Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

ACC

10000/124/4 FINANC
FEB. 44 - MAY 45

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

10000/124/4 FINANCE IRN-4
FEB. 44 - MAY 45

0814

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2332
4 May 1945.

From: Navy Sub-Commission, Hq., Allied Commission.
To : Headquarters, Mediterranean Allied Air Forces, C.M.F.

Subject: Outstanding Hotel Account - Engineer Captain E. OLIVETTI, IRN.

Reference: (a) M.A.A.F. ltr. MAAF/1817/12/13/P.1.(IV), dated 4 February 1945.
(b) M.A.A.F. ltr. MAAF/1817/12/13/P.1.(IV), dated 26 March 1945.

1. References (a) and (b) were directed to the Navy Sub-Commission with a view to securing a settlement of the indebtedness of Captain OLIVETTI to the British Ministry of Aircraft Production for hotel charges incurred during his visit to London.

2. In Ministry of Marine letter 90/CO of 30 April, the Navy Sub-Commission has been informed that on 30 April, the Ministry of Marine made payment of 1,550 lire to the Allied Finance Agency, Rome (Banca D'Italia) for the purpose of settling the indebtedness of Captain OLIVETTI. This method of payment by the Ministry of Marine has the approval of the Finance Sub-Commission, AC, and of the Chief Accountant, AC.

NAVY SUB-COMMISSION - ALLIED COMMISSION - 7

4 MAY 1945

H. W. ZIROLI,
Commodore, U. S. Navy
for
REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

620

Copy to:
Ministry of Aircraft Production, London,
Air Forces Sub-Commission, AC.

112-4

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

CONFIDENTIAL

From:- Headquarters, Mediterranean Allied Air Forces, C.M.F.

To :- Headquarters, Allied Commission, Navy Sub-Commission, A.P.O. 394.

Date:- 3rd May, 1945.

Ref :- MAAF/1817/12/13/P.1.(IV).

OUTSTANDING HOTEL ACCOUNT.
ENGINEER CAPTAIN E. OLIVETTI.

It would be appreciated if a reply could now be given to this Headquarters' letter of even number dated 26th March 1945, relative to the above-mentioned matter. Your letter NSC/1948 dated 26th March 1945, addressed to Ministry of Marine, Rome (copy to this Headquarters), refers.

M.R.E. Swanwick S/Ldr

(M.R.E. SWANWICK)
Air Officer i/c Administration,
for Mediterranean Allied Air Forces.

619

0816

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : N.S.C. - Rome
Date: 30th Apr.'45
Ref.: 90/CO.

Subject: Bill for Capt.E.OLIVETTI's Hotel expenses.

Re. your NSC/1673 of 17 Feb. last you are informed that payment was made to-day of Lire 1.550 - owed by Capt.E.Olivetti - to Allied Financial Agency Rome (Banca d'Italia) as indicated in Finance Sub-Commission's N° 13002/F of 20th inst.

CHIEF OF CABINET

DG/P.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

0217

K 10

Roma, 30 Aprile 1945

Ministero della Marina
GABINETTO
Ufficio Collegamento
INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° 90/00 Allegati

ARGOMENTO: Conto per spese d'albergo del Capitano E.OLIVETTI.

Al NAVY SUB-COMMISSION
HEADQUARTERS, A.C.

Con riferimento al foglio NSC/1o/3 del 17.2.45, si comunica che in data odierna é stato effettuato il versamento di
X 1.1550 - dovute dal Cap.E.Olivetti - all'Allied Financial Agency Rome (Banca d'Italia) secondo quanto indicato dalla lettera della Finance Sub-Commission 13002/F del 20 Aprile c.a.

lire 1550

IL CAPO DI GABINETTO
C. di V. FRASCHINI

617

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13002/F

25 April 1945

SUBJECT: Payment to Ministry of Aircraft Production, London.

TO : D.P.I.C. (Br.), AFHQ.

1. The Ministry of Aircraft Production, London, has paid a hotel bill amounting to £3.17.6 for an Italian Officer (Eng. Capt. E. Olivetti) who was in London on temporary duty. Attached is copy of MAP signal APX 353 of 31 January requesting that recovery of this amount be made.

2. The Italian Ministry of Marine are willing to repay the Lire equivalent of this sum (Lit. 1,550) to the Allied Financial Agency. If the Allied Financial Agency pay over this sum to No. 8 C.P.O. can you arrange for £ 3.17.6 to be paid to MAP in London ? If this could be done we should be obliged if you would give the necessary instructions to 8 C.P.O. and on receipt of copy of same we will arrange for the Lit. 1,550 to be paid over to them.

For the Chief Commissioner:

H. J. Lawrence Col

Chief Accountant,
For Joint Directors,
Finance Sub-Commission.

Copy to: Navy Sub-Commission
A.F.A. Rome

615

MGC/jbh

To. Navy Sub-Commission

Please arrange for Ministry of Marine to pay the Lit 1550 to AFA, Rome branch

616.

H. J. Lawrence Col

0819

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY SIGNAL.

DATE : 1 Feb.45.

TO : TAAF ATHENS.

FROM: MAP LONDON.

APX 353 31 JAN

UNCLASSIFIED:

FURTHER TO APX 227 JAN 5 HOTEL ACCT FOR 3 POUNDS 17 SHILLINGS AND 6 PENCE PAID ON BEHALF OF OLIVETTI FOR PERIOD 9/11 DEC. PLEASE RECOVER AND REPORT.

TOO 3120204

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 194
FINANCE SUB COMMISSION

1300/P

29 April 1945

SUBJECT : Hotel Account.

TO : Allied Financial Agency - Rome.
(Attn. Major Anderson)

The Italian Ministry of Marine wishes to pay Lit. 1,550/- in satisfaction of a £ amount (£ 3.17.6) which the Ministry of Aircraft Production paid in London for the hotel expenses of an Italian naval officer (Engr. Captain E. Olivetti), who was called to London on an "official" visit. Col. Crawshaw has ruled that this Lire equivalent may be accepted by A.F.A., to clear the matter.

for Joint Director
Finance Sub Commission

Copy to : Navy Sub Commission ✓
" : A.F.A. Sub Section

NPW/pmf

Copy handed to Cte BARONI 20/5/45

A.F.A
Rome - d'Italia

Ref. NSC. 1673 - 17.2.45
1948 - 26.3.45

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

HEADQUARTERS, ALLIED COMMISSION
APO 394
Finance Sub-Commission

13002/F

20 April 1945

SUBJECT: Hotel Account.

To : Allied Financial Agency-Rome.
(Attn. Major Anderson).

The Italian Ministry of Marine wishes to pay Lit. 1,550/- in satisfaction of a £ amount (£ 3.17.6) which the Ministry of Aircraft Production paid in London for the hotel expenses of an Italian Naval officer (Engr. Captain E. Olivetti), who was called to London on an "official" visit. Col. Crawshaw has ruled that this Lire equivalent may be accepted by A. F.A. to clear the matter.

(Sgd) Illigible .

Joint Director.
Finance Sub-Commission.

Copy to: Navy Sub Commission
: A.F.A. Sub Section.

COPY

0822

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

CONFIDENTIAL.

From:- Headquarters, Mediterranean Allied Air Forces, C.M.F.

To:- Headquarters, Allied Commission, Navy Sub-Commission, A.P.O. 394.

Date:- 26th March, 1945.

Ref:- MAAF/1817/12/13/P.1.(IV).

OUTSTANDING HOTEL ACCOUNT.
ENGINEER CAPTAIN E. OLIVETTI.

Further to this Headquarters' letter of even number dated 4th February, 1945, and your letter NSC/1673 dated 17th February, 1945, addressed to Ministry of Marine, Rome, (copy to this Headquarters), it is requested that this Headquarters may be informed whether the amount of the outstanding hotel account in respect of the above named officer has now been paid.

M.R.E. Swanwick S/Ld.

(M.R.E. SWANWICK)
Air Officer i/c. Administration,
Mediterranean Allied Air Forces.

0 8 2 31

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub-Commission

NSC/1948

26 March 1945.

From: Navy Sub-Commission, Hq, AC.
To : Ministry of Marine, Rome.

Subject: Outstanding Hotel Account.

It would be appreciated if a reply could be given to Navy Sub-Commission letter NSC/1673 of 17 February, which requested that arrangements be made for the settlement of the indebtedness of Engineer Captain E. OLIVETTI, I. R. N. to the British Ministry of Aircraft Production for hotel charges that were incurred during Captain OLIVETTI's visit to London.

H. ST. J. BUTLER,
Captain, [illegible] Navy.
REAR ADMIRAL,
CHIEF, NAVY SUBCOMMISSION, AC.

Copy to:
MAAF, Algiers
(ref. MAAF/1717/12/13/O.1(IV)
Air Forces Subcomm, Hq, AC.

NAVY SUB-COMMISSION · ALLIED COMMISSION ·
27 MAR 1945

B.

0424

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

file

NSC/1673
17 February 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - ROME.

Subject: Outstanding Hotel Account.

1. The Navy Sub-Commission has been informed by the Ministry of Aircraft Production, London that Engineer Captain E. Olivetti, IRN incurred an indebtedness of 3 pounds, 17 shillings and 6 pence for hotel charges during his visit to London in December.

2. As Captain Olivetti's indebtedness to the hotel has been assumed and paid by the Ministry of Aircraft Production, the Navy Sub-Commission has been requested to draw the attention of Captain Olivetti to the matter and to secure repayment of the amount to the British Government.

3. It is requested that the Ministry of Marine arrange for the sum in question to be paid to the British Government and that the Navy Sub-Commission be informed when payment has been effected.

H. W. ZIROLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
MAAF, Algiers
(ref. MAAF/1317/12/13/P.I. (IV)
AIR FORCE SC.AC.

FRN 4

ALLIED CONTROL COMMISSION - NAVY SUB-COMMISSION - FILE

18 FEB 1945

612

0825

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

52A

SECRET

From:- Headquarters, Mediterranean Allied Air Forces, C.M.F.

To :- Air Forces Sub-Commission, Allied Commission, C.M.F.

Date:- 4th February, 1945.

Ref :- MAAF/1817/12/13/P.1.(IV).

AIR FORCES SUB-COMMISSION ALLIED COMMISSION
A.88
RAW 13/2.
ORDERLY ROOM

OUTSTANDING HOTEL ACCOUNT - ENGINEER CAPTAIN E. OLIVETTI.

B.

1. Enclosed herewith please find a copy of a signal APX.353 dated 31st January, 1945, received from the Ministry of Aircraft Production, London.

2. It is requested that the attention of Engineer Captain E. Olivetti who, it is understood, is in the Italian Navy, be drawn to this outstanding account, and arrangements made for payment thereof, & this HQ notified when such action has been taken

3. It is understood that the account was incurred during Captain Olivetti's visit to the Ministry of Aircraft Production, London, on special duty.

M.R.E. Swanwick S/Ldr

(M.R.E. SWANWICK)
Air Officer i/c Administration,
for Mediterranean Allied Air Forces.

Encl:

Pay
Next Ref

C 8 2 6

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

52B.

COPY SIGNAL

DATE: 1 FEB 45.

TO : MAAF ALGIERS.

FROM: MAP LONDON.

AFX 353 31 JAN

UNCLASSIFIED:

FURTHER TO AFX 227 JAN 5 HOTEL ACCT FOR 3 POUNDS 17 SHILLINGS AND 6 PENCE PAID ON BEHALF OF OLIVETTI FOR PERIOD 9/11 DEC. PLEASE RECOVER AND REPORT.

TOO 312020A

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

FROM : AIR FORCES SUB COMMISSION,
ALLIED COMMISSION, ROME

TO : NAVY SUB COMMISSION,
ALLIED COMMISSION, ROME

DATE : 13th FEBRUARY 1945

REF. : AFSC/303/1/ORG

OUTSTANDING HOTEL ACCOUNT.

Enclosed herewith is letter received from HQ. M.A.A.F. regarding the above named reference MAAF/1817/12/13/P.1 (IV) dated 4th February 1945.

2. It is forwarded to you in view of the fact that the person in question is a member of the Italian Navy.

S. WILLIAMSON F/LT.
for AIR VICE MARSHAL
AIR OFFICER COMMANDING.

611

FILE

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION,
Navy Sub Commission APO 394

file

NSC/2473. FILE
24th May, 1945.

From : Navy Sub Commission, Hq., Allied Commission.
To : Ministry of Marine, Rome.

Subject : Payments to Italian Personnel.

The attached copies of vouchers relating to advances of cash for the payment of Italian personnel of the M/V "SAN ANTONIO" are forwarded for the information of the Ministry.

(Sgd) G. L. WARREN

REAR ADMIRAL,
CHIEF, NAVY SUB COMMISSION.

ALLIED · NAVY SUB-COMMISSION · COMMISSION
7

26 MAY 1945

IRN 4

610 WWW

0829

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

COPY

S - 27 (Revised - February, 1935)

H.M.S. N I L E (Cash Account for the period) MAY, 1945. Vr.No. 50/19 Vr.Letter....

Schedule of PAYMENTS on account of Italian Armed Forces
A.F.O. 1047/44
during the above-mentioned period

Number of Sub-Voucher attached	Particulars of Payment	Sum paid or received on the Voucher	Remarks
	Payment to "SAN ANTONIO" Tobruk 31st March 1945.	55. 1. 4.	
	Carried forward 55. 1. 4.		

609

617

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

FROM: THE BASE SUPPLY OFFICER, H.M.S. "NILE"

DATE: 6th MAY, 1945. CAO/466.

TO: FLAG OFFICER LEVANT AND EASTERN MEDITERRANEAN

PAYMENTS TO ITALIAN PERSONNEL

With reference to Levant 465/10/1 (para.a) of 17th October, 1943, the attached cash account vouchers for the month of April, 1945 amounting to £110. 2. 8. are forwarded.

CAPTAIN (S)

FLAG OFFICER 7 MAY 1945 LEVANT & EASTERN MEDITERRANEAN

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

II.

FOLEM.465/10/1.

FLAG OFFICER (LIAISON), ITALY.

Forwarded.

Office of
Flag Officer, Levant
and Eastern Mediterranean.
16th May, 1945.

for VICE ADMIRAL.

FLAG OFFICER LIAISON ITALY
Date 21 May.
No 325
ROME.

0832

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

C O P Y

S - 27 (Revised - February, 1935)

H.M.S. N I L E (Cash Account for the period) MAY, 1945. Vr.No. 50/19 Vr.Letter....

Schedule of PAYMENTS on account of Italian Armed Forces A.F.O. 1047/44 during the above-mentioned period

Number of Sub-Voucher attached	Particulars of Payment	Sum paid or received on the Voucher	Remarks
	Payment to "SAN ANTONIO" Tobruk 31st March 1945.	55. 1. 4.	
	Carried forward	55. 1. 4.	

f 46

607

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

S - 27 (Revised - February, 1935)

H.M.S. N I L E (Cash Account for the period) MAY, 1945 Vr.No.50/20 Vr.Letter...

Schedule of PAYMENTS on account of Italian Armed Forces A.F.O. 1047/44 during the above-mentioned period.

Number of Sub Voucher attached	Particulars of Payment	Sum paid or received on the Voucher	Remarks.
	Payment to "SAN ANTONIO" Tobruk - 28th February, 1945. 55. 1. 4.		
	Carried forward 55. 1. 4.		

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

FROM: THE BASE SUPPLY OFFICER, H.M.S. NILE.

DATE: 6th MAY, 1945. CAO/466.

TO: FLAG OFFICER LEVANT AND EASTERN MEDITERRANEAN.

PAYMENTS TO ITALIAN PERSONNEL.

With reference to Levant 465/10/1 (para.a) of 17th October, 1943, the attached cash account vouchers for the month of April, 1945 amounting to £110.2. 8. are forwarded.

B.M. PECK.

CAPTAIN (S).

//

H.....

0835

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

DUPLICATE

II.

FOTALI.165/10/1.

FLAG OFFICER (LIAISON) ITALY.

Forwarded.

Office of
Flag Officer, Levant
and Eastern Mediterranean.
16th May, 1945.

L.A.H. WRIGHT.

for VICE ADMIRAL.

DATE: 21st May 1945
FROM: FOTALI, ROME.
TO : NAVY SUB-COMMI SION, HQ. AG.

FORWARDED FOR APPROPRIATE ACTION.

REAR ADMIRAL.

0 6 3 6

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

MINISTERO MARINA - GABINETTO UFFICIO COLLEGAMENTO

Il M/V/ S. Antonio AS. 124 si trova a Tobruch a disposizione degli Alleati.

Era destinato in Egeo, all'armistizio; si rifugiò ad Haifa da dove si trasferì a Tobruch su ordine degli Alleati.

-:-:-:-:-

, 23/5/45

0837

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Admiralty Fleet Orders.

3614-MERCHANT SHIPS' SUPPLIES AND SERVICES-ACCOUNTING-REPORTS.

With reference to A.F.O. 2292/44, supplies and services to Italian Merchant Ships (excluding those engaged on Admiralty service under bareboat conditions) should be treated in the same manner as similar supplies and services for Ministry of War Transport Ships.

DATE: 12th May 1945
FROM: FOTALI, ROME.
TO : NAVY SUB-COMMISSION, HQ. AC.

FORWARDED FOR APPROPRIATE ACTION.

REAR ADMIRAL.

603

IRN 4

2292. - MERCHANT SHIPS' SUPPLIES AND SERVICES - ACCOUNTING - REPORTS.

The purpose of these revised instructions is to achieve a simple allocation of financial responsibility between the Admiralty and the Ministry of War Transport for the cost of supplies and services to merchant ships. Accordingly, the following accounting procedure (except for supplies and services for D.E.M.S. purposes, for which instructions with regard to foreign vessels are given in C.A.F.O. 740/43) should be put into force forthwith.

2. Vessels owned or chartered by the Ministry of War Transport and not covered by paragraph 6.- (a) The cost of all such supplies and services will be recovered from the Ministry of War Transport, costs being calculated on a Group C (private individual) basis. For issues and services abroad (other than fuel), local recovery (Form D.94) should, whenever practicable, be effected from the local Ministry of War Transport representative or, if there is no representative, from a Sea Transport Officer holding funds for account of the Ministry. If local recovery is not practicable, the charges involved should be reported to the Admiralty (D.N.A.) on Forms D.72d or V.108, as claims against the Ministry of War Transport (except as provided in sub-paragraph (b). For issues and services at home (other than fuel), claims on Form 94 should be raised direct on the Accountant General, F.S.3, Ministry of War Transport, Blackpool. In all cases a separate claim should be submitted for each vessel. The head of charge in the Cost Accounts for Vote 8 charges is Item 2 of Section F, Account No.88.

(b) Issues of fuel from dockyards, etc., with Expense Accounts staff should continue to be reported on Form D.90, accompanied by the appropriate vouchers. Values are not required, and quantities only should be given on the Form. Valuation for Costs Accounts is also not required, nor is the cost of supplying. The procedure for issues of fuel from other sources remain unchanged. Valuation of all fuel issues will be made by the Ministry of War Transport, and financial settlement made direct with the Admiralty.

(c) Except as provided in paragraph (b), D.90 procedure will be discontinued, but reports which have already been prepared on D.90 should be forwarded as such.

602

(d) Issues of stores and provision of services from ships and from shore establishments which do not render Returns D.72 or V.108, should be reported to the Admiralty for action, as hitherto.

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

given in C.A.F.O. 740/43) should be put into force forthwith.

2. Vessels owned or chartered by the Ministry of War Transport and not covered by paragraph 6.- (a) The cost of all such supplies and services will be recovered from the Ministry of War Transport, costs being calculated on a Group C (private individual) basis. For issues and services abroad (other than fuel), local recovery (Form D.94) should, whenever practicable, be effected from the local Ministry of War Transport representative or, if there is no representative, from a Sea Transport Officer holding funds for account of the Ministry. If local recovery is not practicable, the charges involved should be reported to the Admiralty (D.N.A.) on Forms D.72d or V.108, as claims against the Ministry of War Transport (except as provided in sub-paragraph (b). For issues and services at home (other than fuel), claims on Form 94 should be raised direct on the Accountant General, F.S.3, Ministry of War Transport, Blackpool. In all cases a separate claim should be submitted for each vessel. The head of charge in the Cost Accounts for Vote 8 charges is Item 2 of Section F, Account No.88.

(b) Issues of fuel from dockyards, etc., with Expense Accounts staff should continue to be reported on Form D.90, accompanied by the appropriate vouchers. Values are not required, and quantities only should be given on the Form. Valuation for Costs Accounts is also not required, nor is the cost of supplying. The procedure for issues of fuel from other sources remain unchanged. Valuation of all fuel issues will be made by the Ministry of War Transport, and financial settlement made direct with the Admiralty.

(c) Except as provided in paragraph (b), D.90 procedure will be discontinued, but reports which have already been prepared on D.90 should be forwarded as such.

602

(d) Issues of stores and provision of services from ships and from shore establishments which do not render Returns D.72 or V.108, should be reported to the Admiralty for action, as hitherto.

3. Vessels owned by or on bareboat charter to the Ministry of War Transport, and engaged on Admiralty service.-The cost of supplies and services will not be recovered from the Ministry but should continue to be charged to Navy Votes as for commissioned ships. The Admiralty and not the Ministry will be responsible for all disbursements in respect of such vessels. In any case of doubt as to the status or terms of charter of a vessel, the local Ministry of War Transport representative should be consulted.

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

4. Vessels owned or chartered by United States War Shipping Administration or United States Army Transport Service, excluding those demise-chartered to Ministry of War Transport.-These vessels usually fly the United States or Panamanian Flag.

(a) Supplies of fuel should be treated as in paragraph 2 (b) above.

(b) All other expenditure on these vessels should be assessed on a Group C basis, and reported on claim Form D.72d as a charge against the U.S.W.S.A. or U.S.A.T.S.

5. All other merchant vessels.-Before supplies are made or services rendered to other vessels, the local Ministry of War Transport representative or Sea Transport Officer should be consulted. Recovery should be effected locally from ships' agents if practicable, but, if local recovery is impracticable, the cost, assessed on a Group C basis, should be reported on Form D.72d for Admiralty recovery.

6. Disbursements for ships under control of Ministry of War Transport.-Disbursements for ships under control of Ministry of War Transport, excluding Ministry-owned vessels on bareboat charter to the Ministry when on Admiralty service, are normally paid by the ships' agents or, certain conditions, by the Ministry of War Transport representative or Sea Transport Officer. Such disbursements should in no circumstances be met by Base Accountant Officers or Dockyard Cashiers if a Ministry of War Transport representative, or a Sea Transport Officer holding an imprest for the Ministry of War Transport, is available. If, owing to special circumstances, any such disbursements have to be made by Admiralty Paying Officers, they should be immediately reported to the Admiralty (D.N.A.5A) by microgram, where possible, with ship's name and nationality and the names of the operators, with an explanatory note in order that recovery may be effected from the Ministry of War Transport. Disbursements for Ministry-owned vessels and vessels on bareboat charter to the Ministry should, when these vessels are on Admiralty service, continue to be paid by Admiralty officers as a charge to Navy Votes.

601

7. Cash Advances to Masters.-Cash advances to Masters should not normally be made, such requirements being usually met by the ships' agents or Ministry of War Transport representative. Where, however, in the absence of such

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

assessed on a Group C basis, and reported on claim Form D.72d as a charge against the U.S.W.S.A. or U.S.A.T.S.

5. All other merchant vessels.-Before supplies are made or services rendered to other vessels, the local Ministry of War Transport representative or Sea Transport Officer should be consulted. Recovery should be effected locally from ships' agents if practicable, but, if local recovery is impracticable, the cost, assessed on a Group C basis, should be reported on Form D.72d for Admiralty recovery.

6. Disbursements for ships under control of Ministry of War Transport.-Disbursements for ships under control of Ministry of War Transport, excluding Ministry-owned vessels on bareboat charter to the Ministry when on Admiralty service, are normally paid by the ships' agents or, certain conditions, by the Ministry of War Transport representative or Sea Transport Officer. Such disbursements should in no circumstances be met by Base Accountant Officers or Dockyard Cashiers if a Ministry of War Transport representative, or a Sea Transport Officer holding an imprest for the Ministry of War Transport, is available. If, owing to special circumstances, any such disbursements have to be made by Admiralty Paying Officers, they should be immediately reported to the Admiralty (D.N.A.5A) by microgram, where possible, with ship's name and nationality and the names of the operators, with an explanatory note in order that recovery may be effected from the Ministry of War Transport. Disbursements for Ministry-owned vessels and vessels on bareboat charter to the Ministry should, when these vessels are on Admiralty service, continue to be paid by Admiralty officers as a charge to Navy Votes.

7. Cash Advances to Masters.-Cash advances to Masters should not normally be made, such requirements being usually met by the ships' agents or Ministry of War Transport representative. Where, however, in the absence of such local facilities, it is found necessary to advance cash from Naval funds, the transactions should be reported by signal to the Admiralty (D.N.A.5A) on the day they occur, to enable immediate recovery to be effected through the Ministry of War Transport.

8. Cash Advances to Sea Transport Officers or Ministry of War Transport Representative.-Cash advances made to Sea Transport Officers or Ministry of War Transport representative

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Declassified E.O. 12065 Section 3-402/NNDC No. 785020

0842

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

for the purpose of meeting disbursements on behalf of the Ministry of War Transport should be reported immediately by signal as in paragraph 7 above.

(Expense accounts Instructions - Repayment Services, Article 120.)

600

0843

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2397
11 May 1945. FILE

From: Navy Sub-Commission, Hq., Allied Commission.
To : Ministry of Marine, Rome.

Subject: NAVALMECCANICA.

1. In accordance with instructions received from the Commander-in-Chief, Mediterranean, it is requested that the Ministry of Marine cancel all charges for the hire of machinery and equipment which may be outstanding against NAVALMECCANICA at the present time and discontinue such charges in the future.

2. In view of the difficulty that has been experienced in the financing of NAVALMECCANICA and the danger that this important firm might experience serious financial embarassment, the Finance Sub-Commission, AC, has arranged for the establishment of a special account with Intendenza di Finanze, Naples. It is contemplated that the Intendente di Finanze, upon presentation of bills by NAVALMECCANICA, will authorize payments to NAVALMECCANICA to insure that the production of vital military work will not be interrupted or delayed. At a later date, the various bills and payments will be controlled by the Italian Government and charged against the proper Capitolo of the budget of the ministry concerned.

3. In this manner, the cost of materials furnished by the Italian Navy to NAVALMECCANICA will be charged against the Italian Government through the Intendenza di Finanze and ultimately to the Ministry of Marine.

NAVY SUB-COMMISSION · ALLIED COMMISSION

(Sgd) G. L. WARREN
REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

593

Copy to:
FONAM
FOTALI
NOIC, Naples
Finance S/C
Finance Officer, AMG, Naples Commune.

12 MAY 1945

Office of the Commander-in-Chief,
Mediterranean Station,
Allied Force Headquarters.
7th May 1945.

Med.45/316/4/1E
THE NAVY SUB. COMMISSION, HEADQUARTERS
ALLIED COMMISSION, ROME

(Copies to:-
The Flag Officer, Northern Area Mediterranean
The Flag Officer, Taranto, Adriatic and Liaison Ikely
The Naval Officer in Charge, Naples
The Finance Sub.Committee, Allied Commission, Rome.
The Region Finance Officer, Southern Region.)

NAVAL MECCANICA.

With reference to paragraph 2 of your communication No.NSC/2183 of 16th April 1945, it is requested that you will direct the Italian Ministry of Marine to cancel all outstanding charges to Naval Meccanica for the hire of machinery and equipment, and to discontinue such charges in the future.

2. With regard to the alternative proposals for the liquidation of outstanding charges, the procedure in paragraph 3 of your communication is preferred and the Flag Officer, Northern Area, Mediterranean is being requested to take the necessary steps to comply.

598

H.R. Hawkins.

for ADMIRAL

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

0245

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Office of Flag Officer,
Northern Area,
Mediterranean.

At NAPLES. 5th May, 1945.

No. FONAM.223-5.
THE FLAG OFFICER LIAISON ITALY
(ROME).

TUG "ARNO".

It is requested that you will inform the Allied Commission of the contents of the Naval Officer-in-Charge, Leghorn's letter No.152/11 dated 17th April, 1945.

FLAG OFFICER LIAISON ITALY
Date 10 May
No. 296

DATE: 10th May, 1945.
FROM: FOTALI, ROME
TO : NAVY SUB-COMMISSION, HQ. AC.

for REAR ADMIRAL.

FORWARDED FOR APPROPRIATE ACTION

IRN 4

597

REAR ADMIRAL

0846

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 534

NSC/2254
24 April 1945.

From: Navy Sub-Commission, Hq., Allied Commission.
To : Finance Sub-Commission, Allied Commission,
Chief Accountant, Allied Commission.

Subject: Tug "ARNO", Payments for.

1. A copy of Naval Officer-in-Charge, LEGHORN letter No. 152/11 of 17 April is forwarded herewith in order that necessary action may be taken to ensure that no payment is made on behalf of the Allied Commission toward the requisition of tug "ARNO" by the Royal Navy.

REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

Copy to:
FONAM,
NOIC Leghorn.

596

WWW

0847

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Office of the Naval Officer in Charge,
LEGHORN.

17th April, 1945.

No.152/11.
THE FLAG OFFICER, NORTHERN AREA, MEDITERRANEAN.
(Copy to:- The Flag Officer, Taranto Adriatic Liaison Italy, Rome).

TUG "ARNO".

The Tug "ARNO" which was raised and refitted in Leghorn has been manned by a crew provided by the ILVA Company of Piombino. The Tug was sailed to arrive at that port on 6th April, 1945, for service there on behalf of Allied Commission but in order that the Royal Navy should retain control of the Tug for re-allocation as necessary she has been requisitioned by the Royal Navy.

2. Being required to work in Piombino where her owners are located, she has been taken on gross terms.

3. The cost of the refit will be prepared and it may be that the owners will be disposed to pay the bill. In the meantime, Allied Commission should not pay any money toward the requisition.

R. McC. Mackenzie

CAPTAIN.

FLAG OFFICER LIAISON ITALY
Date 23 Apr.
ROME

22nd April, 1945. 296

595

59

0848

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2379
8 May 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Agriculture Sub-Commission, Hq. AC.

Subject: Capt. (Porte) CARGULLO, Ferdinando.

1. With reference to your letter AGR/507.6 dated 19th March 1945, the Ministry of Marine state that payment of expenses incurred by the above named should be arranged with the Ministry of Agriculture and Forests as his duties concerned that Ministry.

H. ST. J. BUTLER,
Captain, U. S. Navy.
for REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

NAVY SUB-COMMISSION - ALLIED COMMISSION
9 MAY 1945

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : N.S.C. - Rome
Date: 4 May '45
Ref.: 8977/2

Subject: Port Capt. GARGIULO, Ferdinando.

1. Your N.S.C./1911 of 22nd Mar. last refers.

2. Payment to above Officer for expenses in connection with his mission should be arranged by Ministry of Agriculture and Forests as his duties concerned said Ministry/

CHIEF OF CABINET

DG/P.

0850

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : R.S.C. - Rome
Date: 4 May '45
Ref.: 3977/2

Subject: Port Capt. CARGILLO, Ferdinando.

1. Your R.S.C./1911 of 22nd Mar. last refers.

2. Payment to above Officer for expenses in connection with his mission should be arranged by Ministry of Agriculture and Forests as his duties concerned said Ministry.

CHIEF OF CABINET

DC/F.

0851

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Fr/pr

- 4 MAG 1945

Roma, 19

Ministero della Marina
GABINETTO

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° 8977/2 Allegati

ARGOMENTO: Capitano di Porto GARGIULO Ferdinando

Al CHIEF NAVY SUB-COMMISSION
Headquarters A.C.
= ROMA =

1. - Riferimento foglio n. NSC/1911 in data 22 marzo c.a.

2. - Per la liquidazione delle indennità di missione spettanti all'ufficiale in argomento dovrà disporre il Ministero dell'Agricoltura e Foreste poichè esse si riferiscono a servizi interessanti il suddetto Ministero.

IL CAPO DI GABINETTO
C.di V. F.BASLINI

591

0852

Declassified E.O. 12065 Section 3-402/NNDG NO. 735020

HEADQUARTERS ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2337
4 May 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : War Materials Disposal and Italian Prisoners of War Sub-Commission, Hq. Allied Commission.

FILE

Subject: Pay Balances - Italian Naval POW Repatriated from U.K. (Rear Admirals PAVESI, Gino and LEONARDI, Priamo)

1. It would be appreciated if statements of account for the above named ex-prisoners of war could be obtained.

H. W. ZIROLI,
Commodore, U. S. Navy,
for
REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

NAVY SUB-COMMISSION · ALLIED COMMISSION

4 MAY 1945

IRN 4

590

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13199/F. 29 April 1945.

SUBJECT: Payment in kind to Italian contractors.

TO: Navy Sub-Commission,
HQ AC.

1. With reference to the third paragraph of your letter NSC/2248 of 25 April, I write to inform you that, in view of the fact that settlement for salvage work would entail the retention by the Italian contractor of a vessel and not of goods, ~~that~~ the fears expressed in our letter of 22 April do not appear to be justified.

589

2. In the circumstances it does not appear necessary to inform the Commander-in-Chief Mediterranean that contracts for salvage work on a barter basis are undesirable.

A Macfarlane Brig

Joint Director,
Finance Sub-Commission.

IRN 4

0854

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

PAYMENT OF ACCOUNTS - ANSALDO.

(Flag Officer Liaison, Italy (Rome)'s No. L.418/8 dated 26th January, 1945.)

V.

No. FONAM.334-9.
THE COMMANDER-IN-CHIEF,
MEDITERRANEAN.
(Copy to: Flag Officer Liaison, Italy (Rome).)

This matter has been referred to Mr. Webb during his recent repeat visit to Naples, and he has remarked as follows:-

"A certificate from P.B.E.O. regarding these materials is attached.

2. It is proposed that arrangements be made for requisitioning notice to be issued in respect of this material and for the accounts to be forwarded to A.F.H.Q. for the necessary action and retention of the claims for final transmission or settlement by the Italian Government."

2. It is requested that instructions may be given as to the procedure that is to be followed in view of Mr. Webb's remarks and paragraph 3 of Minute IV.

28/4/45

TO [illegible]

FORWARDED FOR ACTION.

Northern Area,
Mediterranean.
At NAPLES.
16th April, 1945.

(Sgd.) C. APPLETON
Signed [illegible]
For REAR ADMIRAL.

FLAG OFFICER LIAISON ITALY
Date 24 Apl
No 418/8
ROME

588

A.F.O. 1047 - SERVICES AND SUPPLIES TO THE ITALIAN ARMED FORCES

ACCOUNTING - REPORTS.

It has been decided that no charges shall be raised against the Italian Government for supplies and services rendered by the Royal Navy. Accordingly, no charge will be made for facilities afforded to Italian Service personnel at H.M. Naval Establishments or Bases, wherever situated, for supplies, irrespective of their origin, issued, or for repairs or other services rendered to their warships.

2. Receipts should, wherever possible, be obtained for any issue of stores or equipment, but no price need be inserted in any invoice or transfer document handed to Italian Service personnel unless the Italian Authorities ask for it. If they do, prices on a P.I. basis may be given if they are available locally. Receipts for repairs carried out should be obtained in the following form :-

> This will acknowledge for and on behalf of the Italian Government completion to our entire satisfaction of work requisitioned on Requisition No..... for refitting..... (The name of the vessel).

3. A central record will be kept of all expenditure (including local payments to third parties) involved in connection with supplies and services rendered to the Italian Armed Forces, and for this purpose (except as directed in paragraphs 5, 6 and 7) reports are to be forwarded quarterly to the Head of the Admiralty Department concerned, stating the value assessed on the basis applicable to Private Individuals of all such supplies and services. An approximate value should be assigned in cases where difficulty or delay is experienced in assessing the actual cost.

4. Reports will not be required in connection with medical treatment, harbour facilities, cranage, transportation, etc., unless identifiable expenditure paid locally to contractors or transport undertakings, etc., are involved. The sole occupation of requisitioned or rented premises for accommodation of personnel or stores should be reported to the Chief Surveyor of Lands. Supplies of water and electric current should be reported as stores.

587

5. Vote 2 - Supplies and Services. - Copies of supply or receipt notes for all victualling stores issued from Victualling Yards, Depots, Supply Ships, Naval Establishments and H.M. Ships to or returned from Italian Warships should be forwarded to the [illegible] The value of the stores assessed on the

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

services rendered to their warships.

2. Receipts should, wherever possible, be obtained for any issue of stores or equipment, but no price need be inserted in any invoice or transfer document handed to Italian Service personnel unless the Italian Authorities ask for it. If they do, prices on a P.I. basis may be given if they are available locally. Receipts for repairs carried out should be obtained in the following form :-

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587

5. Vote 2 - Supplies and Services. - Copies of supply or receipt notes for all victualling stores issued from Victualling Yards, Depots, Supply Ships, Naval Establishments and H.M. Ships to or returned from Italian Warships should be forwarded to the Director of Victualling. The value of the stores assessed on the basis applicable to Private Individuals should be inserted. The vouchers may be forwarded at the time of supply, or monthly if the latter is more convenient. First reports from Victualling Yards and Depots should include supplies already made which have not been included on Forms V. 108 A.

6. Vote 8 - Supplies and Services. - Expenditure on these incurred by Dockyards and Area Naval Store Bases with Expense Accounts staff is to be charged in the Cost Accounts to a separate item under Section A of Account 88, and reports of the amounts so charged, assessed on the basis applicable to Private Individuals, are to be

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

forwarded quarterly to the Director of Expense Accounts, Bath. Transaction not already reported on return D.72d. should be included in the first report. The reports should not be cumulative, and nil reports should be forwarded in appropriate cases. The necessary record of issues from Supply Ships, Bases and Depots will be made by the Director of Expense Accounts, Bath, from the bundles of vouchers sent to him monthly under A.F.Os. 3964/39 and 1069/40. The record of supplies from H.M. Ships and Establishments will be made in office from Forms S.549 forwarded to the Admiralty in accordance with Article 59 of Naval Storekeeping Manual (B.R.4).

Details and vouchers are not required and approximate values, to include carriage, if applicable, may be used if precise repayment values are not readily obtainable.

Supplies of fuel from Depots, etc., without Expense Accounts staff will be delat with through the usual Depot and Cargo accounts.

7. Vote 9 - Stores and Services. - Copies of unpriced vouchers for issues to and receipts from Italian Warships and Armed Forces are to be forwarded by N.A. Establishments to D.A.S. (Branch E) in monthly schedule H. An estimate of the incedental expenses incurred (carriage, freight, etc.) and cost of any repair, etc., services rendered is to accompany the schedule. Transactions not already reported on Forms O.87 A. should be included in the first schedule.

Copies of vouchers for Naval Armament Stores issued by H.M. Ships, A.S.I.Ss., Bases, etc., should be forwarded to D.A.S. (Branch E) as the transactions occur. The issue vouchers should bear evidence of receipt and a reference to the authority for supply.

8. Receipted vouchers for cash advances made to Italian naval vessels or personnel should be forwarded to the Director of Navy Accounts (Branch 5) as soon as possible after the advance has been made.

9. Supplies and services should not be made to the Italians which involve purchases in lira, nor should lira be accepted as payment for any supply or service.

F85

29th April, 1945

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

accordance with Article 59 of Naval Storekeeping Manual (B.R.4).

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9. Supplies and services should not be made to the Italians which involve purchases in lira, nor should lira be accepted as payment for any supply or service. 585

29th April, 1945

for REAR ADMIRAL

P/.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

FILE

HEADQUARTERS ALLIED COMMISSION
Navy Sub-Commission AFO 394

CONFIDENTIAL

C-O N-F-I-D-E-N-T-I-A-L

NSC/2248
25 April 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. AC.

Subject: Payment in Kind to Italian Contractors.

1. With reference to your letter 13199/F of 22 April 1945, the matter of payment in kind to Italian contractors for salvage work has been the subject of discussions between the Admiralty and the Assistant Fleet Salvage Officer, Staff, Commander-in-Chief, Mediterranean.

2. As a result of the discussions, the Admiralty on 20 March 1945, informed the Commander-in-Chief, Mediterranean, that provided salvage is essential in the interest of the war effort, and it is impossible to persuade salvage firms to enter into contracts providing for payment in Lire, contracts may be executed on a barter principle. Under this arrangement the contractor would salvage 4 vessels, on the condition that when the work has been completed, one vessel will become the property of the salvage firm. Such contracts are to be entered into only for the salvage of small ex-enemy craft and should be reported to the Admiralty immediately. The Admiralty instructions further provide that Allied Commission concurrence to any such contracts should be sought beforehand.

3. In view of the above, information is requested whether the Finance Sub-Commission, Hq. AC desires that the Commander-in-Chief, Mediterranean be informed that contracts for salvage work on a barter basis are considered to be highly undesirable.

NAVY SUB-COMMISSION · ALLIED COMMISSION

28 APR 1945
IRN 4

REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13199/F 22 April 1945

SUBJECT: Payment in Kind to Italian Contractors.

TO : Navy Sub-Commission.

1. It was mentioned to me in London that the question has arisen regarding the salvaging of wrecks in Italian waters. This has led to a suggestion that owing to the difficulty of inducing Italian firms to tender against cash payments, the Admiralty should contract with them on the basis that they could take payment by retaining some of the salvaged materials.

2. You will appreciate that it would be highly undesirable if Italian contractors are led to think that they can extract payment in kind from the services. Such action would be a concession to a lack of confidence in the currency and the materials received might find their way on to the black market with undesirable consequences.

3. Would you kindly let me know if you have heard anything of this suggestion?

Q.G. Bradley Smith

Brigadier,
Joint Director,
Finance Sub-Commission.

0861

Declassified E.O. 12065 Section 3-402/NNDG NO. 735020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2183
16 April 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Commander-in-Chief, Mediterranean.

Subject: Payments in Italian Territory.

Reference: (a) FONAM ltr No. 437-1 of 16 December 1944.
(b) FONAM ltr No. 437-1 of 16 February 1945.
(c) Navy Sub-Com 2nd. endorsement NSC/1872 of 21 March 1945.
(d) Finance Sub-Com ltr 13065/F of 2 April 1945, forwarded by Navy Sub-Com. ltr NSC/2046 of 9 April 1945.

Enclosure: (A) Copy Finance Sub-Com ltr 13076/F of 10 April 1945.

1. The Flag Officer Northern Area, Mediterranean in reference (a) requested that the Italian Ministry of Marine be directed to cancel both the outstanding charge for material and for the hire of machinery by Naval Meccanica. The recommendations of the Finance Sub-Commission, Hq. AC, in this premise were reviewed in reference (b). The Finance Sub-Commission, Hq. AC, in reference (c) was requested to reconsider the policy established. A copy of the reply to reference (c) from the Finance Sub-Commission, Hq. AC, is forwarded herewith as enclosure (A).

2. In accordance with paragraph 4 of enclosure (A), it is proposed to direct the Italian Ministry of Marine to cancel all outstanding charges to Naval Meccanica for the hire of machinery and equipment and to discontinue such charges in the future. Prior to taking this action, approval by the Commander-in-Chief, Mediterranean, is requested.

3. The Finance Sub-Commission, Hq. AC, in reference (d) opened a special account, Intendenza di Finanza, Naples, to finance Naval Meccanica. In order to obviate the accounting complications and administrative difficulties referred to in paragraph 5 of reference (b) and paragraph 3 of enclosure (A), respectively, it is recommended that the outstanding charges for materials referred to in paragraph 3 of reference (a) be presented to Intendenza di Finanza, Naples, for payment to the Italian Ministry of Marine and that Intendenza di Finanza, Naples,

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IRN 4

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HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2183
16 April 1945.

Subject: Payments in Italian Territory.

be directed to refund to Naval Meccanica, the amounts already paid. In this manner the cost of materials furnished by the Italian Navy to Naval Meccanica will be charged against the Italian Government and ultimately to the Ministry of Marine in accordance with the provisions of paragraph 2 of reference (a).

4. As an alternate proposal to paragraph 3 above, the Navy Sub-Commission, Hq. AC, will upon instructions from the Commander-in-Chief, Mediterranean, direct the Ministry of Marine to cancel all outstanding charges for materials furnished by the Italian Navy to Naval Meccanica, and to discontinue such charges in the future in accordance with paragraphs 5 and 9 of Allied Force Headquarters Confidential Administrative Memorandum No. 21 of 8 April 1945.

H. ST. J. BUTLER,
Captain, U. S. Navy.
for REAR ADMIRAL,
CHIEF, NAVY SUB-COMMISSION, AC.
for CHIEF COMMISSIONER

Copy to:
FOTALI
FONAM
NOIC-NAPLES
FINANCE SC. AC.
REGION FINANCE OFFICER,
Southern Region.

ALLIED - NAVY SUB-COMMISSION - COMMISSION
20 APR 1945

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0863

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13076/F 10 April 1945.

SUBJECT: Payments in Italian Territory.

TO : Director
Navy Sub-Commission.

1. Reference is made to your NSC/1872 of 21 March, 1945.

2. In our opinion, the two Finance Sub-Commission letters quoted in your letter are on different subjects and in no way in conflict with each other. Letter 13074/F of 7 June, 1944, dealing with an accounting problem states that the Allied Commission (or indeed, any Allied officer) cannot agree to the Italian Government charging or debiting the British or American Governments in dollars or sterling for the cost of any goods or services furnished to such Governments by the Italian Government under the terms of the Armistice. There is no doubt that the Italian Government is keeping detailed records of goods and services so furnished and will present a claim for them at some future time. However, so far as we are at present aware, the American and British Governments have no intention of reimbursing the Italian Government for such goods and services.

3. On the other hand, Finance Sub-Commission letter 13076/F of 4 January 1945, related to a different problem, namely, that of direct payments to suppliers by the Royal Navy. R.N. raised with us the question whether certain items included in the bills submitted to Navalmeccanica should be paid. We advised that such items should be paid. Separating items in the bills ultimately payable to the Italian Government from other items would present a considerable administrative burden and, in addition, all payments made by R.N. in Italy are made in AM-lire, an obligation of the Italian Government.

4. No objection is perceived to your requesting the Ministry of Marine to cease the practice of charging equipment rentals to Navalmeccanica.

/s/ J.J. LAWLER,
Comdr. USCGR.

Joint Director,
Finance Sub-Commission.

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(ENCLOSURE (A)).

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

10 April 1945

13076/F

SUBJECT: Payments in Italian Territory

TO : Director
Navy Sub-Commission

1. Reference is made to your NSC/1072 of 21 March, 1945.

2. In our opinion, the two Finance Sub-Commission letters quoted in your letter are on different subjects and in no way in conflict with each other. Letter 13074/F of 7 June, 1944, dealing with an accounting problem states that the Allied Commission (or indeed, any Allied officer) cannot agree to the Italian Government charging or debiting the British or American Governments in dollars or sterling for the cost of any goods or services furnished to such Governments by the Italian Government under the terms of the Armistice. There is no doubt that the Italian Government is keeping detailed records of goods and services so furnished and will present a claim for them at some future time. However, so far as we are at present aware, the American and British Governments have no intention of reimbursing the Italian Government for such goods and services.

3. On the other hand, Finance Sub-Commission letter 13076/F of 4 January 1945, related to a different problem, namely, that of direct payments to suppliers by the Royal Navy. R.N. raised with us the question whether certain items included in the bills submitted by Navalmeccanica should be paid. We advised that such items should be paid. Separating items in the bills ultimately payable to the Italian Government from other items would present a considerable administrative burden and, in addition, all payments made by R.N. in Italy are made in AM-lire, an obligation of the Italian Government.

4. No objection is perceived to your requesting the Ministry of Marine to cease the practice of charging equipment rentals to Navalmeccanica.

J. J. Lawler
Joint Director,
Finance Sub-Commission

USCGR 580

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1872
21 March 1945.

SECOND INDORSEMENT on
CINC-MED ltr Med.45/316/4/1B
of 14 March 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. AC.

Subject: Payments in Italian Territory.

References: (a) Navy Sub-Com. ltr NSC/1705 of 26 Feb. 1945.

1. Forwarded.

2. The Commander-in-Chief, Mediterranean, in the basic correspondence requests that the policy stated in Finance Sub-Commission, Hq. AC, letter 13076/F of 6 January 1945, be reviewed and that the policy established in Finance Sub-Commission, Hq. AC letter No. 13076/F of 7 June be adhered to. A copy of the Flag Officer Northern Area, Mediterranean's letter No. 437-1 of 16 February 1945, was forwarded to the Finance Sub-Commission, Hq. AC by reference (a).

3. It is requested that I may be informed as to the final decision of the Finance Sub-Commission, Hq. AC, as soon as practicable in order that the Commander-in-Chief, Mediterranean, may be advised accordingly.

4. The return of papers is requested.

NAVY SUB-COMMISSION - ALLIED COMMISSION

(Sgd) G. L. WARREN
REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

Copy to:
FCTALI
FCMAN
NOIC-NAPLES AREA
NOIC-LEGHORN.

22 MAR 1945

579

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Office of Commander-in-Chief,
Mediterranean Station
Allied Force Headquarters.
14th March, 1945.

Med. 45/316/4/1B.
THE FLAG OFFICER, TARANTO, ADRIATIC AND LIAISON, ITALY (ROME).
Copies to: - The Flag Officer, Taranto, Adriatic and Liaison, Italy.
The Flag Officer, Northern Area, Mediterranean.
The Naval Officer-in-Charge, Naples Area.
The Naval Officer-in-Charge, Leghorn)

PAYMENTS IN ITALIAN TERRITORY.

With reference to paragraph 5 of the Flag Officer, Northern Area, Mediterranean's letter, No. 437-1, dated 16th February, 1945, regarding payments in Italian Territory, it is requested that the Allied Commission may be asked to give a decision. It is considered that the procedure given in the Finance Sub-Committee's letter, dated 6th June, 1944, No. 13076/F, should be adhered to in preference to the view expressed in their letter, dated 6th January 1945, No. 13076/F, as it is not desired to make a change in procedure at this stage.

/s/ L.H. PHILLIPS
for A D M I R A L

Date: 19 March 1945
From: FOTALI
To : Navy Sub-Commission, HQ.AC.

Forwarded for appropriate action.

REAR ADMIRAL.

(Note: COPY. Original forwarded
to Finance SC.AC)

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1705
26 February 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. AC.

Subject: Payments in Italian Territory.

Reference: (a) Finance Sub-Com. ltr 13076/F of 6 January 1945, and Navy Sub-Com First End. NSC/1517 of 17 January 1945.
(b) Navy Sub-Com. ltr NSC/1546 of 20 January 1945, to FONAM, (Copy to Finance Sub-Com).

Enclosure: (A) FONAM ltr No. 437-1 dated 16 February 1945.

1. Further to references (a) and (b), enclosure (A) is forwarded herewith for information.

H. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AC.

ALLIED CONTROL COMMISSION - NAVY SUB-COMMISSION

1 MAR 1945

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Office of Flag Officer,
Northern Area
Mediterranean.

AT NAPLES 16th February, 1945.

No. FONAM. 437-1.
THE COMMANDER-IN-CHIEF,
MEDITERRANEAN.
(Copy to: The Flag Officer, Taranto, Adriatic & Liaison, Italy (Taranto).
The Flag Officer, Italy (Rome).
The Naval Officer-in-Charge, Naples Area.
The Naval Officer-in-Charge, Leghorn).

PAYMENTS IN ITALIAN TERRITORY.

With reference to my letter No. FONAM 437 of the 5th November, 1944, paragraph 2 (d), the Firm of Navalmeccanica has been instructed to cease paying rents for machinery owned by the Italian Government. In order to save the Firm embarrassment, the Flag Officer Liaison, Italy (Rome), was requested to take the matter up with the Italian Admiralty with a view to cancelling outstanding charges, a copy of my letter No. FONAM 437-1 of the 16th December, 1944, which refers, is attached (Enclosure 1).

2. Further correspondence has now been received from the Navy Sub-Commission to the Allied Commission (Navy Sub-Commission's letter No. NSC/1546 of 20th January, 1945, and enclosures - Enclosure 2). It will be observed in this correspondence that the Finance Sub-Commission's letters No. 13076/F of the 6th January, 1945, and 19th January, 1945, reverse the rulings in their letter No. 13019/F of the 26th October, 1944, which was forwarded to you with my letter No. FONAM. 437 of the 5th November, 1944, already quoted.

3. This decision that charges for Government-owned material and hire of Government-owned machinery should now be paid conflicts directly with paragraph 11 of No. Med. 45/316/4/1 of the 8th December, 1944.

4. This correspondence has been referred to the Admiralty Civil Cashier now at Naples, who has remarked as follows :-

"The decision indicated in the Finance Sub-Committee's letter of 6th January means a complete reversal of our present policy and will result in a serious addition to the already high cost of supplies and services obtained by the Royal Navy in Italy which the Admiralty already view with some concern.

The decision is, moreover, based on the incorrect assumption that Navy Votes are not being debited with the cost of supplies and services obtained from Italy. In point of fact such expenditure is treated in exactly the samex way as expenditure in the United Kingdom and is therefore open to criticism by the Public Accounts Committee of the House of Commons. This particular aspect was emphasised at an interview I had with the Secretary of the Admiralty immediately before I left the United Kingdom."

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

5. It is for consideration, therefore, that the Allied Commission may be requested to give a final decision, bearing in mind the accounting complications involved. Until such a decision is reached, a final assessment of overhead charges for Firms using such material and machinery cannot be arrived at by the Admiralty Accountants.

(Sgd.) D. HAMMERSLEY JOHNSTON

for REAR ADMIRAL.
(absent on Duty)

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

File

NSC/1526
20 January 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Flag Officer, Northern Area, Mediterranean.
Via : Flag Officer, Taranto Adriatic & Liaison, Italy, Rome.

Subject: Naval Mechanics.

1. A copy of the Finance Sub-Commission, A.C. letter 13076/F of 19 January 1945, is forwarded herewith for information in connection with Navy Sub-Commission, first endorsement NSC/1517 of 17 January 1945.

H. W. ZIRCLE,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, A.C.

Copy to:
Finance SC.AC.

ALLIED COMMISSION TURIN NAVY SUB COMMISSION
22 JAN 19..

IRN 4

574

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
TEL: 478604

13076/F

19 January 1945

SUBJECT: Naval Meccanica.

TO : Deputy Chief, Navy-Sub-Commission.

1. Reference your NSC/1517 of 17 January, 1945.

2. The two rulings given by Finance Sub-Commission in its letters 13076 of 7 June, 1944, and 6 January, 1945, are not inconsistent. In the earlier letter we indicated that no part of the Allied Commission should admit to the Italian Government that either the American or British Governments have any liability to repay to the Italian Government in dollars or sterling the cost of any goods or services furnished to the Allied Forces by the Italian Government. Our later letter stated that there is no objection to payments to private Italian firms by the Allied Forces for goods and services. Since the AM lire used by the Allied Forces for such payments is eventually charged to the Italian Government, the Royal Navy is not being debited for the cost of goods and services, as your letter suggests, but rather the Italian Government is itself being debited by the Allies. I feel, therefore, that this Sub-Commission's letter 13076 of 6 January, 1945, should stand.

A.P. Grasberg-Smith
Col.

Joint Director,
Finance Sub-Commission.

IRN

573

FILE

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSO/1517
17 January 1945

FIRST ENDORSEMENT on
Finance Sub-Com. ltr
13076/F of 6 Jan 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. A.C.

Subject: Naval Meccanica.

Reference: (a) Finance Sub-Com. ltr 13076/F of 7 June 1944.

Enclosure: (A) Copy FOLI ltr No. T.A. 1125/10 of 15 June 1944.
(B) Copy FOLI ltr No. L. 327 of 23 October 1944.

1. Returned for reconsideration.

2. The Finance Sub-Commission, A.C. in reference (a) reviewed a proposed accounting procedure by the Italian Ministry of Marine for materials, work and services rendered to the Allied Forces. In paragraph 3 thereof, it was stated that the Allied Control Commission cannot agree to any Italian Government arrangement under which the cost of goods and services furnished would be debited to the Allied Forces.

3. The Ministry of Marine was informed in enclosure (A) and (B) by FOLI, Taranto and FOLI, Rome, respectively, that services rendered by the Italian Navy cannot be debited to the Allied Governments and that the proposed accounting procedure could not be adopted. The Italian President of the Council of Ministers on 10 January 1945, requested the Chief Commissioner, A.C. to request the Flag Officer Liaison, Italy, to reconsider the decision, not to adopt the proposed accounting procedure. No reply, as yet, has been made.

4. The Finance Sub-Commission, A.C. in the basic letter recommends that the Royal Navy make payments to Naval Meccanica for the hire of machinery by the company from the Italian Navy on the theory that the Royal Navy payments to Naval Meccanica are ultimately charged to the Italian Government. Under this procedure the Italian Navy is permitted indirectly to debit the Royal Navy for the cost of hire of machinery used by Naval Meccanica. Such charges are not permitted in accordance with reference (a) and enclosures (A) and (B). An early decision in this matter is requested in order to comply with paragraph 3 of FONAM letter No. FONAM 437-1 of 16 December 1944.

5. The return of papers is requested.

572

H. W. ZINGLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
FONAM
w/copy Ref.(a)
& basic ltr.

NAVY SUB-COMMISSION - ALLIED CONTROL COMMISSION

18 GEN 1945

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
TEL: 479604

COPY

13076/F

6 January 1945

SUBJECT: Naval Mechanics, Overhead Charges

TO : Navy Sub-Commission.

1. Reference your NSC/1394 of 26 December, 1944.

2. It is our present view that the items mentioned in para 3 of letter FCAAI 437-1 of 16 December, 1944 should be allowed to stand and no request made for their cancellation. Since the Royal Navy's payments to Naval Mechanics are ultimately charged to the Italian Government, the same result is achieved as if such items were excluded from the accounts.

/s/ A.P. GRAFTEY

Joint Director,
Finance Sub-Commission

IRN-H

571

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

FLAG OFFICER LIAISON, ITALY,
AREA COMBINED HEADQUARTERS,
TARANTO.

15th June, 1944.

No. T.A. 1125/10.

MINISTER OF MARINE,
MARISTAT, PALAZZO VESTA,
TARANTO.

ACCOUNTING PROCEDURE.

In reply to your letter, reference 216/FO of 2nd April, 1944, the accounting procedure for general services rendered by the Italian Royal Navy to Anglo-American Forces is a matter of internal administration and responsibility of the Italian Navy. The provision which affect dealings with Allied representatives are not approved, as it is not desired to make radical changes in the current practices.

2. The services rendered by the Italian Navy are in accordance with Article 19 of the Armistice terms. It should be clearly understood that no financial obligation whatsoever is accepted at the present time for these services and they cannot be debited to the Allied Government as stated in Article 1 of the accounting procedure.

(Signed) C.F. MORGAN

REAR-ADMIRAL.

570

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

COPY

FLAG OFFICER LIAISON, ITALY,
ALLIED CONTROL COMMISSION,
HEADQUARTERS,
ROME.

23rd October, 1944

No. L. 327.

MINISTRY OF MARINE,
ROME.

ACCOUNTING PROCEDURE.

With reference to your letter No. 642/TO of 21st September, 1944, it is regretted that after careful consideration the decisions made in Flag Officer Taranto, Adriatic and Liaison Italy's letter No. T.A. 1125/10 of 15th June, 1944, with respect to the subject accounting procedure can not be altered.

(Sgd). I.M. PALMER.

for REAR ADMIRAL.

0876

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

COPY 1

13076/F

7 June 1944.

SUBJECT: Materials, Work and Services rendered by IRI - payment for.

TO : Director, Naval Sub-Commission.

1. I refer to your letters 110-3/ACC of 12 May and 1/4-2/NSC of 1 June 1944.

2. It is my understanding that under the Armistice Terms the Italian Government is obligated to make available to the Allied Forces such Italian military, naval, and air installations, equipment, and services as may be required. The question of any eventual payment or compensation to the Italian Government for Allied use of Italian Government property and services is one that can only be decided at the highest policy levels of the American and British Governments as part of a general financial settlement. It is the view of the Finance Sub-Commission that no statement should be made at the present time to the Minister of Marine on the possibility of such a settlement or the terms thereof.

3. It follows that the Allied Control Commission cannot agree to any Italian Government arrangement under which the cost of goods and services furnished would be debited to the Allied forces. An appropriate change should therefore be made in Chapter I, Article 1 of the Minister of Marine's account instruction. We see no objection, however, to the pricing and accurate recording of materials and services provided by the Italian navy to the Allied, as long as it is made clear that the Allied do not accept any obligation with respect thereto.

/s/ C. H. FOLEY
Colonel,
Joint Director,
Finance Sub-Commission

568

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
TEL: 478604

180761F
~~13019TF~~

6 January 1945

SUBJECT: Naval Mechanica, Overhead Charges

TO : Navy Sub-Commission.

1. Reference your NSC/1394 of 26 December, 1944.

2. " It is our present view that the items mentioned in para 3 of letter FONAM 437-1 of 16 December, 1944 should be allowed to stand and no request made for their cancellation. Since the Royal Navy's payments to Naval Meccanica are ultimately charged to the Italian Government, the same result is achieved as if such items were excluded from the accounts. "

A. P. Grapperhaus Lieut Col

Joint Director,
Finance Sub-Commission.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

FLAG OFFICER LIAISON, ITALY,
AREA COMBINED HEADQUARTERS,
TARANTO.

15th June, 1944.

No. T.A. 1125/10.

MINISTER OF MARINE,
MARISTAT, PALAZZO RESTA,
TARANTO.

ACCOUNTING PROCEDURE.

In reply to your letter, reference 216/FO of 2nd April, 1944, the accounting procedure for general services rendered by the Italian Royal Navy to Anglo-American Forces is a matter of internal administration and responsibility of the Italian Navy. The provision which affect dealings with Allied representatives are not approved, as it is not desired to make radical changes in the current practices.

2. The services rendered by the Italian Navy are in accordance with Article 19 of the Armistice terms. It should be clearly understood that no financial obligation whatsoever is accepted at the present time for these services and they cannot be debited to the Allied Government as stated in Article 1 of the accounting procedure.

(Signed) C.W. MORGAN

REAR-ADMIRAL.

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(ENCLOSURE (A)).

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

FLAG OFFICER LIAISON, ITALY,
ALLIED CONTROL COMMISSION,
HEADQUARTERS,
ROME.

23rd October, 1944

No. L. 327.

MINISTRY OF MARINE,
ROME.

ACCOUNTING PROCEDURE.

With reference to your letter No. 642/FO of 21st September, 1944, it is regretted that after careful consideration the decisions made in Flag Officer Taranto, Adriatic and Liaison Italy's letter No. T.A. 1125/10 of 15th June, 1944, with respect to the subject accounting procedure can not be altered.

(Sgd). I.M. PALMER.

for REAR ADMIRAL.

(ENCLOSURE (B)).

0880

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394

COPY

FINANCE SUB-COMMISSION

13076/F

23 March 1945.

SUBJECT: Payments in Italian Territory.

TO : Director
Navy Sub-Commission.

1. I refer to your NSC/1872 of 21 March, 1945.

2. I desire to write at some length, as the financial officers of C in C, Mediterranean, appear to be considerably confused over the question of payments by the Allied forces in Italy.

3. It may be stated at the outset that the two Finance Sub-Commission letters quoted in your letter are on completely different subjects and in no way in conflict with each other. Letter 13074/F of 7 June, 1944, enunciates the principle that the Allied Commission (or indeed, any Allied officer) cannot agree to the Italian Government charging or debiting the British or American Governments in dollars or sterling for the cost of any goods or services furnished to such Governments by the Italian Government under the terms of the Armistice. There is little doubt but that the Italian Government is keeping detailed records of goods and services so furnished and will present a claim for them at the peace conference. However, so far as we are at present aware, the American and British Governments do not intend to reimburse the Italian Government in dollars and sterling. It follows that no Allied officers have the right to commit either Government by acknowledging in any way, directly or indirectly, that the Italian Government might, in the future, obtain dollars or sterling for supplies furnished to the Allied armed forces. The clarification of this point was the sole purpose of the letter under reference.

4. On the other hand, Finance Sub-Commission letter 13076/F of 4 January 1945, related to an entirely different problem, namely, that of direct payments to suppliers by the Royal Navy. R.N. raised with us the question whether certain items included in the bills submitted 564 Navalmeccanica should be paid. We advised that such items should be paid, since all payments made by R.N. in Italy are made in Allied lire, an obligation of the Italian Government. Such payments do not "cost" the British Government any sterling. However, we can only advise R.N. as to the course of action we consider correct. R.N. is, of course, not bound by our advice.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

5. In the enclosure to your NSC/1705 of 26 February 1945, the views of the Admiralty Civil Cashier are quoted. The point raised is essentially one to be decided in London. We would say, however, that the British Army, which presumably has the same problem, has apparently managed to overcome it, since the Army has permission to make any necessary payments for goods and services.

6. In the light of all these circumstances, the advice given in our 13076/F of 6 January, 1945, still stands. However, the problem is one that must ultimately be decided by the R.N., for the repair of naval vessels by Navalmeccanica is their responsibility.

/s/ J.J. [illegible]
Cmdr. U.S.C.G.R.
Joint Director
Finance Sub-Commission

COPY

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

SUBJECT: WATER SUPPLY TO THE LIPARI ISLANDS.

FROM: THE SENIOR NAVAL OFFICER, EASTERN SICILY.
(The Commanding Officer, H.M.S. "LANDGATE".

DATE: 30th March, 1945. No.A/1447

TO: THE VICE ADMIRAL, MALTA AND CENTRAL MEDITERRANEAN.

An ex-Italian Water Tug "LAGUNA" was salvaged and repaired at Messina by the Royal Navy during the early part of 1944 and has since been used as a Harbour Water Boat. The Tug is manned by an Italian Civilian Crew who are paid from British Public Funds.

2. In order to alleviate the great water shortage at the Lipari Islands the "LAGUNA" has in agreement with the Italian Authorities been sent there from time to time with supplies of water. Since July 1944 nine trips have been made to Lipari, the average period of absence being four days.

3. It is requested I may be advised whether a charge should be made to the Italian Authorities for these services and if so, the basis on which the charge should be computed.

(Sgd.) COLIN CAMPBELL.
CAPTAIN, R.N.

563

(5) FIRM

{See Minute II on back.}

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

JJ.

Note No. [illegible].

CAIRO-ATHENS, MEDITERRANEAN.

(Copy to: Vice Officer Liaison (Rome)
Senior Naval Officer, Western Sicily).

Memorandum.

2. It is requested that a ruling may be given in this matter.

(Sgd.) D. P. EVANS.

Dated April, 1945. for VICE ADMIRAL, ROME.

FLAG OFFICER LIAISON ITALY
Date 18 Apr
No 318
ROME

DATE: 18th April, 1945

FROM: FLAG [illegible]

TO: NAVY SUB-COMMISSION FOR AC

FOR ACTION

FOR INFORMATION

REAR ADMIRAL

838

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

C IN C MED. (R) VAM. SUBJECT. NAVY SUB-COMMISSION ROME.

RESTRICTED

NAVY SUB COMMISSION WAS REQUESTED VERBALLY BY LIEUT.CDR.GIFFORD-TOUNG TO SUBMIT RECOMMENDATION REGARDING SUBJECT NO.A/1417 OF 30TH MARCH AND MALTA MINUTE II NO. 2607/6382 OF 9 APRIL ON SUBJECT TRIPS TO LIPARI ISLANDS BY WATER TUG "LAGUNA" AND COMPENSATION THEREFOR. RECOMMEND NO CHARGE BE MADE AS PAYMENTS IN LIRE FOR COST OF OPERATING "LAGUNA" ARE CHARGEABLE TO AND ULTIMATE RESPONSIBILITY OF ITALIAN GOVERNMENT. ALSO SEE PARA. 4 AFO 1047/44 WHICH REFERS.

234757 B APRIL.

DIS. 3.9.10.

P.I.T.P. TCD 1840/23 24/4/45.

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub-Commission

NSC/2065

9 April 1945.

From: Navy Sub-Commission, Hq, AC.
To : Flag Officer, Northern Area Mediterranean.

Subject: Capitano di Freg. LUIGI BOCCONI.

With reference to your letter No. FONAM 465-39 dated 2nd April 1945, the above named states that in September 1943, he, the same as all the Naval officers in Rome, received an advance equivalent to about 3 months pay, and thinks about lire 13,600.

(Sgd) G. L. WARREN
REAR ADMIRAL,
CHIEF, NAVY SUBCOMMISSION, AC.

NAVY SUB-COMMISSION - ALLIED COMMISSION

10 APR 1945

IRN 4

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

FORAM (R) NOIC BARI 13TH NOIC LEGHORN NAVY SUB ROME.

CONFIDENTIAL

YOUR 051655 B APRIL. BOCCONI E.T.A. LEGHORN SATURDAY 14TH APRIL.

111544 B APRIL.

DIS. 3.9.10.

P.L.T.P. TOD 1709/11 12/4/45.

0827

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Mod. 40

Roma, 10 APR. 1945/94

Ministero della Marina

GABINETTO

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° 7556/2 Allegati 1

Al F.O.L.I. - ROMA

ARGOMENTO Cap.Freg.Luigi BOCCONI.

Giusta richiesta di codesto F.O.L.I. il Capitano di Fregata Luigi BOCCONI deve presentarsi al N.O.I.C. di Livorno.

Si trasmette il relativo foglio di viaggio con preghiera di apporre la necessaria autorizzazione.

Leaving Saturday for Leghorn

7 ETA...

MINISTERO DELLA MARINA - GABINETTO

IL CAPO DI GABINETTO
C. di V. F.BASLINI

559

U 8 8 5

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Office of Flag Officer,
Northern Area,
Mediterranean.

At NAPLES. 2nd April, 1945.

No. FONAM.465-39.
THE FLAG OFFICER LIAISON ITALY,
ROME.

CAPITANO DI FREGATA LUIGI BOCCONI.

Referring to the Ministry of Marine (Cabinet)'s No.16702 dated 10th December, 1944, forwarded under your Minute II of the 26th December, 1944, it is requested that you will require Capitano di Fregata S.P.E. BOCCONI Luigi to state the exact sum of money advanced to him as 3 months' pay in September 1943.

for REAR ADMIRAL.

FLAG OFFICER LIAISON ITALY
Date 6 Apr.
No. 13
ROME T.

DATE: 7th April, 1945
FROM: FOTALI, ROME.
TO : NAVY SUB-COMMISSION, HQ. AC.

FORWARDED FOR APPROPRIATE ACTION 558

REAR ADMIRAL.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

S. 1320b.

(GV160) Wt. 16539/D7618, 500M Pads, 7/42. H. & S. Ltd. 51-6925.

NAVAL MESSAGE.

For use in Signal Department only

Originators Instructions (Precedence, Priority, Interval, Group, etc.)	Codress/Plaindress	No. of Groups
TO: MINISTRY OF MARINE	FROM: NAVY SUB-COMMISSION, ALLIED COMMISSION	

	YOUR 16702 OF 10 DECEMBER X REQUEST CAPITANO DI FREGATA	5
ACCESS	LUIGI BOCCONI BE DIRECTED TO JOIN PARTY ITEM AT LEGHORN	10
	AS SOON AS POSSIBLE	15
		20
		25
WRITE	ORIGINATED BY:	30
	RELEASED BY :	35
	07160	40
		45
		50

System	P/L Code or Cypher	Time of Receipt	Time of Despatch	Operator	P.O.O.W.	Date 5 5 7

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Wt. 37288/28318 1/44 10000M G. & L. 51-7601

NAVAL MESSAGE.

S. 1320e.
(Established—May, 1930.)
(Revised—December, 1931.)

To: NAVY SIG CORRESPONDENCE A.C. ROME. FROM: NAVAL.

CONFIDENTIAL. Cpt. Luigi Ricca

MINISTRY OF MARINES NO.16702 OF 10TH DECEMBER. REQUEST ARRANGEMENTS BE MADE FOR THIS OFFICER TO JOIN PARTY TEAM AT LECHORN AS SOON AS POSSIBLE.

=0516555B APRIL.

DEF.3.9.

T.P. P.L. T.O.R.1821/5. 6/4/45.

556

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

File

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/2046
9 April 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Commander-in-Chief, Mediterranean.

Subject: Financing of Navalmeccanica and Other Organisations Occupied on Work of Military Importance.

Enclosure: (A) Copy Finance Sub-Con. AC ltr 13065/F of 2 April 1945.

1. Enclosure (A) is forwarded herewith for information and necessary action.

(Sgd) G. L. WARREN
REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.
for CHIEF COMMISSIONER

Copy to:
NOIC-NAPLES.
FONAM

NAVY SUB-COMMISSION 7 ALLIED COMMISSION

10 APR 1945

B
WWW

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IRM 4

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13065/F

2 April 1945.

SUBJECT: Financing of Navalmeccanica and Other Organizations Occupied on Work of Military Importance.

TO: Regional Finance Officer,
Southern Region.

1. In view of the frequent difficulty that has been experienced in the financing of NAVALMECCANICA and the danger that this important firm may experience financial embarrassment to an extent which would have an adverse effect on the war effort, it has been decided that the most practical course that should be adopted is to provide a fund in a current account from which advances may be made against bills presented by the firm. This arrangement would also enable similar organizations to be kept in a sound financial position under similar conditions, for example SME and SET.

2. To give effect to this decision a credit should be established by the issue of a form SB6 opening a special account Intendenza di Finanza, Naples. The Intendente di Finanza should be notified in suitable terms that bills presented by NAVALMECCANICA, SME, or SET or other bodies performing work of military importance will be transmitted to the Intendente di Finanza in order that advances may be made to the organizations concerned to insure that vital military work may not be interrupted or delayed. At a later date, the various bills and payments will be controlled by the Italian Government and charged against the proper capitolo of the budget of the Ministry concerned.

(sgd) J.J. LAWLER
Commander USCGR.

Joint Director,
Finance Sub-Commission.

554

(ENCLOSURE (A)).

0893

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

[illegible] ALLIED COMMISSION
AFO 394
[illegible]

13065/F

2 April 1945

SUBJECT: Financing of Naval Mission and Other Organizations Occupied on Work of Military Importance.

TO : Regional Finance Officer,
Southern Region.

1. In view of the frequent difficulty that has been experienced in the financing of NAVMISSION and the danger that this important Mission may experience financial embarrassment to an extent which would have an adverse effect on the war effort, it has been decided that the most practical course that should be adopted is to provide a fund in a current account from which advances may be made against bills presented by the firms. This arrangement would also enable similar organizations to be kept in a sound financial position under similar conditions, for example SACMED and AFHQ.

2. To give effect to this decision a credit should be established by the issue of a Form 286 opening a special account Intendenza di Finanza, Naples. The Intendente di Finanza should be notified in suitable terms that bills presented by NAVMISSION, SACMED, or AFHQ or other bodies performing work of military importance will be transmitted to the Intendente di Finanza in order that advances may be made to the organisations concerned to ensure that vital military work may not be interrupted or delayed. At a later date, the various bills and payments will be controlled by the Italian Government and charged against the proper capitole of the budget of the Ministry concerned.

(Signed) J.J. LAWLER
Commissioner (USCC)

553

Joint Director,
Finance Sub-Commission

R.S.A.

cc [illegible] Regional Commissioner
Navy Sub-Commission

0894

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I. - Rome
Date: 17 Apr.'45
Ref.: 7696/2

Subject: Payment Authorization.

1. Ref. you NSC/2019 of 5th inst.

2. Letter N°NSC/1765 of 8th March was answered by our N°6958/2 of 4th inst.

3. On 10th inst. a credit order for 1 million Lire to be forwarded to Catania to effect payments to pilots, etc. was sent to the "Corte dei Conti".

FLAG OFFICER LIAISON ITALY
Date 18 Apr
No 3271/5
ROME

CHIEF OF CABINET

DG/P. 18th April, 1945

FROM : NAVAL [illegible]
TO : NAVY [illegible]

FORWARDED FOR [illegible]

REAR ADMIRAL

552

Mod. 41

Fr/pr

Ministero della Marina

GABINETTO

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° 7650 / Allegati

Roma.

Al F. O. L. I.
= Roma =

ARGOMENTO: Autorizzazione di pagamento.

URGENTE

1. - Riferimento fohlio NSC/2019 del 5 corrente.

2. - Il foglio NSC/1765 dell'8 marzo c.a. e stato riscontrato con il foglio n° 6958/2 del 4 corrente che si fa seguire in copia.

3. - In data 10 corrente è stato trasmesso alla Corte dei Conti, per l'ulteriore inoltro a Catania, un ordine di accreditamento di 1 milione per il pagamento dei piloti ed ormeggiatori.

IL CAPO DI GABINETTO
C.di V. F.Baslini

---

1. - Riferimento fogli n° L.327/R e NSC/1765 rispettivamente in data 7 ed 8 marzo c.a.

2. - La somma di £. 2.000.000 è stata già rimborsata alla Capitaneria di Porto di Ancona. 551

3. - Per la Capitaneria di Porto di Catania è in corso un'anticipazione da parte della Direzione Generale della Marina

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Ministero della Marina

GABINETTO

INDIRIZZO TELEGRAFICO MARINA - ROMA

Prot. N° 7690 / Allegati

Al F. O. L. I.
= Roma =

ARGOMENTO: Autorizzazione di pagamento.

URGENTE

1. - Riferimento foglio NSC/2019 del 5 corrente.

2. - Il foglio NSC/1765 dell'8 marzo c.a. è stato riscontrato con il foglio nº 6958/2 del 4 corrente che si fa seguire in copia.

3. - In data 10 corrente è stato trasmesso alla Corte dei Conti, per l'ulteriore inoltro a Catania, un ordine di accreditamento di 1 milione per il pagamento dei piloti ed ormeggiatori.

IL CAPO DI GABINETTO
C.di V. F.Baslini

****

1. - Riferimento fogli nº L.327/R e NSC/1765 rispettivamente in data 7 ed 8 marzo c.a.

2. - La somma di £. 2.000.000 è stata già rimborsata alla Capitaneria di Porto di Ancona.

551

3. - Per la Capitaneria di Porto di Catania è in corso un'anticipazione da parte della Direzione Generale della Marina Mercantile per far fronte ai pagamenti ai piloti ed ormeggiatori.

IL CAPO DI GABINETTO
f.to: C.di V. F.Baslini

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I. - Rome
Date: 4 Apr.'45
Ref.: 6953/2

Subject: Payments to Pilots and Boatmen.
CATANIA.

1. Ref. letters ~~[illegible]~~ N80/1765 dated ~~[illegible]~~ 9th March last, ~~[illegible]~~.

2. The sum of Lire 2.000.000 has been refunded to Ancona Captaincy of the Port.

3. The Merchant Navy Administration is in course of advancing a sum of money to Captaincy of the Port at Catania to meet payments to Pilots and Mooring Party.

FLAG OFFICER LIAISON ITALY
Date
No
ROME

CHIEF OF CABINET

DATE: 7th April, 1945.
FROM: [illegible]
TO : D/F.

FOR ACTION.

REAR ADMIRAL.

550

54

0898

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

SNOESY (R) R.N.O. CATANIA. NAV SUB COMM.

RESTRICTED ROUTINE.

YOUR 041147.MARCH.MINISTRY OF MARINE REPORTS ITALIAN DIRECTOR GENERAL OF MERCHANT MARINE IS IN COURSE OF ADVANCING MONEY TO CAPITANERIA DI PORTO,CATANIA FOR PAYMENT PILOTS AND MOORING PARTY.

=091:510/APRIL.

DIST. 3.9.10.

T.S. Pub. T.O.D. 1806 DATE.10/4/45.

0249

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub-Commission

NSC/2019

5 April 1945.

From: Navy Sub-Commission, Hq, AC.
To : Ministry of Marine, Rome.

Subject: Authority for Payments.

1. It would be appreciated if an early reply could be given to Navy Sub-Commission letter NSC/1766 of 8 March 1945 which requested that authority be communicated to the Capitaneria di Port, CATANIA for the payment of the Pilots and Mooring Party at CATANIA.

2. In the event that a satisfactory solution is not considered feasable at a date in the immediate future, it is requested that the Navy Sub-Commission be informed of the status of the matter in order that appropriate Allied authorities may be informed.

H. ST. J. BUTLER,
Captain, U. S. Navy,
for
REAR ADMIRAL,
CHIEF, NAVY SUBCOMMISSION, AC.

NAVY SUB-COMMISSION - ALLIED COMMISSION

5 APR 1945

547

548

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1765
8 March 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - ROME.

Subject: Authority for Payments.

1. Reference is made to Navy Sub-Commission letter NSC/11255 of 5 November.

2. A recent communication from Senior Naval Officer Eastern Sicily indicates that authority to pay the Pilots and Mooring Party at CATANIA has not yet been received by the Capitaneria di Porto.

3. As this matter has remained unsettled for a long period, it is requested that every effort be made to communicate the necessary authority to the Capitaneria di Porto, CATANIA at an early date.

REAR ADMIRAL
CHIEF, NAVY SUB-COMMISSION, AC.

NAVY SUB-COMMISSION · ALLIED COMMISSION

9 MAR 1945

547

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

(GV440) WL 57266 D.3313 13,58039 15/45 H & S Ltd. 32-7801.

NAVAL MESSAGE.

S. 1320c.
(Established—May, 1900.)
(Revised—November, 1931.)

TO: FOTALI ROME (R) SMOKEY RMD CATANIA

FROM: FOTALI

REQUEST YOU TAKE NECESSARY ACTION ON SMOKEY'S 041147. THERE IS NO TRACE OF SIGNAL 301037 JANUARY HAVING BEEN ORIGINATED BY ME. PRESUME IT WAS MADE BY YOU.

071214 MARCH.

(REF. AUTHORITY TO PAY PILOTS AND MOORING PARTY)

(301037 WAS ORIGINATED BY FOTALI ROME)

DIB. 3.6.9.10.

P.L.T.P. TOR 1844/7 8/3/45.

546

0502

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

S14 121/52

W1 37260/13431S. 15,000m. 12/43 L.Ltd 61-7800

NAVAL MESSAGE

S. 1320d.
Superseded—May 1950
Revised—January 1945

To FOTALI (R) FOTALI ROME RNO CATANIA

From SNOESY.

RESTRICTED.

YOUR 301037 JAN. RNO CATANIA REPORTS THAT AUTHORITY TO PAY PILOTS AND MOORING PARTY STILL NOT REPEAT NOT RECEIVED.

2. REQUEST HASTENING ACTION MAY BE TAKEN BY YOU.

011147 MARCH.

(REF. BOOM PARTY CATANIA. PAYMENT OF PILOTS AND MOORING PARTY)

DIS. 3.6.9.10.11.

P.L.T.P. TOR 0307/2 2/3/45.

13335/2.5 1/- 1200.

Formula please.

545

0903

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

SRA 121/58

W1 37206/1615 15/3920 12/43 1,150 51/7004

NAVAL MESSAGE

5. 13201.
Established — May, 1930
Revised — January, 1943

TO: R.N.O. CATANIA (R) 3NOSSY

FROM: P.O.T.A.L.I. (ROME)
(11)

RESTRICTED DESPATCHED

~~YOUR LETTER OF 10 OCTOBER AND 3NOSSY NO.4-3755/245 OF 12 OCTOBER.~~

MINISTRY OF MARINE ADVISES THAT BOOM PARTY, CATANIA NOW IS MILITARISED AND REGULARLY PAID BY MARINA AUSONIA. ALSO THAT LOTTON HAS BEEN INSTRUCTED BY MARINA MERCANTILE TO PROVIDE REGULAR PAYMENT OF PILOTS AND MOORING PARTY.

3010374

DIS. 3.9.10.11.12.

P.L.T.P. TOD 1119

30/1/45.

544

0904

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Maristat)
To : N.S.C. - A.C.H.Q.
Date: 22/1/45
Ref.: SM.1387

Subject: Authority for Payments.

With ref. to your letter NSO/1125 W dated 5 Nov. 1944.

Marisicilia, contacted regarding this matter, advises that civil personnel employed for Boom Defence of the port of Catania are "militarized" and regularly paid by Marina Augusta.

for CHIEF OF STAFF

DG/P.

FLW Office
Date 25 Gen.
No. 327.
ROME

1 K W - 1

11 543
FILE WWW

0905

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Mod. 7

Roma 12 Gennaio 194

Stato Maggiore della R. Marina

Rep. M.D.S. 1ff 3ª Sez.B.D.

Al HEADQUARTERS ALLIED COMMISSION N.S.C. ROMA

INDIRIZZO TELEGRAFICO: MARISTAT - ROMA

Rif. N. 3/M.1087 Allegati

ARGOMENTO Autorizzazione di pagamento.=

Riferimento vostro foglio NSC/1125 W del 5.XI s.a..=

Marisicilia, interessato in merito, ha comunicato che il personale civile destinato al servizio delle ostruzioni del porto di Catania è militarizzato e regolarmente pagato da Marina Augusta.=

IL CAPO DI STATO MAGGIORE

IRN

542

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

File

NSC/1125W
5 November 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - Rome.

Subject: Authority for Payments.

1. SENIOR NAVAL OFFICER, EASTERN SICILY has requested that authority be hastened for the Capitaneria di Porto, CATANIA to make payment to the Boom Party and to the Pilots and Mooring Party.

2. The authority for payment of the Boom Party is required from MINISTERO della MARINA, STATO MAGGIORE, ROME and that for payment of the Pilots and Mooring Party from the DIREZIONE GENERALE della MARINA MERCANTILE, ROME. No payment has been made to the members of these parties since they came under the administration of Italian authorities.

3. It is requested that necessary authority be granted as soon as possible for payment of the above parties and that the Navy Sub-Commission be notified when their payment has been effected by the Capitaneria di Porto, CATANIA.

H. ST. J. BUTLER,
Captain, U.S. Navy
for Chief, Navy Sub-Commission, A.C.

NAVY SUB-COMMISSION
ALLIED CONTROL COMMISSION
FILE
6 NOV 1944

541

0907

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1125
5 November 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - Rome.

Subject: Authority for Payments.

1. SENIOR NAVAL OFFICER, EASTERN SICILY has requested that authority be hastened for the Capitaneria di Porto, CATANIA to make payment to the Boom Party and to the Pilots and Mooring Party.

2. The authority for payment of the Boom Party is required from MINISTERO della MARINA, STATO MAGGIORE, ROME and that for payment of the Pilots and Mooring Party from the DIREZIONE GENERALE della MARINA MERCANTILE, ROME. No payment has been made to the members of these parties since they came under the administration of Italian authorities.

3. It is requested that necessary authority be granted as soon as possible for payment of the above parties and that the Navy Sub-Commission be notified when their payment has been effected by the Capitaneria di Porto, CATANIA.

H. ST. J. BUTLER,
Captain, U.S. Navy
for Chief, Navy Sub-Commission, A.C.

0908

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

IMPORTANT

FROM. RESIDENT NAVAL OFFICER, CATANIA.

DATE. 10th OCTOBER, 1944.

TO. SENIOR NAVAL OFFICER, EASTERN SICILY.

Request that authority be hastened for Capitaneria di Porto, Catania, to make payment to Boom Party; Pilot's and Mooring Party.

Authority for payment of Boom Party from:-

MINISTERO della MARINA,
STATO MAGGIORE, ROMA.

and for payment of Pilot's and Mooring Party from

MINISTERO della MARINA
DIREZIONE GENERALE della
MARINA MERCANTILE, ROMA.

No payment has been made to these men since they came under the administration of the Italian authorities.

In view of future shipping programme it is necessary to ensure the availibility of these parties by early payment.

NAVAL OFFICER ... STERN SICILY
10 OCT 944
AUGUSTA

LIEUTENANT. R.N.R.

540

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

AUTHORITY FOR PAYMENTS - CAPITANERIA DI PORTO, CATANIA.
(The Resident Naval Officer, Catania's letter dated 10th. October 1944.)

- -

II

No. 13335/325

THE FLAG OFFICER, LIAISON, ROME.

(Copies to:
The Flag Officer, Taranto and Liaison, Italy.
The Resident Naval Officer, Catania.)

Forwarded. It is requested this situation may be regularised without delay as the fruit traffic is expected to commence very shortly.

A. Lamont Lamont

SENIOR NAVAL OFFICER,
EASTERN SICILY.
12th. October 1944.

CAPTAIN R.N.

FLAG OFFICER LIAISON ITALY
Date 1 Nov
No 325
C
CSME

IRN-Y

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

NOT/O ANCONA. (R) ROTAM NAV SUB.

RESTRICTED ROUTINE.

YOUR 0614.29.MINISTRY OF MARINE INFORMS THAT TWO MILLION LIRE HAVE BEEN PAID TO CAPITANERIA DI PORTO ANCONA.ASSUME BASE SUPPLY OFFICER ANCONA WILL BE REIMBURSED LOCALLY FOR ADVANCES IN CONNECTION WITH PILOTAGE FEES.

=091531B/APRIL.

NNNN. I.9.10.

T.F. P.L. T.O.D. 1804 DATE.10/4/45.

538

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Wt. 37260/M1018 1/44 10000M C. & T. 51-7801

NAVAL MESSAGE.

S. 1320e.
(Established—May, 1930.)
(Revised—December, 1931.)

To: FUBAR NINE (21) FUBAR

INTERPRETER.

FROM: ROC ANCONA.

CATEMED DI PORTO ANCONA UNITE DI JAMMAK AND PENNANT TO NUMBERS OF MARINE CORPS FOR MOVE TO BAY ANCONA PLEASE WITHDRAW ORDERS. REQUEST ACTION BE TAKEN TO EXPEDITE PARTY. 500,000 LIRE IS BEING ADVANCED BY U.S.O. ANCONA MEANWHILE.

DATE: 7th April, 1945

FROM: ROMALI, ROME.

TO : NAVY SUB-COMMISSION, HQ. AC.

P.L.P. 2 FORWARDED (0537) FOR APPROPRIATE ACTION.

0644/29 APRIL.

537

7/4/45.

REAR ADMIRAL.

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I. - Rome
Date: 4 Apr.'45
Ref.: 6958/2

Subject: Payments to Pilots and Boatmen.
ANCONA.

1. Ref. letters L.327/R ~~and NSO/1765~~ dated 7th ~~and 8th~~ March last, ~~respectively~~.

2. The sum of Lire 2.000.000 has been refunded to Ancona Captaincy of the Port.

3. The Merchant Navy Administration is in course of advancing a sum of money to Captaincy of the Port at Catania to meet payments to Pilots and Mooring Party.

FLAG OFFICER LIAISON ITALY
Date 6 Apr.
No 327/5
ROME

CHIEF OF CABINET

DATE: 7th April, 1945
FROM: [illegible]
TO : [illegible]

FORWARDED FOR APPROPRIATE ACTION

536

REAR ADMIRAL

0313

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Fr/pr

Ministero della Marina
GABINETTO

Mod. 40

Roma, 4 APR 1945 194

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° 6958/2 Allegati

Al F.O.L.I. = SEDE

ARGOMENTO: Pagamento ai piloti ed ormeggiatori.

1. - Riferimento fogli n. L.327/R e NSC/1765 rispettivamente in data 7 e 8 marzo c.a.

2. - La somma di £. 2.000.000 è stata già rimborsata alla Capitaneria di Porto di Ancona.

3. - Per la Capitaneria di Porto di Catania è in corso un'anticipazione da parte della Direzione Generale della Marina Mercantile per far fronte ai pagamenti ai piloti ed ormeggiatori.

IL CAPO DI GABINETTO
C.di V. F. BASLINI

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

3 April 1945

13069/F

SUBJECT: Dominedo, Valentino

TO : Navy Sub-Commission

1. Prof. DOMINEDO, Valentino, born at Rome 27 June 1905 and a professor of Political Economy at the University of Torino, holds a reserve commission as Capitano Commissario della Regia Marina. He was called into active service 18 March 1945 and assigned to the Ufficio Commissariato M M di Ancona.

2. Prof. Dominedo is unusually qualified in the economic and financial field and has been working on the problem of financial reconstruction with a small group nominated by the Minister of Treasury to advise him and assist him.

3. The Minister of Treasury and the Governor of the Banca d'Italia have both asked me to intervene so that Prof. Dominedo may continue his present financial work. This request is transmitted to you for such action as you deem appropriate. The Finance Sub-Commission does not request any action that would interfere in any way with the normal conduct of naval operations and the use of the Regia Marina in those operations.

J. J. Lawler Cmdr. U.S.C.G.R.
Joint Director,
Finance Sub-Commission

535

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub-Commission

NSC/1911

22 March 1945.

1ST ENDORSEMENT on
Agriculture Sub-Commission's
ltr AGR/507.6 of 19 March '45.

From: Navy Sub-Commission, Hq, AC.
To : Ministry of Marine, Rome.

Subject: Capt. Gargiulo Ferdinando (I.R.N.).

Forwarded.

H. ST. J. BUTLER,
Captain, U. S. Navy,
for REAR ADMIRAL,
CHIEF, NAVY SUBCOMMISSION, AC.

1-Incls.
Copy ltr AGR/507.6- 19-3-45.

NAVY SUB-COMMISSION · ALLIED COMMISSION · 7

23 MAR 1945

533
534

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

HEADQUARTERS ALLIED COMMISSION
APO 394
Agriculture Sub-Commission

AGR/507.6
TEL: 473209

19 March 1945

SUBJECT: Capt. Gargiulo Ferdinando (I.R.N.)

TO : Ministry of Marine - Rome.

Via : Navy Sub-Commission.

1. The above officer was assigned by you for duty on the staff of the Regional Commissioner, Toscana Region, to handle fisheries matters.

2. On the course of his duty he has to survey all the fishing centers of Toscana and therefore he claims the reimbursement of travel allowances from the Region H.Q.

3. Please inform this Sub-Commission if Capt. Gargiulo can be entitled to draw the "indennita di missione" to cover his travel charges.

(s/d) Leland G. Allbaugh
LELAND G. ALLBAUGH
Director.

DISTRIBUTION:

1. Economic Section
2. Files

COPY

533

531

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13088/F

21 March 1945

SUBJECT: Supply of "Jane's Fighting Ships".

TO : Navy Sub-Commission.

1. Reference your NSC/1862 dated 18 March 1945.

2. In accordance with the procedure outlined in our letter 13088/F of 19 February 1945 a further charge of £.9-9-0 has been raised against the Italian Government in our records.

for Brig
Joint Director, Finance
Finance Sub-Commission.

0 9 1 6

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub Commission APO 394

NSC/1862
18th March, 1945.

From : Navy Sub Commission, Hq., Allied Commission.
To : The Director, Finance Sub Commission.

Subject : Supply of "Jane's Fighting Ships".

With reference to your letter No.13088F of the 19th February, 1945, the Admiralty have supplied a further three copies of "Jane's Fighting Ships" for the Italian Ministry of Marine.

2. It is requested, therefore, that a further debit of 9.9.0. may be raised against the Italian Government in your record.

REAR ADMIRAL
CHIEF, NAVY SUB COMMISSION.

NAVY SUB-COMMISSION · ALLIED COMMISSION ·

20 MAR 1945

IRN

531

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13088/F. 19 February 1945.

SUBJECT: Supply of "Jane's Fighting Ships".

TO: Navy Sub-Commission. ✓

1. Reference your NSC/1665 of 16 February 1945.

2. We shall be obliged if you will inform the Admiralty that there is no mechanism for recovering a sterling charge from the Italian Government in respect of stores, materials, stationery or services issued or expended on their behalf. The procedure is that all such charges are reported by the relative British or American service to the Chief Accountant, Allied Commission, who debits the Italian Government for same in dollars or sterling.

2. We are accepting this as notification of a charge of £3. 3. 0. to be raised against the Italian Government in our records.

for B.E.L. Timmons, Major
Joint Director,
Finance Sub-Commission.

530

IRN 4

9
MC

0920

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

File

HEADQUARTERS, ALLIED COMMISSION
APO 394
Navy Sub Commission

NSC/1665
16 February 1945.

From: Navy Sub Commission, Hq, AC.
To : Finance Sub Commission, Hq, AC.

Subject: Supply of "Jane's Fighting Ships".

1. One copy of "Jane's Fighting Ships" has recently been supplied to the Italian Ministry of Marine, and the Admiralty have directed that sum of £3 - 3 - 0 be recovered as a credit to His Majesty's Stationery Office vote.

2. Copies of the relevant correspondence are attached for information. It is requested that action may be taken for the recovery of this sum in due course.

H. W. ZINCK,
Commodore, U. S. Navy,
For Chief, Navy Sub Commission, AC.

ALLIED CONTROL COMMISSION - NAVY

17 FEB 1945

529
146

1 RM 4

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

0721

COPY

From: MINISTRY OF MARINE (CABINET)
TO : FOLI, Rome.
Date: 17 October 1944.
Ref : 793/FO

Subject: Richiesta pubblicazioni.

1. Sono necessarie a questo Ministero 4 copie della ultima edizione 1944 del Janes Fighting Ships, per i seguenti Uffici:

- S.E. el Ministro
- Ufficio di Gabinetto
- Ufficio di Stato Maggiore
- S.I.S.

2. Si prega di voler richiedere l'invio delle quattro copie della suddetta pubblicazione del Regno Unito e di voler comunicare a questo Ministero la procedura da seguire per il pagamento.

CHIEF OF CABINET

COPY

527
528

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

FLAG OFFICER LIAISON, ITALY,
ALLIED COMMISSION,
HEADQUARTERS,
ROME.

14th February 1945.

No. L.413/3.

MINISTRY OF MARINE,
ROME.

SUPPLY OF "JANES' FIGHTING SHIPS"

With reference to your letter No. 793/FO of the 17th October, 1944, it has been possible to obtain from the United Kingdom, one copy of the following publication:-

"Jane's Fighting Ships"

2. A charge of £3.3.0 is made, and action is being taken through the Finance Sub-Commission of the Allied Commission for the recovery, in due course, of this sum.

3. It is requested that the receipt of this publication may be acknowledged by letter.

for REAR ADMIRAL.

527

COPY

0933

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

COPY

C O N F I D E N T I A L

REFERENCE SHEET

From: Director of Naval Intelligence,
Admiralty, S.W.I.

To : F.O.T.A.L.I. Rome.

Date: 11th December, 1944. N.I.D. 09318/44.

With reference to your signal 231042/November, one copy of Lloyds Register and two copies of "Janes Fighting Ships" are being supplied to you separately.

2. The copy of "Janes" for the Italian Ministry of Marine should be supplied on repayment, and the sum of £3.3.0 should be recovered as a credit to the vote of H.M.S.O.

3. The copy of "Almanaco Navale" has been received thank you.

(sgd) Illigible
DIRECTOR OF NAVAL INTELLIGENCE.

N.I.D./03.

COPY

526

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

PAYMENT IN ITALIAN TERRITORY - CONTRACTS.

(The Naval Officer-in-Charge, Naples Area's No. 219/M. dated 15th February, 1945).

II.

No. FOREIGN 524-7.
THE COMMANDER-IN-CHIEF,
MEDITERRANEAN.
(Copy to: Flag Officer, Taranto Adriatic and Liaison Italy.
Flag Officer, Liaison Italy (Rome).
Naval Officer-in-Charge, Naples Area).

Forwarded, concurring in the intended action in paragraph 2 of Minute I.

Northern Area,
Mediterranean.
4th MARCH,
2nd March, 1945.

(Sgd.) E. APPLETON.
for VICE ADMIRAL

FLAG OFFICER LIAISON ITALY
Date 6 March
No 326
ROME

DATE: 7th March, 1945
FROM: FOTALI, ROME
TO : NAVY SUB-COMMISSION, ALG.

525

FORWARDED FOR APPROVAL

READ AND

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Copy

Office of Naval Officer in Charge,
Naples Area.

15 th February, 1945.

No. 219/14.

THE FLAG OFFICER,
NORTHERN AREA, MEDITERRANEAN.

PAYMENTS IN ITALIAN TERRITORY.

With reference to paragraph 4 of Commander-in-Chief, Mediterranean's Memorandum No. Med.45/316/4/1 dated 5th December, copies of correspondence from this office and Headquarters, Allied Comission are forwarded for information.

2. It is intended to consult the Admiralty Accountants prior to placing contracts while they are present in the Port.

(Sgd.) James C. Colvill

CAPTAIN.

Enclosures:

The Naval Officer in Charge, Naples Area's letter No. 219/14 of 10th January, 1945.
Regional Commissioner, H.Q. Southern Region, Allied Commission's letter No. R/1550 of 1st February, 1945.

524

0920

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Copy

SOUTHERN REGION, ALLIED COMMISSION
OFFICE OF THE REGIONAL COMMISSION,
A.P.O. 394.

1 February, 1945.

R/1550.

SUBJECT: Payments in Italian Territory.

TO: Office of the Naval Officer in Charge,
Naples Area.

1. Reference your 219/4 of 10th January. I regret that we have delayed for some time our reply to your letter. This has been due to the fact that I have wished to discuss with all the divisions of the Allied Commission who might be concerned with the implications of your letter.

2. The result of careful inquiry makes it abundantly clear that we have no officer available on the staff of Southern Region who would be capable of undertaking the very technical and detailed investigation necessitated by the wide range of ground as indicated in para. 2.

3. The contracts which you propose are of so specific a nature that they would require the advice of some person having many years experience in ship-building, ship-repair work etc. No such person in fact can be found in this office.

(Sgd.) J. K. DUNLOP ,
Brigadier,
Regional Commissioner.

523

0927

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Copy

Office of Naval Officer in Charge,
Naples Area.

10th January, 1945.

No. 219/14.

THE CHIEF COMMISSIONER,
ALLIED COMMISSION SOUTHERN REGION.

PAYMENTS IN ITALIAN TERRITORY.

Directions have been received from the Commander in Chief, Mediterranean, that proposed contracts are to be referred to the Allied Commission for advice and guidance before they are completed. I would be grateful therefore, if you would inform me of the name, address and telephone number of the Allied Commission Officer who should be contacted on this matter.

2. The contracts cover a considerable range of ground, and include such items as the construction of tugs and barges, boiler cleaning of ships, manufacture of furniture, handling of coal etc.

(Sgd.) James C. Colvill

CAPTAIN.

0928

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

File

NSC/1691
21 February 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. A.C.

Subject: Remittances to Italy from Captured Merchant Navy Personnel.

1. Upon receipt of your letter 13090/F of 30 January 1945, the Navy Sub-Commission requested the Ministry of Marine to expedite the formulation of an accord in regard to the establishment of a remittance procedure for captured Italian merchant seamen.

2. Attached for information is a copy of Ministry of Marine letter E.2056 of 15 February which indicates that the Italian Government has arranged for the Ministry of War to handle remittances to Italy on behalf of the merchant seamen cooperators.

H. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
Director WAD & IPW SC.AC.

NAVY SUB-COMMISSION 7 ALLIED CONTROL COMMISSION

23 FEB 1945

IRN 4

526

521

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.I.I. - Rome and for Info War Ministry
Date: 15.2.45
Ref.: B.2056

Subject: Remittances to Italy from Captured Merchant Navy Personnel.

1. Ref. NSC/1586 of 31st ulto.

2. In accordance with arrangements made between Mercantile Marine Management and the War Ministry, it is understood that captured M.M. personnel may send remittances to Italy through the organization set up at the War Ministry for Italian Armed Forces P.O.W.

3. The War Ministry will inform M.M. Management from time to time as to these remittances, but to avoid any possible confusion it again is requested that Authorities forwarding should specify clearly in the list of remittances that a "Seaman" is concerned, together with the name of the M/V. he came from.

CHIEF OF CABINET.

COPY

520

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I. - Rome and for Info War Ministry
Date: 15.2.45
Ref.: B.2056.

Subject: Remittances to Italy from Captured Merchant Navy Personnel.

1. Ref. NSC/1586 of 31st ulto.

2. In accordance with arrangements made between Mercantile Marine Management and the War Ministry, it is understood that captured M.M. personnel may send remittances to Italy through the organization set up at the War Ministry for Italian Armed Forces P.O.W.

3. The War Ministry will inform M.M. Management from time to time as to these remittances, but to avoid any possible confusion it again is requested that Authorities forwarding should specify clearly in the list of remittances that a "Seaman" is concerned, together with the name of the M/V. he came from.

CHIEF OF CABINET

DG/P.

FLAG OFFICER LIAISON ITALY
Date 17 Feb.
No.
ROME

FILE

Mod. 41

LdI/pr

Ministero della Marina

GABINETTO

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° B 1056 Allegati

Roma 15 FEB 1945

Al F.O.L.I. = R O M A
e, per conoscenza:
MINISTERO DELLA GUERRA
Direz.Gener.Serv.Amm/vi
R O M A

ARGOMENTO: Rimesse in Italia da parte di catturati appartenenti alla Marina Mercantile.

1. - Riferimento lettera NSC/1586 del 31 gennaio u.s.

2. - In base agli accordi presi fra la Direzione Generale della Marina Mercantile ed il Ministero della Guerra resta inteso che le rimesse in denaro in Italia da parte dei catturati appartenenti alla Marina Mercantile potranno avvenire attraverso la organizzazione ora esistente presso il Ministero della Guerra per i militari prigionieri delle FF.AA. italiane.

3. - Sarà cura del Ministero della Guerra comunicare, di volta in volta, alla dipendente Direzione Generale della Marina Mercantile gli elementi relativi alle rimesse medesime, ma perchè sieno evitati possibili disguidi si rinnova la preghiera di voler interessare le Autorità mittenti ad indicare negli elenchi delle rimesse la specifica qualifica di "marittimo" accompagnata dal nominativo del piroscafo di provenienza.

519

d'ordine
IL CAPO DI GABINETTO
C. di V. P. [illegible]

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Ministero della Marina

GABINETTO

INDIRIZZO TELEGRAFICO MARINA - ROMA

Prot. N° B 1856 Allegati

11 F.O.L.I. = R O M A
e, per conoscenza:
MINISTERO DELLA GUERRA
Direz.Gener.Serv.Amm/vi
R O M A

ARGOMENTO: Rimesse in Italia da parte di catturati appartenenti alla Marina Mercantile.

1. - Riferimento lettera NSC/1586 del 31 gennaio u.s.

2. - In base agli accordi presi fra la Direzione Generale della Marina Mercantile ed il Ministero della Guerra resta inteso che le rimesse in denaro in Italia da parte dei catturati appartenenti alla Marina Mercantile potranno avvenire attraverso la organizzazione ora esistente presso il Ministero della Guerra per i militari prigionieri delle FF.AA. italiane.

3. - Sarà cura del Ministero della Guerra comunicare, di volta in volta, alla dipendente Direzione Generale della Marina Mercantile gli elementi relativi alle rimesse medesime, ma perchè siano evitati possibili disguidi, si rinnova la preghiera di voler interessare le Autorità mittenti ad indicare negli elenchi delle rimesse la specifica qualifica di "marittimo" accompagnata dal nominativo del piroscafo di provenienza.

519

MINISTERO DELLA MARINA - GABINETTO

d'ordine
IL CAPO DI GABINETTO
C. di V. F.BASLINI

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

0933

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1586
31 January 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - Rome.

Subject: Remittances to Italy from Captured Members of Italian Mercantile Marine.

1. Acknowledgement is made of Ministry of Marine letter D/338 of 13 January on the subject of a remittance system for captured Italian merchant seamen who have been accorded the status of cooperators.

2. It would be appreciated if the Ministry of Marine could expedite the formulation of an accord between the Director General of the Merchant Marine and the Ministry of War in regard to the establishment of a remittance procedure.

3. It is desired that the details of the procedure which is agreed upon be forwarded to the Navy Sub-Commission at the earliest possible date in order that appropriate Allied authorities may be enabled to arrange for its prompt operation.

H. M. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
Finance SC.AC
Director, WMD & IPW,SC.

ALLIED FORCES CITTA' - ROMA
HEADQUARTERS - ALLIED COMMISSION
FILE
2 FEB 1945

518
517

I P W 4

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

H E A D Q U A R T E R S
ALLIED COMMISSION
FINANCE SUB-COMMISSION
A.P.O. 394.

13090/F.

30 January 1945.

SUBJECT: Remittances to Italy from Captured Members of Italian Mercantile Marine.

TO : The Navy Sub-Commission.

I write to thank you for your letter NSC/1555 of 22 January with enclosures and to request you to make further enquiries of the Ministry of Marine whether an agreement has yet been reached between the Merchant Navy Management and the War Ministry.

You will appreciate that the information contained in the Ministry's B/338 of 13 January is not sufficiently definite for transmission to H.M. War Office.

A.P. Grafftey-Smith

Colonel,
Joint Director,
FINANCE SUB-COMMISSION.

Copy: Director W.M.D. &I.P.W. Sub-Commission.

517

0935

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

file

NSC/1555
22 January 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. Allied Commission.

Subject: Remittances to Italy from Captured Members of Italian Mercantile Marine.

Reference: (a) Finance Sub-Com ltr 13090/F of 27 November 1944.

Enclosure: (A) Navy Sub-Com. ltr NSC/1253 of 3 December 1944.
(B) Ministry of Marine ltr B/336 of 13 January 1945.

1. Reference (a) requested the Navy Sub-Commission to approach the Ministry of Marine on the subject of remittances to Italy by captured members of the Italian Mercantile Marine.

2. Enclosure (A), requested the views of the Ministry of Marine.

3. Enclosure (B), which now has been received from the Ministry of Marine in answer to enclosure (A), is forwarded herewith for information.

H. W. ZIROLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, AC.

ALLIED COMMISSION - NAVY - HQ. TOURING AREA - SUB-COMMISSION
7

1674

516

25 JAN 1945

0936

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1258
3 December 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - ROME.

Subject: Remittances to Italy from Captured Members of Italian Mercantile Marine.

1. It is the understanding of the Navy Sub-Commission that arrangements have been made through the Italian High Commissioner for Prisoners of War for Italian Prisoner of War Cooperators to submit remittances to beneficiaries in Italy by the despatch of a form from locations in the British Commonwealth to the Italian Ministry of War.

2. Inasmuch as Italian merchant seamen, who have been held as prisoners of the British Government, are now accorded the opportunity of becoming cooperators, the Navy Sub-Commission has been requested to approach the Ministry of Marine to determine whether a similar remittance system can be instituted for them as is already in operation under the auspices of the Italian Ministry of War for other Cooperators.

3. It is requested that the Navy Sub-Commission be informed of the Ministry of Marine's views in this regard and supplied with the details of any procedures that can be originated so that appropriate Allied authorities can be notified. As the number of merchant seamen Cooperators undoubtedly is not large, it is suggested that the Italian Ministry of War may be able to handle their remittances through its existing organization.

H. W. ZIROLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, A.C.

Copy to:
Finance SC.AC.

515

(Enclosure (A)).

COPY

0937

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I. - Rome.
Date: 13/1/45
Ref.: B/338

Subject: Remittances of Money to Italy by Captured Merchant Seamen.

1. Ref. letter NSC/1258 of 3rd. ulto.

2. The Merchant Navy Management is perfectly aware of the system in use by War Ministry for their personnel to make remittances.

3. It would be preferable for Merchant Navy men to remit through their Management; but there is no objection - if considered more suitable - to do so through the War Ministry.

In the latter case it would be desirable for a Merchant Navy list to be carried separately from Army personnel so as to enable Merchant Navy Management to make arrangements easily with the War Ministry.

4. In any case, we await further information re. accords made between Merchant Navy Management and the War Ministry.

CHIEF OF CABINET.

514

(ENCLOSURE (B))

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I. - Rome
Date: 13/1/'45
Ref.: B/338.

Subject: Remittances of Money to Italy by Captured Merchant Seamen.

1. Ref. letter NSC/1258 of 3rd ulto.

2. The Merchant Navy Management is perfectly aware of the system in use by War Ministry for their personnel to make remittances.

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In the latter case it would be desirable for a Merchant Navy list to be carried separately from Army personnel so as to enable Merchant Navy Management to make arrangements easily with the War Ministry.

4. In any case, we await further information re. accords made between Merchant Navy Management and the War Ministry

CHIEF OF CABINET

513

DG/P.

FLAG OFFICER LIAISON ITALY
Date 19 Jan.
No. 325
ROME

FILE
WWW

Mod. 41

IdL/pr

Roma 18 GEN 1945

Ministero della Marina

GABINETTO

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° B/338 Allegati

Al F.O.L.I. = Roma

ARGOMENTO: Rimesse di denaro in Italia da parte di marittimi mercantili catturati.

1. - Riferimento lettera NSC/1258 in data 3 dicembre 1944 di codesta Sottocommissione Navale.

2. - La competente Direzione Generale della Marina Mercantile riconosce perfettamente idoneo allo scopo in argomento il sistema già praticato dal Ministero della Guerra per le rimesse di denaro da parte dei cooperatori militari.

3. - Sarebbe preferibile che le rimesse dei cooperatori marittimi venissero effettuate tramite la predetta Direzione Generale della Marina Mercantile; ma nulla si oppone che -se preferito- vi si provveda tramite il Ministero della Guerra.

512

Sarebbe desiderabile in tal caso che le note dei marittimi fossero tenute separate da quelle dei militari per dar modo alla Direz.Gen. della Marina Mercantile di averne facilmente notizia prendendo diretti accordi con il Ministero della Guerra.

4 Si resta in ogni caso in attesa di ulteriori notizie per eventuali successivi accordi fra la Direz.Gen. della

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

GABINETTO — F.O.L.I. = Roma

INDIRIZZO TELEGRAFICO: MARINA - ROMA

Prot. N° B/338 Allegati

ARGOMENTO: Rimesse di denaro in Italia da parte di marittimi mercantili catturati.

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2. - La competente Direzione Generale della Marina Mercantile riconosce perfettamente idoneo allo scopo in argomento il sistema già praticato dal Ministero della Guerra per le rimesse di denaro da parte dei cooperatori militari.

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512

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Si resta in ogni caso in attesa di ulteriori notizie per eventuali successivi accordi fra la Direz.Gen. della Marina Mercantile ed il Ministero della Guerra.

IL CAPO DI GABINETTO
C. di V. F.BASILINI

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

0941

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1258

3 December 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - ROME.

Subject: Remittances to Italy from Captured Members of Italian Mercantile Marine.

1. It is the understanding of the Navy Sub-Commission that arrangements have been made through the Italian High Commissioner for Prisoners of War for Italian Prisoner of War Cooperators to submit remittances to beneficiaries in Italy by the despatch of a form from locations in the British Commonwealth to the Italian Ministry of War.

2. Inasmuch as Italian merchant seamen, who have been held as prisoners of the British Government, are now accorded the opportunity of becoming Cooperators, the Navy Sub-Commission has been requested to approach the Ministry of Marine to determine whether a similar remittance system can be instituted for them as is already in operation under the auspices of the Italian Ministry of War for other Cooperators.

3. It is requested that the Navy Sub-Commission be informed of the Ministry of Marine's views in this regard and supplied with the details of any procedures that can be originated so that appropriate Allied authorities can be notified. As the number of merchant seamen Cooperators undoubtedly is not large, it is suggested that the Italian Ministry of War may be able to handle their remittances through its existing organization.

H. W. HIPPLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, A.C.

Copy to:
Finance SC.AC.

510

NAVY SUB-COMMISSION - ALLIED CONTROL COMMISSION
FILE
DEC 1944

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13090/F. 27 November 1944.

SUBJECT: Remittances to Italy from captured members of Italian Mercantile Marine.

TO: Deputy Chief,
Navy Sub-Commission.

1. I attach a copy of a letter addressed to me by F-4, War Office, together with a memorandum outlining an agreement reached between the U.K. and the Italian Governments in 1943.

2. Remittances from Italian Prisoners of War are effected through the despatch of a form from the U.K. to the Italian War Department, showing the amount to be remitted together with the name and address of the beneficiary. This system is working satisfactorily and there would appear to be no reason why a similar procedure should not be instituted within the Ministry of Marine. Any technical advice on the present working of the War Department mechanism can be sought from Gen. Gazzera, Italian High Commissioner for Prisoners of War.

3. I shall be glad if you will discuss this matter with the Italian Ministry of Marine and to receive your comments.

A.P. Grasett Brig. Gen.

Joint Director,
Finance Sub-Commission.

Encls: 2

511

ALLIED CONTROL COMMISSION · NAVY SUB-COMMISSION · FILE

0943

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

COPY

THE WAR OFFICE,

LONDON, S.W.1.

15th November, 1944

Dear Grafftey-Smith,

We wrote to you recently regarding the extension of the Co-operators scheme of remittance by notification to non-cooperators. I fear I must now trouble you with a further matter in connection with this remittance scheme.

You may be aware that a reciprocal agreement was made with the Italian Government in 1943 relating to captured members of the Mercantile Marine. I enclose a copy of a relevant memorandum dated 30th January, 1943, which sets out the position. Briefly the effect of the agreement is that personnel of the Mercantile Marine are treated as combatant prisoners of war except in the matter of pay. If they volunteer for work they receive working pay at the usual rates of ¾d and 1½d per hour.

Prior to the date of this agreement certain captured Italian merchant seamen had been interned as civilians in the Isle of Man and exceptionally they remained there after the agreement came into force.

In the British Commonwealth there are in all about 1,600 captured Italian merchant seamen, of whom about 400 are held in the United Kingdom (in Isle of Man), 400 in India, 250 in Australia, 200 in the Middle East and 150 in East Africa. The remainder are held in small groups in other dominions and overseas commands. With the exception of those interned in the Isle of Man, it is understood the remainder are housed with combatant prisoners of war.

It was recently decided to give Italian merchant seamen the opportunity of becoming Co-operators and in the United Kingdom and India a certain number have been accepted as such. Before being accepted as Co-operators these merchant seamen sign a declaration to the effect that they voluntarily accept the conditions of service applicable to combatant prisoners of war. Those accepted of course, receive Co-operators' pay. I am not sure of the exact numbers involved but they are small, being about 60 in the United Kingdom (ex Isle of Man) and 28 in India.

The point has now been raised whether Italian merchant seamen may be allowed to remit savings from pay under the remittance scheme, and I would be grateful if you would take a convenient opportunity of ascertaining from the Italian finance people whether they would be prepared to honour remittances by notification if made by merchant seamen in the same way as combatant prisoners.

509

We feel that those who have volunteered and been accepted as Cooperators may well wish to enjoy the privilege of remitting like other Co-operators. I should perhaps add one point more in case it is raised with you. Those merchant seamen interned in the Isle of Man along with civilians are permitted by the Home Office to make remittances in the same manner as the other civilian internees in the camps. This privilege will no longer be open to such of them as have volunteered to "co-operate" and been accepted.

Yours sincerely,

(Sgd) G. Wilson.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Translation

No. 02083/57.

Memorandum.

With reference to the Legation's memorandum No.01015 dated November 19 last, the Ministry of Foreign Affairs have the honour to inform the Swiss Legation to the Quirinale that instructions dated January 21 and taking effect from the date of capture were issued to the competent authorities with a view to the same treatment being applied to the personnel of the Mercantile Marine prisoners of war as to similar ranks of military prisoners of war, in conformity with the analogous treatment adopted by the British Government in respect of Italian maritime personnel.

In consequence :-

(1) "Officers :-

They will be considered as on the same footing as officers of the same nationality belonging to the fighting arm, without, however, any allowances being paid to them.

As regards food, they shall share the officer prisoners of war mess and the relative expenses shall be borne by the military administration, whilst as regards clothing arrangements shall be made to distribute free of charge the essential items of outfit as in the case of soldier prisoners of war.

(2) Non-commissioned officers and crew :-

They will be considered as on the same footing as non-commissioned officers and men prisoners of war of the same nationality, without, however, any pay being issued to them".

Rome,
January 30, 1943.

508

0345

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

File

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1424
3 January 1946.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Ministry of Marine - ROME.

Subject: Remittances to Italy from Captured Members of Italian Mercantile Marine.

Reference: (a) Navy Sub-Com. ltr NSC/1258 of 3 December 1944.

1. The Navy Sub-Commission would appreciate a reply to reference (a).

H. T. ZIROLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
Finance SC.AC.

507

NAVY SUB-COMMISSION FILE

H Jan 44

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

CUSTOMS DUTIES

(The Flag Officer Liaison Italy (Rome)'s No. L.272 dated 1st February 1945).

II

No. FONAM 322-3.
THE NAVAL OFFICER-IN-CHARGE, NAPLES AREA.
THE NAVAL OFFICER-IN-CHARGE, LEGHORN.
THE NAVAL OFFICER-IN-CHARGE, ISCHIA.
THE NAVAL OFFICER-IN-CHARGE, PARTY "JIG".
THE NAVAL OFFICER-IN-CHARGE, PARTY "ITEM".
THE SENIOR BRITISH NAVAL OFFICER, ROME.
THE BRITISH NAVAL LIAISON OFFICER, TOULON.
THE BRITISH NAVAL LIAISON OFFICER, AJACCIO.
THE BRITISH NAVAL LIAISON OFFICER, CAGLIARI.
THE BRITISH NAVAL LIAISON OFFICER, BASTIA.
THE BRITISH NAVAL LIAISON OFFICER, MADDALENA.
THE RESIDENT NAVAL OFFICER, CASTELLAMMARE AND TORRE ANNUNCIATA.

For information.

2. It is to be ensured that the Master or British Escort of all Naval-controlled vessels are in possession of a certificate establishing their status as in paragraph 3(a) of the enclosure, and that the pass required by paragraph 6 is issued by the shipping base. These documents should be in English and Italian.

Northern Area,
Mediterranean.
at NAPLES.
20th February, 1945.

(Sgd) Illegible

REAR ADMIRAL: SOS

506

COPY

FILE
NAVY SICN
NAVY

0947

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

CUSTOMS DUTIES

(The Flag Officer Liaison Italy (Rome)'s No. L.272 dated 1st February 1945).

II

No. FONAM 322-3.
THE NAVAL OFFICER-IN-CHARGE, NAPLES AREA.
THE NAVAL OFFICER-IN-CHARGE, LEGHORN.
THE NAVAL OFFICER-IN-CHARGE, ISCHIA.
THE NAVAL OFFICER-IN-CHARGE, PARTY "JIG".
THE NAVAL OFFICER-IN-CHARGE, PARTY "ITEM".
THE SENIOR BRITISH NAVAL OFFICER, ROME.
THE BRITISH NAVAL LIAISON OFFICER, TOULON.
THE BRITISH NAVAL LIAISON OFFICER, AJACCIO.
THE BRITISH NAVAL LIAISON OFFICER, CAGLIARI.
THE BRITISH NAVAL LIAISON OFFICER, BASTIA.
THE BRITISH NAVAL LIAISON OFFICER, MADDALENA.
THE RESIDENT NAVAL OFFICER, CASTELLAMMARE AND TORRE ANNUNZIATA.

For information.

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Northern Area,
Mediterranean.
at NAPLES.
20th February, 1945.

(Sgd) Illigible

REAR ADMIRAL.

505

503

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0948

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13088/F

17 February 1945

SUBJECT: Publications bought in the United States - reimbursement for.

TO : Navy Sub-Commission.

1. Reference your NSC/1670 of 16 February, 1945.

2. The Italian Government has now some $ 50 million at its disposal for purchases in the U.S. Information as to whether the books you mention may be purchased can be obtained from Major Tooby, Economic Section.

for [illegible]
Joint Director,
Finance Sub-Commission.

504

FILE

0949

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

File

N3C/1670
16 February 1945

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. AC.

Subject: Publications bought in the United States - reimbursement for.

1. Italian Naval authorities have requested that a number of technical books be procured in the United States for use by the Italian Navy. As it will probably be necessary to purchase these books from private concerns, information is requested whether payment can be made by the Italian Government in an expeditious manner, in dollars for the cost involved and the procedure required.

H. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AC.

NAVY SUB-COMMISSION
CONTROL COMMISSION

17 FEB 1945

IRN 4

503

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

UNITED STATES EIGHTH FLEET

File No.
A10-3

Serial: 035

27 JAN 1945

FIRST ENDORSEMENT to
CNO ltr. A10-3/EF36/76716
of 16 January 1945.

From: Commander U. S. EIGHTH Fleet.
To : Senior U. S. Naval Liaison Officer, Italy.

Subject: Technical Publications - request for.

1. Forwarded for appropriate action.

J. M. BOIT
By Direction

- -

A10-3
Serial: 32

SENIOR U. S. NAVAL LIAISON OFFICER, ITALY
ROME, ITALY

6 February 1945

SECOND ENDORSEMENT to
CNO ltr. A10-3/EF36/76716
of 16 January 1945

From: Senior U. S. Naval Liaison Officer, ITALY.
To : U. S. Naval Liaison Officer, Taranto.

1. Forwarded for compliance with paragraph 1 of basic letter.

W. B. SALE 502
By direction.

0951

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

In reply refer to Initials and No.

Op-16-FA-3
A10-3/EF36
Serial 76716

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON 25, D. C.



16 JAN 1945

From: Chief of Naval Operations.
To : U.S. Naval Liaison Officer, Taranto.
Via : (1) Commander, Eighth Fleet, Naples.
(2) Senior U.S.N. Liaison Officer, Rome.

Subj: Technical Publications - request for.

Ref : (a) USNLO, Taranto ltr. Ser. 916 of 24 Dec. 1944 to CNO.

1. It is requested that the list of technical publications in reference (a) desired by the Italian Naval Academy at Brindisi be submitted first through official U.S. Naval Channels in Italy.

2. This request does not imply a lack of approval of the project on the part of this office.

W W Galbraith

W. W. Galbraith,
By direction.

500

6952

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

a check against the Italian account in the US would immediately give dollars to the U.S. Col. Crawshaw asked several American finance people and all agreed that Maj. Tooby's instructions are correct for US purchases. locally

The "Jane's Fighting Ship" cost was debited to the Italian Government by Col. Crawshaw to avoid a complicated procedure to recover such a small amount. He said that before the Italians are allowed to make any more purchases in the UK a MSC representative should check with him - Col. Crawshaw - in order that a definite method of reimbursement may be arranged.

W. W. W.
23/2

Office of the Commander-in-Chief,
Mediterrancan Station,
Allied Force Headquarters.
1st February, 1945.

Med.45/316/4/1
THE FLAG OFFICER, NORTHERN AREA MEDITERRANEAN
THE FLAG OFFICER, TARANTO, ADRIATIC AND LIAISON, ITALY
THE FLAG OFFICER, TARANTO, ADRIATIC AND LIAISON, ITALY(ROME)
THE COMMODORE SUPERINTENDENT, TARANTO
THE SENIOR NAVAL OFFICER, EASTERN SICILY
THE COMMANDING OFFICER, H.M.S. "HAMILCAR"
THE NAVAL OFFICERS IN CHARGE, BARI, BARLETTA, BRINDISI, MANFREDONIA, TARANTO, NAPLES AREA, ISCHIA, LEGHORN, ANCONA, MADDALENA, PARTY JIG, PARTY MIKE, PARTY NAN, PARTY OBOE, PARTY ITEM
THE RESIDENT NAVAL OFFICERS, CASTELLAMMARE, CATANIA
(Copy to each)
(Copy to:- The Vice Admiral, Malta and Central Mediterranean)

PAYMENT OF SUBSISTENCE ALLOWANCE TO CIVILIANS EMPLOYED BY THE ALLIED FORCES IN SICILY, ITALY AND SARDINIA

The following extract from Allied Force Headquarters Administrative Memorandum No. 65 dated the 26th December,1944, is communicated for information and guidance:-

"III.- PAYMENT OF SUBSISTENCE ALLOWANCE TO CIVILIANS EMPLOYED BY THE ALLIED FORCES IN ITALY, SICILY AND SARDINIA

1. M/T Drivers and Civilian Employees Other Than Those Included in Clerical and Supervisory Grades - At the discretion of the Commanding Officers of units, subsistence allowances may be paid under the following conditions to an M/T driver and any other civilian employee who is required for service reasons to be absent on official business from his usual place of duty and his home.

a. When absent for more than five hours but not exceeding ten hours on any one day in excess of his normal hours of duty, an allowance not exceeding 25 lire.

b. When absent for more than ten hours on any one day in excess of his normal hours of duty, an allowance not exceeding 50 lire.

The above allowances are properly payable provided that rations or accommodation are not furnished in kind.

499

2. Employees in Clerical and Supervisory Grades - A per diem allowance may be paid as follows:

a. Employees in receipt of basic wages (see paragraph 4, AFHQ Administrative Memorandum Number 62, 1944) of:

9,600 lire and more per month - 250 lire per day

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

THE SENIOR NAVAL OFFICER, EASTERN SICILY
THE COMMANDING OFFICER, H.M.S. "HAMILCAR"
THE NAVAL OFFICERS IN CHARGE, BARI, BARLETTA, BRINDISI, MANFREDONIA, TARANTO, NAPLES AREA, ISCHIA, LEGHORN, ANCONA, MADDALENA, PARTY JIG, PARTY MIKE, PARTY NAN, PARTY OBOE, PARTY ITEM
THE RESIDENT NAVAL OFFICERS, CASTELLAMMARE, CATANIA
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499

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2. Employees in Clerical and Supervisory Grades - A per diem allowance may be paid as follows:

a. Employees in receipt of basic wages (see paragraph 4, AFHQ Administrative Memorandum Number 62, 1944) of:

9,600 lire and more per month - 250 lire per day

6,000 lire to 9,599 lire per month - 225 lire per day

4,500 lire to 5,999 lire per month - 175 lire per day

3,500 lire to 4,499 lire per month - 150 lire per day

less than 3,500 lire per month - 125 lire per day

b...../

FILES Officers Liaison Italy
Date 4 Feb.
No. 331
ROME

IRN 4

FILE 9

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

b. (1) The above rates will be payable for every 24 hours of absence from place of residence on official business. If the time of absence in hours exceeds 24 and is not divisable exactly by 24, the final period, if in excess of 12 hours, shall be counted as 24; if under 12 hours, nothing shall be paid in respect of it.

(2) These allowances will be paid in full if no rations or accommodation are provided for the use of the employee making the journey. If rations, but no accommodation, are provided, one third of the allowance will be paid. If accommodation, but not rations, is provided, two-thirds will be paid."

2. Administrative Memorandum No. 62 referred to therein was forwarded with the Commander-in-Chief, Mediterranean's letter Med.45/316/4/1 dated 19th January, 1945.

for ADMIRAL

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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for A D M I R A L

IRN-4

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

S-E-C-R-E-T

NSC/1560
23 January 1945

FIRST ENDORSEMENT on
CinC-MED ltr MED.45/00180/26
of 13 January 1945.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Commander-in-Chief, Mediterranean.

Subject: Payments to Italians for Services Rendered to Shipping.

1. Returned. Information is requested in the basic correspondence as to the responsibility for the payment of pilotage fees at Italian ports and stevedoring or affiliated port labor costs.

2. In accordance with Article 19 of the Armistice with Italy, the Italian Government is required to make available such resources or services as the United Nations may require within the areas designated in Article 18. Under Article 23 of the Armistice, the Italian Government is required to make available such Italian currency as the United Nations may require. The Italian Government is therefore responsible for providing the services directly or funds for the payment thereof.

3. Whether payment should be made directly by the Italian Government or by the Allied agency concerned depends upon the manner of employment. If the pilots or port labor are employed through an agency of the Italian Government, payment should be made by the branch of the Italian Government concerned. If employed directly, the Allied agency concerned should make payment in Allied Military Lire, furnished by the Italian Government.

4. This procedure is in accordance with Admiralty Fleet Order No. 1628 of 23 March 1944, a copy of which is enclosed herewith for information.

H. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
ComSTH FLEET
FOTALI
FOWAM
MIDHO
PSTO-MLD
FINANCE SC.AC.

IRN 4

497

ALLIED CONTROL COMMISSION - NAVY SUB-COMMISSION

26 JAN 1945

0958

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

COPY

1628. - SUPPLIES AND SERVICES FROM ITALY - ACCOUNTING

(M.G.F. 29/44. - 23 Mar. 1944)

Any payments made in Italy are made in Allied Military lire, which are obtainable either from the Army Authorities or direct from A.M.F.A. These lire have no back in sterling or any other currency, and it is the eventual responsibility of the Italian Government to redeem them.

2. Financial relations with the Italian Government derive from the terms of the Armistice. These terms are implemented by the Allied Control Commission or the Allied Military Government, according to the area affected, and advice in doubtful cases should be sought from these bodies.

3. Under the Armistice, Allied Forces have a right to call upon the Italian Government to provide such resources and services as they require without payment, the Italian Government being left to make any necessary settlement with private firms or individuals upon whom they have had to call to meet any of the requirements in question. It is, however, recognised that in practice this procedure must necessarily be modified in many cases where direct orders are placed with private concerns in order to avoid the delay, economic dislocation and hardship to individuals which would be the result of a refusal to pay lire for the goods or services provided.

4. Normally, it will not be necessary to make any payments to Italian Naval or other Government organizations, or to public corporations. In the case of private individuals and firms, however, it will usually be found desirable to effect settlement locally in lire. Any payments so made should be brought to account in the usual way.

(A.F.O. 1047/44.)

0954

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

OFFICE OF
FLAG OFFICER, WESTERN ITALY,
NAPLES.

No. FOWIT 437/1. 6th March, 1944.

Dear Palmer

I enclose correspondence on the question of payment for work performed by Italian firms on behalf of the Royal Navy. As you will see Allied Control Commission are in process of creating the machinery to effect payment of our commitments in this respect.

I am concerned lest there should be delays in effecting settlement of bills of this nature during the initial period of taking the weight. It is important that ready money should be available for the prompt payment of workmen if delays in production or repair work are to be avoided.

As this question is likely to come to the fore shortly I felt that you would like to be put in the picture.

Answered 15/3.

Yours sincerely
Jumme.
REAR ADMIRAL.

Commodore I.M. Palmer, D.S.C.,
Naval Sub-Commission,
Allied Control Commission,
SALERNO.

Enclosures:
(a) Administrative Memorandum No.95.
(b) Flag Officer, Western Italy's No.334 of 2.2.44
(c) " " No.437 of 15.2.44.
(d) Med. 429/3/1 of 28.1.44.
(e) Flag Officer, Western Italy's No.437 of 6.3.44.
(f) Med. 987/Med.204/3/1 of 15.2.44.

435

ENCLOSURE N.° (2) TO FLAG OFFICER, WESTERN
ITALY'S N.° FOWIT 437/1 OF 6.3.44.

ALLIED FORCE HEADQUARTERS
APO 512

ADMINISTRATIVE MEMORANDUM)
)
NUMBER 95) 27 December 1943

PAYMENTS IN ITALIAN TERRITORY

1. The following instructions regarding payment by the military forces for goods and services in Italian territory will be observed.

2. It is important that the U.S. and British forces should, where possible, act in unison. Coordination of executive action, based on policies prescribed from time to time by this headquarters will be effected. Commanding officers will insure that competitive buying between the forces does not occur and that there is adequate coordination over the prices to be paid. Appropriate methods of financial control and economy in expending Allied Military lire and other currencies in Italian territory must be observed for military purposes.

3. a. Wherever practicable, arrangements are to be made in conjunction with Allied Military Government or Allied Control Commission local representatives for the Italian Government to make available for Allied use naval, military and air installations, power stations, oil refineries, public utility services, ports and harbors, transport and inter-communication facilities and equipment, and other local resources and services that are required.

b. Where any goods or services are provided under arrangements with the Italian Government no payment from military funds will be made without authority from this headquarters unless the need for some immediate payment is operationally essential and temporary financing cannot be arranged through the local Allied Military Government or Allied Control Commission representative on behalf of the Italian Government.

c. Wherever the policy in paragraph 3 a. above cannot be implemented, action will be taken as follows.

4. Privately-owned Goods.

a. Goods should not be seized or requisitioned without payment unless strictly required for military purposes, the test being whether, if payment had to be made, the charge would be admissable against public funds. Requisitioning will be confined to authorised officers of the procuring services. In all cases where payment is not made, accurate records must be maintained of the articles requisitioned, including the date, place, identification of article, and name of owner.

b. Consumable goods, of which continuous and regular supply is required by the Allied Forces and can only be maintained in return for payment, may be requisitioned and paid for under properly approved requisitioning arrangements or purchased under local arrangements. However, it is the policy of this headquarters that only known surpluses, as determined by the Allied Force Local Resources (Italian) Board, will be

494

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

forces for goods and services in Italian territory will be observed.

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b. Consumable goods, of which continuous and regular supply is required by the Allied Forces and can only be maintained in return for payment, may be requisitioned and paid for under properly approved requisitioning arrangements or purchased under local arrangements. However, it is the policy of this headquarters that only known surpluses, as determined by the Allied Force Local Resources (Italian) Board, will be purchased locally. Under present circumstances, the only articles falling under this category are perishable fruits and vegetables known to be in surplus. Small day to day requirements of spare parts may also be purchased. Where local purchases are made, it is essential to insure that excessive prices are not paid, in order to reduce the tendency towards inflation and to curb profiteering. Where excessive prices are demanded under local purchase arrangements, goods authorized to be purchased will be requisitioned and fair prices paid, these being fixed in cooperation with the local Allied Military Government or Allied Control Commission representative. If such goods are concealed because the individual owners hope to secure black-market prices, they will be sought out. The local authorities are instructed to cooperate to the fullest extent in finding them, as it is essential to do everything possible to prevent soaring prices.

494

c. .....

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

c. Durable goods which are likely to be in continuous, rapid, production in the occupied territory, or which the owners will be unable to replace locally, or will not need to replace at present, will be requisitioned or seized by authorised officers without payment under properly approved arrangements pending further instructions. Such goods as motor and other transport vehicles, heavy plant and machinery, constructional materials, structural steel, railway plant and war material would be treated in this way. In requisitioning motor vehicles (particularly passenger), the injunction in paragraph 4 a. above should be strictly observed. Unnecessary requisitioning of motor transport seriously disorganises essential civilian communication.

d. In instances where durable goods are in continuous production, they will normally be requisitioned without payment and the question of financing the firm's further operations will be handled as prescribed in paragraph 6 d. below.

e. It is impossible to define with exactness which privately-owned goods should, or should not, be paid for from military funds. The method of treatment will have to be resolved on commonsense lines for each class of goods, bearing in mind the principles set out in paragraph 4 b, c, and d above and the following considerations:

(1) The forces should not use manpower unnecessarily in negotiating prices, contracts and agreements for goods which can be secured in adequate quantities without immediate payment.

(2) Excess unnecessary payments for goods leads to inflation. However, it is recognised that there will be cases where cash payments for small day to day requirements will be the most effective method of getting access to available local supplies.

(3) Important, or long-term contractual commitments for goods should not be entered into by the forces without reference of the case with recommendations to this headquarters.

5. Privately-Owned Real Estate (Land and Buildings).

This class of property, including accommodation and furnishings thereof, required for military purposes will be occupied without payment of rent or other recompense. The owner should be advised that both the determination of the rate to be paid and the payment thereof are the responsibility of the Italian authorities. Military authorities will not pay for machinery, equipment and plant installed in workshops, factories, etc., which it is essential to take over and operate. The operation of workshops and factories by the military should be avoided wherever reasonably possible in order to conserve military manpower.

6. Services Performed by Private Persons and Firms.

a. Labor employed by the Allied Forces will be paid fair wages, the same rates and same conditions of employment being observed by each force in the same localities. The rates of wages will be determined in consultation with appropriate Allied Military Government or Allied Control

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

requisitioning of motor transport [illegible] communication.

d. In instances where durable goods are in continuous production, they will normally be requisitioned without payment and the question of financing the firm's further operations will be handled as prescribed in paragraph 6 d. below.

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6. Services Performed by Private Persons and Firms.

a. Labor employed by the Allied Forces will be paid fair wages, the same rates and same conditions of employment being observed by each force in the same localities. The rates of wages will be determined in consultation with appropriate Allied Military Government or Allied Control Commission Officials and the local military financial representatives. Inflated wages will not be paid.

b. Contracts may be made where necessary (by competitive tender, wherever possible) for ordinary military services such as repairs to clothing, equipment and vehicles, laundry, bread-making, small manufacturing services, and minor works services. Important, or long-term contracts or agreements should not, at present, be entered into without authority from this headquarters. Examples are storage of petrol and use of cold storage plants.

c. Contracts should not be made, or expenditure incurred from military funds, for services, e.g., repairs to roads and bridges, which the

/State or .....

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

State or local authorities should arrange and pay for. Such work will, of course, have to be undertaken under military arrangements when it is operationally essential and it is impracticable to arrange for the Italian Authorities to undertake it, but in all such cases Allied Military Government or Allied Control Commission officials should be consulted when possible.

6. Where private firms are required to turn over their whole output, or the greater part of it, regularly to the military forces but the factories are not taken over and run by the military, reference will be made to the Italian Authorities and to representatives of the Allied Military Government or Allied Control Commission and the local military financial representatives as to arrangements for financing the continued operation of such firms. At present contracts should not be made for buying the products of such firms.

7. Services performed by Municipal Authorities and Public Utility Concerns.

At present no payments should be made by the military forces for such services as removal of refuse, supply of gas, water and electricity, use of port facilities, non-State-owned telephones, telegraphs, or railways. The method of dealing with the financing of such services should be explored with the Allied Control Commission or Allied Military Government and the local military financial representatives, bearing in mind paragraph 3 above.

8. Goods and Services provided by State-owned and Parastatal Concerns.

Payment may not be made from military funds for any goods taken over which are owned by the State or parastatal concerns or for any services provided by State-owned organisations, e.g., railway traffic. The methods of financing these State services which the Allied Forces must utilise, is being considered by the Allied Control Commission, and they will arrange any temporary financing which may be necessary until a final decision is taken. Where it is necessary for parastatal concerns to produce goods or perform services for Allied military purposes, the method by which the cost of production shall be recovered may vary with the particular case or class of case and the arrangements under which the concern continues to operate. In particular cases proposals for financing the continued operation of such firms should be worked out in conjunction with the Allied Control Commission or the Allied Military Government and the local military financial representatives.

492

9. Claims for Damages, Traffic Accidents, etc.

Payments will not be made in respect of these claims. Separate instructions are being ~~formulated~~ issued about Workman's Compensation for Industrial Accidents.

10. General.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

output, or the greater part of it, regularly to the military forces but the factories are not taken over and run by the military, reference will be made to the Italian Authorities and to representatives of the Allied Military Government or Allied Control Commission and the local military financial representatives as to arrangements for financing the continued operation of such firms. At present contracts should not be made for buying the products of such firms.

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Payment may not be made from military funds for any goods taken over which are owned by the State or parastatal concerns or for any services provided by State-owned organisations, e.g., railway traffic. The methods of financing these State services which the Allied Forces must utilise, is being considered by the Allied Control Commission, and they will arrange any temporary financing which may be necessary until a final decision is taken. Where it is necessary for parastatal concerns to produce goods or perform services for Allied military purposes, the method by which the cost of production shall be recovered may vary with the particular case or class of case and the arrangements under which the concern continues to operate. In particular cases proposals for financing the continued operation of such firms should be worked out in conjunction with the Allied Control Commission or the Allied Military Government and the local military financial representatives.

492

9. Claims for Damages, Traffic Accidents, etc.

Payments will not be made in respect of these claims. Separate instructions are being ~~forwarded~~ issued about Workman's Compensation for Industrial Accidents.

10. General.

These instructions are intended as a guide to what may be paid from military funds in the interim period until the policy outlined in paragraph 3 can be fully implemented. It is impossible to make provisions now for every type of case and it is recognised that many individual cases will have to be considered on their individual merits.

(AG 336.2-5 GDS-AGM)

By command of General EISENHOWER.

T.J. DAVIS
Brigadier General, United States Army.
Adjutant General.

DISTRIBUTION
"C"

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

ENCLOSURE No. (6) To FLAG OFFICER WESTERN ITALY'S No. FOWIT 437/1 OF 6.3.44

CONFIDENTIAL.

Office of Flag Officer,
Western Italy,
Naples.

2nd February, 1944.

No. FOWIT 334.
COMMANDER-IN-CHIEF, MEDITERRANEAN.
(Copies to:- D.C.A.O., A.F.H.Q. Advanced Administrative Echelon,
S.C.A.O., Allied Military Government, Region III,
Commanding General, Peninsular Base Section,
Commander, 57 Area,
Vice Admiral, Malta,
Naval Officer-in-Charge, Naples,
Flag Officer Taranto, Adriatic and Liaison, Italy.)

PAYMENTS IN ITALIAN TERRITORY

With reference to your letter No. Med.316/4/3 of 31st December, 1943, forwarding a copy of Allied Force Headquarters Administrative memorandum No. 95 of 27th December, 1943, the minutes of the Allied Forces Local Resources (Italian) Board meeting of 17th January, 1944, at which this memorandum was discussed, are attached.

2. Experience at Naples with regard to requisitioning and local purchase were reported in my letter No. 913 of 25th January, 1944. For the most part, the same factors still obtain.

3. To import all repair materials and constructional materials necessary for the rehabilitation of a port such as Naples, which the enemy has done his best to render useless, would impose a heavy additional strain on shipping space. Although the situation has comparatively stabilised, valuable shipping space can still be saved and work in hand expedited by the full utilisation of local resources.

4. Moreover, it is considered that the main cause of inflation is the cost of food (my letter No. FOWIT 123 of 8th January, 1944, refers). The buying of such items as materials required for ship construction and repairs and to a lesser extent building materials to render serviceable barracks, storerooms and offices can have little effect on the cost of living compared with the exorbitant black market prices of essential foodstuffs.

491

5. To obtain repair materials, etc., it is necessary to pay cash. A limited quantity of material may be requisitioned at first, but further supplies will disappear or cease to be manufactured if cash is not forthcoming. The price is bound to depend to a considerable extent on supply and demand and a controlled price can only be effectively instituted if the Allied Military Government or other

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(Copies to:- D.C.A.O., A.F.H.Q. Advanced Administrative Echelon,
S.C.A.O., Allied Military Government, Region III,
Commanding General, Peninsular Base Section,
Commander, 57 Area,
Vice Admiral, Malta,
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5. To obtain repair materials, etc., it is necessary to pay cash. A limited quantity of material may be requisitioned at first, but further supplies will disappear or cease to be manufactured if cash is not forthcoming. The price is bound to depend to a considerable extent on supply and demand and a controlled price can only be effectively instituted if the Allied Military Government or other authority can regulate the whole production and distribution of a particular commodity. Until such a situation is achieved some inflation in prices would appear unavoidable and the promulgation of an official price has but little effect except to make the article unobtainable by those who abide by the law. The choice would appear to lie between paying for materials and getting on with the job with some increases in prices or accepting an indefinite period of stagnation until the production and distribution of all materials can be supervised.

6. To track materials that have gone underground the Italian authorities (when such exist) and carabineers have proved of very limited value. They are far from incorruptible and apart from individual denunciations of personal enemies little can be achieved by this method.

/though were .....

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though were it possible to bring to account an appreciable expenditure in bribes for information, more might be achieved. With the restricted service manpower available organised search for hidden goods by service personnel is impracticable.

7. Payments in advance or interim payments have been and still are necessary to set and keep most of the firms employed working. The funds of a firm are probably blocked or its finances in a more than precarious condition owing to the dislocation of trade and non payment of work already performed prior to the allied invasion and Italian capitulation. All work will remain at or come to a standstill unless prompt payment is forthcoming for contractors' workmen.

8. As stated in the minutes of the meeting already referred to, A.M.G/A.C.C. are not in a position to implement the instructions of the memorandum. To postpone the bringing into operation of factories the majority of whose output will be required for military purposes until A.M.G/A.C.C. or the Italian Government can take control, imposes an indefinite delay on new production.

9. With regard to the financing of firms by Italian authorities, difficulties are likely to be encountered both from the inherent indolence and procrastination of the Southern Italian and from his extreme moral turpitude in financial matters.

10. It is realised that the directive states that it is intended to be a guide in the interim period. Nevertheless, the following recommendations are submitted for consideration in view of the varied interpretations that may be drawn from a general directive on such a broad subject:-

(a) That it should be approved for a large portion of stores and materials obtained to be paid for in cash pending such time as full control can be taken over of the production and distribution of each commodity.

(b) That for such firms as Shipbuilders, ship repairers, and firms mainly or entirely employed on minor works for the Royal Navy, upon whom operational work frequently depends, the Royal Navy should continue to effect payment direct. The Royal Navy has an overiding interest in these firms and the surest method of retaining close and satisfactory control is to hold the money-bags.

(d) That port parties occupying future newly captured ports should have as free a hand as possible to get the port in working order utilising all available resources and that the provisions of Administrative Memorandum No. 95 should not be held to apply until such time as the port

490

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

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(d) That port parties occupying future newly captured ports should have as free a hand as possible to get the port in working order utilising all available resources and that the provisions of Administrative Memorandum No. 95 should not be held to apply until such time as the port can be considered to be in semi-normal working order and A.M.G/A.C.C. are in a position to take control of individual industries and firms.

11. Certain contracts and arrangements entered into prior to the receipt of the directive are being reported separately.

12. Admiralty Message 262130/January and my signal timed 011832/February (not to all addressees) also refer.

REAR ADMIRAL.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

ENCLOSURE "G" TO FLAG OFFICER, WESTERN ITALY'S No. FOWIT. 437/1 OF 6.3.44

CRAFT IN COURSE OF CONSTRUCTION OR REPAIR
IN WESTERN ITALY AREA

FROM: Flag Officer , Western Italy , Naples.

DATE: 15th December , 1943. No.FOWIT 437.

TO: COMMANDER-IN-CHIEF , MEDITERRANEAN.

Forwarded herewith is list (in duplicate) of all craft ordered to be built or converted in Italian shipyards in Western Italy ports since date of occupation.

Signed : J.A.V. MORSE

REAR ADMIRAL.

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

LIST OF CRAFT ORDERED TO BE BUILT OR CONVERTED IN ITALIAN SHIPYARDS AT WESTERN ITALIAN PORTS FOR ROYAL

TYPE OF CRAFT	No. Off.	DIMENSIONS	CONTRACTOR	DATE OF ORDER	ESTIMATED COMPLETION DATE	PRICE PER CRAFT (CONTRACT)
STEEL DUMB WATER BOAT TO CARRY 160 TONS WATER	1	L B D 96'6" x 16'9" x 8'9"	Naval Meccanica Cantieri diCastellammare	22.11.43	15.12.43	Lire U.C.
STEEL SELF PROPELLED OIL TANKERS TO CARRY 100 TONS OIL. SPEED ABOUT 7KNOTS.	3	9086" x 16'9" x 8'9"	ditto.	22.11.43	Two tankers 20.1.44 One tanker early February.	U.C.
EX. GERMAN LANDING CRAFT (TANKS) BEING CONVERTED TO STEEL DUMB LIGHTERS TO CARRY ABOUT 500TONS.	4	47'0" x 21'6" x 9'0"	ditto.	22.11.43	First two 31.12.43 Second two 15.1.44	2.000.000
STEEL DUMB LIGHTERS TO CARRY ABOUT 200 TONS ON 3'0" DRAFT	4	97'6" x 45'6" x 6'6"	ditto.	22.11.43	First two 15.2.44 Second two 15.4.44	3.866.666
STEEL CAISSON FOR SMALL DRYDOCK, NAPLES	1	As per approved drawings	ditto.	8.12.43	10.4.44	6.500.000

0972

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

DERED TO BE BUILT OR CONVERTED IN ITALIAN SCHIPYARDS AT WESTERN ITALIAN PORTS FOR ROYAL NAVY.

No. Off.	DIMENSIONS	CONTRACTOR	DATE OF ORDER	ESTIMATED COMPLETION DATE	PRICE PER CRAFT (CONTRACT)	TOTAL PRICE (CONTRACT)	CONDITIONS OF PAYMENTS.
	L B D				Lire		
1	90'6" x 16'9" x 8'9"	Naval Meccanica Cantieri diCastellammare	22.11.43	15.12.43	U.C.	U.C.	These vessels were beimg built for Italian Navy & are being completed by R.N.Engines from GermanL.C.T.s are beimg used. Price will be agreed later.
3	9086" x 16'9" x 8'9"	ditto.	22.11.43	Two tankers 20.1.44 One tanker early February.	U.C.	U.C.	
4	47'0" x 21'6" x 9'0"	ditto.	22.11.43	First two 31.12.43 Second two 15.1.44	2.000.000	8.600.000	Half total cost with order Half total cost on delivery.
4	97'6" x 45'6" x 6'6"	ditto.	22.11.43	First two 15.2.44 Second two 15.4.44	3.800.000	15.200.000	1/3 total cost with order. 1/3 on completion of all plating. 1/3 on delivery.
1	As per approved drawings	ditto.	8.12.43	10.4.44	6.500.000	6.500.000	1/4 total cost with order. 1/4 when erection on slipway commences. 1/2 when plated 1/4 on delivery.

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

TYPE OF CRAFT	No. Off.	DIMENSIONS	CONTACTOR	DATE OF ORDER	ESTIMATED COMPLETION DATE	PRICE PER CRAFT (CONTRACT)	TOTA PRIC (CON
		L. B. D.				Lire	
WOODEN DUMB LIGHTER TO CARRY 100 TONS ON A DRAFT OF 3'3"	2	82'0" x 43'0" x 6'6"	Cantiere Stabiensi di Castellammare	9.12.43	Mid April	2.350.000	4.70
WOODEN DUMB LIGHTER TO CARRY 150 TONS ON A DRAFT OF 3'3"	2	82'0" x 43'0" x 6'6"	Cantiere Ing.Marino Castellammare	9.12.43	Mid April	2.000.000	4.00
WOODEN DUMB BARGE TO CARRY 60 TONS	1	47'0" x 16'6" x 5'9"	Cantiere Starita Sorrento	11.12.43	20.12.43	800.000	80

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

987

No. Off.	DIMENSIONS	CONTACTOR	DATE OF ORDER	ESTIMATED COMPLETION DATE	PRICE PER CRAFT (CONTRACT)	TOTAL PRICE (CONTRACT)	CONDITIONS OF PAYMENTS.
	L. B. D.				Lire		
2	82'0" x 43'0" x 6'6"	Cantiere Stabiensi di Castellammare	9.12.43	Mid April	2.350.000	4.700.000	¼total cost with order ¼when framed and beamed ¼when planked and decked ¼on delivery. 120.000 Lire will be paid to firm if delivery is made in:- 1st Lighter 16 weeks 2nd Lighter 19 weeks
2	82'0" x 43'0" x 6'6"	Cantiere Ing.Marino Castellammare	9.12.43	Mid April	2.000.000	4.000.000	¼total cost with order ¼when framed and beamed ¼when planked and decked ¼on delivery. Plus 100.000 Lire per 1 lighter if delivery is made within 3 months from date of order.
1	47'0" x 16'6" x 5'9"	Cantiere Starita Sorrento	11.12.43	20.12.43	800.000	800.000	Payment on delivery.

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

ENCLOSURE N.º (2) To FLAG OFFICER, WESTERN ITALY'S M.º POWIT. 437/1 OF 6. 3. 44

Office of the Commander-in-Chief,
Mediterranean Station,
Allied Force Headquarters,
ALGIERS.

28th January, 1944.

No. Med.429/3/1.

THE FLAG OFFICER, WESTERN ITALY.

CRAFT IN COURSE OF CONSTRUCTION ETC.

With reference to your communications No.437 of 15th and 22nd December, 1943, it is requested that you will consult the local representative of the Allied Control Commission and obtain a ruling whether or not the Italian Government should be called upon to discharge our obligations under the contracts in question.

2. Your attention is invited to No.Med.316/4/3 dated 31st December, 1943.

(Sgd.) H. A. PACKER

for A.D.M I R A L.

FLAG OFFICER WESTERN ITALY
30 JAN 1944

0976

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

ENCLOSURE O (e) To FLAG OFFICER WESTERN
ITALY'S M° FOWIT 437/1 OF 6. 3. 44

CHIEF OF STAFF OF ORGANIZATION, MTO.

FROM: Flag Officer, Western Italy; Naples.

DATE: 5th March, 1944. No. FOWIT 437.

TO: COMMANDER-IN-CHIEF, MEDITERRANEAN.

With reference to Med. No.429/3/1 of 28th January, 1944, Allied Control Commission representative states that the Italian Government can be called upon to discharge our obligations for these contracts. Instructions on the subject will shortly be issued and in the meantime he recommends that only minimum interim payments should be made. Payments are, therefore, being made as they fall due in order that work may not be delayed.

2. A further report will be made when instructions are received from Allied Control Commission.

REAR ADMIRAL.

ENCLOSURE (f) To FLAG OFFICER WESTERN
ITALY'S N.º FOWIT COPY 437/1 OF 6.3.44

Office of the Commander-in-Chief,
Mediterranean Station,
Allied Force Headquarters
ALGIERS.

15th February, 1944.

987/Med.204/3/1.
THE SECRETARY OF THE ADMIRALTY.

ACCOUNTING REQUIREMENTS AT TARANTO

Be pleased to inform Their Lordships that the question of the appointment of an Expense Accounts Officer and a small staff at Taranto for the purpose of checking accounts of work performed by private Italian firms and expenditure of British Naval Stores has been under review, since my original message to Admiralty timed 052143 October.

2. Since the despatch of this message the situation regarding payments to Italian firms has been somewhat clarified by the issue of an Administrative Memorandum from Allied Force Headquarters No.95 of 27th December, 1943, copy attached.

3. In this Memorandum the onus of co-ordinating policy and payments is laid upon the local representatives of the Allied Military Government or Allied Control Commission, whichever is in control.

4. A meeting of the Allied Force Local Resources (Italian) Board was held at Naples on 17th January, 1944 to discuss this memorandum and the Allied Military Government and Allied Control Commission's representatives stated that at present they were unable to give technically qualified advice to the Services in the preparation of contracts, and that they had not the machinery to seek out goods hidden by civilians. It was recommended that Services should make their own arrangements in co-ordination with the Civil Police to seek out hidden goods.

5. The question of contracts and payments was also raised with the Allied Commander-in-Chief, Mediterranean Theatre, see submission No. 7/Med. 429/3/1 of 2nd January, 1944 and a copy of his reply is attached.

6. From this reply and in view of paragraph 4 it is manifestly impracticable at the moment to arrange any settled policy with the Allied Military Government or Allied Control Commission and it is considered that the only procedure which can be adopted at the mo ent is that laid down in the Flag Officer, Western Italy's No.334 of 2nd February, 1944, copy of which is forwarded herewith.

7. The broad outlines of the procedure at present in force is contained in replies to Admiralty message timed 262130 January.

(i) The Flag Officer, Taranto and Adriatic's signal timed 041222 February, 1944.

(ii) The Flag Officer, Western Italy's signal timed 011832 February, 1944.

485

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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(ii) The Flag Officer, Western Italy's signal timed 011832 February, 1944.

485

8. It is considered that the following staff should be appointed to Taranto now:-

(i) Expense Accounts Officer.

(ii) Expense Accounts Officer's Staff (Two subordinate officers).

(iii) 3 Italian speaking typist clerks for duty with Dockyard Officers. One is being recruited locally in Malta. Suitable accommodation at Taranto is available and daily messing allowance of two shillings in addition to wages is considered necessary

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

9. It is requested that these matters may be brought to the notice of Their Lordships at an early date.

(Sgd) H.A. Packer
for A D M I R A L.

Enclosures:-

1. Allied Force Headquarters, Administrative Memorandum No. 95 dated 27th December, 1943.

2. Allied Force Headquarters G-4 (B) Section's letter No.G-4(B)/ 247A dated 22nd January, 1944.

3. The Flag Officer, Western Italy's letter No.FOWIT 334 dated 2nd February, 1944.

II

No.Med.204/3/1a.

FLAG OFFICER, TARANTO AND ADRIATIC.
FLAG OFFICER, WESTERN ITALY.
VICE ADMIRAL, MALTA.
(Copy to each).

For information. The procedure laid down in paragraph 10 of the Flag Officer, Western Italy's letter No. 334 of 2nd February, 1944, is approved pending reply from Their Lordships.

ALGIERS
15th February, 1944.

(Sgd) H.A. Packer.
for A.D.M.I R A L

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

ALLIED FORCE HEADQUARTERS
APO 512

AG 313/0S1 GEN-C

19 January 1945.

SUBJECT: Centralization of Records of Charges Assessable to the Italian Government.

TO: All Concerned.

1. These instructions are issued in accordance with Combined Chiefs of Staff message TAC 310 of 6 October 1944, directing that copies of reports on certain costs incurred by the British/United States Armed Forces in Italian territory should be furnished to the Allied Commission so that a complete centralized record will be available in the theater for later evaluation purposes.

2. In compliance with the reference message from the Combined Chiefs of Staff, copies of cost reports will be forwarded to the Chief Accountant, Allied Commission, through such channels as may be directed by the service concerned. In order that theater records may be as complete as possible, copies of cost reports covering the period 9 July 1943 through 31 December 1944 should be forwarded to the Chief Accountant where this has not already been done. Beginning 1 January 1945 copies of periodic reports should be forwarded as completed.

3. These reports are intended to be those which have been or will be prepared in accordance with instructions of the respective services on the basis of existing directives as to the scope and nature of cost reports required to be prepared, and thus need not be identical in form or content. In general, however, it is desired that the reports should cover the cost of construction, improvements, modifications, repairs, and reconstructions incurred by the British/United States Armed Forces in Italian territory. Where exact costs are unobtainable, estimates should be submitted.

4. Temporary installations, or work performed for purly operational purposes and considered temporary in character, need not be reported. Expenditures for civilian labor and local materials may be excluded; if included, they should be shown separately. The cost of military labor and equipment should be included in the records and shown in terms of man-hours and mechanical-equipment hours. Reports covering repairs or improvements to private property should include name and address of the owner.

By command of Field Marshal ALEXANDER:

484

C. W. CHRISTENBERRY
Colonel, AGD,
Acting Adjutant General.

RESTRICTED

IRN-4

COPY

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

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APO 512

AG 313/051 GEG-O

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By command of Field Marshal ALEXANDER:

483

C. W. CHRISTENBERRY
Colonel, AGD,
Acting Adjutant General.

RESTRICTED.

COPY

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

AMG TOSCANA REGION REPEATED LIVORNO PROVINCE

9160 3 Jan 45 PRIORITY

RESTRICTED FD

PARA ONE FD BRITISH NAVAL OFFICER IN CHARGE CMA LIVORNO CMA STATES CMDTE TESEI ORLANDO FIRM IN IMMEDIATE NEED OF TEN MILLION LIRE CREDIT FOR OPERATIONS FD PARA TWO FD IT IS INDICATED THAT ITALIAN NAVY OWES FIRM FIVE HUNDRED MILLION LIRE FD

PARTY TO AMG TOSCANA REGION FOR RPD REPEATED LIVORNO PROVINCE FOR PROVINCIAL FINANCE OFFICER FROM RO ALSOM FROM FINANCE PARTY

PARA THREE FD FIRM SHOULD BE REQUESTED TO SUBMIT CLAIM FOR PARTIAL PAYMENT TO INTENDENTE DI FINANZA CMA LIVORNO CMA IN ACCORDANCE WITH EXECUTIVE MEMORANDUM SEVEN THREE CMA PARTS ONE AND FOUR FD INTENDENTE HAS AUTHORITY TO PAY FD PARA FOUR FD PROVINCIAL FINANCE OFFICER SHOULD TAKE IMMEDIATE ACTION CMA REGIONAL FINANCE OFFICER TO REPORT TO THIS HEADQUARTERS BY TELEGRAM WITH CREDIT

ISSUED FD

FINANCE SUB-COMMISSION
478624

NICHOLAS FIORENTINO,
CWO, USA
Asst Adjutant

0983

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

BY AIR

ADMIRALTY, S.W.1.

S.208/44 12 January, 1945.

Commander-in-Chief, MEDITERRANEAN.
(Copy to: FLAG OFFICER, TARANTO AND ADRIATIC.
FLAG OFFICER, TARANTO, ADRIATIC AND
LIAISON ITALY, ROME.)

With reference to your communication No. 7405/Med. 45/219/3/2 dated 11th December regarding the procedure for fixing claims for salvage and repairs against the Italian Government, I am to inform you that Their Lordships have decided that the amount of payment due to the Admiralty for salvage services rendered to a merchant ship continuing to be of Italian nationality will be assessed by an arbitrator appointed by the Committee of Lloyd's and that the total of the amounts so assessed will be charged against the credit payable in the post-war settlement to the Italian Government in respect of the services rendered by Italian merchant shipping. The United Kingdom High Commissioner at Rome has been asked by the Foreign Office to communicate these decisions to the Italian Government and Their Lordships are informed that this has recently been done.

2. Repairs to Italian ships will be reported to Flag Officer, Taranto, Adriatic and Liaison Italy, as required by Admiralty message 240627A/February, for recovery in accordance with A.F.O.s. 2292/44 and 3614/44.

BY COMMAND OF THEIR LORDSHIPS.

22 Jan 194 ROME

IRW

Ltr & ordered 282

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

File

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1397
26 December 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Commander-in-Chief, Mediterranean.

Subject: Payments, Contracts and Supplies in Italian Territory.

1. It is requested that a copy of the Commander-in-Chief, Mediterranean Memorandum Med. 45/316/4/1, in connection with the subject payments, be forwarded to the Commandant, U.S. Naval Operating Base, PALERMO.

H. W. KIHOLT,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
ComEIGHTH FLEET
ComNOB-PALERMO.

NAVY

ALLIED COMMISSION - NAVY SUB-COMMISSION

20 DEC 1944

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

file

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1384
22 December 1944.

FIRST ENDORSEMENT on
CinC-Med ltr. Med.45/316/4/1
dated 8 December 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. A.C.

Subject: Payments, Contracts and Supplies in Italian Territory.

1. Forwarded for information.

2. The return of all papers is requested.

H. W. ZIPOLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, AC.

TRW-1

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Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

HEADQUARTERS, ALLIED COMMISSION
APO - 394

24 November 1944.

EXECUTIVE MEMORANDUM)
:
NUMBER 83)

C U S T O M S D U T I E S

1. Object of Directive

The object is to ensure the immediate resumption of Customs, Guardia di Finanza and Capitaneria di Porto control for the levying of duties, etc., and the prevention of smuggling and the theft of cargoes.

2. Control

(A) Control of Ports and Ships.

(1) The Capitaneria di Porto will exercise full control of ports, except those controlled by Naval or Military Authorities, and of ships, and coast-wise vessels, other than ships of war, which expression includes:-

(a) Ships owned by Allied or under their charter, (demise, bare-boat, time or voyage charter) and
(b) Ships controlled and/or operated by the Mediterranean Shipping Board (MEDBO), including ships of the War Shipping Administration and Ministry of War Transport.

(2) Harbour and port dues, maritime dues and similar charges applicable to the ship and its personnel, will be levied forthwith, except on Allied ships of war as defined at (1) above.

(B) Control of Cargoes

(1) The customs are responsible, inter alia, for the assessment and collection of import and export duties and licence fees and the collection of harbour, etc., dues (as assessed by the Capitaneria di Porto, a separate body). The Guardia di Finanza are responsible for the revenue control of vessels and their cargoes, and for the revenue protection of the sea-coast and land boundaries. It is essential that they should resume all their functions forthwith.

(2) Cargoes on all ships, including coast-wise vessels, but excluding ships of war, will be subject to Customs control

0987

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

unless an Allied Naval or Military Officer certifies that the ship contains cargo which, for security reasons, must not be so subject.

(3) Customs Officers and Guardia di Finanza will be allowed to control such cargoes at the ship's side, whenever this can be permitted without prejudice to security. Otherwise they will be allowed to bring cargoes under their control at the earliest practicable stage thereafter, e.g. at dock exits or warehouses, and permitted the fullest freedom of action in the control of commercial traffic and smuggling, consistent with Military security.

3. Duties on Goods Imported

(A) No duties, taxes, imposts or fees will, in any event, be charged on goods destined for the use of the Allied Forces, (excluding the Italian Forces) or civilian Allied Nationals employed by them, including all Allied Forces' welfare organizations. Goods certified as imported under Allied auspices for distribution free of charge for civilian relief purposes and not for sale, will be similarly treated.

(B) Further, the Italian Government have agreed to exempt temporarily from all Customs duties, charges and licence fees all goods for which a certificate is given by the responsible Allied Official that they have been imported by the Allied Nations for civilian use. This exemption does not include alcohol, tobacco, mechanical lighters and lighter flints, cigarette papers and tubes released direct into commerce or civilian use without passing through State Monopoly channels. When such goods are about to be released for such purposes, the Customs Officials must be given timely warning so that they may take immediate steps to secure the duties.

(C) Imported goods not covered by the exemptions in paras 4(A) and 4(B) remain chargeable to all the Customs duties, charges, and licence fees prescribed by the existing Italian laws, which must be paid at the time and in the manner prescribed therein.

4. Duties on Goods Exported

The Statutory export duties and licence fees will be charged on all goods exported except goods certified in writing by the Allied authority responsible for shipment as being shipped, under Allied auspices, to Allied Government Departments.

478

5. Special Treatment of Certain Imported Goods

(A) Petroleum

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

AFHQ Petroleum Section have fixed duty-inclusive retain prices to be charged by the Comitato Italiano Petroli (CIP), the authorized distributors for commercial sales, who are required to remit the duty to the Customs.

(B) Matches

The Consorzio Industriale Fiammiferi (CIF) are the only authorized distributors of matches for civilian use. The prices have been fixed by this HQ. CIF are responsible for remitting the duty to the Customs.

(C) Coal

It is anticipated that the State Railways will shortly resume their former monopoly of distribution, but only in respect of coal for commercial or civilian use. Should there be any dutiable importations the State Railways will be responsible to the Customs for the duty.

Brigadier,
Chief of Staff.

677

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

NSC/1204
24 November 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Flag Officer Northern Area, Mediterranean.

Subject: Contractor's Accounts.

1. Reference is made to paragraph 3 of your letter No. 334 of 2 November which requests that the Allied Commission be approached in regard to contractor's insurance charges and in regard to a visit to Leghorn of representatives of Istituto Ricostruzione Italiano.

2. The Navy Sub-Commission has been informed by the Finance Sub-Commission that the details of social insurance charges are presently under study and that further communications will be made in relation to them as soon as possible.

3. The Finance Sub-Commission has indicated that it does not consider any useful purpose could be served by the proposed visit of IRI representatives to Leghorn due to the fact that IRI is a government holding company and that past experience has shown its representatives to be unable to offer advice on costing and production problems. If, however, NOIC Leghorn or Flag Officer Northern Area, Mediterranean, can indicate more precisely the purpose for which an IRI representative is desired, the Finance Sub-Commission has stated that it will be glad to take the matter up with IRI.

H. W. ZINOLI,
Commodore, U.S. Navy,
for Chief, Navy Sub-Commission, AC.

Copy to:
NOIC-Leghorn.

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ALLIED CONTROL COMMISSION - NAVY SUB-COMMISSION - FILE
26 NOV 1944

676

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
TEL: 478604

13086/F

17 November 1944

SUBJECT: Contractor's Accounts.

TO : Navy Sub-Commission,
Hq., AC.

1. Reference your NSC/1161 W of 15 November, 1944.

2. The details of the social insurance charges are presently under study and you will be advised with respect thereto as soon as possible.

3. We doubt that any useful purpose could be served by the visit of an IRI representative to Leghorn. IRI is purely a government holding company and, in our experience, not in a position to offer advice on costing and production problems. If, however, the Naval Officer in Charge, Leghorn, can indicate more precisely the purpose for which an IRI representative is desired, we will be glad to take the matter up with IRI.

4. As regards FOWTF letter No. 437 of 19 October, and minutes of meeting, copies of two letters addressed by Finance Sub-Commission to Staff Accountant Officer to Flag Officer, Western Italy, R.N., Naples, are enclosed herewith.

A.F. Grabtree Smith
Col

Joint Director,
Finance Sub-Commission.

ALLIED CONTROL COMMISSION - NAVY SUB-COMMISSION
26 NOV 1944

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

Ref : 13019/F 26 October 1944

Subject : Naval Meccanica

To : Staff Accountant Officer to Flag Officer, Western Italy, R.N., Naples.

1. Reference is made to the minutes of a meeting held in your office on 16 October concerning Naval Meccanica, at which this Headquarters was represented by the Regional Finance Officer, Southern Region.

2. It is noted that in the course of this meeting it was decided to refer the following specific points to Headquarters, ACC for definite rulings:-

(a) Is Naval Meccanica parastatal?
(b) Are insurance charges proper on R.N. contracts?
(c) How should overheads be calculated?
(d) Should rents for machinery owned by the Italian Government and payments for goods supplied by the Italian Government be included in payments by R.N.?
(e) Should taxes be included in payments by R.N.?
(f) Is 10 profit excessive?

3. It should be noted at the outset that ACC does not have expert cost accountants who could be detailed to supervise the preparation of Naval Meccanica's bills and the calculation of overhead and profit items.

4. With reference to the question whether or not Naval Meccanica is parastatal this Headquarters does not feel qualified to resolve the question. We feel that the question is not one of major importance since in any event Naval Meccanica needs financing and any payments made by R.N. in AM lirecither under the present system or after the implementation of Administrative Memorandum No.95/Administrative Memorandum No.31, will be charged to the Italian Government.

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5. As regards the social insurance charges, these are being investigated by our specialist in this field and a separate reply to you will be made.

6. With reference to the method of calculating overheads, this Headquarters feels that it is not competent to deal with the situation. In making payments in lire to Naval Meccanica R.N. has the same responsibility that it has throughout the world in making payments in any currency out of public funds, Question of the inclusion of overheads are not peculiar to Italy but are encountered in every contract where supplie and services are purchased by R.N. In consequence it is our feeling that R.N. should simply apply its normal procedures to this problem.

7. So far as rents for machinery owned by the Italian Government, if these items are readily separable from the rest of the account they should not be paid by R.N. In cases where they are not separable they may be paid since in any event the ultimate responsibility of the payment is borne by the Italian Government.

8. No direct taxes should be paid by R.N. on invoices of Naval Meccanica. Where, however, an account includes taxes paid by material men, sub-contractors and suppliers of Naval Meccanica no attempt should be made to isolate the tax items since the administrative difficulties of excepting such transactions makes this practice prohibitive.

9. So far as the percentage of profit is concerned this Headquarters cannot give any judgment on the matter. This decision must be made by R.N. in accordance with its normal practices.

For the Acting Chief Commissioner

(signed) J.J. Lawler
Lt. Comdr. USCGR

Copies to : Labour Sub-Commission HQ ACC
Regional Labour & Regional Finance Officer, Southern Region.
Joint Director Finance Sub-Commission

473

BELT/msg

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION

13019/F 27 October 1944

SUBJECT: Social Insurance Rates.

TO : Staff Accountant Officer to the Flag Officer,
Western Italy,
A.M.
Naples.

1. With further reference to this Sub-Commission's letter 13019/F of 26 October, 1944, I now enclose a copy of a letter addressed to the Regional Labor Officer, Southern Region (Naples) by the Labor Sub-Commission, HQ. ACC., on the subject of social insurance rates.

2. The Finance Sub-Commission was consulted on this question and the reply by Labor Sub-Commission has our approval. I am sure the Regional Labor Officer will be glad to consult with you regarding any technical points or interpretations that may be required.

For the Chief Commissioner.

(Signed) [illegible] SIMMONS
Major for

Joint Director,
Finance Sub-Commission.

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

file

HEADQUARTERS, ALLIED COMMISSION
Navy Sub-Commission APO 394

SECOND ENDORSEMENT on
NOIC Leghorn's No. 184/1/1
dated 10 October 44 and FONAM
ltr No. 334 of 2 Nov. 44.

NSC/1161W
15 November 1944.

From: Navy Sub-Commission, Hq. Allied Commission.
To : Finance Sub-Commission, Hq. A.C.

Subject: Contractor's Accounts.

1. Forwarded for appropriate action in regard to paragraph 3 of Flag Officer, Northern Area, Mediterranean, letter No. 334.

2. The return of all papers is requested together with appropriate information for transmittal to the Flag Officer, Northern Area, Mediterranean.

3. In addition to the above, it is requested that the Navy Sub-Commission be advised of the action of the Finance Sub-Commission on FONWT letter No. 437 of 19 October. (see paragraph 2, FONAM's letter No. 334) and on the minutes of the meeting which were forwarded with it.

R. W. TIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, A.C.

Copy to:
FONAM
NOIC, Leghorn.

NAVY SUB-COMMISSION ALLIED CONTROL COMMISSION
FILE
17 NOV 1944

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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(5 860) Wt. 44982/6352. 5/41. 7,000M. H. & S. Ltd. 51 0891.

NAVAL MESSAGE.

S. 1320e.
(Established—May, 1930.)
(Revised—December, 1934.)

To: PENIT

From: FOXTAIL ROAD *

(4).

~~Restricted~~ *

1. Reference my 04201 Labour Sub. Commission A.C.S. unless not all possible assistance regarding rate of pay can be given by their Anglo representative Captain Bovill. He will be requested to assist you.

2. Sub Commission A.C.S. is attempting to secure I.S.I. (Arabic interpreting specialists) but is responsibility to ensure any SAVAIRMEDITA and will arrange for I.S.I. representative to visit Nejlah for discussion if it is so desired.

~~SECRET~~.

Mst. 7-3- Vienna C.M. Labour C.C.

F.A F.P T.O.O. 1144 Date 7-37-41.

IRNH

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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(6 659) W(44062 6359 3 41. 7,000M. H. & S. 1.1cf. 51 6931.

NAVAL MESSAGE.

S. 1320e.
(Established—May, 1930.)
(Revised—December, 1931.)

To: FOTALI Rome

From: FOWIT

Request you will represent to Finance Sub Commission of A.C.C. that NAVALEMECCANICA state that their financial position is again acute. Finance Sub Commission's letter No . 13086/F of 6th June refers. Suggest this matter be discussed at meeting proposed in my 021651 and that it may be treated as urgent to prevent general cessation of work.

=061135A.

Dist. 7.

469

P.L T.P T.O.R. 1520 Date 6/10/44.

PA link (F)

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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NAVAL MESSAGE.

S. 1320c.

To:
F.O.T.A.L.I. Rome

From:
F.O.W.I.T.

No basis has yet been obtained on which to effect payments to firm of NAVALEMUCANICA. Rates of pay, Insurance, Overheads and profit are involved. As matter is now urgent request you will arrange meeting between representatives of labour and Finance Sub Commissions of A.C.C. with Naval Technical Officers concerned and representatives of Company.

Suggest Naples for venue if practicable.

=021651A.

Dist Sec.
P.L T.P

T.O.R. 0942

Date 3/10/44.

468

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

FLAG OFFICER LIAISON ITALY
ALLIED CONTROL COMMISSION
HEADQUARTERS, ROME

21 October 1944.

No. L 327
NCC/10318

MINISTRY OF MARINE,
ROME

ACCOUNTING PROCEDURE

In reply to your letter 642/PO of 21 September 1944, it is regretted that after careful consideration the decisions made in FOTALI letter No. T.A. 1125/10 of 15 June 1944, with respect to the subject accounting procedure can not be altered.

for REAR ADMIRAL.

IRN 4

IRN -- 467

IRN -- Finance

0 9 9-91

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

NAVY SUB-COMMISSION ALLIED CONTROL COMMISSION FILE
11 OCT. 1944

HEADQUARTERS
ALLIED CONTROL COMMISSION
Navy Sub-Commission
APO 394

NSC/288

9 September 1944

From: Navy Sub-Commission, Hq. ACC.
To : Flag Officer Western Italy.

Subject: Italian Services and Materials - Payment for.

Reference: (a) FOWIT confi Postgram No. 146, 2518072 August 1944.
(b) A.F.O. 1628/44 - Supplies and Services from Italy - Accounting. (F.O.F. 29/44 - 23 Mar. 1944).
(c) AFHQ confi Administrative Memo No. 31 of 1 August 1944.

1. The Admiralty was informed by reference (a) that a private ship-building firm near Naples has been asked to tender price for construction of hull and for launching and fitting out of two tugs of the "BON VOYAGE" type. The Navy Sub-Commission, ACC, was requested to confirm that none of the Allies have directed the Italian Government to procure war material for the United Nations without repayment. Undoubtedly, in accordance with the terms of the Armistice, the Allies have directed the Italian Government to procure and provide war material for Allied use without repayment by Allied Forces. The case most in point is the large amount of repair work on Allied warships and merchant vessels carried out by the Italian Naval Dockyard at Taranto. It is understood that no payments have been made to the Italian Government for this work. On the other hand, it is believed that payments are made for work accomplished by the private ship-building yard FRANCO TOSI at Taranto. Full details of the procedure followed can be obtained from the Commodore Superintendent, Taranto.

2. Admiralty Fleet Order 1628, reference (b), outlines the procedure for accounting for supplies and services in Italy. It states that under the Armistice, Allied Forces have a right to call upon the Italian Government to provide such resources and services as they may require without payment but recognises that in practice this procedure must necessarily be modified in many cases where direct orders are placed with private concerns, in order to avoid the delay, economic dislocation and hardship, in which case direct payments in Lire may be made. Reference (b) directs the establishment by the

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

NAC/326
9 September 1944

Subject: Italian Services and Materials - Payment for.

Allied Control Commission of an agency within the Ministry of Finance of the Italian Government to procure services and supplies for the Allied Forces. It further provides for the establishment of a Lire account to be advanced by the Italian Government to be used in payment for items and services which it is impractible to procure through the Italian agency.

3. The Admiralty has not been advised as to the information furnished in this correspondence.

H. M. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, ACC.

Copy to:
CinC-MTO
PBMAIF
F.O.A.M.
MTO-Naples Area
Commander-Supt. Taranto
Finance SO, ACC.

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884 RM 4

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

POSTAGRAM

TO: ADMIRALTY (R) C IN C MED. F.O. ...H.
NOIC NAPLES ARMY.
A.C.C. NAVAL SUB-COMMISSION, ROME.

FROM: POWER.

CONFIDENTIAL

Your 281305 July. Private ship-building firm near NAPLES has been asked to tender price for construction of hull and for launching and fitting-out of two tugs of "Ton Voyage" type.

2. Copy of tender and price will be checked and forwarded to Admiralty for approval. For previous local contracts payments in instalments were made in Allied Military Lira (vide A.F.O. 1628/44.) The Naval Sub-Commission to Allied Control Commission are requested to confirm that none of our Allies has directed the Italian Government to procure war material for United Nations use without repayment and a further report on this question will be made.

3. Supervision of construction will be carried out by R.N. Dene Technical Officers.

4. Prices of all repair work are checked on a basis of cost of materials and labour, plus agreed overheads and profit. Contracts for new construction are agreed on fixed price basis.

5. A ruling is requested whether these tugs should be armed, degaussed and/or wiped.

Authenticated Postagram No. 130.

Paymaster Lieutenant, R.N.

1002

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

H E A D Q U A R T E R S
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

13076/F

6 September 1944

SUBJECT: Italian Services and Materials - Payments for.

TO : Navy Sub-Commission.
(Attn: Comm. H.W. Ziroli, USN).

1. Reference is made to your NSC/797 dated 2 Sept. 1944.

2. Answers to the two questions posed in your letter are as follows:

a. There is no doubt that, in accordance with the terms of the Armistice, the Allies have directed the Italian Government to procure and provide war material for Allied use without payment by the Allied forces. The case most in point is the large amount of repair work on Allied warships carried out by the Royal Italian Arsenal at Taranto. It is our understanding that no payments have been made to the Italian Government by the Allied forces for this work. Full details as to the work done can be obtained, I am sure, from the British and American naval authorities at Taranto.

b. No policy has been laid down on the subject of whether the Italian Government is to receive in the future any compensation for supplies and services provided by that Government to the Allies. I take it that this is what is meant by your question 2(b). The present position is that (a) the Allies purchase local supplies with AM lire currency, which is charged to the Italian Government as an occupation cost, or, (b), certain supplies and services are purchased by the Italian Government and turned over to us. In both cases the Italians are in fact paying the procurement cost. The question of repayment or compensation, in part or in whole, is one that can only be decided as part of a general financial settlement.

A.P. Grafftey-Smith
Colonel

Joint Director,
Finance Sub-Commission.

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

AFHQ Adm. Memo. #31

d. Vouchers for payments charged to the Lire Account are to be turned over periodically to the Italian Government through the officer of the Allied Control Commission controlling the Account.

4. Real Estate and Claims.

a. The methods for procurement and payment described above will not be employed in obtaining the use of real estate or in paying claims. The real estate sections and hirings officers of the respective Forces shall continue to acquire buildings, land, and all other types of real estate, including accommodation and furnishings thereof, through the Italian Government Commando Genio Militare.

b. Claims will be processed by the various claims sections and passed to the Italian Government for payment under thesystem now in operation.

5. Certain Payments Not to be Made.

Payments should not be made for the following:

a. Durable goods which are not in continuous, current production, or which the owner either will be unable to replace locally or will not need to replace at present. These include such articles as vehicles, heavy plant and machinery, constructional materials, structural steel, railway plant, stock piles and the like, not forming part of current output of an operating plant.

b. Services which are normally performed by the State or local authorities, such as repairs to roads and bridges, removal of refuse, etc.

c. Goods taken over from or owned by and services performed by the State or local authorities, or by State-owned or para-statal concerns.

6. When the arrangements contemplated in paragraphs 2 and 3 above have been effected by the Allied Control Commission, detailed instructions will be issued by the Commanding General, NATOUSA, for U.S. Army Forces, by the Commander, U.S. Naval Forces in Northwest African Waters, and by the British Navy, Army, and RAF commanders, for their respective services. Such instructions will follow generally the plan outlined in Administrative Memorandum Number 18, Headquarters NATOUSA, 4 November 1943, for U. S. forces, and the corresponding instructions which were issued in North Africa for the British forces.

By command of General WILSON:

/s/H. V. ROBERTS,
Colonel, AGD,
Adjutant General.

462

DISTRIBUTION:
"C"

Copies furnished by Com 8th Fleet to:
Comdt NOB Palermo
Com 8th Phib (Adm Naples)
SenRSN Officer Italy
AATB Salerno
CO NavDet Naples

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

ALLIED FOR HEADQUARTERS
APO 512

3511

CONFIDENTIAL

ADMINISTRATIVE MEMORANDUM)
NUMBER 31)

1 August 1944

PAYMENTS IN ITALIAN TERRITORY

1. The following policies as to the procurement of supplies, facilities and services in Italian territory are hereby prescribed, and the provisions of Administrative Memorandum Number 95, 1943, are modified accordingly.

2. Italian Services of Requisition.

a. The Allied Control Commission will cause to be set up within the Ministry of Finance of the Italian Government an agency, to consist of a Chief Agent and as many sub-agents as may be necessary, to accept, and fill such requisitions for supplies, facilities and services, locally obtainable, as may be passed to it by the Allied Forces. This agency will obtain the supplies, facilities and services required by such means and methods as the Italian Government may provide.

b. The sub-agents will be located at convenient points where they can readily cooperate with the Allied Forces.

3. Lire Account.

a. The Allied Control Commission will require the Italian Government to advance from time to time to a designated officer of the Allied Control Commission specified sums of lire to be used by the various components of the Allied Forces to enable them to make cash payments as specified below. This fund will be know as the Lire Account.

b. Cash Payments from the Lire Account may be made in the following cases:

1. For Items and services which it is impracticable to procure through the Italian Services of requisition, or which cannot be procured speedily enough.

2. For procurement in the combat zone, where payment of which in cash is necessary to obtain supplies, facilition and services.

3. For small day-to-day purchases, the nature of which makes requisitioning impractical.

4. For all payments to local civilian employees.

461

c. In every case the Allied procuring agent concerned will require an approved requisition or authority from the appropriate service prior to making a purchase or payment.

CONFIDENTIAL

PAC. No 1149

A.F.O. 1628/44.

1628.—Supplies and Services from Italy—Accounting

(W.G.F. 29/44.—23 Mar. 1944.)

Any payments made in Italy are made in Allied Military lira, which are obtainable either from the Army Authorities or direct from A.M.F.A. These lira have no backing in sterling or any other currency, and it is the eventual responsibility of the Italian Government to redeem them.

2. Financial relations with the Italian Government derive from the terms of the Armistice. These terms are implemented by the Allied Control Commission or the Allied Military Government, according to the area affected, and advice in doubtful cases should be sought from these bodies.

3. Under the Armistice, Allied Forces have a right to call upon the Italian Government to provide such resources and services as they require without payment, the Italian Government being left to make any necessary settlement with private firms or individuals upon whom they have had to call to meet any of the requirements in question. It is, however, recognized that in practice this procedure must necessarily be modified in many cases where direct orders are placed with private concerns in order to avoid the delay, economic dislocation and hardship to individuals which would be the result of a refusal to pay lira for the goods or services provided.

4. Normally, it will not be necessary to make any payments to Italian Naval or other Government organizations, or to public corporations. In the case of private individuals and firms, however, it will usually be found desirable to effect settlement locally in lira. Any payments so made should be brought to account in the usual way.

(A.F.O. 1047/44.)

460

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

1628.—Supplies and Services from Italy—Accounting

(W.G.F. 20/44.—23 Mar. 1944.)

Any payments made in Italy are made in Allied Military lira, which are obtainable either from the Army Authorities or direct from A.M.F.A. These lira have no backing in sterling or any other currency, and it is the eventual responsibility of the Italian Government to redeem them.

2. Financial relations with the Italian Government derive from the terms of the Armistice. These terms are implemented by the Allied Control Commission or the Allied Military Government, according to the area affected, and advice in doubtful cases should be sought from these bodies.

3. Under the Armistice, Allied Forces have a right to call upon the Italian Government to provide such resources and services as they require without payment, the Italian Government being left to make any necessary settlement with private firms or individuals upon whom they have had to call to meet any of the requirements in question. It is, however, recognized that in practice this procedure must necessarily be modified in many cases where direct orders are placed with private concerns in order to avoid the delay, economic dislocation and hardship to individuals which would be the result of a refusal to pay lira for the goods or services provided.

4. Normally, it will not be necessary to make any payments to Italian Naval or other Government organizations, or to public corporations. In the case of private individuals and firms, however, it will usually be found desirable to effect settlement locally in lira. Any payments so made should be brought to account in the usual way.

(A.F.O. 1047/44.)

460

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

1007

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS
ALLIED CONTROL COMMISSION
Navy Sub-Commission
APO 394

NSC/797

CONFIDENTIAL

C-O-N-F-I-D-E-N-T-I-A-L

2 September 1944.

From: Navy Sub-Commission, Hq. ACC.
To : Finance Sub-Commission, Hq. ACC.

Subject: Italian Services and Materials - Payment for.

1. Copy FOWIT confi despatch 251807B of August is forwarded herewith. Comment by the Finance Sub-Commission would be appreciated on the following points:

(a) Whether data is available to confirm that the Allied Nations have directed the Italian Government to procure war material for United Nations use without repayment.

(b) Whether any policy has been established within the Armistice terms, governing payments for services and supplies rendered by the Italian government in currency other than Allied Military Lira.

H. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Navy Sub-Commission, ACC.

NAVY SUB-COMMISSION
FILE
ALLIED CONTROL COMMISSION

IN 459
Finance

SEP 1944

IRNT

851

1008

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

POSTGRAM: COPY

TO: ADMIRALTY (R) C IN C MED. F.O.W.M. FROM: FOWIT
NOIC NAPLES AREA
A.C.C. NAVAL SUB-COMMISSION, ROME

CONFIDENTIAL

Your 281304 July. Private shipbuilding firm near NAPLES has been asked to tender price for construction of hull and for launching and fitting-out of two tugs of "Bon Voyage" type.

2. Copy of tender and price will be checked and forwarded to Admiralty for approval. For previous local contracts payments in instalments were made in Allied Military lira (vide A.F.O. 1628/44.) The Naval Sub-Commission to Allied Control Commission are requested to confirm that none of our Allies has directed the Italian Government to procure war material for United Nations use without repayment and a further report on this question will be made.

3. Supervision of construction will be carried out by R.N. Base Technical Officers.

4. Prices of all repair work are checked on a basis of cost of materials and labour, plus agreed overheads and profit. Contracts for new construction are agreed on fixed price basis.

5. A ruling is requested whether these tugs should be armed, degaussed and/or wiped.

Authenticated Postagram No. 146. --251307 B August.

458

457

851

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Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

File No.
IE-2/NSO

Serial 6.

1 June 1944.

From: Naval Sub-Commission, Allied Control Commission.
To : Economic Section, Allied Control Commission, APO 394.

Subject: Materials, work and services rendered by IRN - payment for.

Reference: (a) Economic Section ltr 13075/F of 28 May 1944.
(b) Naval Sub-Commission ltr LIO-3/ACC. serial 244 of 13 May 1944.

Enclosure: (A) Copy of Italian Minister of Marine ltr to FOLI 2.4.44 216/FO (and enclosure).

1. Enclosure (A) is forwarded herewith in accordance with request contained in reference (a).

H. W. ZIROLI,
Commodore, U. S. Navy,
for Chief, Naval Sub-Commission, A.C.C.

From: Ministry of Marine (Cabinet)
To: F O L I
Date: 2.4.44
Ref.: 216/FO.

Subject: Procedure for Adjustment of the General Services Rendered by I.R.N. to Anglo-American Armed Forces.

1) It is the intention of this Ministry to organize, organically and administratively, the cession of materials, works and the other general services which I.R.N. render to the Allied Armed Forces. To this end, "Rules of Procedure" have been compiled, which are sent to you with the request that you examine them and kindly express your views thereon. These rules of procedure should be brought to the notice of Departments subordinate to your Command to be acted upon, as will be done in the case of Departments under this Ministry. The formation of Liaison Offices, attached to outlying Departments of I.R.N. is suggested mainly with the object of facilitating, by all practical and expeditious means, the rendering by I.R.N. of the general services due to the Allies. The rules of procedure are aimed to regulate, with a simplicity of administration and accountancy, all operations to be undertaken and also to establish an agreed valuation over a given period for the general services rendered; this valuation to be compared and accepted every so often.

2) At this Ministry a suitable organization would be set up, simultaneously, with a view to co-ordinate the debits and credits which derive from the rendering of the above-mentioned services and from the stores which the Allied Commands furnish to I.R.N. In the event of Your Excellency agreeing to what is set out in this letter, this Ministry, when setting up the machinery for the practical application of these rules of procedure, would submit to a Board of Authority to be appointed, the method to be used for determining the value of the general services already rendered and of those to be given in the future.

3) I await the favour of your reply.

456

(Signed) THE MINISTER.

DG.-)

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

CESSIONS OF MATERIALS, WORKS AND GENERAL SERVICES RENDERED, ON DEFERRED PAYMENT, BY I.R.N. TO ANGLO=AMERICAN ARMED FORCES.

CHAPTER I = GENERAL OUTLINE.

Art. 1.

The cession of materials, work and general services rendered by I.R.N. to the Anglo-American Armed Forces are subject to the following rules; these charges are not for immediate settlement, but are to be debited to the Allied Governments concerned.

Cannot apply to any debit to Allied forces.

Art. 2.

"Liaison Offices" are to be instituted and attached to those outlying Departments of Bases, which will be stipulated, directly responsible to the Ministry of Marine; their work is to facilitate, follow up and see carried out the practical application of Administrative-Accounting measures relative to the ceding of materials, works and general services which may be rendered to the Anglo-American Armed Forces by the Works Establishments of I.R.N., Technical Depts., Commissariat Branch, Medical Dept., Naval Engineers Dept. and all other I.R.N. Departments.

Internal Italian

Art. 3.

The requests for materials, works and general services should NORMALLY be formulated and presented by the Allied Forces Commands to the above-mentioned "Liaison Offices" in appropriate form, the following details being clearly stipulated:- Name of Command or Department making the request (or demand); surname, Christian name and rank of the person concerned; a description of what is required.

Allied dealings with Italian organization.

In the event of an immediate request being made, for operational reasons, direct to any of the I.R.N. Departments, these must inform the Liaison Office without delay.

Art. 4.

The Liaison Office, on examining a request, will give it its appropriate priority, and immediately inform the party requesting of the possibilities of complying, at the same time arranging the necessary accounting check (as set out in these Rules of Procedure) and contacting the I.R.N. Department concerned.

Internal Italian

455

CHAPTER II = CESSIONS OF MATERIALS.

Art. 5.

The issuing of materials from I.R.N. Stores which maintain an "OFFICIAL" accounting procedure, is to be made by means of a

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

cannot agree to any debit to Allied forces.

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Allied dealings with Italian organization.

In the event of an immediate request being made, for operational reasons, direct to any of the I.R.N. Departments, these must inform the Liaison Office without delay.

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The Liaison Office, on examining a request, will give it its appropriate priority, and immediately inform the party requesting of the possibilities of complying, at the same time arranging the necessary accounting check (as set out in these Rules of Procedure) and contacting the I.R.N. Department concerned.

Internal Italian

455

CHAPTER II = CESSIONS OF MATERIALS.

Art. 5.

The issuing of materials from I.R.N. Stores which maintain an "OFFICIAL" accounting procedure, is to be made by means of a delivery-note similar to Form 45 prescribed by Dockyard Rules & Regulations (D.G.S. 2), which is made out in triplicate and states:- Stores issuing and Department receiving the materials; description and quantity of the materials ceded, as per I.R.N. classifications; the signature of the Stores S.A. and also that of the Anglo-American Dept. Representative receiving.

Allied dealings with Italian

One copy to be handed to the person receiving the materials, while the other two copies, priced out, are to go through the normal accountancy procedure ON THE SAME DAY OF DELIVERY and forwarded to the Liaison Office.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Art. 6.

The delivery note referred to in the preceding Article, replaces the prescribed forms set out in the Rules and Instructions in force, for entering in the normal accountancy system of the separate Storehouses issuing.

Art. 7.

The ceding of materials on the part of I.R.N. Departments, which are noted in their inventories or fixtures and fittings lists, is to be done by means of a delivery note similar to the above-mentioned Form 45, in quadruplicate, as set out in Art. 5.

One copy to be handed to the Department receiving, and the other three are for the corresponding entries and annotations in the inventory to be made THE SAME DAY, then forwarded to the Liaison Office.

This delivery note substitutes the forms stipulated in Dockyard Rules & Regulations.

Art. 8.

The handing over of stores, on the part of I.R.N. Depts., which are in current A/C or for which it is not essential to figure in the normal accountancy system, is to be effected as set out in the preceding Art.

This delivery note substitutes forms mentioned in Rules & Regulations for separate Departments.

Art. 9.

The delivery notes mentioned in Arts. 5, 7 and 8 should be accompanied by the indents presented by the Anglo-American Depts., countersigned by the Liaison Office or, failing this, by the Duty Chief of Department to which the Stores belong.

Art. 10.

Allied

The Liaison Office (henceforth abbreviated to "L.O."), having received the above delivery notes, makes out the invoices (Form 1 U.C.) in quadruplicate, which are submitted to the Anglo-American Command concerned for approval. One copy of the invoice to be held by this Command, which should also receive for scrutiny a copy of the delivery note for checking.

454

Allied

The invoicing should be done not later than FIVE DAYS after date of receipt of the delivery note. The Anglo-American Command should return these invoices as soon as possible and always within 5 days.

Any errors or omissions noted should be immediately pointed out to the L.O. by the Anglo-American Command, and cleared up

Declassified E.O. 12065 Section 1-402/NNDC NO. 785020

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Any errors or omissions noted should be immediately pointed out to the L.O. by the Anglo-American Command, and cleared up right away.

Art. 11.

The prices of materials which are ceded are to be determined by the L.O., after consulting the Department concerned, on the basis of ruling market prices for materials at I.R.N. Stores and Depôts, without packing or containers, etc..., in accordance with Italian laws and usages governing commercial transactions.

Packing, handling, transport and any other expenses to be detailed on the invoice by the Dept. issuing the material, in accordance with the tariff fixed by the Ministry.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Art. 12.

Italian internal

The L.O., after invoicing, will send:-

(a) to the Italian B.A.O.'s Office a copy of the delivery note together with the invoice in the case of materials ceded by Stores having an "OFFICIAL" accountancy system, for registration by the former.

(b) to the same B.A.O., two copies of the delivery note together with the invoice, in the case of materials entered in inventories or fixtures & Fittings lists and in the case of materials shewn in current A/Cs., for proving purposes.

(c) to the Department under which the Stores operate, one copy together with the invoice, in all other cases.

Art. 13.

The Italian BAO, on receipt of the delivery notes and the invoices, will effect the necessary registrations (or entries), and return them as follows:-

(a) To the Storehouses issuing, the delivery note and the invoice, so that they may be included in the Official Accounts Records.

(b) To the Dept. or Stores issuing Inventory or c/Ac. materials, one copy of the delivery note, for their accounting, without issuing modification to inventory Form 58, and keeping the other copy together with invoice for proving inventories and current accounts.

Other I.R.N. Departments, on receipt of delivery notes and invoices, will see to the handing over to the consignees concerned in the manner laid down in Rules & Regulations in force.

Art. 14.

The invoices replace the liquidations accounts prescribed by Rules & Regulations in force.

Art. 15.

By the 15th of each month, the L.O. will send to the Registry (MARISERAM = A.C. Inspectorship) a copy of the invoices approved during the preceding month and a list of those invoices which have not been approved or those in course of being approved.

CHAPTER III = WORK CARRIED OUT.

Art. 16.

The requests for undertakings which can be executed by I.R.N.

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

inventories or Fixtures & Fittings items and in materials shewn in current A/Cs., for proving purposes.

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(b) To the Dept. or Stores issuing Inventory or c/Ac. materials, one copy of the delivery note, for their accounting, without issuing modification to inventory Form 58, and keeping the other copy together with invoice for proving inventories and current accounts.

Other I.R.N. Departments, on receipt of delivery notes and invoices, will see to the handing over to the consignees concerned in the manner laid down in Rules & Regulations in force.

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CHAPTER III = WORK CARRIED OUT.

Art. 16.

Allied

The requests for undertakings which can be executed by I.R.N. Workshops, should normally be presented by the Anglo-American Dept. to the L.O. which, having made arrangements with the Working Establishments concerned, will define the conditions and the methods of their execution, in accordance with these Rules of Procedure.

Allied

In the event of it being necessary to present the requests direct to the Workshops Managements, the latter should immediately inform the L.O.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Art. 17.

Italian Internal

For each separate item of work, the Works Management concerned will have a works order made out similar to that prescribed in Dockyard Rules and Regulations, Chapter II, classifying them in 9th category, 2nd Class. On the request note (Form 5 of above Rules) will be entered the class of work and the materials to be employed, in accordance with normal procedure, plus the following:-

(a) The indent should be made on Form 6 in duplicate, one of which, at the same time as the materials are issued, is handed by the Stores to the Works, complete with details of quantities delivered and initialled by the S.A.

(b) Form 25 (Dockyard R & Rs.) is to be made out daily for the cost of labour to be filled in later.

Art. 18.

On completion of the work, the Dept., without awaiting the closure of the works order (which will continue to go through the normal channels) will draw up and make out, within the subsequent 5-day period, the work completed Form 2 U.C. in quadruplicate, Allied one to be handed to the Anglo-American Dept. concerned, and the other three to be sent to the L.O., together with the two copies of Form 6, suitably summarised and Form 25 in like manner. If during the execution of the work further materials are issued or left over, these should be listed in Forms 8 and 9, which the Workshop is to make out as per Form 6.

Art. 19.

The L.O., on receipt of the certificate Form 2 U.C., will prepare the invoice in the manner set out in Art. 10, shewing:-

(a) The cost of the materials employed and described in Form 6. Valuation to be made based on ruling prices.

(b) The labour costs, stating hours employed at the rates agreed upon and in accordance with the Ministerial decree;

(c) Other general costs also as established by the Ministry.

A copy of the invoice together with the certificate Form 2U.C. is handed to Anglo-American Command; the same to Italian BAO for entering etc., the third copy to the Ministry (in accordance with Art.15) and the fourth retained by the L.O.

Allied

Art. 20.

Meanwhile, the Dept. will arrange for the closing of the works order which is then to be forwarded to Italian BAO for registration and checking. In setting out the costs, general expenses are not to be included nor price differences between I.R.N. prices and ruling market prices.

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

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Meanwhile, the Dept. will arrange for the closing of the works order which is then to be forwarded to Italian BAO for registration and checking. In setting out the costs, general expenses are not to be included nor price differences between I.R.N. prices and ruling market prices.

CHAPTER IV = SUPPLY OF LABOUR.

Art. 21.

The requests for supply of labour (Civil and Naval) should be made to the L.O. In these requests, the Dept. (Anglo-American) making them, should indicate number and type of workmen required, place where they are to be employed, date of commencement and completion of this engagement of labour.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Art. 22.

The L.C., having made arrangements with the Authority supplying the labour, will draw up Form 3 U.C. in triplicate, to be submitted to Anglo-American Command for approval and its retention of one copy. The other two to be forwarded immediately to the Authority concerned.

Art. 23.

In the case of civilian workers being supplied by I.R.N. Workshops, the Dept. concerned, on receipt of Form 3 U.C., will arrange for the workers to be sent and at the same time will make out a works order for the Workshop which has the required labour available or in the greatest number. The Workshop, on the back of Form 3 U.C. will list the names of the operatives and hand the form to one of the latter who will act as Foreman. The workers will be considered as engaged outside the Dockyard and their remuneration will be assessed in accordance with rates applied for the category to which they belong, and the cost involved is to be entered in the request form as set out in Dockyard R. & Rs.

Art. 24.

The Foreman, on arrival at destination with the other workers, will have the fact noted on Form 3 U.C. by the Anglo-American Dept. Daily, this same procedure will be carried out and times expressed in hours noted on the form and countersigned by the Allied Dept. The Dept. concerned will, on completion of the job of work, state the fact on this form.

The accounts office at the Workshop, after checking hours involved and making out Form 23, will send a copy of Form 3U.C. through the Dept. to the L.C. BEFORE THREE DAYS HAVE ELAPSED. The other copy to be attached to the works order.

Subsequently, the Workshop will close the works order, as set out in Art. 20.

Art. 25.

451

In the event of labour being supplied by another Department or Command, the procedure is as set out in preceding Art. Each Dept. or Command, instead of making out or retaining the works order, will effect payment of wages due, in accordance with the separate Rules or Instructions.

Art. 26.

In the case of Naval Working Parties being supplied, the Command concerned will carry out the instructions laid down in the preceding Art. They are not to be considered as personnel lost to the Dept. but as temporarily requisitioned. The same Command will attend to the payment of the wages due, based on the corresponding scale to be determined every so often by the Ministry, and will

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

arrange for the workers to be sent and at the same time will make out a works order for the Workshop which has the required labour available or in the greatest number. The Workshop, on the back of Form 3 U.C. will list the names of the operatives and hand the form to one of the latter who will act as Foreman. The workers will be considered as engaged outside the Dockyard and their remuneration will be assessed in accordance with rates applied for the category to which they belong, and the cost involved is to be entered in the request form as set out in Dockyard R. & Rs.

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Allied

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Art. 27.

The Accountancy Branch, on receipt of the pay-lists referred to in Art. 26, will request the Italian BAO to issue the certificate for funds Form 27, which should be entered in the Time-Sheets, shewing the amount corresponding to working costs.

Art. 28.

— On receipt of the Forms 3 U.C., the L.O. will draw up invoice Form 1 U.C., as set out in Art. 10 on the basis of wages per man-hour which figure in the corresponding table approved by the Ministry. General expenses which will be established from time to

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

time by the Ministry, and are to be added to the labour charges.

CHAPTER V = LOAN OF MATERIALS.

Art. 29.

The loan can cover materials charged to Stores, Branches and Departments ashore or aboard I.R.N. ships, or those "held on consignment."

The procedure for issuing is the same as for ceding materials (Chapter II). In the delivery note similar to Form 45, it must be noted that the materials are on temporary loan. Inventory goods are to be wrriten off from inventories or fixtures & fittings lists and will occasion variations as mentioned in Art. 13, sub-Para.(b).

Art. 30.

The L.O. will have all the delivery notes in their order when due, and will fix the prices as ruling in the market, and according to whether the materials are considered new or used. The L.O. will notify the amount of each delivery note to the Anglo-American Command.

Art. 31.

When the loan-period has expired, the L.O. will request the return of the materials and instruct to which I.R.N. Storehouse they are to be returned.

This return will be made by means of Form 41 (Dockyard R. & Rs.), in triplicate, one copy of which will be handed by the Stores receiving to the Anglo-American Dept., while the other two should be sent to the L.O.

450

Art. 32.

On receipt of Form 41 the L.O., having ascertained that the materials returned are correct in condition and quantity to those loaned, will compile invoice Form 1 U.C. (as set out in Art.10), expressing the hire-rate in accordance with the corresponding tariff authorized by the Ministry. In the event of any shortage being found in the materials returned, this shortage to be invoiced as for materials ceded.

Art. 33.

On this being carried out, the L.O. will return a copy of Form 41 through Italian BAO to the Stores receiving back the materials, or through the Dept. or Command to which the Stores are subordinate, in those cases where the Storehouses do not render their accounts through the above BAO.

CHAPTER VI = LOAN OF M/VS. AND CRAFT.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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CHAPTER VI = LOAN OF M/VS. AND CRAFT.

Art. 34.

The loan of ships or craft is adjusted by means of the system for loan of materials, where applicable, with the following variations:-

A Commission, appointed by the Dockyard Command or by Italian Naval Command, will make sure that the equipment and gear aboard conforms to the Ship's Inventory when handed to the Anglo-American Dept., and have the lists made out by the person in charge, to be attached to the delivery note intriplicate. The Commission should be composed of at least three members, of which one to be appointed by the Anglo-American Command. The delivery note and the lists are to be signed by the Head of Dept. handing over and by a Representa-

Allied

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

tive of the Anglo-American Dept.

Art. 35.

A copy of the delivery note is handed to the Dept. taking over, while of the other two, one is sent to BAO and one to the L.O. At the same time, each Head of Dept. or person I/C will see that the Inventory proper is deposited at BAO for checking with the lists attached to the delivery note.

Gear and Equipment which is not handed over, should be returned to the Dept.'s Stores in accordance with Dockyard Regs.

Art. 36.

The L.O. on receipt of the delivery note mentioned above, will communicate with Anglo-American Command, notifying the assessed value of the ship.

Ceded

The consumable stores and fuel aboard which are handed over, should be listed in a separate enclosure to the delivery note. The L.O. will invoice same in accordance with procedure for ceded materials.

Art. 37.

— The handing back to I.R.N. will be effected by another Commission appointed as laid out in Art. 31. It will proceed to check with the delivery note and lists and hand over to the Head of Dept. to whom the BAO will return the Inventory.

In the delivery note (in triplicate) are only to be listed equipment and gear which is short and the consumable stores which have not been used and are still aboard.

— In the event of defects to the ship, equipment or gear, the Commission, to which may be appointed experts and technicians by both parties, will assess the value of same, and set out the criteria in their report.

— On completion of the operation of returning the vessel, the Commission will return the delivery note to BAO from whom it will have temporarily borrowed same.

449

Art. 38.

A copy of the return note is handed to the Anglo-American Dept., another to the BAO and the third is forwarded to the L.O. who will invoice in accordance with the charter-tariff fixed by the Ministry, and Art. 10 of these Rules.

Gear and Equipment which are lacking should be invoiced separately, as the materials must be considered as having been ceded.

The consumable stores as per delivery (return) note should be priced and deducted from the total hire-charge. Damages, as per

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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Gear and Equipment which are lacking should be invoiced separately, as the materials must be considered as having been ceded.

The consumable stores as per delivery (return) note should be priced and deducted from the total hire-charge. Damages, as per amount fixed by the Commission to be added in the invoice.

BAO's Office will make book entries based on the above delivery note. The consumable stores are to be charged in the ship's "Current Account".

CHAPTER VII = USE OF SHEERS, LIGHTERS AND OTHER EQUIPMENT.

Art. 39.

The temporary use of lighters, pontoons, barges, floating cranes, fixed or F/Sheers, motor vehicles (cranes, steps, etc.)

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

should normally be obtained through requests to the L.O., who will make arrangements with the Dept. or Command providing same, and notifying the Anglo-American Command at the same time.

The concession will include in EVERY INSTANCE the equipment, personnel and consumable stores necessary for the utilization of same. The I.R.N. personnel provided will always be in charge of handling and working the equipment.

The time-length of the concession should include transferring the gear to the site of operation and the return of same after completion of the work.

Art. 40.

The Dept. or Command providing the equipment will see that the "Foreman" (or driver) obtains a receipt from the Anglo-American Dept. for the work carried out on which should be noted also times of commencement and completion.

This receipt should be forwarded WITHIN THREE DAYS to the L.C. for invoicing.

Art. 41.

The hire-charges are fixed by the Ministry and include wages of personnel and cost of materials consumed.

The invoicing should be done in accordance with Art.10.

CHAPTER VIII = USE OF DRY-DOCKS.

Art. 42.

The request to use a dry-dock is to be made through the L.C. who, having made arrangements with the Dept. concerned, will draw up Form U.C.4 in triplicate, and submit same to Anglo-American Command for approval. Two copies are sent to the Works Dept. and the third should be retained by the above Command.

448

The Form must shew:- Name of ship, tonnage, date on which she is ready to enter dry-dock, the nature of the work to be effected and to whom entrusted.

The day and hour of entry is to be fixed by the Works Dept., which for service reasons may be obliged to alter same suddenly. The C.O. of the Ship, however, must be ready at the date and time arranged.

Art. 43.

The operations of entering and leaving the dry-dock are the charge and responsibility of the C.O. who will follow the instructions of the technician controlling the dry-docking.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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The operations of entering and leaving the dry-dock are the charge and responsibility of the C.O. who will follow the instructions of the technician controlling the dry-docking.

The handling of the flood-gates, pumping equipment and shoring gear is for account of I.N.N. All other works, including removal of shores, etc., which will be undertaken by Works Dept's personnel, are for account of Anglo-American Dept. and must be invoiced separately.

Art. 44.

In the event of the Anglo-American Dept., while ship remains in dry-dock, having works carried out by private concerns, the L.O. is to be notified beforehand. Should these works have been entrusted to a firm which is not allowed to execute works within I.N.N. Establishments, the L.O. is to notify the Anglo-American Command immediately, so that the latter may entrust the work to another concern. The personnel of the Company engaged is to come under the rules in force in regard to entering and while in the Establishment.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Art. 45.

While the ship is in dry-dock the Crew may remain aboard, but must scrupulously observe the Dockyard Rules and those of the Works Dept. in regard to discipline, Dockyard times for entering and leaving, etc.

Art. 46.

The use of the dry-dock will be paid for in accordance with the charges fixed by the Ministry, which vary for each locality. The charges are in force from the moment the ship is afloat within the dock and prior to its being pumped dry. The charge is not to be less than that established for 24 hours. For a longer stay, the charge will be worked out per whole hour; a period over 30 mins. to be calculated as one hour. The period in dry-dock terminates when the ship has been re-floated and has passed through the flood-gates.

Art. 47.

The operations of beginning and finishing work in dry-dock should normally be carried out in the ordinary working hours. Should it be necessary, on request, to effect them at other times or on holidays, the higher corresponding tariff will be applied.

Art. 48.

The integral charges will be applied even although other ships may be dry-docked simultaneously or when for technical reasons it may be necessary to partially or totally suspend the works being carried out to the hull during the time the ship is in dry-dock.

Art. 49.

The Works Dept., on receipt of the order, will notify the C.C. the date and hour of entry into dry-dock.

On completion of the operation, the details of same will be noted on the back of the form and the C.C. will sign his approval. WITHIN THREE DAYS, a copy of the docking order is to be sent to the L.C., while the other is forwarded to the BAO.

Art. 50.

The L.C. will invoice as per Art. 10.

Art. 51.

The Works Dept. does not open any works order. The costs are to be charged in accordance with Category 8.

Art. 52.

The use of floating docks is also governed by the conditions

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

within the dock and prior to its being pumped dry. The charge is not to be less than that established for 24 hours. For a longer stay, the charge will be worked out per whole hour; a period over 30 mins. to be calculated as one hour. The period in dry-dock terminates when the ship has been re-floated and has passed through the flood-gates.

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Allied

47

Art. 50.

The L.O. will invoice as per Art. 10.

Art. 51.

The Works Dept. does not open any works order. The costs are to be charged in accordance with Category E.

Art. 52.

The use of floating docks is also governed by the conditions set out in the preceding Articles.

CHAPTER IX = WORKS, MATERIALS CEDED AND LOANED TO PRIVATE CONCERNS FOR ACCOUNT OF ANGLO-AMERICAN ARMED FORCES.

Art. 53.

- The above, effected by I.R.N. for account of Anglo-American Armed Forces, should previously be authorized by Anglo-American Command through the L.O.

Allied

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

The Works Dept. whose concern it is to arrange the matter with the private company, will do so under the conditions laid down in Chapter V of Dockyard R. & Rs., and will forward a copy of the document drawn up to the L.O. who will communicate the particulars to Anglo-American Command.

Art. 54.

At the official tests and handing over to the Anglo-American Dept., to be effected not later than 5 days after completion of the works or receipt from the firm, a Representative of the above Allied Dept. must be present, who will sign the acceptance notes and the test certificate made out in the customary manner.

Two copies of these acceptance notes will be sent to the L.O. by the Works Dept., and the former will invoice as per Art.10.

The amount of the invoice will include the prices agreed upon with the Company, plus the general expenses as determined by the Ministry.

Art. 55.

The Works Dept. will proceed to liquidate or make payment to the Company in the normal way. To the payment sheet should be attached a copy of the invoice, which the L.O. will previously have forwarded in accordance with these Rules of Procedure.

CHAPTER X = VARIOUS LOANS & SERVICES.

Art. 56.

The charges covering transport, handling, loading and unloading, to be invoiced as per tariff fixed by the Ministry.

Art. 57.

The intervention of technical and administrative officials of I.R.N., whose services may have been required for arbitrations and consultations, etc., does not involve any remuneration. If, in or outside the Base, the Anglo-American Command is debited with the cost of the service, which the I.R.N. Administration reimburses to these officials.

In this case, the Authority which liquidates and pays the service should send a copy of the liquidation to the L.O. who will invoice the charge to Anglo-American Command as laid down in the above Rules of Procedure.

Art. 58.

The hospital expenses for members of Anglo-American Armed Forces should be shewn in the statement of accounts which I.R.N.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

above Allied Dept. must be present, who will sign the acceptance notes and the test certificate made out in the customary manner.

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In this case, the Authority which liquidates and pays the service should send a copy of the liquidation to the L.O. who will invoice the charge to Anglo-American Command as laid down in the above Rules of Procedure.

Art. 58.

The hospital expenses for members of Anglo-American Armed Forces should be shewn in the statement of accounts which I.R.N. Medical Branch compiles in accordance with its own system. These accounts should be forwarded immediately to the L.O. to be dealt with in the same way as other services rendered.

Art. 59.

The adjustment of services rendered by I.R.N. Fire-fighting and Salvage Sections is governed by a corresponding agreement with Anglo-American Command.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Art 60.

The use of I.R.N. Messes is adjusted in accordance with the rules existing for I.R.N. personnel.

CHAPTER XI = TEMPORARY INSTRUCTIONS.

Art. 61.

The materials ceded, works and the general services already rendered to Anglo-American Depart-ents are to be adjusted before June 30th 1944, applying these Rules of Procedure in as far as possible. Any differences should be submitted by the Liaison Offices to the Ministry (MARISERAM= A.C. Inspectorship) for resolution.

DG.-)

445

Declassified E.O. 12065 Section 3-402/NNDC No. 785020

1032

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
Finance Sub-Commission
A.P.O. 394

FSCR/119

31 May 1944.

SUBJECT: Italian Navy Expenses.

TO : Navy Sub-Commissioner
(Att: Comdre. Palmer.)

The Italian Ministry of the Navy has reported in their estimate of requirements for the month of May 1944 the sum of L. 1.806.000 for expenses in Connection with the International Situation. Since this might cover most anything, with the international situation being what it is, is it possible to have a more detailed explanation of the item ?

AUDLEY H. F. STEPHAN
Lt. Col. F. A.
Chief, Budget Sub-Section

AHFS/EF

Minister of Marine will give further details.
[illegible]
31.5.44.

[illegible] Information sent to Admiralty Dept
7.6.44

444.3

C

1033

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

File No.
P13-5/NSC

Serial: 37

6 July 1944

From: Naval Sub-Commission, Allied Control Commission.
To : Finance Sub-Commission, Allied Control Commission.

Subject: Customs Duties.

1. With reference to your Letter CRC/ 83 of 20 June, 1944, the Naval Sub-Commission has no objection to the Promulgation of the proposed Executive Memorandum on the subject of "Customs Duties". It is considered that it will provide a much needed control over smuggling and theft of cargoes.

2. It is considered that paragraph 4(c) (11)(c) should be modified to include War Shipping Administration ships which are operated by the Mediterranean Shipping Board (MMSB).

H. St. JOHN BUTLER,
Commander, U.S. Navy,
for Chief, Naval Sub-Commission,
A.C.C.

Copy to:
FOTALI
Ind & Comm SC.
HeadRep MSC, ROME.

443

IRN 4

STAFF MINUTE SHEET.

Pack No.

Subject: Customs Duties

Origin: Dep NSC

Referred to

A/SOC (LI)

S~~OC~~ 1/7

(Pls. add interested RN Port officers)

B.A.O. 2/7

Ch (LI) 5/7

Propose

From: NSC

To: Finance SC

Subject: Customs Duties

1. W.r.t. your Ltr CRO/83 of 20 June, the Naval Sub Commission has no objection to the promulgation of the proposed Executive Memorandum ON THE SUBJECT OF Customs Duties. It is considered that it will provide a much needed control over smuggling and theft of cargoes.

W. W.W.
29/6

cc. FOTALI
Ind. & C. SC
Nav Rep NSC, ROME

2. It is considered that paragraph 4(a)(ii)(c) should be modified to ~~read~~ include War Shipping Administration ships which are ~~following ships posted by~~ operated by the Mediterranean Shipping Board (MEDBO).

Sent
B 7/6
NSC 442

After action circulation

Dep NSC

Disposal

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Referred to
A/SOC(L)
SC 1/7
(Pls. add interested RN Port officers)

B.A.O. 1/7

CSO(L) 5/7

After action circulation

Dep NSC

Disposal

B. U.

Propose

From: NSC
To: Finance SC
Subject: Customs Duties

1. W.r.t. your Ltr CRO/B3 of 20 June, the Naval Sub Commission has no objection to the promulgation of the proposed Executive Memorandum ON THE SUBJECT OF Customs Duties. It is considered that it will provide a much needed control over smuggling and theft of cargoes.

W. W.W.
29/6

cc. FOTALI
Ind. & C. SC
Nav Rep NSC, ROME

2. It is considered that paragraph 4(a)(ii)(c) should be modified to ~~follow~~ include War Shipping Administration ships ~~controlled by the~~ which are operated by the Mediterranean Shipping Board (MEDBO).

Sent B 7/6 NSC 142

Continue, if necessary, on a FRESH minute sheet.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
Finance Sub-Commission
A.P.C. 394

2724

CRC/ B 3

20 June 1944.

SUBJECT: Customs Duties

TO : Naval Sub-Commission ✓

Industry & Commerce Sub-Commission.

1. Considerable differences of treatment occur at the present time in the taxation of goods imported and exported from Italy.

2. The majority of the goods imported are at present foodstuffs and other necessities, many of which are now being sold to the Italian public at prices below landed cost price, involving a subsidy from the Italian Government.

3. It is not desired to hamper the free movement of such importations, and accordingly it has been arranged with the Italian Government that all import duties imposed on goods will be suspended, except duties on petrol and oil. It has been similarly agreed for other reasons, to suspend duties on exports. It is proposed that the suspension should only be temporary and should be relaxed as circumstances change.

4. It is at the same time dirsirable that the maximum control of ports, harbors and coastlines should be handed over to the Italian customs and port services, except where naval and military necessities prevent this. The custom service already contains personnel trained in and accustomed to the checking of cargoes and it is suggested that if they are so used at the ship side it should be possible to reduce substantially the losses by theft. Customs personnel may also be able to assist supply officers with the keeping of records.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

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5. I should be glad if you would let me have your observations on the enclosed draft: Executive memorandum.

B.E.L. Timmons Major
Colonel,
Joint Director,
Finance Sub-Commission

/AFC/gf

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

D R A F T.

EXECUTIVE MEMORANDUM)
NUMBER. . . . .)

CUSTOMS DUTIES.

1. GENERAL.

These instructions replace those in Executive Memorandum NO. 10, issued 12 Feb. 1944, of which Section 5 "Customs" is hereby cancelled.

2. TEMPORARY WAIVER OF DUTIES.

At present almost the whole of the international trade consists of AMG goods comprising foodstuffs and necessities; accordingly the Italian Government has agreed to suspend customs ~~and excise~~ import and export duties, including licence taxes, on all goods other than those described in paragraph 8 below.

Duties on shipping will be applied as in paragraph 4.

3. OBJECT OF DIRECTIVE.

The object is to ensure the immediate resumption of Customs, Guardia di Finanza and Capitaneria di Porto control for the prevention of smuggling and stoppage of theft of cargoes; the compilation of statistics and to facilitate the re-imposition of duties if and when that should be decided upon.

4. CONTROL.

(a) CONTROL OF PORTS AND SHIPS.

(i) Except at ports controlled by Naval or Military authorities, full control of ports and ships will be exercised by the Capitaneria di Porto.

(ii) Harbour and port dues, maritime duties and similar charges applicable to the ship and its personnel will be levied forthwith on all vessels except:-

(a) ships of war,
(b) ships owned by the Allies or under their charter (demise, bare-boat, time or voyage charter),
(c) ships operated by the Mediterranean Shipping Board (MEDBO), of the Ministry of War Transport.

The master of a chartered vessel carries a copy of the charter party.

(b) CONTROL OF CARGOES.

(1) The Customs are responsible, inter alia, for the receipt of import and export duties and harbour, etc. dues (as assessed by the Capitaneria di Porto, a separate body) and the Guardia di Finanza for the revenue control of vessels, their cargoes, land boundaries and the whole of the sea-coast. It is essential that they should resume all their functions, except, for the present, the collection of import and export duties.

(2) Cargoes on all ships other than ships of war will be subject to customs control unless an Allied Naval or Military Officer certifies that the ship contains cargo which, for security reasons, must not come under Customs control.

(3) Customs Officers should be permitted to exercise control at the earliest stage, that is, at the ship's side. In the case of cargoes coming from ships exempted from control for security reasons, AMG Officers will ensure that the Italain Officials are advised in order that such cargoes may be brought under their control at the dock exits, warehouses or other convenient places. The fullest use of local Customs warehouses will be made wherever practicable.

(c) ACTION BY ACC/AMG OFFICERS.

(i) To enable these controls to be carried out, Regional Finance

Declassified E.O. 12065 Section 1-402/NNDC NO. 785020

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(c) ACTION BY ACC/AMG OFFICERS.

(i) To enable these controls to be carried out, Regional Finance Officers will consult the Naval or Military port authorities at every port and arrange details of this supervision.

(ii) If these authorities refuse to permit the Customs and Guardia di Finanza to operate within any restricted area, arrangements should be made for the revenue control of the perimeter of the area for the purpose of detecting and preventing smuggling by civilians.

(iii) Local ACC/AMG Officers, after contact with the authorities referred to at para. 4(b)(~~ii~~ 2) , should advise the Customs inwriting of the category of each vessel on its arrival.

(d) If and when commercial air transport is resumed these instructions will be applied with the necessary modifications.

5. DUTIES ON GOODS IMPORTED.

(a) No duties, taxes, imposts /

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

5 (a) No duties, taxes, imposts or fees of any kind will , in any event, be charged on goods destined for the use of the Allied Forces, or their civilian employees, being Allied nationals, including all Allied Forces' Welfare organisations. Goods imported under Allied auspices for distribution free of charge for civilian relief purposes and for which the Allies will receive no payment will be similarly exempt.

(b) Goods imported for or diverted to civilian use will otherwise be liable to all Customs duties, if and when they are re-imposed, unless specifically exempted by the Italian Government.

Every effort must be made by the appropriate ACC/AMG Officer to advise the nearest available Italian Customs official or, failing him, the Intendente, of all available details of any such diversions which may come to their knowledge and to warn the purchasers of their liabilities. Examples of such diversions have been the sale of surplus materials and stores by the military authorities, e.g. of surpluses from constructional works and ship repairs.

6. CUSTOMS LIAISON OFFICERS.

(i) The senior Customs official in each port should be instructed to maintain close liaison with the ACC/AMG Officer concerned. If necessary, in the larger ports, he should be required to detail a capable official to work whole or part time with the latter as liaison officer.

(ii) If and when duties are re-imposed, the following procedure should be adopted in respect of goods sent for up-country storage before the ultimate disposal is known:-

The movement advices should be endorsed by the ACC Officer, or, if more convenient, by the liaison officer, with the tariff rating, the amount of duty payable (per unit of weight, etc, and the aggregate amount); the time, manner and place of payment, and a statement that such duties would become payable on any portion of the goods delivered for civilian use, prior to release.

If urgent release is necessary, before payment of the duty can be effected, the nearest Customs official or, in his absence, the Intendente, should be informed and requested to take steps to protect the revenue and to collect the duty, with the assitance of the Guardia di Finanza or otherwise as he may decide.

7. EXPORT DUTIES.

Similar facilities should be accorded to the Customs for the control and accounting of exports, and for the collection of the duties, if and when they should be re-imposed.

8. SPECIAL TREATMENT OF CERTAIN GOODS.

(i) PETROLEUM.

Distribution is handled by the Comitato Italiann Petroli (C.I.P.), under the instructions of the Petroleum Section of Adv. A.F.H.Q. C.I.P. sells at prices inclusive of import duties, where chargeable, i.e. for civilian or Italian Army use. It should be ascertained what, if any, control is being exercised at present by the Customs to safeguard the revenue.

(ii) MATCHES.

Importations of matches are to be made. Distribution is a State monopoly and the matches are liable to the Imposte di Fabbricazione. The matches will be handed over to the Match Consorzio or Monopoly at the port of importation, umer the directions of the Industry and Commerce Sub-Commission. The duty will be collected by the Ufficio Tecnico di Fabbricazione.

(iii) COAL.

This also was a monopoly of distribution, handled by the State Railways. They will shortly resume the distribution of coal for commercial and civilian use, and will account for any duties the State may decide to collect. ACC/AMG Officers concerned with the discharge of coal ships will advise the Customs of landed and delivered weights and specifications where these particulars are not readily available to the latter at the port.

9. REPORTS.

All Officers concerned will report to this H.Q. any matters of

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

6. CUSTOMS LIAISON OFFICERS.

(i) The senior Customs official in each port should be instructed to maintain close liaison with the ACC/AMG Officer concerned. If necessary, in the larger ports, he should be required to detail a capable official to work whole or part time with the latter as liaison officer.

(ii) If and when duties are re-imposed, the following procedure should be adopted in respect of goods sent for up-country storage before the ultimate disposal is known:-

The movement advices should be endorsed by the ACC Officer, or, if more convenient, by the liaison officer, with the tariff rating, the amount of duty payable (per unit of weight, etc, and the aggregate amount); the time, manner and place of payment, and a statement that such duties would become payable on any portion of the goods delivered for civilian use, prior to release.

If urgent release is necessary, before payment of the duty can be effected, the nearest Customs official or, in his absence, the Intendente, should be informed and requested to take steps to protect the revenue and to collect the duty, with the assitance of the Guardia di Finanza or otherwise as he may decide.

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9. REPORTS.

All Officers concerned will report to this H.Q. any matters of doubt or difficulty; any problems of general interest; any deficiencies of Customs staff or essential equipment and all instances of serious neglect or inefficiency on the part of any official.

Copies of the MONTHLY REPORTS sent by Customs officials to their H.Q., with comments on the progress and state of work, should be sent to this H.Q. early in each month.

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 394

13076/F 26 May 1944

SUBJECT: Materials, Work and Services rendered by ENI, payment for.

TO: Naval Sub-Commission,
HQ ACC.

1. Reference your E10-3/ACC Serial 244 dated 18 May 1944.

2. May a copy of scheme for accounting for supplies referred to therein please be forwarded as same was not attached.

for B.E.I. Timmons Major
Colonel,
Joint Director,
Finance Sub-Commission.
for: Executive Officer,
Economic Section.

RHLA/FMP

Naval Sub-Commission
ALLIED CONTROL COMMISSION
Navy House, Toronto
RECEIVED MAY 31 1944
438

1043

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

13

File No.
LS-2/NSC

ALLIED CONTROL COMMISSION
NAVAL SUB-COMMISSION
Navy House, Taranto, Italy

Serial 6.

1 June 1944.

From: Naval Sub-Commission, Allied Control Commission.
To : Economic Section, Allied Control Commission, APO 394.

Subject: Materials, Work and Services rendered by IRN - payment for.

Reference: (a) Economic Section ltr 13076/F of 26 May 1944.
(b) Naval Sub-Commission ltr L10-3/ACC. serial 244 of 18 May 1944.

Enclosure: (A) Copy of Italian Minister of Marine ltr to FOLI 2.4.44 216/FO (and enclosure).

1. Enclosure (A) is forwarded herewith in accordance with request contained in reference (a).

H. W. ZINOLI,
Commodore, U. S. Navy,
for Chief, Naval Sub-Commission, A.C.C.

IRN 4

434

437

1044

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

ALLIED CONTROL COMMISSION
NAVAL SUB-COMMISSION
Navy House, Taranto, Italy

L10-3/ACC

Serial: (24/4)

18 May 1944.

From: Naval Sub-Commission, Allied Control Commission.
To : Chief Commissioner, Allied Control Commission.

Subject: Materials, Work and Services rendered by IRM - payment for.

The attached scheme for accounting for supplies issued to the Allies has been submitted by the Minister of Marine. I would appreciate confirmation, that under the Armistice terms, no eventual payment to the Italian Government for services rendered is contemplated. If this is so, the Minister of Marine will be informed accordingly.

Rear-Admiral.

436

1045

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

HEADQUARTERS
ALLIED ARMIES IN ITALY
(Rear Adm. Echelon)
APO 400

Orig edg sent comm

AIH/rjs 5/101
5 May 1944

SUBJECT: Issues to Italian Armed Forces.

TO : Chief Commissioner, Allied Control Commission, APO 394, U. S. Army.

1. Instructions have been issued, with your concurrence, that the supervision and control of rations, medical supplies, shoes and clothing for the Italian Armed Forces shall rest with the Army Sub-Commission ACC. The Combined Chiefs of Staff have issued very definite instructions that these supplies and stores shall be issued only to those who are in fact effective in aiding the Allied efforts. They may be issued only to actual members of the Armed Forces who are commissioned officers, warrant officers, or other ranks, who are borne on the official strengths of the respective Armed Forces' ministries as duly constituted organizations or units.

2. In order that the Army Sub-Commission may carry out its directive with reference to the receipt, storage, issue and accounting for rations furnished the Italian Armed Forces, it is requested that you require the Navy Sub-Commission and the Air Force Sub-Commission to inform the Army Sub-Commission as follows:

a. Initially on 25 May 1944 an Order of Battle of their respective forces as of 15 May 1944 together with a statement that only bone fide air or naval personnel who are in fact effective are included. The report to show strengths, locations, and type of employment, and type of ration (combat or basic) applicable.

b. A similar report to be submitted on the 5th, 15th and 25th day of each month as to the condition on the preceeding 25th, 5th and 15th respectively. The report clearly to indicate any new formation, unit or establishment which is included for the first time. Any formation, unit or establishment which has been dropt or disbanded should likewise be reported.

3. The Army Sub-Commission is being held strictly responsible that rations are issued only to proper personnel and in the proper amounts. It will be fully justified in refusing to issue rations to units of any of the Italian Armed Forces which it cannot identify as

435

IRN 4

Declassified E.O. 12065 Section 3-402/NNDC NO. 785020

being properly authorized, and in refusing to replace over issues or unauthorized issues and in adjusting by withholding subsequent issues in order properly to adjust any over or unauthorized issues. This fact indicates the necessity for close liaison between the Naval and Air Sub-Commissions and the Army Sub-Commission (MMIA).

A. L. HAMBLEN
Brigadier General, U.S.A.
DCAO

Copy to:
Army Sub-Commission.
Navy Sub-Commission.
Air Forces Sub-Commission.

436

1047

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

A.F

MINISTER OF MARINE, CA( )

For: F.O.E.I.-CAIANTO.

11 March 1944.

Subject: Italian Wage Schedule.

Pursuant to dispatch 6641/8 Feb 24

1. In the end of regulating definitely the rate of advances allowed personnel of the Italian units removed in foreign ports and taking into account the expediency of comparing such rates to the need of the crews in relation to the cost of living in the various ports, as well as the allowance collectively owed for each of the various ranks, this Ministry has arranged the accompanying schedule.

2. The above mentioned schedule distinguishes the Italian war units removed abroad in the following groups;

(a) Warships in the Mediterranean and Canal Zone (Suez) with reduced personnel;
(b) Working units and submarines in the Mediterranean and coast of Africa;
(c) All the units in Asiatic and American waters.

The rate indicated in the attached prospectus represents the maximum limit that can be anticipated per person per month. It is understood that the advances as above allowed will represent a debt for the Italian Government.

3. For the units removed in Sicilian ports the Italian Ministry of Marine and other dependent agencies will provide, arranging either the forwarding of the funds directly to the units or authorizing the drawing of them by the command of the Italian Mainland, Sardinia and centers of the Royal Navy in Sicily.

(Sd.) de CIRCEN,
Minister of Marine.

COPY

COPY

COPY

TRANSLATION

ENCLOSURE (A)

432

1048

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

Rank	Warships in the Med. & Canal Zone with reduced personnel		Working Units & Submarines in the Med. & African Coast		All Units in Asiatic & American Waters	
	Sterlg	Dollars	Sterlg	Dols.	Sterlg	Dols.
Admirals & Captains (Ammiragli e Capitani)	20	80	25	100	30	120
Commanders & Lt.Cdrs. (Cap.Frag. & Cap.Corv.)	12	48	20	80	25	100
Lieutenants (Tenenti Vascello)	8	32	15	60	20	80
Junior Officers (Subalterni)	8	32	13	52	18	72
Chief P. O. (Capi di prima classe)	6	24	12	48	15	60
C.P.O. (Sottufficiali)	4	16	6	24	8	32
P.O. 2nd & 3rd Cl. (Sergenti e Sottocapi)	2	8	4	16	5	20
Seamen (Comuni)	2	8	3	12	4	16

1049

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Return to Pay. Lt. R-R Howell RN.
A.C.C. Sale St.
Naval Sub-Commission

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

6 February 1944.

SUBJECT: Accounting for Supplies provided by the Allies to Italian Armed Forces.

TO : Chiefs: ✓Navy Sub-Commission, Salerno
Land Forces Sub-Commission, Brig Buchanan (Copy by Commission aircraft on 7 Feb to Brindisi)
Air Forces Sub-Commission, Salerno
War Material Disposal Sub-Commission, Salerno
Finance Sub-Commission
Transportation Sub-Commission
Vice President, Economic Section
Vice President, RCHG Section

1. I have discussed this problem with Brigadier General Hamblen, Colonel Grafftey-Smith and Mr. Simpson.

2. There is a requirement that supplies delivered to the Italian Army should be accounted for. Presumably this will be extended to the other Italian Armed Forces.

3. Supplies of all natures issued from Allied depots are already being noted, though the accounting machinery on the British and American is not the same.

4. Supplies are now starting to arrive on the mainland consigned to the Italian Government direct. They include rations and clothing at present. It is understood that no machinery exists for checking and noting the quantities received by the Italian Armed Forces. It is the Italian Army which is chiefly concerned. The machinery for physically checking deliveries to the Italian Armed Forces is a matter for the Navy, Land Forces and Air Forces Sub-Commissions to organize. In order to save Allied manpower, the maximum use must be made of Italian personnel subject to the necessity for a certain percentage check by Allied personnel. Will Land Forces Sub-Commission please take this [illegible] as soon as possible with Finance and Transportation and Establishment Offices and organize the necessary machinery. Also keep Navy and Air Forces Sub-Commissions informed, so that the problems of Naval and Air Force supplies can in due course be dealt with.

5. Pricing and accounting for direct military supplies and the possibility of consolidation of the various accounts is a matter for the Vice President Economic Section (Finance Sub-Commission).

E. CURTEIS-BROCK
Brigadier

COPY TO:
Colonel Zellers.

2 copies
[illegible]
10/3/1943

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

JJL/gf

NEAR HEADQUARTERS
ALLIED CONTROL COMMISSION
Finance Sub-Commission
A.P.O. 394

F3CR/29

25 March 1944.

SUBJECT: Payments to Italian Naval Personnel Operating from the Bermuda Base.

TO : Navy Sub-Commission

Attention: Commander Butler.

1. Reference is made to:

Commodore Miroli's letter of 3 March
Minister of Marine's reply of 11 March
Commodore Miroli's letter of 12 March.
to CINCUS.

concerning above subject, all of which are herewith returned.

2. On March 24, 1944 I discussed the reimbursement problem on these payments with a U.S. Mission visiting this theater to inspect methods of accounting, headed by Col. Donald Stewart of U.S. Army Finance Department.

3. The Mission is proceeding today to Washington via London. They agreed to discuss the matter with the British Treasury, the Royal Navy, the U.S. Treasury and BUSANDA in order to obtain uniform treatment of these accounts.

J. J. LAWLER
Lt. Comdr. U.S.C.G.R.
Finance Sub-Commission.

B
File

Declassified E.O. 12065 Section 3-402/NNDG NO. 785020

SENIOR U. S. NAVAL LIAISON OFFICER, ITALY
COMMODORE H. W. ZIROLI, U. S. NAVY
Navy 618

L16

Serial: 0028

SECRET

12 March 1944.

From: Senior U. S. Naval Officer, Italy.
To : Commander in Chief, U. S. Fleet and Chief of Naval Operations.

Via : Commander U. S. Naval Forces, Northwest African Waters.

Subject: Italian Wage Scale.

Reference: (a) S.U.S.N.O.I. ltr LM/(22) of 3 March 1944.
(b) F.O.T.A.I.I. Secret despatch 111705 March to ComNavNAW for CCMINCH and ComNob Bermuda.

Enclosure: (A) Copy Italian Minister of Marine letter of 11 March 1944.

1. The Italian Minister of Marine was informed in reference (a) that the Commandant, Naval Operating Base Bermuda had been instructed to advance funds for the pay of Italian submarines operating under United States control in Bermuda and requested to consider recommendations for increases based on the cost of living in Bermuda.

2. The Minister in Enclosure (A) established rates of advances allowed personnel of the Italian units removed in foreign ports for all areas. Based on this data the Commander U. S. Naval Forces, Northwest African Waters was advised by despatch in reference (b) as to the rates allowable for Bermuda.

H. W. ZIROLI.

430

Copy to:
A.C.C.
BuSandA
ComNob Bermuda.


1052