

Butter Orange Oil 700 lbs
 Bergamot Oil 15 tons
 Bergamot Oil 300 tons
 Citric Acid 110 tons
 Citric Acid 570 tons
 Citric Acid 1,100 tons
 Citric Acid 42 tons
 Citric Acid 300 tons
 Citric Acid 110 tons
 Citric Acid 48 tons
 Citric Acid 1,100 tons
 Citric Acid 42 tons
 Citric Acid 300 tons
 Citric Acid 110 tons
 Citric Acid 48 tons

27. The citrus fruits in Sicily has ceased started production. Arrangements of last season's exports were made to them and at the end of the month about a ton of spun silk was ready for shipment.

Mineral and Fuel

28. In accordance with instructions from LAM, production of coal from the Gerdania mines was limited to 25,000 metric tons for the month of February. These mines are in fact in a position at the present time to produce well over 2,000 metric tons of coal per day, provided adequate timber and other supplies are available. The total number of workers employed at the mines is 5,524.

29. Arrangements have been completed for exporting 2,523 metric tons of lead metal from Gerdania to North Africa and future production is to be stockpiled in Gerdania pending allocation.

30. A comprehensive study has been made of barite deposits and stocks in Gerdania. An extensive stockpile of 1200 metric tons with not less than 250 metric tons of barite is available at mine near the port of Sant'Antioco. Investigation indicates that production of barite from Gerdania could be made with an average of 1,000 metric tons per month during the first three months and an output of over 2000 tons per month at the end of one year's operation. Most of the heavy equipment required is available in Gerdania.

31. A general inspection of Sicilian sulphur mines has been made, together with an investigation of processing equipment for the preparation of refined ground sulphur. There are facilities in Sicily at the present time for producing 700 metric tons of

flowers of sulphur and 1,500 metric tons of ground sulphur per month. An allotment of 4,000 tons of raw sulphur has been made for dusting purposes, and will be processed in the Sicilian plants. An inspection of sulphur mines on the Italian mainland is in progress. If conditions warrant reopening, supplies will be requisitioned for these mines and production started.

32. Fuel and petroleum products requirements for essential services for the whole of liberated Italy for 12 months were estimated for submission to Washington and London. As from the beginning of the month the entire responsibility for the distribution of petroleum products was handed over to C.I.P. and the Industry and Commerce Subcommission now has the duty of full coordination between A.C. (and, through them, the Italian Government) and Headquarters, and (Adm. Gen.), Petroleum Section. Arrangements for handling over to the Italian Government the licensing of motor vehicles and the rationing of petroleum products were well advanced and were expected to be successfully concluded early in March.

Development of Industry

33. The program of surveying and reporting on industries and individual establishments, with a view to their rehabilitation where deemed necessary, was continued and the collection of information on the availability of commodities was extended to cover fresh ground.

34. Industrial surveys were carried out during the month on the Industriale Meridionale Estate a Derivati, Naples; the Ilva Steel Works, Bagnoli; the Ansaldo Works, Bagnoli; and the Saurificio plant, Bari. All these had been heavily damaged by enemy demolitions and are incapable of rehabilitation except under a long term policy. Considerable quantities, however, of valuable raw materials, special alloy steels, non-ferrous metals and machine tools escaped destruction and reports have been made on these, with recommendations as to their recovery and utilization.

35. Soap production possibilities were investigated and recommendations on the auxiliary industries of carbon bisulphide for olive oil extraction and glycerine recovery from soap manufacturing plants were made. Requisitions have been made for caustic soda for restarting the industry to an extent sufficient to meet minimum essential civilian needs.

36. The Hemp Industry has commenced production and is already supplying cordage and cloth to various services. Manufactured materials actually delivered up to end of February are:

Rope & Twine	1005.93 quintals
Fabrics	109119 metres
Sacks	20000

In order to deal with future shipments of hemp, it has been

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36. The heap industry has commenced production and is already supplying cordage and cloth to various services. Manufactured materials actually delivered up to end of February are:

Rope & Twine	1903.93 quintals.
Fabrics	109119 metres
Sacks	20000

In order to deal with future shipments of heap, it has been necessary to requisition a warehouse in Naples. Arrangements are in hand for shipping 500 tons to U.K.

37. Deficiencies in clothing and footwear amongst the civilian population continue acute and arrangements are therefore being made for the repair and dyeing of salvage American and British uniforms for issue, after treatment, to civilians. Repair facilities are adequate, but dyeing capacity is limited and all dyestuffs will have to be imported.

AGRICULTURE, FORESTRY & FISHERIES

38. During the month the work was continued of replacing the top-heavy and cumbersome group of corporate organizations in agriculture which grew up under the Fascist system, with a simplified organization, running down from the minister through the departments. Provinces and the Communes. When this work is completed it will bring all agricultural, forestry and fisheries covered under the absolute authority of the Ministry of Agriculture.
39. Estimates were secured of the probable production of all the principal crops this year.
40. One thousand tons of Canadian Spring wheat have been released for planting from supplies brought in for consumption. This seed is being used to plant land which might otherwise be idle.
41. Late in 1943 arrangements were made to ship about 40,000 tons of seed potatoes from southern Italy, Sicily and Sardinia for planting. This seed was arrived in large quantities and during February distribution was made and planting begun.
42. Timber cutting by 6th and 8th army representatives in Calabria was reviewed. Neither army has so far cut such standing timber in this area; both have confined operations to the saving of large stockpiles of logs, produced by the Italians previous to occupation and the work seems to have been carried out according to good forest practice. There is no doubt that the Italians themselves have cut the private lands very heavily.
43. A plan to meet 6th army's requirements of fuelwood was initiated during the month in cooperation with the Peninsula Base Section Quartermaster Corps. The army has agreed to refer all proposed contracts for fuelwood to the Allied Control Commission and to bring prices paid by the army more in line with present market conditions.
44. An area containing suitable timber for fuel was located between Ligonaro and Cassino and a contract was signed by AFIC with a civilian contractor for 3000 tons of wood, at a price of 700 lire per ton delivered to a motor road usable by 5th Army trucks.
45. Cutting is now in progress and is being supervised by the local representative of the Royal Forest Corps.
46. Considerable progress was made during the month in regard to fishing in the bay of Naples and to the marketing of fish in the city. Night fishing is, however, still prohibited except around Sicily and in certain areas around Sardinia. New regulations were drafted during February which aim at restoring night

40. One thousand tons of Canadian spruce have been released for planting from supplies brought in for consumption. This seed is being used to plant land which might otherwise be left.

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PUBLIC WORKS AND UTILITIES

47. Considerable advance was made in planning the road and bridge program in southern Italy (about 3000 km) and similar works in occupied territory. A revolving fund of six hundred million lire has been agreed upon to be earmarked for military roads and utilities.

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46. Various applications were made to increase charges to consumers. Three of these were from Water Companies operating near Naples. Applications were also received from Gas Companies and from several electrical undertakings. These are under examination. On the 11 February 1944 the heads of the principal utility companies met the Director of the Public Works and Utilities Subcommission for a general discussion on charges and rationing. At this meeting it was discussed, somewhat surprisingly, that considerable capital sums are invested in some of these companies by the nationals of Switzerland, Belgium and France. The Naples Gas Company and the Soc. Merid. Electrica, for example, are controlled from a head office in Geneva; the Vesuviana Water Company has its main office in Biège, Belgium.

49. A special investigation has made of existing conditions at the large Naples Gas Works, which were subject to extensive and most destructive bomb damage. Production has now reached about 35% of normal, giving a supply of gas to many areas of the city and efforts are being made to increase this still further.

50. The repair of transmission lines which will be used to transmit electric power to Rome was undertaken.

51. Good progress continues to be made in Sardinia in the clearance of Cagliari City. It is estimated that about 35,000 people now live in the city as compared with a normal population of 110,000 and a population of about 5,000 in mid-December.

LABOR

52. In Sicily the General Electric Company's employees at Agrigento and Palermo made demands for increased wages but there was no trouble and no strike.

53. The labor unrest at Taranto is referred to in paragraph four of this report. When the Apulian provinces became part of Region II it was found that no Provincial Labor Offices had been set up in them. This matter is being dealt with. There is practically no unemployment in Region II owing to its largely agricultural character.

54. Provincial Labor Offices are now functioning in Naples, Avellino and Benevento Provinces and employment exchanges in Region III now number over 100 and have met all the demands of the Armed Forces during the month. There are about 20,000 male and female workers unemployed in Naples at the present time. In this Region some labor unrest and disturbances were experienced due almost entirely to demands for more food and increased wages to buy food in the black market, but in spite of this it may be said that labor has responded in an admirable way to the suggestions, requests and guidance of ACC and to the calls of the Armed Forces for workers.

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51. Good progress continues to be made in Sardinia in the clearance of Cagliari City. It is estimated that about 55,000 people now live in the city as compared with a normal population of 110,000 and a population of about 5,000 in mid-December.

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FINANCE

Prices and the Cost of Living

55. In Naples the effect of the increase in the bread ration to 200 grams was to reduce the weekly expenditure necessary for the purchase of 2 kilos of bread nearly 50%. Increases in the prices of other foods have virtually offset this gain, but the cost of purchasing the representative food budget for one person for one week declined to about 350 lire for the week ending

15 February. Comparable figures for other recent dates are as follows:

Month of January	-	348
Week ending 30 January	-	391
Week ending 7 February	-	349
Week ending 13 February	-	319
Week ending 20 February	-	334
Week ending 28 February	-	342

The price of black market bread in Naples rose sharply during January and the first week of February, reaching 100 lire per kilo. After the increase in the ration the price fell to 120 lire on 15 February and rose again to 130 lire, the current price.

56. An increase of 12% in living quarter rentals and 10% in other rentals has been proposed by the Italian Government. The Finance Subcommittee recommended that the increase should not be granted. While it is true that rents are very low in comparison with other prices, it was believed that the hardship that would be imposed upon hard-pressed urban workers by a rent increase would not justify an increased income to the owners of urban real estate who are for the most part wealthy and who are holding real estate more as a hedge against inflation than as a source of current income.

Allied Financial Agency

57. On 7 February 1944 the U.S. Treasury and War Department announced the suspension of facilities for living expenses remittances to Sicily, and the Treasury Department issued General License No. 32a to implement the decision.

58. A procedure in regard to advances to British, American and other Allied Nationals was embodied in a draft executive Memorandum which, however, has not yet been finally approved. In the meantime the various National Finance Commissioners are making advances in cases where they are satisfied that the applicants are nationals and that the funds are required to cover minimum essential needs.

Financial Institutions

59. To implement WHQ Administrative Memorandum No. 35, a comprehensive program was developed whereby the Italian Government is to pay for all goods and services furnished to the Allied Armed Forces.

60. The Minister of Finance was informed that AGO was prepared to terminate restrictions on real property transactions provided details of the number of transactions are presented at

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Financial Institutions

59. To implement this administrative memorandum No. 33, a comprehensive program was developed whereby the Italian Government is to pay for all goods and services furnished to the Allied armed forces.

60. The Minister of Finance was informed that ACC was prepared to terminate restrictions on real property transactions provided details of the number of transactions are presented at regular intervals. The Minister of Finance agreed to do this and a general order will be published in all territory lifting the prohibition.

61. A Committee of Insurance Interests is being formed in Naples to act as a responsible and representative body with which the Finance Subcommittee can deal and through which instructions can be transmitted to insurance companies.

62. Considerable attention has been devoted to bringing the Naples offices of insurance companies into control of their organizations in liberated Italy, as it was known that the most important companies had empowered their Naples offices to assume this control in the event of severed communications with their head offices, and had provided them with funds for the purpose.

63. Employment of large numbers of civilians by Allied armed forces, including AGC, has raised certain problems relative to their status under Italian social insurance laws. Employers contracting with our armed forces should be subject to the same obligations relative to social insurance of their employees, as are other private employers. The Italian Government has now adopted a plan for covering all necessary social insurances for civilian employees of the Allied armies, for 20% of payroll (plus a provision of one per cent for expenses). The application of this plan has met with certain objections which are, however, likely to be overcome in the near future.

64. The report on proposed state pension increases, estimated that additional payments of from L. 25,000,000 to L. 26,000,000 will probably be required monthly in the twenty-six provinces completely liberated when the estimate was made. Pressure for a similar adjustment of private pensions must be expected.

Italian Government Finance - Expenditures and Revenues

65. At the present time there is little Italian Government budgetary control over expenditures. The Italian budget was made in Rome and included expenditures for all of Italy. To meet this difficulty the Minister of Finance has required that each administrative be signed by the Minister of Finance. This device, however, provides little control, for administrators have no time period and expenditures in any period may be greater or smaller than the amount of accreditation issued in that period. Indeed, many Ministries are still using accreditations issued by the Fascist Government. Through the use of accreditations the Government is not able either to control the expenditures of the Ministries or to know what their expenditures are. Finally, no adequate figures of disbursements can be obtained even after the disbursements have been made. Since reports of large amounts of Civil Government disbursements are grouped under the heading "credenti collettivi", rather than under the Ministry for whose account the disbursements were made.

66. Figures submitted by the Banca d'Italia on cash disbursements by the Civil Ministries in Puglia are very incomplete. They total only 80 million lire for December and 40 million lire for January. The great incompleteness of these data is known below, where they are compared with the Finance Minister's estimates of expenditures.

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66. Figures submitted by the heads of Italian state disbursements by the Civil Ministries in Puglia are very incomplete. They total only 80 million lire for December and 40 million lire for January. The great incompleteness of these data is shown below, where they are compared with the Finance Minister's estimates of expenditures.

Comparison of Estimates for Civil Ministries
made by Minister of Finance with Disbursements
Recorded by the Banca d'Italia (P. 111)

(Millions of Lire)

Ministry	Dec. 1943 Estimates	Dec. 1943 Disbursements	Jan. 1944 Estimates	Jan. 1944 Disbursements
Finance	43.0	24.0	20.0	23.9
Justice	2.5	1.6	5.0	3.4
Foreign Affairs	1.0	-	1.0	-
Italian Africa	-	-	-	-
Education	7.0	2.2	13.0	3.9
Interior	100.0	1.0	55.0	1.4
Public Works	5.0	.5	5.0	.5
Communications	155.0	-	190.0	.3
Agriculture	1.0	.5	3.0	.4
Industry	-	-	-	-
Commerce	1.0	.1	.5	.1
Popular Culture	1.0	-	-	-
Foreign Exchange	-	-	-	-
Total Civilian	376.5	29.7	293.5	39.9
Ministries				

In addition to these disbursements, the Italian Government makes large disbursements grouped under the heading "ragamenti collettivi". These disbursements totaled 490 million lire in December 1943 and 514 million lire in January 1944. Thus to the total known Ministerial expenditures of 40 million lire would have to be added an unknown part of indifferently initiated expenditures totaling 514 million lire if true monthly cash disbursement figures for January were to be obtained.

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

Communications	165.0	3.0	1.1
Agriculture	1.0	0.3	0.1
Industry 2	1.0	0.1	0.1
Commerce	1.0	0.1	0.1
Popular Culture	1.0	0.1	0.1
Foreign Exchange	1.0	0.1	0.1
Hotel Civilization	1.0	0.1	0.1
Ministry	376.5	23.7	39.5

In addition to these disbursements, the Italian Government makes large disbursements through the heading "parliamentary collection". These disbursements totalled 40 million lire in December 1943 and 314 million lire in January 1944. Thus to the total known ministerial expenditures of 40 million lire would have to be added an unknown part of unministerial expenditures totalling 314 million lire if true monthly cash disbursement figures for January were to be obtained.

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

38. The unreliable state of communications between the provincial capitals in Sicily and the Italian Government in Sicily makes it obviously impossible to restore expenditure control to the present pattern of centralization. The shortage of qualified Italian personnel make it desirable for 400 officers to continue for the time being some of their functions and to assist such Italian personnel as can be assigned to Sicily. The present political situation in Sicily makes it necessary that any regional expenditure office be established in such a way as to avoid an

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appearance of autonomy. With these three points in mind a plan for expenditure control in Sicily was developed and presented to the Italian Government. For that portion of the mainland now under the Italian Government no instructions have been issued, but agreement has been reached that this area will be administered from 1 April under the procedure now in effect for Puglia.

69. A copy of the full report of the Finance Subcommittee is attached as appendix "A".

COMMUNICATIONS

70. Authority was obtained for the Italian Government to transmit official messages to Palermo (Sicily), and Cagliari (Sardinia) via the military operated submarine cables from Naples.

71. On 16th February an international letter and postcard service was started, linking up Sicily, Sardinia and the provinces of Italy with all Allied countries across other than those occupied by the enemy.

72. The registration of schooners within the whole area of occupied Italy, Sicily and Sardinia, as requested by the C.-in-C., Mediterranean, has continued; 55 vessels of some 6,400 deadweight tons having been added to the list.

73. The difficult and complicated questions of crews wages and bonuses as well as insurance of Italian vessels employed inside the Mediterranean area were studied and are in a fair way to solution.

74. During the month a further advance of 5 million lire was made through the Deputy Ministry of War Transport Representative, Mediterranean, to the Comitato Italiano Sections Navi to enable the Italian Government to meet running expenses such as crew wages, stores, etc., of vessels requisitioned by them and placed at the disposal of the Allied C.-in-C.

75. Some progress was made in the salvage of ships in Sicily. The "Macedonia" and her cargo of coal has been completely salvaged and salvage of "Giuseppe Costa" is well under way and the removal of 5000 tons of coal from her is expected shortly.

76. The successful operation of the weekly "bidding" system for the coordination of 400 railway and shipping movements with those of operational forces was continued.

77. All civilian railway traffic was suspended in Western Sicily on 11 February because of a coal shortage precipitated largely by the unexpected use of coal allotted for civilian traffic for movement of military traffic in December, and failure to reconvert the civilian allocation so used. Three workers' trains (out of Palermo) were restored to service 21 February and the coal situation was reported eased, at least up to the latter half of March.

71. On 10th February an international letter and postcard service was started, linking up Sicily, Sardinia and the provinces of Italy with all Allied countries across other than those occupied by the enemy.

72. The registration of schooners within the whole area of occupied Italy, Sicily and Sardinia, as requested by the C.-in-C., Mediterranean, has continued; 30 vessels of some 6,400 deadweight tons having been added to the list.

73. The difficult and complicated questions of crews wages and bonuses as well as insurance of Italian vessels employed in the Mediterranean area were studied and are in a fair way to solution.

74. During the month a further advance of 5 million lire was made through the Deputy Ministry of War Transport Representative, Mediterranean, to the Comitato Italiano Gestione Lavi to enable the Italian Government to meet running expenses such as crew wages, stores, etc., of vessels requisitioned by them and placed at the disposal of the Allied C.-in-C.

75. Some progress was made in the salvage of ships in Sicily. The "Medusa" and her cargo of coal has been completely salvaged and salvage of "Diagona Costa" is well under way and the removal of 5000 tons of coal from her is expected shortly.

76. The successful operation of the weekly "bidding" system for the coordination of ACC railway and shipping movements with those of operational forces was continued.

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78. By the end of the month the regions (except Region I) had not completed their arrangements for the reception of the 600 M.T. trucks which are being made available, though considerable progress was made.

73. As regards 1001 A.T. Coy (180 trucks organized on an Italian military basis), it was most disappointing to find this Company was not in a fit state to work when due to be handed over to Region II. The Civil and Road Co. Truck Coys (Italian) (50 trucks) are now being operated by Region III.

PUBLIC HEALTH

20. The general health of the population is surprisingly good considering the high cost of living, the shortage of food and the very poor living conditions in some of the badly devastated villages in the forward areas. There have been few epidemics with small numbers of people involved in widely scattered districts.

21. Typhus in Naples no longer represents a serious danger and the situation is well under control. The Italian Director of Public Health has been approached with the request to nominate teams of Italian workers in all provinces. These teams are to be trained in dusting and will constitute flying squads to deal with a typhus emergency in their territories. In this way it is hoped to educate the Italians to a realization of their own responsibilities in combating this disease and also in time to relieve the strain put upon allied personnel.

22. Venereal disease still presents a very formidable problem, especially in Naples, and the control of prostitutes under Italian law is a matter of the utmost difficulty. Special hospitals are to be established in all regions for the treatment of women infected with this disease. These hospitals will be staffed by Italian doctors.

23. Large quantities of clothing have been received and distributed in Regions I, II, III, and V in cooperation with the American Red Cross.

EDUCATION

24. The second of the new text-books has been published in Palermo and two others are nearly ready for distribution. The text-book program in Naples has involved a long search for materials, most of which have now been found and work is proceeding rapidly in three printing houses. One book is just going to press; the other nine are in various stages of composition and all are scheduled for publication during March.

25. The courses of study and instructions to teachers prepared in Sicily have been reprinted for all other parts of liberated Italy. In addition, part 2 of the elementary program has been completely rewritten and a new edition published. A commission in Naples is writing a new course in pedagogy and

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63. Large quantities of clothing have been received and distributed in Regions I, II, III, and V in cooperation with the American Red Cross.

ADDITION

64. The second of the new text-books has been published in Palermo and two others are nearly ready for distribution. The text-book program in Naples has involved a long search for materials, most of which have now been found and work is proceeding rapidly in three printing houses. One book is just going to press; the other nine are in various stages of composition and all are scheduled for publication during March.

65. The courses of study and instructions to teachers prepared in Sicily have been reprinted for all other parts of liberated Italy. In addition, part 2 of the elementary program has been completely rewritten and a new edition published. A commission in Naples is writing a new course in pedagogy and psychology for the program of the Registrars Superiore which will complete the series.

66. A youth committee has been established in Naples to consider the problems of recreational and constructive activities for youth outside of school hours. This Committee is for the most part composed of able, intelligent and interested civilians (mostly teachers, professors, etc.). The church has been invited to appoint representatives to serve on subcommittees. For providing allied help and advice there is an advisory council composed of the Region III Education Officer, the Region III Welfare Officer

and an unofficial representative of the American Red Cross, who is a specialist in recreation and a representative of the American Automobile Association. A full time civilian Executive Secretary has been employed for the work of the Youth Committee which is operating entirely in the Naples area as a proving ground.

27. The surrender of Fascist books in all regions is proceeding with the full cooperation of Italian officials, as is also the removal of teachers with a Fascist background. The number removed is now about 200.

28. On the mainland the public schools throughout Campania and 40 private schools have now been opened. About 50% of elementary school class rooms in Naples are still requisitioned for military purposes and 45% of the secondary schools. In normal times there were about 300 schools in Naples Province and at present there are 225 schools in session, many of them in temporary quarters.

29. The rebuilding and repairing of the damaged to Universities in Sicily is now in progress. Some of 8 million lire to Messina and 2 million lire to Catania University have been earmarked for urgent repairs. The principal buildings of Naples University and the library of the Royal Society of Naples which was housed in the University were deliberately destroyed by the Germans.

PROPERTY CONTROL

30. Following the transfer of territory to the Italian Government in February 11 the Director of Property Control continues to be responsible for the custody of United Nations (including French) property, but all property belonging to the Italian Government or Italian Nationals which has been taken into custody in the area restored, is now handed over to the Italian authorities.

31. Only a few British and American properties now remain to be taken into custody except in the Province of Messina in Region I where about 100 cases have still to be dealt with. For the most part these are small houses or plots of land belonging to persons born in Italy but resident in America.

32. A decree has been issued by the Prefect of Catania in Sicily revoking the decrees of sequestration and expropriation of the Bronte Estate and restoring it to its owner, Viscount Midport.

MONUMENTS & FINE ARTS

33. A further case of the requisition of a monumental building was reported, this time from Sicily, where the Palazzo Reale at Palermo was requisitioned.

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MONUMENTS & FINE ARTS

33. A further case of the requisition of a monumental building was reported, this time from Sicily, where the Palazzo Reale at Palermo was requisitioned on a February without any advice to the National Commissioner. The palace itself is not in the zone and no lists of monuments, only the Cappella Reale being mentioned. Protest was made to the military authority but it was without effect. Shortly after the requisition, the military was occupied by the military were considerably damaged by fire; fortunately the Cappella Reale was in good condition, though at one time the priceless wooden ceiling was in danger of being destroyed. It is estimated that the cost of repair of damage will be over 1 million lire.

94. In the Palazzo Sclafani in Palermo the level of the triumph of "Unità" Press is progressing and in the same town it is reported that the temporary quarters of the National Library will open in March.

95. In Naples, reports to churches and other documents are proceeding. The damage done to the Palazzo Reale by allied troops is still subject to investigation at the time of writing this report.

96. Worldwide interest was aroused by the bombing of Monte Cassino and plans are ready for any officers to enter the monastery as soon as it is captured to inspect the damage caused by the bombardment and check up on the available evidence of German occupation. The Corps SCA concerned is maintaining close touch with security branches in order to obtain all possible information from individuals who from time to time make their way across from the enemy lines. So far no fully convincing stories have come to light.

ITALY & PUBLIC RELATIONS

97. In Sicily the daily papers controlled by P.M.E., "Giornale Liberatori" and "Corriere di Sicilia" continued to provide a source of news to the Italian population, as did "Miserabile" in Reggio Ill.

98. The growing shortage of newspaper seriously affected the control and publication of newspapers. Paper stocks on the open market in Italy were exhausted, but black market stocks facilitated the issue of many clandestine journals and brochures. To meet this problem the Allied Publications Board drafted two decrees, leaving down a procedure with suitable penalties for applications to publish and for the declaration of all stocks of paper. Authority was also received, permitting the distribution of Bari newspapers in Rome Province, thus giving the people there the first opportunity to read news of Allied printed news. For this purpose the "Corriere del Mezzogiorno" was permitted to increase its daily circulation from 50,000 to 100,000 copies.

99. At present there are two daily papers in Sardinia, "L'Unione Sarda" published in Cagliari, and "L'Isola" published in Sassari. Both these, at least in theory, express the general view of the Concentrazione Antifascista. There are in addition three weekly papers:

"Libertas"
"Orto Bene"
"Sardigna Cattolica"

These weekly papers are all published under clerical auspices. They contain some news and local reports, but chiefly leading articles of a religious or educational nature. Many of the political parties which comprise the Concentrazione Antifascista would like to publish their own weekly or monthly papers. It has

check up on the available evidence of German with security branches in order to obtain all possible information from individuals who from time to time made their way across from the enemy lines. 56 But no fully convincing stories have come to light.

Public & Public Relations

97. In briefly the daily papers controlled by F. I. D., "L'Unita Libera" and "Venezia di Sicilia" continued to provide a source of news to the Italian population, as did "L'Espresso" in Region III.

98. The growing shortage of newspaper seriously affected the control and publication of newspapers. Paper stocks on the open market in Bari were exhausted, but black market stocks facilitated the issue of many clandestine journals and brochures. To meet this problem the Italian publications were granted no access, leaving even a procedure with suitable penalties for applications to publish and for the registration of all stocks of paper. Authority was also received, permitting the distribution of Bari newspapers in Region III, thus giving the people there the first opportunity to read news, thus giving the people there the first opportunity to read news, thus giving the people there the first opportunity to read news. For this purpose the "Quotidiano del Mezzogiorno" was permitted to increase its daily circulation from 30,000 to 50,000 copies.

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- "Liberta"
- "Orto della"
- "Saggiuna Cattolica"

These weekly papers are all published under clerical auspices. They contain some news and local reports, but chiefly leading articles of a religious or educational nature. Many of the political parties which comprise the Concentrazioni antifascista would like to publish their own weekly or monthly papers. It has already been pointed out to them that the best method of maintaining the unity of the Concentrazioni is to give their united support to one good paper.

100. The establishment of a Public Relations Branch, hitherto somewhat neglected, to cover ACC and ACC activities was discussed and steps were taken to centralize and strengthen its functions. In order to meet criticism effectively and to provide a rapid service of information to the allied press, better and swifter transmission of newspapers and press clippings from Washington are urgently needed and were requested, so far without result. The publication of a monthly record of ACC activities was approved.

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These conditions were based on the transfer of territory to the Italian Government, the influxes in the bread ration, the resumption of normal mail services, the proposals of the Executive Committee, the withdrawal of the German's ultimatum, the meeting of the Labor Conference, suggestions in Italy, the issue of revised extensions to elementary schools and the three-party cancellation of the proposed strike. Interviews were arranged with all the leading press correspondents and contact was established with F.A.O. of all organizations in the area.

REPORTS

101. During the first three months of the campaign in Italy there have been large movements of refugees. On the west they had moved unaccompanied and dispersed themselves. On the east, 100,000 of the army, with his limited staff and no refugee specialist officers, had collected and sent them to the rear areas, where they had dispersed independently.

102. From the start of the campaign until 21 January 1944 the movement was:-

2 army side	.....	30,000
3 army side	.....	1,000

Notably all of these were dispersed in the areas adjacent to Bari, Brindisi and Lecce. During February the movement was:-

2 army side	.....	200
3 army side	.....	10,000

Included in the 2 army figures are valuable food, the purchased quantities 4,000. The main evacuation started on Feb. 14. All these refugees have been sent back to the provinces of Potenza, Cosenza, Catanzaro and Reggio in March II.

103. Civil displacement has been experienced in the matter of transit camps and the whole of the numbers handled during February have been passed through 2 small centers. These two centers can accommodate some 700 persons but are devoid of proper cooking and sanitary facilities. In the last weather the situation would have been impossible, but as it was, the refugees were fed and the children given milk. Doctors were in attendance and the sick sent to hospitals. Security screening was done and the Red Cross distributed clothing to all the needy.

104. Plans are now in hand for proper camps with capacities as follows:

Notes:

Camps	-	Capacity 4500	-	Tested and mobile
Refuges	-	Capacity 3000	-	In existing buildings
Refuges	-	Capacity 2000	-	In existing buildings

100. Area was cleared and sent them to the rear areas, where they had dispersed independently.

101. Area was cleared until 31 January 1949 the movement was:-

1 army side	.....	20,500
2 army side	.....	1,500
3 army side	.....	250
4 army side	.....	13,500

Nearly all of these were dispersed in the areas adjacent to the principal bus stops. During February the movement was:-

1 army side	.....	250
2 army side	.....	13,500

Included in the 2 army figure are 1st Corps from the 1st Division, 4,500. The main operation started on Feb. 15. All these refugees have been sent back to the provision of patches, clothing, blankets and food in the region.

102. Great difficulty has been experienced in the matter of transport camps and the whole of the movement has been temporarily halted. The main operation started on Feb. 15. All these refugees have been sent back to the provision of patches, clothing, blankets and food in the region. The main operation started on Feb. 15. All these refugees have been sent back to the provision of patches, clothing, blankets and food in the region.

103. Plans are now in hand for proper camps with capacities as follows:

West:

Camp	-	Capacity 4000	-	Planned and mobile
Average	-	Capacity 3000	-	In existing buildings
Refugees	-	Capacity 2000	-	In existing buildings

East:

Camp	-	Capacity 5000	-	Planned
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The camp at average is already functioning.

105. Though a lot still remains to be done, the refugee problem was on the way to being solved by the end of the month. The danger problem now is the dispersal of the refugees in the countryside, mainly in Hanoi and Haiphong.

106. The civilian population of Hanoi and Haiphong were evacuated by the Germans in September 1940. These civilians were sent inland to the northern wooded German region where they have been confined ever since. The Germans left about 350 persons in the two towns and treated them with kindness. They are farmers, doctors, electricians, railroad workers, etc. Approximately 10,000 were evacuated to the German region and it is estimated that about 2000 civilian refugees have filtered in, making a total population of about 12,000 in this area.

107. This recent unusual situation of the two towns being almost entirely evacuated and the population being concentrated and controlled in one area is working well. It is carrying out good administration since the lines established during the last five months. There is no major problem in the German area, the people having thoroughly settled down and become used to their life. The German region is being increased to 200 towns a day as evacuation requires the number of civilians to be fed.

108. The details of the Allied Nationals Camp in Sicily are as follows:-

Nationality	Living in the Camp		Living without the Camp	
	Men	Women Children	Men Women Children	
Yugoslavs	69	9	19	13
Czechs	9	-	-	-
Polish	9	-	3	1
Czechoslovaks	3	-	-	1
Belgians (friendly)	1	-	-	-
French	2	-	-	-
Total 97		9	21	15
Grand Total:- 144				4

adequate provision in the way of medical attention, food, clothing, shelter and recreational facilities has been made for these people.

W. H. M. J. J. J. J.
 WOOL LARSON HACE-PLANE
 Lieutenant General
 Chief Commissioner

107. The details of the military operations camp in Slaty are as follows:-

108. The details of the military operations camp in Slaty are as follows:-

Nationality	Living in the Camp		Living without the Camp	
	Men	Women	Men	Women
Yugoslavs	60	2	19	10
Czechs	3	-	2	1
Polish	3	-	-	1
Czechoslovaks	3	-	-	-
Bulgarian (Vladimir)	1	-	-	-
Black	1	-	-	-
Total	71	2	21	12

Grand Total:- 140

adequate provision in the way of medical attention, food, clothing, shelter and recreational facilities has been made for these people.

W. J. MacFarlane
 W. J. MACFARLANE
 Lieutenant General
 Chief Commissioner

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