/AMG vehicles are allocated to civilian road haulage transport organisations, this will be done on a contract basis. These vehicles will be supplied to the Regions as explained in paragraph III below and it will be the responsibility of the Regional Road Haulage Transport Control officer to turn over the vehicles to the civilian road haulage organisations, on the recommendations of the provincial officers. Gasoline, oil, maintenance, manpower and other requirements will be supplied and paid for by the civilian road haulage organisation. A standard form of contract for each civilian road haulage organisation, with provision for local variations as necessary, will be issued.

Declassified E.O. 12356 Section 3.3/NND No. 780011

II A (cont.)

(iii) Goods preferably will not be transported by road if rail transport is available except when trucks are returning empty.

(iv) No other goods shall be accepted for transport so long as any goods on the priority list are awaiting transport.

(v) The subject of return loads will always be borne in mind.

(vi) All requests for road transport of ACC/AMG goods will be submitted to the Provincial Civil Supply and Road Haulage Transport Control Officer at least 24 hours before the movement is required to take place.

B. Movement extending beyond the Provincial Boundary.

(i). All requests for the movement of goods beyond the Provincial Boundaries will be made to the Regional Road Haulage Transport Control Officer and the principles set out in "A" apply. The Regional Road Haulage Transport Control Officer, with the information supplied to him by his provincial officers, will be in a position to organise these moves and utilise the most convenient Provincial Road Haulage Transport organisation or organisations. The Regional Road Haulage Transport Control Officer, acting with opposite numbers in adjacent regions, will establish thru-rates for inter regional movements. (Regional officers may also establish inter-provincial thru-rates in their regions).

(ii). Close contact between Regional Road Haulage Transport Control Officers is essential and this contact will enable full use to be made of the return load system.

III. SUPPLY OF ADDITIONAL TRUCKS.

(i) It is anticipated that in the near future additional trucks will be made available. Under these circumstances, Regional Road Haulage Transport Control officers must make every effort to see that organisations, as set out in para I, are established with every possible speed.

(ii) They will collate the following information as soon as possible:

Number and carrying capacity of additional trucks required, (after taking into account those at present available) to maintain essential road haulage facilities within their Provinces and Regions. Consideration must be given to import expectations and overall distribution and warehousing. This information will be forwarded to: Internal Transportation Sub-commission, ACC c/o Mov. & Tn., A F H Q., Advance Administration Echelon, CMF.

IV. FORMATION OF EMERGENCY TRANSPORT POOL.

(i). In the very near future, 200 trucks will be made available and these have been provisionally allocated as follows:-

Crotone 15 trucks, Reggio 10 trucks, Cosenza 10 trucks, and Catanzaro 10 trucks (Region 2).

Naples area 80 trucks (Region 3).

Bari 20 trucks, Taranto 20 trucks and Brindisi 10 trucks (King's Italy) with a reserve of 15 trucks at Bari and 10 trucks at Brindisi.

(ii)

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regional movements. (Regional Officers may [illegible] in their regions).

(ii). Close contact between Regional Road Haulage Transport Control Officers is essential and this contact will enable full use to be made of the return load system.

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Number and carrying capacity of additional trucks required, (after taking into account those at present available) to maintain essential road haulage facilities within their Provinces and Regions. Consideration must be given to import expectations and overall distribution and warehousing. This information will be forwarded to: Internal Transportation Sub-commission, ACC c/o Mov. & Tn., A F H Q., Advance Administration Echelon, CMF.

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Crotone 15 trucks, Reggio 10 trucks, Cosenza 10 trucks, and Catanzaro 10 trucks (Region 2).

Naples area 30 trucks (Region 3).

Bari 20 trucks, Taranto 20 trucks and Brindisi 10 trucks (King's Italy) with a reserve of 15 trucks at Bari and 10 trucks at Brindisi.

(ii). These 200 trucks will be organised on a military basis, but it will be necessary for the Regions concerned in the above mentioned areas, to have ready an officer and staff to take over the supervision of these trucks. In the main, this Emergency Transport Pool will be dealing with the carriage of imported foodstuffs from ports to warehouses and from warehouses to distributing centres.

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(iii). The formation of this Emergency Transport Pool is in order to meet the most urgent road haulage requirements until such time as Civilian organisations, as outlined in para I, are capable of taking over commitments. When that time is reached, it will be possible to transfer the Emergency Transport Pool to forward areas of occupied territory, where road transport is of vital urgency and no civilian organisation can be operated. The Regions to which this transport is allocated must bear this important fact in mind and appreciate that it may be necessary to withdraw some or all of that transport at very short notice.

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

ALLIED CONTROL COMMISSION - ALLIED MILITARY GOVERNMENT

Authorisation for Use of Mechanical Road Haulage Vehicle.

CONTROLLING ORGANISATION_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

Permission is hereby granted for the following vehicle (s) to be on the road for the period_ _

Name and Address of Owner.	Province	Registration No. of vehicle.	Type of Vehicle.	Carryi of

This permit is granted on the sole condition that the vehicle (s) is/are used as directed by t
inserted here) and a breach of that condition automatically cancels this permit, in addition
tioned.

Signed; "Regional Office

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

TROL COMMISSION - ALLIED MILITARY GOVERNMENT

ion for Use of Mechanical Road Haulage Vehicle. Permit No.....

LING ORGANISATION_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

wing vehicle (s) to be on the road for the period_ _

stration No. vehicle.	Type of Vehicle.	Carrying Capacity of vehicle.	Where vehicle is garaged.

ion that the vehicle (s) is/are used as directed by the (Name of Controlling Organisation ition automatically cancels this permit, in addition to which the vehicle (s) will be requisi-

Signed; "Regional Officer designated to sign on behalf of ACC/AMG."

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

ALLIED CONTROL COMMISSION - ALLIED MILITARY GOVERNM
Road Transport Haulage Work Ticket and Delivery Note

Registered No. of Vehicle.....Carrying Capacity.....Name of Owner.....Name o Driver

Name & Address of Hirer	Province	Details of Load		Origin	Destin
		Description	Weight (in tons)		

This is to certify that the abovementioned goods have been received.

Time of Arrival of truck.....

Time of Departure of truck.....

Signed.....

Signature..... .....
(Consignee)

Date.....

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TROL COMMISSION - ALLIED MILITARY GOVERNMENT.
eport Haulage Work Ticket and Delivery Note.

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Serial No.....

Name of Owner.....

Name of Driver.....

Date.....

Details of Load: ption	Weight (in tons)	Origin	Destination	Name & Address of Consignee	To be Completed by Driver: Mileage	Time Out	Time In

Signed.....

"Name of Transport Organisation".

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

ROAD HAULAGE TRANSPORT VEHICLE RETURN.

PROVINCE OF.....

	Carrying Capacity					
	Under 1 Ton	1 Ton	2 Tons	3 Tons	4 Tons	
A TOTAL NUMBER OF VEHICLES.						
B NUMBER OF VEHICLES EMPLOYED ON ESSENTIAL PROVINCIAL SERVICES						
C NUMBER OF VEHICLES UNDER REPAIR						
D NUMBER OF VEHICLES OFF ROAD AWAITING SPARES						
E NUMBER OF VEHICLES OFF ROAD AWAITING TYRES						
F NUMBER OF VEHICLES AVAILABLE IN POOL						

Signed....

Provincial

REGION....

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

AD HAULAGE TRANSPORT VEHICLE RETURN.

Week Ending.....

Carrying Capacity

Under 1 Ton	1 Ton	2 Tons	3 Tons	4 Tons	5 Tons	10 Tons	15 Tons	20 Tons

Signed.....

Provincial Road Haulage Transport Control Officer.

REGION.....

ACC/5130/IC

MONTHLY REPORT - JANUARY 1944

HEADQUARTERS
ALLIED CONTROL COMMISSION
INDUSTRY & COMMERCE SUB-COMMISSION
APO 394

1. ORGANIZATION.

a. Exports. The Foreign Trade Section was preparing to leave Sicily for HQ ACC and the move was actually completed in the early days of February.

b. Imports. In the course of the month, the Food Sub-Commission was formed and took over their portion of this section, including warehousing. Requisitions continue to pass through this sub-commission.

2. PERSONNEL.

Of the 24 officers assigned to this sub-commission, the following was the distribution at the beginning of the month; 10 at HQ, 4 working with Region I, 2 with Region II, 2 at Brindisi, 2 at Tizi-Ouzou, 2 with 15 Army Group, 1 sick, 1 in charge of officers' mess at Naples.

In the course of the month, 5 were called to work at HQ, 1 remained sick in hospital and 1 was loaned to Food Sub-Commission.

Major Jacobs (B) and rear party at Tizi-Ouzou were considerably delayed in joining this HQ and their officer has reported to Col. Rathbone on the reasons for this delay.

With the expansion of officer personnel and work, considerable difficulty has been experienced in the keeping up of clerical work and typing.

Application was made for EM/OR personnel.

3. REQUISITIONS AND IMPORTS.

A steady flow of requisitions were put through to AFHQ at Regional and Sub-Commission request. It was decided that the handling of all civilian imports and dock warehouses should be taken over by the Food Sub-Commission.

4. EXPORTS.

Declassified E.O. 12356 Section 3.3/NND No. 785011

Region I, 2 with Region II, 2 at Brindisi, 2 at Tizi-Ouzou, 2 with 15 Army Group, 1 sick, 1 in charge of officers' mess at Naples.

In the course of the month, 5 were called to work at HQ, 1 remained sick in hospital and 1 was loaned to Food Sub-Commission.

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4. EXPORTS.

REPORT OF THE FOREIGN TRADE SECTION FOR JANUARY

An export program of some volume got under way in Sicily in January. Four ships for the U.K. were loaded at Sicilian ports during the month, two at Palermo, one at Catania and one at Messina, while at the end of the month four more ships were being loaded, or were shortly due, at Palermo, Catania, Messina and Siracusa.

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Each ship takes approximately 2000 tons of lemons (about 50,000 crates) and some take certain other cargo as well. Thus the four ships which sailed during January carried over 7,500 tons of lemons, 25,000 pounds of lemon oil, 800 pounds of tangerine oil, 3,700 pounds of bitter orange oil, 7,300 quintals of nuts, 300 tons of citric acid, 100 tons of assorted wines, 82,000 kilos of pumice, 33,000 kilos of sumac, and 45,000 kilos of sulphur.

The four ships which have sailed have been destined for the U.K., as are four which are now loading. One hundred tons of wine have been ordered for the United States. No shipments have been made to the United States apart from a small amount of tartaric acid in October. While the United States is interested in certain Sicilian products, such as citric and tartaric acid, the amounts available have not been large enough to warrant the allocation of a ship. Moreover, these amounts have been taken by the U.K. to which they could readily be sent in the ships allocated primarily to carry the lemons.

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The only other exports to be recorded during the month are small quantities of sulphur to North Africa and of oranges to Malta.

A considerable amount of effort was devoted to the very difficult problem of getting lumber for making lemon crates into Sicily from Calabria. By the end of January it is believed that in the neighborhood of 1000 tons had been obtained, either by rail to the East Coast or by ship to Palermo. Eighty tons of nails, for the lemon crates, and 20 tons of paper for wrapping the fruit, were procured in Naples. In addition to these materials required in Sicily for packing citrus fruit, preliminary steps were taken to obtain the materials needed in Marsala for making wine casks.

Exports from Sicily over the next couple of months may be expected to consist of the same products, probably in roughly the same proportions, as were exported in January. The attempt is being made to ship to the U.K. approximately 30,000 tons of lemons in the present export season which will end during the second half of March. Some oranges are now being loaded at Siracusa, but exports in total will probably not exceed 1000-2000 tons as the voyage to the U.K. under present conditions is long for this fruit. Purchases for export are being made of all of the Island's production, of the proper qualities, of essential oils and citric acid. All of the pumice is being exported that is being brought over to Sicily from the Lipari Islands, and all of the sulphur that can be landed to Palermo and Catania. Nuts and sumac, of which sizable amounts are available, will continue to be shipped as they can be packed and brought forward, and additional wine will be sent when the order is received from the U.K.

No exports thus far have been made from the mainland of Italy, and the possibilities from the area now under Allied control are small. Silk production is being revived in Calabria from where it is hoped some silk may be available for export in the late spring. Efforts are also being made to revive hemp production in the vicinity of Naples. Some bergamot oil now being manufactured under order in southern Calabria, will be exported through Catania. Supplies of briarwood, and particularly a stock at Reggio, are being investigated as this product is wanted in both the U.S. and the U.K. Possibly further investigations will uncover other products which can be exported from the mainland.

5. INDUSTRY.

In continuation of the active program of the collecting and card-indexing of industrial data, extensive investigations of works, and of available commodities and materials were carried out in the Regions. Officers from the sub-commission were sent out to investigate various industries and where it was decided to facilitate production, measures were taken to ensure supplies of the necessary raw materials and fuel. It was decided not to

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

cases for export are being made of all of the Island's production, of the proper qualities, of essential oils and citric acid. All of the pumice is being exported that is being brought over to Sicily from the Lipari Islands, and all of the sulphur that can be hauled to Palermo and Catania. Nuts and sumac, of which sizable amounts are available, will continue to be shipped as they can be packed and brought forward, and additional wine will be sent when the order is received from the U.K.

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The Industrial Gases Plant of Industriale Meridionale Azotto e Derivati, Naples was inspected and it was decided to facilitate maximum production.

Investigations into the following industries are being carried out and reports in progress: nitrogeneous fertilizers, leather, clothing, textiles, shipyards, flour milling.

Declassified E.O. 12356 Section 3.3/NND No. T8901

An investigation was made on behalf of R.E.M.E. through the Local Resources Board to locate auxiliary workshops on the Adriatic Seaboard with negative results.

The location and capacity of available dye works in liberated Italy was investigated. The Istituto Poligrafico dello Stato was visited by an officer of this sub-commission in company with representatives of AFHQ, P.W.B. Finance Sub-Commission, and representatives of the Italian Government and an apportionment made of the available stocks of paper to meet the requirements of the Armed Forces and A.C.C. Commissions. 137 tons of watermarked paper were selected and assigned to Industry & Commerce for ration-card printing mainly in Region II.

Close liaison was made and maintained with Engineering Materials Committee of A. F. Local Resources (Italian) Board and with AMG 15 Army Group, (which organization became HQ AMG Allied Forces in Italy towards the latter part of the period under review), with Regions III, IV, ACC Brindisi and the Central Economic Committee until its dissolution when certain of its functions were taken over by this sub-commission. An extensive list of engineering materials available was compiled after survey by an officer of the sub-commission, attached to the Central Economic Committee prior to its dissolution.

6. FOOD.

Region II. A survey of warehouse and port facilities for handling incoming civilian supplies was carried out at the chief ports. The subsequent report was handed over to the Food Sub-Commission, which had been formed during the investigation.

PSC/CFD/jfl

11-2-44

W. P. EVANS
Colonel
Director, Industry & Commerce
Sub-Commission

Declassified E.O. 12356 Section 3.3/NND No. 785011

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PSC/CFD/jfl

11-2-44

W. P. EVANS
Colonel
Director, Industry & Commerce
Sub-Commission

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

Ref/75/14/CA 9 February 1944

SUBJECT: Refugee Organization

TO : Head of Italian Refugee Branch, Section RC & MG, A.C.C.

1. I refer to Executive Memorandum No. 1, Ref. 16071/6/G-1, dated 4 February 1944. You will complete as soon as possible the organization of the Refugee Branch under centralized control, as a branch of the RC & MG Section of A.C.C. You will maintain close liaison with all branches of the A.C.C. whose activities call for such liaison, and especially with the DP Sub-Commission.

2. The Italian Government has appointed General Biglino to formulate proposals for the relief of refugees. You will be responsible for coordinating their plans with the activities of the Refugee Branch, A.C.C.

3. You will also coordinate with the above, any assistance in personnel and material which the "Red Cross" can bring to this problem.

4. The duty of the Italian Refugee Branch, from a point of view of operations is to facilitate the task of the Armed Forces. Its next duty is a humanitarian one.

5. It will be necessary to establish with the authorities concerned (i.e. Military formations and units, branches of ACC & AMG and Italian Government) the source of your needs in supplies, and services; in this respect the Deputy Chief Administrative Officer, AFHQ has already defined certain responsibilities of the Army in Directive No. 38/16/Q, dated 23 January.

6. All Allied personnel assigned to your branch will come under your direct technical control. Administratively they will come under the command of the tactical commander, or the regional commander, to which they are attached. This implies that plans must be coordinated between an Army area and Regional, or Italian controlled, areas in the rear. The plan for the siting of a camp, for instance, will obviously be communicated to you and require your approval, in order that it may fit in with transport arrangements and other transit camps in rear.

M. S. Lush 6867

M. S. LUSH
Brigadier
Executive Commissioner

FOR RELEASE MIDNIGHT, FEBRUARY 10

ANNOUNCEMENT OF RESTORATION OF
ITALIAN TERRITORY

1. As Commander-in-Chief of the Allied Forces, I wish to make the following announcement.

2. On 11 February 1944, that part of the Italian peninsula which lies south of the northern boundaries of the provinces of Salerno, Potenza and Bari together with the islands of Sicily and Sardinia will be restored to the jurisdiction of the Italian Government. Without prejudice to the rights which the United Nations have under the Armistice and which are exercised in their behalf by the Commander-in-Chief of the Allied Forces and his representatives including the Allied Control Commission, all powers of government will henceforth belong to the government of Italy. At the same time, Allied Military Government which has been responsible for the control and administration of this territory will cease to function within its boundaries.

3. When the Allied Forces first occupied the territory of metropolitan Italy, military operation and the best interests of the civil population made military government a necessity. It was a military necessity that order should be established and maintained among the civil population behind the lines so that our troops could continue their fighting under the most favourable conditions. It was a human necessity that the men, women and children in the occupied territory should be assisted so far as conditions allowed in recovering from the misery and devastation which warfare had imposed on their homes and lands. Accord-

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by the Commander-in-Chief of the Allied Forces and his representatives including the Allied Control Commission, all powers of government will henceforth belong to the government of Italy. At the same time, Allied Military Government which has been responsible for the control and administration of this territory will cease to function within its boundaries.

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4. The eradication of Fascism and the restoration of freedom of speech 6866 and of the press to the Italian people were established in the original plans as fundemental aims of Allied Military Government. These aims emanated from the firm belief that our war in Italy was being waged against the Fascists and their Nazi masters and that the Italian people should be given the earliest opportunity after their liberation to enjoy the free institutions which are an inherent part of political Democracy. In the field, Allied Military Government undertook to realize these aims to the fullest extent consistent with military necessity.

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5. Wherever the success of Allied arms made it possible, the vast majority of Italians repudiated Fascism in all its forms and manifestations. The Armistice of September 3rd was not only an admission of military defeat; it was an official condemnation of the political group which had placed Italy in German hands. Italy's declaration of war against Germany on October 13th marked the final break of the Italian people with German dominated Fascism.

6. On November first, the Government of the United States of America, the United Kingdom and the Soviet Union expressed their basic policy towards Italy in the Moscow declaration of their respective Foreign Secretaries. The Declaration reiterated the fundemental principle that "Fascism and all its evil influences and emanations shall be utterly destroyed" and added that "the Italian people shall be given every opportunity to establish governmental and other institutions based upon democratic principles."

7. This statement was reflected in the formation of the Allied Control Commission which assumed its powers and duties on November tenth. The principal duty assigned to it was the control according to the terms of the Armistice of Italy's economic resources and manpower in order that Italy should be transformed into an effective instrument of war against Germany. But the Commission was also charged with planning for the gradual transfer of territory to the Italian administration. The Italian Government was enjoined to strengthen its administrative structure in preparation for the transfer.

8. On December 15th, the Advisory Council for Italy, composed of representatives of the United Kingdom, the United States of America, the Soviet Union and the French Committee of National Liberation, recommended that the Italian

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stitutions based upon democratic principles."

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8. On December 15th, the Advisory Council for Italy, composed of representatives of the United Kingdom, the United States of America, the Soviet Union and the French Committee of National Liberation, recommended that the Italian territory which I have described above should be transferred to Italian administration subject to the guidance and instructions of the Allied Control Commission for Italy. The transfer was recommended with the understanding that it should be subject to two conditions: that the administration, central and local, should be carried on by officials of proven good faith and Allied sympathies and that the transfer should involve no commitment to the present government after the capture of Rome.

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9. These conditions are consistent with the larger principles which the Allied Governments have already declared. Italians of honest, democratic convictions must lay the foundation for their country's future. They must work out that future democratically according to the will of the Italian people when that will

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can be adequately expressed.

10. The Allied Control Commission will see that this is done. According to the terms of the Armistice, it will continue to insure the effective use of Italian resources in the common war and to represent Allied interests to the Italian national and local governments. At the same time it will see that opportunity is given to the people of Italy to develop their political activities in an atmosphere of fairness and freedom.

11. For the reasons given at the beginning of this announcement, it will be necessary for Allied Military Government to continue to function in the combat zone. But it is also foreseen that as our armies advance and normal conditions are restored in the territory progressively occupied, future transfers will be effected. The situation now in the making will make it possible for these future transfers to be made to an Italy which has grown in strength and stature. We look to the Italian people to translate this possibility into a firm reality and to work together toward the common victory. Nothing must stand in its way for it is the indispensable condition of the freedom of all mankind.

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REGION_____

WAREHOUSE

UNIT OF MEASURE

Secret

HQ. STOCK RECORD CARD

Allied Control Commission

Food Sub-Commission

DATE OF ENTRY	PHYSICAL INVENTORY IN WAREHOUSE					CARGOES EXPECTED			AVAILABLE FOR ALLOCATION	AMOUNT THIS REGION
	AMOUNT REC'D	FROM WHOM	AM'T ISSUED	TO WHOM	BAL.	AMOUNT	DATE DUE	SHIP NO AND NAME		

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Secret

HQ. STOCK RECORD CARD
Allied Control Commission
Food Sub-Commission

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COMMODITY_____

FOR PERIOD STARTING_____

CARGOES EXPECTED			AVAILABLE FOR ALLOCATION	AMOUNT ALLOCATED		BALANCE NOT ALLOCATED
AMOUNT	DATE DUE	SHIP NO AND NAME		THIS REGION	OTHER REGIONS	

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C O N F I D E N T I A L

HEADQUARTERS
ALLIED CONTROL COMMISSION,
APO 394

9th February, 1944

Correction to Minutes of Executive Council
23rd Meeting, 4 February 44

1. At the request of Lieut. Col. Jenny, para.244 (c) of the Minutes of the 23rd Meeting of the Executive Council is corrected to read as follows:

" The Public Works Ministry is not yet certain as to where the division will be in the functions between Public Works and the Industry and Commerce Ministry. Whatever that will be, it is quite apparent that there will have to be close co-operation between our Public Works and Industry and Commerce Sub-Commissions."

Lewis H. Van Dusen Jr.
LEWIS H. VAN DUSEN, Jr.,
Major, Ord.,
Secretary.

DISTRIBUTION:
Chief Commissioner
Deputy Chief Commissioner.
S.C.A.O.s of Sub regions.
S.C.A.O. 5th and 8th Armies.
Chiefs of all Sub-Commissions.
All Vice-Presidents.
All Deputies to Vice-Presidents.
Spares (25)
Secretary (2)

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HEADQUARTERS
ALLIED CONTROL COMMISSION
Public Works and Utilities Sub-Commission
APO 394

El & Adm Div.
WTL/ccb

ACC/093/PWU

9 Feb 44

Subject: Salvage.

To : RCAO, Region II
RCAO, Region III
RCAO, Region IV.

1. In an endeavour to obtain some information regarding materials which may be lying about and which could be salvaged and reused on projects for reconstruction work, this Sub-Commission has been asked to coordinate reports on salvageable material and to assist whenever possible in its recovery.

2. Attached to this letter are a quantity of forms (Form ACC/SL/1) which have been drawn up for the purpose of reporting to this Sub-Commission any material which may be salvaged and reused for vital work now being carried out to assist the war effort.

3. It is appreciated that the task of discovering and salvaging materials throughout the country is one of considerable complexity and would require a large personnel if carried out in a thorough and efficient manner.

4. Until such an organisation is in being and in order that everything possible may be done to save shipping space, you are requested to circulate all officers whose duties are such that they travel within the region, to report to you on any material which could be salvaged from bomb damaged buildings.

5. For your guidance the type of material we have in mind is as follows:

Timber,	Steel piping,
Girders,	Bolts,
Rails,	Nails,
Cement,	Electrical fittings,
Sand,	Cable.

6. I shall be glad if you can let me have the reports so as to reach me not later than the fifth day of each month.

W.M. LAPPER,
Lieut-Colonel
Chief, El & Adm Div.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
G-1

REFERENCE: 16098/G-1

8th February 1944

SUBJECT : Monthly Return of Personnel - Officers

TO : RCAO Region I
" " II
" " III
" " IV
" " V
" " VI
HQ AMG FIFTH ARMY
" " EIGHTH ARMY

1. In order that complete and reliable records of all officer personnel within the organisation of ACC and AMG can be maintained, it is necessary for this HQ to receive regular information from Army and Regional Headquarters.

2. A monthly return will therefore be rendered on a pro-forma, a specimen of which is attached at Appendix "A" to this letter, and will give all the required information in respect of each individual American and British Officer.

3. The information contained in each return should be as at 1200 hours on the 12th day of each month, commencing with 12th February 1944.

4. "It is intended that this return will be the only one required to be submitted to this office," with the exception of normal W.D. or W.O. returns called for under existing Regulations, but it is stressed that, in order to obviate any future correspondence, these returns must be accurate and contain all the information required.

BY COMMAND OF LIEUT. GENERAL MACFARLANE

F.A. PURGOLD,
Lt-Colonel, R.A.,
G-1.

RCE/FAD.

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Unit: _____

Monthly Return of Officer Personnel as at 2400 hours on _____

Rank* (a)	Full Christian Names & Surname (b)	Personal Number (c)	Regiment or Corps (d)	Med. Cat. (e)	Date of Birth (f)	Nation-ality (g)	Assignment (In what Capacity he is employed) (h)	Whether assigned permanently or attached only (i)

* In the case of British Officers, Acting, Temporary, Substantive and/or War Substantive ranks to

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A[illegible] to HQ [illegible]
d[illegible] 2nd February [illegible]44.

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Return of Officer Personnel as at 1700 hours on _____

giment or Corps (d)	Med. Cat. (e)	Date of Birth (f)	Nation -ality (g)	Assignment (i.e. what Capacity he is employed) (h)	Whether assigned permanently or attached only (i)	If attached, parent Unit or Region to be stated (j)	Location as at date of Return (k)

emporary, Substantive and/or War Substantive ranks to be shown.

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THE ITALIAN COURT OF ASSIZES

The Court of Assizes in Italy has been and still is the highest criminal jurisdiction in the country. From its creation it became the subject of extremely bitter arguments on both juridical and political grounds, and there is no doubt that the satisfactory reorganization of the Assizes will be one of the major problems to be faced by both the new Italian government and the Allied Control Commission.

The polemics in which have been engaged at all times very distinguished University professors, the highest judicial officials in the kingdom and political leaders car be summed up as follows.

"Can the politically desirable participation of popular judges in the proceedings of the Courts of Assizes and in the verdict, compensate the chances of miscariages of justice due to the emotional and non professional frame of mind of the italian laymen."

The partisans of the political solution strive hard to devise ways and means by which the selection of jurors or assessors could be achieved while minimising to a great extent the dangers of appointing incompetent or prejudiced juries or "scabinati".

On the other hand the supporters of the juridical method endeavour to contrive forms of procedure (and even education) by which professional judges sitting without jurors or assessors would be able to take into consideration the human element in the case.

It mist not be forgotten that the Italian or even the French conception of crime and the degree of culpability of the accused have never been measured by the same standards as in Anglo-Saxon countries. As Montesquiev said "Nations obey the laws which the climate of their country and their own temperament render suitable". The philosophy of justice is generally the same, but the procedure by which it is administered varies according to the degree of moral education of the public.

It is thought that a short resumé of the History of Criminal jurisdictions in Italy and a summary of the opinions of the most qualified exponents of the question of the reform of the Court of assizes, will perhaps help to clarify the present situation and facilitate the eventual solution of this very delicate problem.

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1 - Origin of criminal proceedings in Italy.

The main reason why the Italian people accepted so readily the French Napoleonic Codes in which were embodied and systematized the laws, ordinances and customs of ten centuries, is that the sources of these various legislations were the same and thus the concept of justice very similar.

During the last years of the Roman Empire, the inquisitorial principle was at first established, and remained in force during the domination of the Ostrogoths in Italy and the Franks in France.

The accusatorial notion which became prevalent in England, during the early middle ages (XII century) was also known in Italy during the same period especially in the South and even in Sardinia, under the influence of the Normands, first Christian kings of Sicily.

The "accusatorial system" was granted to the city of Palermo by ordinance, confirmed by Parliament en 1416 and 1451, "except for the cases of lese majesty, heresy and homicide, when the ecclesiastic inquisitorial procedure was applied" by special Courts.

The Sicilians preserved portion of these privileges through the reigns of the Aragons, Anjous, Bourbons until 1787. In all other parts of Italy, however, under the pressure of the Church, the whole procedure for dealing with criminal offenders became inquisitorial.

Furthermore the Holy See had preserved in all independant Italian States their own courts (Sant'Uffizio) which were competent to deal with such offences as misdeeds of the Clergy, heresy, adultery, usury, etc.

Ecclesiastical Courts were suppressed in Lombardy in 1780 in Sicily, Tuscany and Modena before 1785 and in Piedmont in 1797.

In both type of Courts proceedings were very similar, appeals were rarely admissible in Civil Courts and the decisions of the S. Uffizio were final.

In 1789 came the French Revolution and between that date and 1804, when Napoleon promulgated his first code, French jurists such as Cambacérès, Bigot, Portalis, Malleville, Tronchet etc. had worked continuously in an endeavour to unify the old French provincial customs and to adapt them to the principles of freedom and democracy of the Revolution which found their origin in the liberal institutions of England introduced in France by the philosophers of the XVIII century.

The French Court of Assizes,(later adopted troughout Italy) was one of the result of their efforts.

This Court retained many of the procedures of the old regime, it was inquisitorial, pre trial investigations were carried out by a magistrate, the bench was formed of a college of judges, but for the first time a Jury selected according to the English custom was introduced.

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The assizes received their final statute through the provisions of the French Constitutions of 1790 and 1791.

In 1797, after the conquest of Italy by Bonaparte, the sister Republic of Ciselpina and Cispadana was formed and its Constitution (Art. 65) adopted the French system in the following terms "Crimes of the first degree fall within the competence of the Criminal Courts, which shall not pronounce their sentence without the formal opinions of a jury of accusation, as to the criminality, and of a jury in Court, as to guilt, having been rendered."

The Constitution of Lyons in 1802, embodied this formula in its provisions, but for political reasons postponed their application for ten years so that the new Court never operated in Italy during the period of French Control over the Country.

In 1848, the Court of Assizes and Jury reappeared in Piedmont for press offences only, in 1859 its Competence was extended to political and serious crimes, its statute which remained in force up to 1931 was determined by the clauses of the Law of 6 December 1865 ammended by the Law of 3 June 1874, the Code of Penal Procedure of 1913 and the Royal Decree of 5 October 1913.

There again the Italian Jurists had followed their French predecessors closely and the Assizes were practically identical in both countries. A Jury of twelve male members sitting in Court, together with a college of judges, the former being solely responsible for the verdict, the latter passing sentence in accordance with the provisions of the Penal Code as to minimum and maximum.

No appeal was receivable, but recourse to Cassation on points of law and procedure was admissible.

II The Reform of 1931

In December 1925, the then Minister of Justice, Alfredo Rocco, appointed a Commission of Senators and Deputies with the formal object of drawing a project of reform of the Court of Assizes.

It was composed among others of the present Minister of Justice, Alfredo De Marsico, who succeeded Grandi in 1943, d'Amelio, first President of Cassation and of the Committee of the "Digesto Italiano, S-E Calisse, and the famous Roberto Farinacci.

A report of their activities was presented to the Chamber of Deputies by Gabriello Carnazza and to the Senate by d'Amelio.

The principal reasons in favour of the reform were the following: (a) The Jury (giudici popolari) and the bench (giudici professionalisti) sat entirely apart during the proceedings, this fact had been the cause of many miscariages of Justice as there is no summing up in Italian Courts.

(b) On the other hand the complete suppression of the jury favoured by a number of jurists and politicians, was at least premature and would probably disturb the mind of the nation.

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(c) The amalgamation of professionals bringing with them their authority prestige, culture and juridical knowledge, with popular assessors chosen among free citizens well aware of the surrounding atmosphere (ambiente) and local conditions was a step in the right direction.

(d) The mode of selection of assessors would be more restricted than that of the jurors and thus men of higher social, moral and cultural standard could be chosen.

(e) This form of assizes had been tried in the Colonies (French and Italian) and had been a success.

(f) Politically the Jury was the result of the former popular principle of the sovereignty of the people, a belief which held no place in the fascist ideology.

The main provisions of the Royal Decree could be summed up as follows.

1) The existing Jury and college of Judges forming the Bench were abrogated and replaced by a single college composed of a President of Section of Court of appeal, a Counsellor of appeal and five assessors. The Bench thus formed would decide as to the guilt or innocence of the accused by the majority of votes, each member having an equal vote.

2) The professional judges would draw up the judgment and pronounce the sentence in accordance with the law.

3) A new and rather complicated system of selection reduced the number of citizens who could legally become assessors. A special ballot was also devised to draw the names of assessors from the list of suitable candidates.

Though the Italian Jurists protested vigorously against the allegation, the reform was inspired by germanic precedents, the "scabinato" or "college of laymen and judges", was an old teutonic custom adopted in Northern Italy when it became part of the Empire of Carlo Magno and by Italian Communes under German influence. It still exists in Germany for certain form of offences.

III The present situation

From 1931 to 1942, the new Italian Court of assizes appears to have been accepted without great difficulty by the public and even by professionals, and to have functioned fairly satisfactorily during the first years of its creation, in spite of the fact that the number of sentences reformed by the Court of Cassation increased from 2% to 20%.

This was due to the fact that every judgment, according to Italian Law, must be motivated and often the text of the sentence had to justify the decision of the majority which was not per force shared by the professionals and this could not always be done without overlooking certain provisions of the Penal Code or the Code of Procedure.

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Thus, more and more, the Court of Cassation whose functions are exclusively to ensure that the law has been respected had to reverse decisions in order that justice be done.

In 1942, the climax was reached when in the "Mulas" case, the accused was declared not guilty by the Court of Assizes of Sassari while the whole text of the judgment of acquittal clearly demonstrated his culpability.

The various solutions proposed by many eminent italian jurists are completely contradictory and range from the suppression of the Court of Assizes and its replacement by a Supreme Criminal Court with a college of three to five judges and no jury or assessors to the appointment of a single judge sitting with a carefully selected jury.

Others are of opinion that the motivation of sentences, be suppressed quoting Lord Mansfield as advising a colonial Administrator "to give his sentences in Court resolutely as he would in all probability be right, but never to try and explain the reasons which determined his judgment as he would invariabelly be wrong."

The problem is therefore far from solved and the political considerations involved will render the task of the Control Commission extremely delicate. A complete suppression of the Jury or "scabinato" would be held in democratic countries as super fascism. On the other hand a system by which ignorant, incompetent or prejuliced jurors or assessors could be selected would lead to a form justice which might determine serious social disorders. A careful study of the question will have to be made by the new italian governmentwhatever it may be:

There is little doubt that main difficulty lies mostly in the lack of sense of responsibility, ignorance and absence of moral training of the mass of the people after twenty years of fascist rule.

Illiteracy was the gravest problem in pre-world war days and the jurors were often too backward to understand not only their duties to their fellow citizens and the State, but often unable to grasp the more facts of the case, when they were not the tools of some criminal organizations, such as the Mafia.

Until a new and well balanced system of education may produce satisfactory results it might be well to restrict the selection of popular judges to those whose culture and social achievements clearly designate to undertake this responsability.

The unwelcomed burden which will fall on the shoulders of a few may be alleviated by a simpler and more speedy mode of selection.

In the meantime it will be the duty of Legal officers to see that the disadvantages of the existing system, as set forth in the above memorandum are reduced to a minimum.

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February 6 - 1944.

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