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Sept 1943 - Jan 1944

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ALLIED MILITARY GOVERNMENT

REGION III (Fifth Army)

9 Sept. 1943 - 15 Dec. 1943

by

EDGAR ERSHINE WILKE,
Colonel, General Staff Corps, U. S. Army,
Chief of Military Government Section, Headquarters, Fifth Army
Civil Affairs Officer for Region III (The Companies)

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INTRODUCTION

This report is designed as a record of the experience of Region I, A.G., from 24 Aug to 15 December. Since it is the result of factual reporting and analysis, it may prove of value to those whose task it will be to apply military government to other sections of Italy.

When the invasion of Italy was planned the military commanders were not free to decide whether they would establish military government in the occupied areas for with the occupation the military automatically assumes these control problems, numerous as they may be. Military Government is a fact in war. The only question before these planners was whether the commanding officer would discharge this duty through delegation of the numerous tasks to old and established units of the army, which had many other duties all of a strictly military nature and personnel untrained for civil affairs, or whether these duties would be delegated to officers and men, organized as special civil affairs units, and whose training and experience specially fitted them for this task. In adopting the latter alternative it was thought that a group so trained would be more conscious of the many problems apt to be confronted and the solutions probably leading to success. The wisdom of the decision can only be decided by the results of this and similar ventures that have preceded it and those to follow. History records many ventures in military government, but few in which the personnel assigned to the task were specially trained both by their civilian and military experiences.

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In this age of total war all nations have found that the magnitude of the situation no longer permits partial mobilization; nor does it permit a nation to disregard the previous civilian experience of its soldiers. Organization of civil affairs units, in which the civilian or military background of those selected to serve in it is paramount, follows.

This is but another manifestation of total mobilization of not only the manpower, but also the skills, of the nation. In doing this it is making the most efficient use of its own manpower and it is also adopting a course which is most apt to result in the most efficient use of the resources and services in the occupied country for the benefit of its own advancing army.

It is said that the end of military government is always to aid the army in its advance, and having done that it has satisfied its obligation. First, this aid is rendered by making available to the army the resources of the territory over which it is passing and the services of the civilians occupying that territory; secondly, maintaining law and order behind the lines without the necessity of calling on combat troops for garrison duty.

Further, we were going into the country with a promise to its people that we would see the nation rid of Fascism. Further, that they would be assured the right of self-determination.

As law and order cannot be maintained if the people do not have food, we also had the duty of providing food within the bounds of military necessity.

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The Fifth Army has just passed over territory which, while not rich in resources of great military value and whose manufacturing plant was largely destroyed by the retreating enemy, has supplied as much as it had; and in this advance thousands of the inhabitants of the territory have been of real service in relieving combat troops from service in the rear zones for service at the fighting fronts. In spite of the fact that the area was devastated by the fighting: its factories, public services, and homes destroyed; its transportation and communication system, so vital to a modern state non-existent; many of its public officials fled or killed; and its police and health agents disorganized; no troops have been called on to quell riots, or clear roads of refugees, or prevent general looting and disorder. Nor have any epidemics occurred that have affected the health of the troops. With only the advice and direction of the small military government unit the Italians have governed themselves through their own public officials; their own police forces have maintained order; their own physicians have attended their sick and wounded. The army has passed over a territory of almost 5,000,000 people, used its resources, goods, and its labor, and has been called on only to the extent of approximately 150 officers and 225 men assigned to civil affairs duties.

And 80% of A.R.G.'s supplies and equipment have come from Italian sources. At the same time food and work within the limits of military necessity have been provided this newly liberated Nation.

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Nor should the fact that this is a truly allied organization be lost sight of. As pointed out by Lord Rennell of Rodd, Major General, Chief Civil Affairs Officer, 15 Army Group, in a memorandum of 13 December 1943: "..... AMS has become the most completely fused Anglo-American organization in Allied Central Mediterranean Forces. I am satisfied that the effect may be very great in the years which are to come and far beyond the limits of the Allied Military Government of Italy. this required mutual sympathy and understanding and for the necessity of avoiding criticism of each other. no one nation can win this war alone; no one nation alone can attempt to reconstruct Europe or even a country."

NAPLES CITY

Naples was the objective of our invasion of the Italian mainland. It was felt by officers of the Military Government Section of the Fifth Army that important as was our work in other cities and in the several provinces of the Campania, our first duty was the proper government of Naples so as to free the Army Commander of all burden of its management. This was in accordance with the expressed policies and orders of the Commanding General of the Fifth Army, 3957
Lieutenant-General Mark W. Clark, U.S. Army.

Accordingly, the time intervening between our first landing in the Gulf of Salerno early in September and the taking over of the city days later, was spent not only in performing the duties usually incident to our work, but also

in planning for what we might expect to do in Naples.

For many reasons it represented the greatest military government problem yet undertaken by the Allies. It was an important port and the Germans would naturally do as much damage as possible to it prior to their departure to minimize its use to us. It contained the largest concentration of population, with all the problems that usually accompany such an area.

We considered the feeding of the people as our first and most serious problem. All reports reaching us indicated that there was a most serious shortage of food in the city. Military operations had largely prevented the normal flow of food from the nearby rural areas into the metropolis. The Germans were reported to have seized what little food there was on hand, which proved to be true. We knew that we must be prepared to give the people food immediately on our arrival, and in adequate quantities. For this reason the Army Commander directed that leaflets telling the Neapolitans of our intentions be sent into the city; chiefly by being dropped from aircraft. Accordingly, the Psychological Warfare Branch asked our cooperation in the preparation of appropriate text for such leaflets. This we did. The following is a translation of the leaflet:

To the People of Naples

"A ship has arrived in the Gulf of Salerno, loaded with food ordered by me for the people of Naples. This includes:

300,000 kilos of flour
200,000 kilos of condensed milk
100,000 kilos of concentrated soup

"There are also seventy tons of medicines
Bread for the hungry, milk for babies, medicines for
the sick and wounded, are at your disposal as soon
as the gates of Naples are opened to the Allies.
"This ship is but the beginning. I have ordered that
provisions be sent in at regular intervals. The
people of Sicily today are well fed; thanks to the
Allies.
"The only reason that you and your children do not
receive food and medicines is the presence of the
Germans in Naples.
"If you allow the Germans to damage your port and
port equipment, so that we cannot unload supplies in
the port until the damage has been repaired, your
suffering will last so much the longer.
"In order to effect your liberation and to guard your
women and children, rebel against German tyranny. The
German is your enemy. Kill him. Burn his munitions
stores, food, etc. Cut the tires of his automobiles.
Save all that you can of the port and the port equip-
ment.
"Begin the Rebirth of Italy!

Mark W. Clark
Lieut-General, United States Army
Commanding

On 22nd September a party of officers and men were
placed at Amalfi for the dual purpose of looking after the
numerous refugees coming from Naples, and in preparation
for immediate entry into the metropolis as soon as captured.
This proved a good step for it enabled us to have twenty of
our personnel in Naples before sunset on the very day of the
city's capture. Much general information of value came to
this group from persons escaping from the city. 3955

We felt sure that there was serious sabotage in Naples.
We could hear loud explosions at fairly frequent intervals
and at night flashes of flame were often visible. Stragglers

said that not only was the port being wrecked, but that public utilities, hospitals, and factories were being systematically destroyed by the Germans. We heard likewise that the University had been burned. Unfortunately, most of these statements were found to be true.

Naples was occupied by the American and British troops on the morning of 1st October 1943. A party of officers of the Allied Military Government were the first representatives of the Allies to enter the city. They were Brigadier-General Frank J. McCherry, Deputy Chief Civil Affairs Officer for Italy; Colonel Edgar Erskine Dune; Regional Civil Affairs Officer for Region III (The Campania), Lieutenant-Colonel Carl A. Kruege, who had been selected as the Civil Affairs Officer for the City of Naples, and Major Ridgeway L. Knight, Assistant to Colonel Kruege. These officers were accompanied by Staff Sgt. Jazzerini. Riding in two jeeps, they were able to make better progress than the uncared vehicles of the leading elements of the Allied troops. They went at once to the Municipio and received official possession of Naples from the acting Mayor. This was not the first time that Allied Military Government officers had entered a town at the time of its capture, but it was the first in which they had arrived to perform their duties prior to other officers. It is the policy of the Allied Military Government to have its representatives set up military government as early as practicable, because it has been found that any delay results in looting and other lawlessness.

The people of Naples were enthusiastic in their recep-

Intersect Route on
Maples
(Same as next)
584 to 140
After to "The"
1010 to "The" has been
one
P 117 Drawing to "The"
acting Prefect

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tion of the Allied Military Government officers. After it became known that they had arrived, there was the wildest excitement in the streets. People on all sides were laughing, weeping, cheering, praying, and in every possible way showing their happiness at their deliverance from the Germans. Our officers were called "deliverers" and "liberators", and their cars could hardly pass through the streets for hysterical multitudes. They were pelted with flowers and attempts made on all sides to touch them, kiss their hands, and receive their benedictions.

It having been learned that a member of Marshal Badoglio's government was in Naples the officers of the Allied Military Government called upon him in the Prefettura. This official, Hon. Leopoldo Piccardi, is Minister of Labor, Commerce, and Industry. He was most cordial and together with the acting mayor, tendered the officers a luncheon at the Bella Vista Restaurant, where there were speeches and toasts and indeed all manner of evidence of welcome.

After talking with the heads of the city government, the chiefs of the several police forces operating in the city were called into conference to be given instructions. They were told of our plans for military government of the city, with particular emphasis on the duties of the police. They all assured us of immediate and complete cooperation, and this we received. We gave each policeman accepted for service an armband identifying him as a representative of the Allied Military Government civilian police service. 338 made it clear that we expected all members of each of the police forces to give his best service to us, and that we

would not accept any excuse that a particular type of work was to be given exclusively to any one police organization. Their mission we told them was:

- a. To reestablish order in the city of Naples.
- b. To search for and place guards over food supplies.
- c. To scour the city for automotive vehicles, both passenger cars and trucks. All cars found were to be assembled in pools; kept under guard. Damaged cars, of which there were many, were likewise to be assembled. Many cars, in fairly good condition but without tires, were found. The Germans had carried off all cars that they could marshal and had removed the tires from many others.
- d. To search for German soldiers hiding in the city, and also other enemy agents, women as well as men. Many such individuals were turned over to the Military Police of the Allies in this way.
- e. To search for and report evidence of damage to public property particularly such as might endanger health. This included mines, the water supply system, the sewage disposal system, etc.
- f. To cooperate in all things with the representatives of the British and American Forces.
- g. To become familiar with and enforce the terms of the Allied Military Proclamations by arrests and notice to us. They were directed that they would be held personally responsible for seeing to it that their men likewise became familiar with the terms of these proclamations.

Each special staff office (Public Health and Welfare, Economics and Supply, Finance, etc.) called into conference their parallel Italian officials and directed them to carry on their duties under our supervision. These officers directed these departments of government and constantly made checks to make certain that their orders were carried out. A detailed record of the accomplishments of each of these departments will be found in sections of this general report which follows and in the detailed Annexes.

Dealings, both official and unofficial, with the Italians in general and Neapolitans in particular have been satisfactory. In nearly all instances cooperation has been immediate and to the full. The reaction of the people has been as to a group of liberators and never as to a hostile army of occupation. This was true from the day of our arrival, and particularly so after 13th October, on which day Marshal Badoglio, in the name of the King, declared war against Germany.

The nature of the position of the Civil Affairs Officer in Naples and the Campania is such that he has met personally nearly all of the important military, civil, religious, and cultural leaders. This has been at once a help and a hindrance in the administration of civil affairs. It has helped by bringing out the organization of the government, the opinions of the people, and their needs. It has hindered, however, by the injection of personal likes and dislikes, seeking after individual advantage, and an attempt to involve the Allied military Government in local and general Italian political issues. This situation was recognized from the outset and anything that could be interpreted as expression of political preference, adherence to the following of this group or that, has been sedulously avoided. The difficulties incident to the anomalous position occupied by an alien military government

in a country technically "cobelligerent" in this war are many.

During the first week of our occupation contact with the Italians in official position was maintained largely through Signor Leopoldo Piccardi. Piccardi, as the only member of Marshal Badoglio's government actually present, and as it was impossible to communicate with the Marshal or any of his other representatives, was willing to act for his chief in matters of interest to us. His cooperation was unflinching, and did much to assist us in the difficult period of establishing Allied Military Government. The Prefect of Naples, Domenico Saprano, was intensely unpopular on account of his having cooperated with the Germans, particularly in regard to requiring Italians to serve in German labor battalions. It was thought necessary that Saprano be removed. This was done by Piccardi. The acting Prefect, Nicola Spirito, carried on the duties of the office, always in cooperation with us, until Marshal Badoglio appointed Enrico Cavallieri to the office on 31st October 1943. The Podestà, or Mayor, of Naples at the time of our capture of the city was Giovanni Cigera. He had fled with the Germans, so we heard. At least he had departed. The Acting Mayor was Giuseppe Solimena, Extraordinary Commissioner. He continues to perform the duties of Mayor, and has always carried on in a satisfactory manner.

Soon after arrival I called on His Eminence Alessandro Cardinal Ascalesi, Archbishop of Naples. I have had frequent interviews with Cardinal Ascalesi, who has caused special Masses to be said in the Cathedral in honor of General Clark,

Mutual assistance in
Naples
Municipalities left
United Nations Region
ID (Hippolyte) Leg.
Ch. de la Courbe
CAO Region (Ch.
Campana)
8 The Naples of

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and of the Allies in general. We have been able to accede to many requests made by the Cardinal or his representatives, as well as such members of the Hierarchy, as Agr. Alfonso Castaldo, Bishop of Pozzuoli, and others.

Relations have also been established with the University of Naples officials, members of the medical, legal, engineering, and other professions; Italian Diplomats; members of the Royal Family and, Italian military officers and officials. These various persons are mentioned only to call attention to the wide range of contacts which work of this kind entails. Dealings with many of them have been carried on so that the time of the Commander of the Fifth Army would not be required.

The Naples of December 19th is not the Naples of October 1st. At the time of our arrival the city was in darkness. There was no electric power, gas, sewage disposal, means of collecting refuse, facilities to bury the dead, air raid signals, telephones, ambulance service, fire protection, telegraphs, postal service, street cars, buses, taxis, funiculars, railways, or regular water supply. Police organization had broken down and after days of terror there was almost a state of anarchy. Water was so scarce that people had no more than a quart per day, and that carried by hand, for the entire water supply system had been wrecked. Many persons actually suffered from thirst. Hospitals had been dispoiled of their equipment and supplies. The library and other parts of the ancient university were smoldering ruins. No schools were open. Courts were not functioning. The great port, second largest in Italy, had been almost wholly destroyed. All banks were closed and the city's financial system was at a standstill. There was filth in the streets and all shops

were closed. Food was practically unobtainable and people were starving. The wanton burning of all stocks of coal, wood, and charcoal made it almost impossible for the people to cook what little food remained. Looting was prevalent. The Germans had opened the doors of all twelve prisons of Naples and criminals were set free to prey on the public. All these things were added to the widespread destructions of public and private buildings. Despair was everywhere. The Fascist mayor had fled and the Prefect had betrayed his people. Such was the Naples left by the retreating Germans.

Two and one-half short months have seen a complete change. Electric power has returned. There is ample water. The streets are clean. Drains are again working properly. Refuse is removed regularly. The dead ~~are~~ buried. Air raid signals are once more in order and air raid shelters, once indescribably filthy, are clean. Telephone service has been partially restored. Hospitals have been refurbished and provided with necessary ambulance service. A limited number of taxis are again on the streets, and a portion of the public transport system restored. An efficient public safety system is in operation, making use of all three of the Italian police forces. Fire fighting equipment is on hand, though limited in amount. Banks are open again and without restriction. We are supplying food to the people daily - not all that they wish, but at least there is no actual want. Shops are open. Law courts are functioning. Buildings damaged in the bombing have in many instances been repaired. And Naples is well on the way to reassuming its traditional air of gaiety.

All this took place while a great Allied Army was waging an active campaign but a few miles distant, and its troops continually passing through the city, with many quartered here. The great port of Naples under military control is once again in extensive operation. In the words of the newspaper Roma, "Naples sings once more, and a million Neapolitans may hope."

The Allied cause owes a debt of gratitude to the British and American officers and men of Allied Military Government. It is with pride that I pay tribute to them, and commend their efficiency, skill, and devotion to duty.

PERSONNEL AND ORGANIZATION

With Sicily cleared of all Germans, Allied strategists turned their attention to the mainland without further delay. Tactical units began training for more beach landings. Other units, whose mission it would be to assist the advance of the tactical units toward Rome by supplying military government to the occupied territories, gathered at their school at El Ghozou, Algeria. By 24 August, 1943 several hundred British and American officers and enlisted men were gathered there and at other points in North Africa.

Destined to follow the invading tactical units closely, the military Government personnel organized their several units and outlined plans for assisting the Italians to operate their government without interfering with tactical operations.

Many of these officers had been brought to the School

directly from special government schools in the United States and Great Britain. Others had been assigned from similar posts in the Middle and Far East. Some were transferred to this group from the immediate theatre. All were chosen on a basis of specialized skill in the fields of administration, law, finance, distribution and supply, public health, public safety and public relations.

AFHQ directed on 24 August, the formal organization of Allied Military Government, Region 3, (The Campania) Echelon, of AMG. It was responsible directly to AFHQ, Algiers Area, until the actual invasion got underway when authority passed (on a temporary attachment basis) to the commanding general, Fifth Army.

On 30 August, General Order No. 1 was issued by which Colonel Edgar Erskine Hume, General Staff Corps, U.S. Army, took command of Region 3, AMG. At that time the unit included 156 American officers and 49 British. There were 142 American enlisted men and 75 British GIs.

The appointment of Col. Hume was in line with the policy of having the senior officer of the formation Civil Affairs Branch of the same nationality as the commander of the higher unit. In this case it was the General Mark Clark.

Col. Hume's second in command was Colonel J.C.M. Ashley, a British officer. A list of officers operating in Region 3 as of 7 December, 1943, is appended in the annexes.

In accord with previously issued AFHQ Administrative Memorandum No. 35 (1 May, 1943) two officers and two men were temporarily attached to each of the three British divisions

the British Corps, and the American Division participating in the initial phases of the landings near Salerno. These officers became members of the staff of the commanding officer of the tactical units to which they were attached. Although the tactical commanders had final responsibility and authority for the administration of civilian affairs in occupied territory, the Regional Civil Affairs Officer maintained a direct administrative line of communication with his representatives on the tactical units.

While officers attached to the corps and divisional units moved forward with the troops, they applied tactical rules of expediency in taking over captured communes. Directly behind them came more Region 3 officers to set up a more permanent type of organization.

The established geographical boundaries were maintained by the allied military government as they tackled the problem of reorganizing regions, provinces and communes.

Until 3 October, Headquarters, Region 3, Allied Military Government remained at Agropoli, Salerno Province. The day the Germans scuttled out of Naples Allied Military Government entered the city. By October 2 the allies had occupied all of Salerno Province and a large portion of the Provinces of Naples, Benevento and Avellino. Without delay officers moved out to bring military government to all parts of occupied zones behind the front lines.

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By 15 December, 1943, only a few communes within Benevento and Naples Provinces remained under tactical administration by AMG. Meanwhile it was decided by AMG, 15th Army Group that effective 3 December, Salerno Province would be under jurisdiction of AMG, Region 2.

Effective 12 December 1943 it was provided AMG 5th Army and AMG Region III should operate as separate units of military government, the former directly under the Army Commander, and the latter directly under 15th Army Group. The memorandum containing notice of this division announced that Colonel Edgar Erskine Hume was appointed SCAG, 5th Army, and Colonel J.O.M. Ashley, C/S and DSCAG; Lt. Colonel Carl A. Graege was appointed RCAG, Region III, and Lt. Colonel, The Lord Forester, DRCAG. It was further provided that Colonel Hume "... in his personal capacity will continue to direct political policy vis a vis Italians where appropriate in Region III (and Region IV where it affects 5th Army)." Colonel Hume was also designated as the Chief Liaison Officer between the Commanding General, 5th Army and the Regions concerned. A second AMG, 15th Army Group memorandum, taking effect the same date, traced out certain jurisdictional lines to be observed by these Army and Regional echelons of military government. It was provided that where a province or comune is partly in one Region or Army Area and partly in another Region or Army Area, the Prefect or Podestà of that Province or Comune will be allowed to exercise his administration over the whole... from the usual place of government, or, if such place is not in occupied territory, from the most convenient place for the purpose. All instructions to Prefects or Podestàs will be given by the SCAG or CAG of the place ~~944~~ the seat of government is located. Where any military legislation of the Allied Military Government is required to be made in divided Provinces or Communes, such legislation will be made over the hand of the SCAG or CAG of the

place where the seat of government is located. In the event such instructions are planned, or military legislation made, the SCAC or SAC, who is the proper officer to give such instructions or make such legislation, will, BEFORE acting, consult with the officer of the adjoining Region or Army Area having jurisdiction over the remainder of the Province or Comune. If any difference of opinion arises it will be referred by both officers concerned to their Provincial, Regional, or Army Headquarters, and, in default of settlement, to AMG, 15th Army Headquarters. The proposed S/O for the 5th Army section provided for 55 officers and 56 men, the plan being to recruit most of them from the Region III staff. The Region III staff is to include 132 officers and 205 men. Resulting vacancies in Region 3 are to be filled from military government replacement pools in the theater.

The whole of Region III occupied by the Allied Forces was administered under the Commanding General, 5th Army until 17 November. On that date AMG, 15th Army Group took charge of all occupied territories north of the Paris-Salerno Line, whether these territories were within or behind 5th and 8th Army areas. "In effect the SCAC 15th Army Group will have control under the Military Governor of SCACs 5th and 8th Armies (subject to the standing arrangement whereby SCACs 5th and 8th Armies have full jurisdiction control of CI personnel and current affairs in the two Army Areas) and SCACs Regions III and IV. SCACs will be directly under Commanders 5th and 8th Armies with general directions from AMG, 15th Army Group; Regions III and IV will be directly under AMG, 15th Army Group until the territories are handed over to the Italian Government

under ACC. Although AMG Headquarters, Palermo, had no command function insofar as Region was concerned it did exercise certain control over the manner in which the administration was being conducted. It was the responsibility of the RSCM and special staff officers to administer the territory in conformity with the policies announced in the AMOT Manual and the various instructions issued by AMG Headquarters, Palermo, and from time to time officers from that headquarters visited the area.

AMOT ACC & SUPPLY

The Campania, as most other relatively small areas in a large modern state, is highly specialized in its production of consumer and capital goods. If it is to compete successfully with other regions, it must devote its resources and energy to the most productive purposes. Hence, it is dependent on transport if it is to be supplied the variety of goods it requires to sustain life. During the period of fighting in the region, first the Allied Forces and later the Germans destroyed most of the means of transport. To date, the Allied Forces have been able to reestablish little more than the means required to supply its troops. For the region generally, and the Port of Naples in particular, continues to be the zone of supply for the fighting troops.

In planning the invasion, this situation was ~~noted~~ ^{estimated}. Estimates were made of minimum civilian supplies needed to supplement those likely to be found in the region during

the first 30-day period. These supplies were brought in and proved sufficient to prevent starving and permitted rehabilitation of some plants and utilities considered absolutely essential during that phase.

The most important and greatest bulk of civilian goods brought in by the Allied Forces during this period was food. Most of it was allocated for distribution in the Naples area and its immediate vicinity around the Gulf of Naples, with its great concentrations of population, and for the Salerno area. During this period the rural areas were able to provide minimum requirements from local production. A total of 15,473 tons of Allied foodstuffs, principally flour, was brought in for civilian consumption. This food was sold from Allied warehouses to the Italian Government distributing agencies, which in turn sold it to retailers who supplied the Italian public under the ration system or to institutions administering relief in kind. This food was merely to supplement the Italian supply and was not enough to satisfy even the minimum needs of any class of user. Accordingly A.G. established priorities, first: supplement required by health and relief institutions (their requisitions required approval of the Public Health and Welfare Division of A.G. before going to the Economics and Supply Division); second, that required by civilian employees of the Allied Forces, civilian police organizations, and prisoners; third, that required by the general public.

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These sales brought in 44,642,364 lire. In emergencies caused by absence of proper Italian officials some credit sales have been made, in combat areas Division CACs provided

food for concentrations of civilian refugees, charges against the Italian Government were entered on account books.

Supplies of goods and machinery for repair of urgently needed factories and utilities were brought in during this period. These enabled restoration of most of the water supply systems in the area, electric power installations, principal highways, and railways, and some factories producing arms or other strategically important goods.

During this initial phase of occupation AMG commenced surveys of all factories and other producers employing more than 10 people as of January, 1943. From these surveys it will be possible to determine the kind and amount of production of each plant, stocks of raw materials and finished goods on hand, normal source of supply, type of power and source, and extent of damage and possibility of making repairs with materials obtainable locally. From this information it will be possible to determine priorities of repair and then arrangements for imports will be determined. Immediately on occupation industrial supplies of strategic importance were blocked through Consiglio Provinciale dell'Economia. Such supplies as caustic soda, skins and hides, steel, hemp, and communication equipment²⁹⁴⁰ were saved for the military by this action.

There is a black market in Region III just as there is in every other area in the world where the food supply does not satisfy the demand and there is a price and rationing system. AMG has been no more successful in curing this evil of unequal distribution of food than has any other

agency of civil government. If prices are fixed at too low a level, then owners of goods withdraw them from legitimate channels of trade; to fix the price at a figure sufficiently high to keep the goods off the black market makes it impossible for people of limited means to purchase.

Raising of wages will not cure the evil. After a very momentary lag prices will go up to the point that the total food that has gotten into uncontrolled channels will command from those who are willing to pay to supplement food obtained through legitimate channels. This competition for food, and unequal distribution, ^{when stocks are short} will go on so long as the purchasing power of the consumers is unequally distributed.

Internally, the distribution problem has been difficult because of lack of communication between provinces, and even between communes. All available military and civilian transport was used to relieve this situation so far as possible. Owners of civilian vehicles were encouraged by issuance of A.D. passes to use them in this business. These passes protected such vehicles from requisition by the Army and permitted them to circulate within the Region.

Inter-regional trading was even more difficult. Rail and water transport were the only considerable means of transporting surplus supplies of wheat in Foggia, ²⁹³⁹ Matera, Potenza, and Bari. When the rail connection was reestablished by the Army very little space could be allotted for civilian goods because of military needs; Italian coastal shipping had been greatly reduced by Allied action, and later by German. Control of the little that remained was a Navy function and to permit license to operate presented a real security problem.

Italy as a whole has traditionally been short of food and in the Fascist self-sufficiency program attempts were made to increase production, price fixing and rationing. Despite these measures and appeals to the national patriotism of the people, a large part of the food supply was sold on the black market even in peace time. The black market expanded in the war years. The Ammassi system for collecting the produce was never successful in effecting public control of distribution. With the political upheaval preceding our invasion this system almost disappeared. Producers refused to dispose of their goods through governmental agencies. The flight of the active Fascist officials after retreating Germans, destruction and looting of the warehouses preceding our occupation, and the desire of the producers for a free market left very little public control.

Prices of rationed foods were fixed by the national government at abnormally low levels for the political purpose of indicating sufficiency, the government making up the difference by subsidies to producers. The Prefect then raised these prices before publication in his Province. The people would supplement their rationed purchases at the fixed prices by buying in the black market at much higher prices. 5638

The collection and distribution system was reorganized after AMG took control. With this food plus imports the normal ration has been supplied the population. As usual this is supplemented by purchase in the black market. Because of the increased fear and hoarding brought on by

the unsettled conditions and the lack of internal and external transport these black market prices have continued to rise above those "normally" prevailing. However, it is believed the average worker is able now, as he was in the past, to purchase his minimum needs of rationed goods plus black market goods.

3937

AGRICULTURE

Allied Military Government pre-invasion planning in this field anticipated that several serious problems would have to be solved in order to reestablish production. Although the Vesuvius Plain is one of the richest producers in the world of vegetables and fruits, cereal production for the area as a whole falls far short of needs. It imports annually approximately 300,000 tons of wheat, the Neapolitan's most essential food item. AMG notified the Army prior to invasion of the fact that the soldiers' rations might be supplemented with locally produced fruits and vegetables, but that it would be necessary to import wheat and flour for civilian consumption. There was also the problem of keeping the rich agricultural fields as clear of military installations as the situation would allow, to permit maximum production at the earliest moment.

Surveys on the ground confirmed AMG predictions. The wheat crop was 75% of normal for the Region; there was little in warehouses, the Germans carted away some of it or induced public looting. The looting caused an uneven distribution in those areas in which it had taken place. Very little meat is normally produced or consumed, but even this relative short ration will have to be reduced for there has been a 50% reduction in the livestock population. There is also a shortage of draft animals. Break-down of the Italian governmental control of the milk distribution system in August of this year, reduction of livestock population, and the high price cheese commanded on the black market made it impossible to attract to city areas any appreciable quantities of fluid milk. The Allies eased the situation somewhat by importing powdered milk. 3936

Army purchasing units cooperated with AMG to keep at a minimum

the purchase of food needed by civilians. An order was issued prohibiting the purchase by the military of meats, potatoes, and certain other items. Perishable produce of which there was a surplus could be bought, however. Further, where possible military installations refrained from bivouacking in fertile fields when non-productive land was available.

Plans were made for the importation from the United Kingdom of 6,800 tons of seed potatoes heretofore supplied by Holland and Germany. Immediate steps were taken to return the fertilizer plant in Bagnoli, Naples Province in operation. The 1942 carry-over of 700 tons and the 1943 production of 16,000 tons of strategically important hemp was made available for purchase by the Allied Forces.

The fishing problem had been one of the enigmas of AMG administration. Fish is of especial importance to the two coastal provinces of Naples and Salerno. The industry provides food for many throughout the country and a livelihood for thousands of fishermen. Many small boats on the sea, especially at night, was regarded as a security problem and the Naval officials felt justified in stopping unrestricted fishing. Nevertheless, black market profits induced a clandestine fishing trade to flourish. It was then decided to work out plans to permit a legal trade in fish within the limits of security needs in order to make fish available to the public at less than black market prices.

Plans for effective control by permitting landings at certain controlled ports were expected to settle this troublesome problem.

The Campanian farmer was found to be a rugged and hardworking individualist. Before the firing had scarcely ceased over his fields he was out marking mines and duds, and bringing the oxen he had hidden from the Germans back to his fields to commence his fall plowing and planting.

PUBLIC HEALTH & WELFARE

Public health and welfare problems are always most acute just after an invasion. The conditions for epidemics are usually present. The welfare problem created by the destructive forces of war is so great that normal civilian agencies often break under the added load. Although neither of these problems can be said to have gotten out of hand by December 15th, the conditions AMG found in the Region were such that unless proper steps had been taken there was a real danger of epidemics.

In accordance with plans, many of the City of Naples civilian hospitals were soon in use by the Allied Forces as their large Station and Base Hospitals. Space for more than 5,000 beds were provided in this city alone by AMG for the military, due regard being had for civilian needs. Space for 4,500 was provided in school and other public buildings, 3,500 in civilian hospitals. To accomplish this it was necessary to consolidate many of the civilian hospitals. Less space per patient was allowed than in normal times. Those civilians suffering minor ailments or chronic diseases who were not receiving any particular benefit from hospitalization were sent to their homes. More than 40% of the space was relieved by this expedient. 934

Medical and surgical supplies were very short in the city on our arrival. Here, as in it was necessary to draw a line between cases requiring hospitalization and those that could be satisfactorily treated at home. AMG had brought in 800 tons of medical and surgical supplies, all of which were allocated to hospitals. The supplies in drug establishments in the city were left for purchase by non-hospitalized cases. This was sufficient to supply minimum needs. The most serious shortage, only now being met, was that of soap, one of the most essential items in any public health program. The civilian supply in Naples was practi-

cally exhausted and because of the urgent military need of shipping space at the outset the supply necessarily continued short.

More than sixty water points at artesian and other wells for civilian and military requirements were put in use during the time the regular system was being repaired. Grave concern was felt during this repair period because of the inherent dangers of a large city being without water for bathing and sewage disposal. It was with great relief that officials saw the passage of the period of restoration without a serious new outbreak of disease.

It has been necessary to supplement the food rations issued by the military to the civilian agencies. To bring the ration up to the necessary minimum, 800 calories per day per patient were supplied by AMG. Because of the normally large number of indigents in a city as large as Naples and those made needy by the bombings it was necessary to establish six soup kitchens. Food was supplied by AMG; the civilian relief agencies supplied labor and equipment. The ECA was immediately set going again for distribution of money relief and arrangements made for the releasing of its funds from the banks which had been closed.

What few trucks were available were requisitioned for garbage disposal. A number of horse-drawn carts were brought in from the country-side to help.

The contagious disease situation was surprisingly good with the exception of typhus. Incidence of this disease in Naples was noted several months before occupation, following the bombing of a prisoner of war enclosure on the waterfront where Serbian war prisoners were interned. The rate gradually increased as time passed. Conditions prevailing in the city following destruction of all its utilities made matters worse. Without water, in sufficient quantities for baths, soap, heat, or adequate disinfection facilities it was most difficult for minimum health

standards to be maintained. Contagion was further facilitated by the breakdown of communications which interfered with reporting of new cases.

The 57 Base Section, FBS and 5th Army Surgeons cooperated most efficiently with AMO in the work throughout the area, and especially in the City of Naples and other urban centers. Many orders clarifying situations in fields where the civilian and military functions overlapped were issued most promptly and resulted in mutual benefit.

PUBLIC SAFETY

On entering provinces and communes in the Region, the heads of the police units were immediately called together to receive instructions for the maintenance of law and order. Studies had been made prior to the invasion to determine which of the several police organizations would be retained and which would be disbanded because of previous Fascist influence. It was decided to retain the CC.RR., Questore, Finance Guards, and the Forest Guards. The Highway, Railway, Post and Telegraph, and Port Militias, all Fascist organizations, were disbanded. Duties formerly performed by these units were assumed by the CC.RR. which was expanded.

On the first meeting with the police heads they were clearly instructed concerning the terms of the proclamations and of their responsibility to enforce them. They were also advised that even if an assigned task was outside the jurisdiction of their force, it would nevertheless be carried out. Most helpful in relations with the CC.RR., the most important police force, was the appointment of one of their officers who spoke English as their liaison officer. Arrest slips were given to these civilian police whose duty it was to fill out a slip for each prisoner. This slip provided for the name of the prisoner, reason for arrest, brief note of the evidence, and the name, rank, and unit of the soldier

responsible for the arrest. Experience had shown that unless such a practice ~~were~~ adopted many civilians would be arrested by military police without written charges and the prisoner apt to remain in jail for many days before he could be released or charged. The civilian police were also informed that when an act was an offense under both Italian law and AMG proclamations, the accused would, excepting special circumstances, be tried by the Italian Courts.

The whole subject of civilian movement and circulation passes was a most perplexing one and required much AMG personnel. From time to time certain arterial roads and highways were restricted by the Army to military use. AMG through the Italian police established twenty-four hour patrols in many places to relieve the burden on Allied Military Police Units. Passes were required by those desiring to go beyond 10 kilometers, and people who wanted to protect their vehicle from requisition by the Army could obtain passes also if a good reason were given - essential in the needs of public interest, e.g., transporting of food for sale to the public. The former type was issued only for most cogent reasons. To prevent holders of passes from exceeding the license granted, it was found necessary to state precisely the extent both as to purpose and time. Motor vehicle passes were issued at Province level; each Province adopting a different color to facilitate detection of excess user. Control points were established throughout the Region to prevent unlawful circulation. Many black market operators and others wanted for security reasons were arrested at these places. 39

When large numbers of troops are brought together in a fairly confined area difficulties are apt to arise between them and the civilian population. It was found necessary to limit the hours during which wine and other alcoholic beverages could be sold, and brothels were put off limits. Occasionally civilian police were

prevented from discharging their duties. Allied troops and the practice of joint Military Police-CC.BR. was established as a result.

The prisons, national organizations, were largely disorganized when AMG arrived and required over-hauling. Since the line with Rome was cut an Italian with considerable experience was appointed Regional Supervisor with the responsibilities and powers formerly vested in the national official. The gaps in the prison staffs were filled, repairs possible under the circumstances were made, and certain consolidations made necessary by Army requisitions and bombing were made. Before departing the Germans released many prisoners for the demoralizing effect it would have on the community. Immediate steps were taken and many of these put back in prison. AMG ordered a re-examination of all persons in prison on original location to be certain that the Fascists had not used this as a means of disposing of Anti-Fascists.

Italian law provided that the Questore had the authority to jail without charge Anti-Fascists, under his "disposition of the Questore" power. It was reported to AMG that this official, apparently laboring under a perverted sense of Mosaic Justice, was imprisoning Fascists under this power. He answered an inquiry by the simple reply that during the Fascist regime he had used his power to jail Anti-Fascists and it was only fair that now he should use it to jail Fascists. Despite the logic of his reasoning, his victims were released, pending investigation by our security police.

FINANCE

Immediately on establishment of Regional Headquarters in Naples, financial heart of the Region, governmental finance officials and bankers were called together. The Proclamations were explained to them, notification served that the banks were to remain closed, and methods followed by AMG in approving advances

explained. Local managers of large banks having their headquarters in Rome, Milan, Genoa, etc. were made Regional Director of their respective institutions so that AMG could deal with only one person representing each banking house.

The direct tax rolls of Naples Province were \$95,000,000 per bi-monthly period, of which \$20,000,000 was from "contributi sindacati" abolished by our proclamations. It was estimated by the Italian officials that no more than 1/3 of this tax was collectible within any reasonable time because of the serious economic conditions caused by the war and invasion. As a matter of fact our actual experience has been much better than this prediction. In excess of 75% of these taxes have been collected.

Inventories of the banks were immediately made and disclosed \$675,000,000 in cash on hand, with deposit liabilities of \$1,200,000,000. Realizing the importance of financial institutions to the economic life of the community, plans for opening of the banks were rushed to completion. Anticipating large demands on the banks in the early days of reopening, \$600,000,000 was deposited in ANPA No2 account in the Banca d'Italia to be used for the benefit of all banks in the Region in supplying these early demands. Under AMG direction \$425,000,000 of credit lines were granted by the Banca d'Italia to the other banks. This depositary agreed to keep on hand currency equivalent to our ANPA No2 account, less advances made to other banks on this credit line agreement. The Naples banks opened 30th October and those in the other Provinces a few days later because of difficulty in securing transport for the large supplies of currency needed throughout the Region. Experience in the reopening was most gratifying. There were no "runs". Deposits showed a decided decrease for the first 10 days, but since that time have steadily increased.

The Royal Treasury Section, Banca d'Italia, local depository and disbursing agent for the State was permitted to commence meet-

ing payrolls . . . October. AMG advances are made to this section of the bank for national and local governmental purposes to avoid a multiplicity of dealings. The governmental agencies then make their requests for funds through their regular channels and if approved by the proper Italian official, the advance is made when AMG approval is received. A few state organizations such as railroads, so vital for Allied military purposes, received direct advances. During the period £42,063,045 was advanced to the Italian State Treasury and State Institutions; £10,618,666 to provinces; £57,025,235 to communes; and, £110,966 to others. The City of Naples received an advance of £38,500,000 early in October, principally for repairs to streets and city services. This provided labor for thousands of civilians. These repairs were urgently ~~needed~~ needed by the Allied Forces who were by this time turning Naples into a great supply port.

All accounts of Fascist organizations, prominent Fascist officials, and those of a governmental and semi-governmental nature were blocked. Prior to reopening of the banks large firms were allowed to meet payroll and dismissal payments from cash in safety deposit boxes.

General reopening of safety deposit boxes commenced 9th December under AMG supervision. To date only 1/3 of the holders of such boxes have applied for reopening, and none of the boxes have contained any appreciable amounts of the types of property earmarked for confiscation.

Reopening of the Post Offices, which act as government financial agents for many purposes has been most difficult. Many of the buildings have been requisitioned by the Army; others have been damaged or destroyed by bombs and their records lost or buried. By early November it was possible to reopen the Naples system after an advance by the Banca d'Italia received AMG approval. There were current savings of £822,000,000; and postal

savings bond obligations of £625,000,000, on which payment of principal and interest was prohibited. Commencing 15th December the Post Offices were authorized to begin once more payment of the " sussidi militari" (family allowances to those dependent on persons in the Italian Armed Forces) so important in the economic life of the nation.

The State Social Security Institution and private insurance companies are once more operating. With the assistance of an advance of £5,000,000 approved by AEC state unemployment benefits are being distributed.

After study and consultation with the officials of the Naples Stock Exchange it was decided to keep that institution closed for the time. A large part of the transactions had been in government bonds whose price had been supported by the Bank of Naples with funds furnished by Rome. It was felt that in absence of state support, the price would fall and might be cited by the Germans as evidence of poor economic conditions prevailing in occupied territory. Further, with service on these bonds discontinued it would be most difficult to appraise their value. Since all but four of the corporations whose bonds and stocks were traded on in the Exchange are in enemy occupied territory and have no local registrars or transfer agents, it was felt that the reopening would serve no useful purpose for buyers and sellers of these shares.

The accounts of AFA show a total occupation cost debit item of £2,585,425,929. £2,585,427,000 has been advanced American troops, £100,000,000 to French. The British handle their own troop financing. Financing of the Italian Army is handled in the same manner as other functions of that government described in this report.

Early Opening of Courts
in Southern Italy.

(same)

It seems

It was A.H.C. (not yet)

6/11/69



LEGAL DIVISION

Since a properly functioning court system is of primary importance in the administration of justice and maintenance of law and order, Allied Military Courts were established as soon as permitted by the military situation. These courts were established as early as 17th of September in Salerno, 30th October in Avellino, 15 October in Naples, and 12 November in Benevento.

Up to 15th December, 3456 civilians had been tried in Allied Military Courts, a total of 2892 were found guilty and 564, not guilty. In the City of Naples alone, it was found necessary to establish four permanent summary courts for trial of violators of military proclamations. In addition, a permanent Superior Court sat in this city with a permanent prosecutor; one Superior Court for the remainder of the Region was found to be sufficient. Although there were no sittings of a General Court during the period, General Clark provided for any need that might arise by designation of the members on 13th October.

The utmost cooperation in enforcement of the proclamations was given by the British and American Military Police. Attendance of these troops at trials as witnesses proved most burdensome on these units because of their very limited personnel. To prevent such witnesses from appearing unnecessarily, those cases were heard first in which the defendants pleaded guilty. Cases in which a plea of not guilty was made were heard on a subsequent day, when attendance of these military witnesses was arranged. Inasmuch as most of the defendants were caught in the act of violating the proclamations, this practice disposed of the vast majority of cases without the necessity of calling any witnesses.

It was with relief that notice was finally received from higher headquarters that civilians found in possession of insignificant amounts of Allied Military Property, e.g., a can of "C Rations", would not be prosecuted. There had been no choice on

the part of the local law enforcement agencies prior to this ruling and many cases of apparent hardship had resulted. Most of such violators would have only a can or two of food and had usually received it from a soldier, often in payment for service rendered; e.g., laundry. Since food was scarce, arrest and conviction were ineffective as a deterrent.

It was AMG policy to permit Italians to enforce their own laws through their own judicial system. Their courts were reopened quickly. It was first necessary to ascertain that ardent and active Fascists had been removed from the system before allowing them to proceed. After the numerous staffs were approved and the courts once more in operation, close supervision was maintained. Examination of decisions were carried on. Since their reopening, these courts have disposed of a total of 2,681 criminal and 371 civil cases.

EDUCATION

Educational systems in enemy countries received much study in AMG schools and in the planning sessions preceding invasion. It was realized that if the humanitarian aims of Allied occupation were to be attained the children of these countries must be returned to school as soon as the military situation permitted. Too, if Allied promises to the Italian people were to be fully realized, their textbooks and other teaching materials would have to be rid of totalitarian dogmas. The perpetrators of such doctrines had to be eliminated from the schools.

Civil affairs officers commenced survey of physical equipment of the educational system immediately after the more pressing problems of food, work, and shelter for the general public were examined and acted on. Many of the school buildings were completely destroyed by enemy or our own shelling. In many cases schools were occupied by Allied troops. Such occupancy was temporary and some buildings were soon returned to normal use when

2925

the troops moved on. In those areas where there was little fighting schools were in fair state of repair. The situation in the City of Naples represented about the average situation in the Region: of 2,000 elementary school rooms, 450 were ready for use, 450 were destroyed, and 1,050 were temporarily occupied by troops. Central and Provincial governments were enabled to make repairs of damaged schools with AMG assistance.

Accompanying surveys of physical equipment were those to eliminate undesirable from the teaching staffs. Results were considered most gratifying. About 5% were removed because of ideological beliefs. Most of these were from among the top administrative officials. Textbooks and teaching materials inspired more serious indictment. They were found shot through with Fascist doctrines. Even the arithmetic books of the elementary schools fostered the Fascist theme of unthinking and blind obedience to the leader; CROMORE, OBEDIENCE, COMBAT. Mussolini's name was constantly linked with that of the deity. The fall of such a leader could have only one effect on those who had been exposed to such teachings: complete warring of that person's philosophy of life. Such a system cannot be said to encourage development of the individual. All such material was eliminated before approval for use was granted.

To date 42 private schools have been reopened in Naples Province alone. Early reopening of the public elementary schools is anticipated. The slowness of the Army's advance delayed release by troops of some of the school buildings. In the meantime investigations to root out latent fascists from the system and Fascist passages from the textbooks is continued.

2924

PROPERTY CONTROL

AMG is charged with the continued operation, maintenance and protection of all real and personal property of allied governments or nationals thereof; care and custody of all enemy state property

not in custody of some other branch of the Allied Armed Forces; registration of real and personal property of enemy aliens; and, appointment of administrators to take custody of all abandoned property, or property belonging to absentee owners of which no representative can be found in Occupied Territory.

It was found that while individuals were appointed sequestrators of enemy properties by the Italian State, the Trust Department, Bank of Naples was responsible for administration of these properties.

Lists of sequestered properties were obtained from the Prefect, the Bank of Naples, the local representative of the Ministry of Corporations, and through voluntary information given by the managers of Branch offices of companies sequestered in other parts of Italy. Those companies which were deemed to be essential to the needs of the Allied Forces or inhabitants of the occupied territory were ordered to resume operation and their funds released to the management. In Naples Province the Controller has already undertaken supervision of properties and business having a total valuation of 2527,150,000. The actual restoration work of sequestered properties was done entirely by the companies themselves under direction of the Controller. Old and loyal employees of the companies were given the moral support of the Allied Forces and have done a splendid job in getting the companies in operation once more.

FINE ARTS

7923

Allied Military Government has not restricted itself to preservation and rehabilitation of the economic life of the occupied territory. Because of unquestioned cultural value of the collections and monuments in the area, and the many art treasures, an officer of long experience in this field has been placed in charge of the work of supervising restoration and protection.

Soon after the occupation got underway action was taken to

preserve and protect the treasures in which this Region is so rich. Commanders of combat units were furnished lists of collections and monuments located in their immediate line of advance. In the first few hours of occupation it was their duty (by posting guards and issuing orders) to protect these treasures from the pillage and vandalism so common when control is lost because of the disruptive effects of fighting. As many of these monuments offer accommodations for troops close liaison was maintained with combat commanders. Where other protective cover is available troops are not permitted to occupy these places. This prevented some vandalism and damage that might have been caused by German shelling.

Working with Italian art lovers and officials ANO has stored thousands of items of value, repaired others. Many were covered to prevent further damage from the elements. For the guidance of future scholars and others interested in art, a documentary file of photographs of damaged monuments was established. To date \$2,000,000 has been advanced for the preservation of this property.

In order that troops back from the front for rest might visit at reasonable cost historical ruins, and other famous monuments in which the Region abounds regular tours have been arranged.

2922

POLITICAL

The month of December 1943 was the most active in the political field since our entrance into Naples on 1 October. This month witnessed during its first period the high point of what can be called independent activity on the part of the Comitato della Liberazione Nazionale, then a consequent regression and "shaking down" along more orderly lines as our contacts became more frequent with them and as its de facto dominating position in the local Italian political field became more consolidated.

It is certain in the opinion of the undersigned officer that the majority of Neapolitans and of the people of Region III are largely apolitical and give all their thoughts to the difficulties of daily existence rather than to the form of government and other purely political considerations. It is furthermore felt that a large section of Neapolitans have considered the Comitato as a group of ineffective theorists rather than practical administrators. For these reasons, and always guided by our paramount objective of not interfering with Italian self-determination, we gratefully accepted during October and November the Comitato's suggestions while refraining from actively encouraging more frequent relations.

However, after two months no competitive political organization came into being, notwithstanding our neutral attitude towards the Comitato intended to permit other manifestations of public sentiment and desires had they been latent in the population. 1921

During the latter part of November and the first days of December increasing political activity on the part of the Comitato and especially in the recently-liberated front line areas made a general and firm interview with the Comitato desirable. It was felt that such a policy would be more constructive and lead to

greater permanent benefits than a limited policy of local repressive measures by our CAGs.

Accordingly, the Comitato was summoned to Region III Headquarters on December 6th. It was advised of AMG's general desire to be as liberal as possible but that for military reasons political activity in the front line area could not be permitted at all, and that because of Naples' military importance as a personnel and supply port political activity would have to be limited in the city. It must be reported that the Comitato's reaction was entirely cooperative. The results of this frank conversation were also satisfactory, political activity in the Corps Area being virtually eliminated and conducted along orderly lines in Naples.

It should be reported that a number of political posters did appear in the streets of Naples without the authorization of FWE. These instances were dealt with by persuasion rather than force because of our belief that force would not cure the evil and might on the contrary make "political martyrs" and intensify the otherwise relatively calm political situation.

Two incidents during mid-December unfortunately gave the false impression that Naples was boiling.

The first one of these incidents was the Corda Fratres meeting at the Eye Clinic of the University. The Corda Fratres, a student association fostered by the Communist Party and the Partito d'Azione, announced a meeting. The Rector of the University, Mr. Omodeo, was informed that permission would have to be requested. Taking the position that the University enjoyed extraterritorial privileges, Mr. Omodeo and the association did not request such a permit. No special orders were given by AMG Headquarters, either regional, provincial, or city, and events took their natural course. Carabinieri outside of the meeting place informed

the students that the meeting was not authorized. About 150 assembled and Mr. Omodeo joined the crowd which attempted to force its way into the meeting place. An ASG police officer, hearing of the disturbance, went on the scene and ordered the crowd to disperse. No attention was paid. Further efforts were made to penetrate by force, stones were thrown by the students and a few shots were fired in the air by the carabinieri. As can be expected, the carabinieri claim the stones were thrown first, and the students claim that the shots were fired first. The crowd finally dispersed. The casualties amounted to two or three bruises on each side.

A delegation of students, headed by the Rector, Mr. Omodeo, called on the RCAO, Region III to lodge a formal protest against the alleged violation of time-honored privileges of the University of Naples. This situation rapidly resolved itself. Rector Omodeo was severely reprimanded for having contributed to a breach of the peace. At the same time his claims for University extraterritorial privileges were studied and no proof forthcoming, he was informed that the Corda Fratres and any other University association meeting for purposes other than study and research would have to request permission in accordance with Proclamation 11. It should be added that these requests were made, permission was granted and at least four meetings of the Corda Fratres took place in December without giving rise to any incident whatsoever. Furthermore; relations with Mr. Omodeo became more cordial than before. 3919

The second incident to receive undeserved fame beyond the limits of Region III was the prohibition of the convention of National Liberation Committees scheduled for 20 December 1943 in Naples. This convention had never been discussed with this Headquarters, either officially or unofficially, no permit had been requested and none had been denied.

On 16 December orders were received from 15th Army Group to the effect that this convention could not be permitted as political activity of such a scope could not be allowed in an area such as Naples under Military Government and so close to the front. The Neapolitan Committee of National Liberation was immediately so advised and on the evening of 17 December called up upon Lieut. Col. Kraege, ECAC, Region 3, to make a formal protest both orally and in the form of an open letter to President Roosevelt, Prime Minister Churchill and Premier Stalin. During the first part of the meeting various members of the Committee and particularly Benedetto Croce, who accompanied the Committee on this occasion, expressed themselves with great warmth against the position taken and made statements that unwittingly we were playing into the hands of the British Government's reactionary tendencies. At one time the statement was made that unintentionally AMG was helping the formation of some kind of neo-fascism. This was immediately taken up and an immediate apology was proffered. Lieut. Col. Kraege accepted to forward the message through channels to Washington, London and Moscow, and the latter half of the one-hour conversation took place in rather a friendly atmosphere.

On 20 December 1943 AMG forwarded through channels an official request that the convention be permitted to take place in Bari 28-30 January 1944 with a total attendance of 90 delegates.

On 19 December a duly authorized public meeting in honor of the Anti-Fascist hero, Imbodo, took place at the Politeanna 918 Theater. A thousand people attended, and this was the first real public gathering on extensive scale which had occurred since the fall of Fascism. All this tended to prove our sincerity and relations with the Comitato continued on excellent terms.

At this point it might be well to further precise that at no time has the Comitato been accorded any official recognition.

They and their suggestions have been received with courtesy and interest as coming from a respectable group of prominent citizens representing organized public opinion.

The Neapolitan press is another subject which has received our attention and has also been the subject of several communications from the Comitato. In December, as in November and October, we emphasized to EWA our belief that a city such as Naples needed at least two, if not three daily newspapers of different political opinions. Upon each occasion we were met by the uniform answer that supplies of newsprint were not adequate to publish more than the PWD-sponsored and organized fusion "Risorgimento" daily. At the date of this writing, 15 January, the situation has materially improved and it would seem that within a month Naples will have not only three daily newspapers but also a weekly periodical for each one of the six political parties constituting the Committee of National Liberation.

During the month of December our systematic work of eliminating individual Fascist office-holders continued unabated. This work is done by a committee of ISK, CIC, and FSS officers. While the views of CIC and FSS are always taken into serious consideration, decisions are made by ISK and not by a majority vote of members of the committee. With sufficient individual positions checked to assure a continuance of the administrative structure it became apparent in the course of December that a more general policy of removing Fascist officials from office was possible. On 14 December a preliminary set of instructions was sent to the SCROs which were to guide them in this activity. On 20 December definite instructions to become effective on 1 January 1944 were issued. It should be stated to Mr. Arancio Ruiz, president of the Comitato, on 31 December, the occasion of a visit to Lieut.

Colonel Kræge. Mr. Arancio Ruiz expressed great pleasure and had no criticisms whatsoever to offer.

During the period under consideration it can be said that Count Sforza's local position diminished rather constantly. Still one of the very foremost political personalities, he is mentioned much less frequently publicly and privately than during October and November. He still maintained a position of independence relative to the Comitato and to the political parties.

Baradotto Croce continues to be much in the public eye and is very prolific in his writings. There seems to be no change in his attitude. Contrary to Sforza he seems to be increasingly identifying himself with the Neapolitan Committee.

The three other outstanding or rather potentially outstanding political figures, all pre-Fascist ministers, Messrs. Giovanni Bovio, de Nicola and Giulio Rodino, remained from all appearances entirely aloof from local politics and give the appearance of waiting to save themselves for later developments and positions of national importance.

The month of December closed in a very satisfactory way in the political field. Notwithstanding agitation against King Victor Emmanuel and agitation by the more extreme elements in favor of the more energetic elimination of Fascists, the general situation was calm and no threat to disorder could be seen on the Neapolitan political horizon.

THE CHURCH

The attitude and policy of AMG, Region III, towards the Catholic Church has been guided by the recognition of its vast beneficial power in the field of law and order and its extensival relief and welfare work as well as by the advantage of making a strong local ally of this world spiritual power.

Through close personal contact, relations between AMG and the

A M C and the Church

"Allied Military Govern-
ment Region III, 9
Sept 1943 - 15 Dec

1943; Report by

Col Edgar Estess

Inspector, Chief MGS

Headquarters, Tenth Army

"The attitude" to H. M. C.

In H. M. C.:

"The assistance to end"

ACC 10000/129/167

Church have been uniformly harmonious. This permitted AMG to take a strong attitude in the infrequent cases where the Church position was felt to be less justified than that of the military authorities with which it happened to be in opposition at the time. Furthermore the position of the Vatican State as a recognized neutral power has been constantly considered in relation to property which clearly was Vatican owned and not general church property. In fact this position had been recognized by the German Army and it was deemed necessary to equal them in this particular field while doing better than the enemy in our general relations with the Church. Thus, while making every effort to conciliate the Church and consolidate its support of the Allied cause, the priority required by urgent military needs has never been forgotten.

In all specific cases in which AMG has had dealings with the Church, the policy outlined above has been the guiding principle. These relationships come under certain general categories which illustrate the course followed by AMG. The assistance of the Church was requested and obtained at the beginning of our occupation. Because of the serious sanitary problem involved, the Church consented to have the bodies of victims of the war burned although that is normally forbidden. To enable us to maintain the 7-day working week a dispensation was granted to Italians to work on Sundays and Feast Days.

Church Property. Requisitioning, and attempts to do so, by the Army has presented some of our thorniest problems. Three major cases may be cited. The first one, that of the Seminario Maggiore, which is Vatican property, received full support of AMG. Principal training center for priests for the archdiocese, and seminarians for other parts of the Campania. Further AMG firmly established the special status of Vatican Property of the "Pius XI" Seminary at Benevento, in response to a note from Monsignor Agostino Mancinelli.

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A third example, that of the seminary at Nola, was one in which AMG was able to effect a compromise with Monsignor Michele Raffaele Camerlengo, Bishop of Nola, satisfactory for the needs of the Allied Forces. Since this seminary is not Vatican property, AMG was in a position to arrange to have two-fifths of the seminary reserved for church purposes and three-fifths for the needs of the Armies.

In other cases Church property has been put at the disposal of the Allied Forces. His Eminence, Cardinal Ascalesi, offered the Seminario Minore, the Convent of the Franciscan Fathers, Via Presepe at Capodimonte, a small church building near the Seminario Maggiore, and the ex-convent in the Royal Forest at Capodimonte, and his general consent has been given for the use of church buildings not urgently required.

Food

At all times recognizing the importance of food supplies as a means of prosecuting the war, AMG has nevertheless been able to make occasional small gifts of flour to orphanages and convents directly concerned with charitable work for the populace. As an example of this action, we might cite AMG's pointing out to the Alimentation Board some cases where religious institutions had not received their rations. By representations through its Economic and Supply Section AMG was able to correct this condition. Then too, AMG has given some gifts of flour to religious institutions for the specific purpose of making communion wafers.

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Money

A number of religious institutions have applied directly to AMG for loans. Although we are not empowered to grant loans, AMG has directed such appeals to ECA for favorable consideration whenever the cases seemed deserving.

Repairs to Church Property

Many requests have been sent to us from individual priests, nuns and religious institutions for glass for windows and general repairs of their buildings. Examples of direct assistance are repairs being made at the Cathedral, the Cardinal's residence and glass for windows in church schools now in operation.

One of the more important aids offered has been our recommendation to the Finance Officer, AMG, through the Prefect of Naples and the Genio Civile for putting in order the unsightly conditions caused by bombing in the Naples Cemetery. This request for AMG aid came from His Excellency, Monsignor Giuseppe M. de Nicola, Auxiliary-Bishop and Vicar-General of Naples.

The most constructive aid attempted by AMG in this field has been through direct liason with Monsignor Marena, secretary to the Cardinal. Monsignor Marena was asked to furnish a list of the absolutely necessary repairs needed by essential religious institutions. He was asked to furnish a list in which he would indicate the priority assigned by the Church for such repairs. Although we could not promise immediate assistance in this work, we indicated our interest in helping when materials should be available.

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Transportation

Within the limitations imposed on us by the general inadequacy of transportation in the Campania, AMG has been able to offer some aid in this activity. Gasoline allowances for necessary administrative and charitable work have been given to the Cardinal and other Church officials. A few cars requisitioned in the first days of our arrival were restored to religious institutions which had urgent need of them. Many passes were issued to priests and nuns whose work required them to travel to centers where basic operations had been seriously interfered with by the war and required their presence for administration and for providing food for members of the community and orphans. On two occasions we provided seats in army vehicles for nuns who have no transportation of any kind and whose absence from their communities seriously interrupted necessary services. After the recent explosions in the caves at Naples we furnished a truck to transport beds of the orphans from the Orphanage of the Sisters of Mercy at Capodimonte to the Cardinal's palace.

Miscellaneous

There have been many other instances too numerous to cite in which AMG has been of aid to Church officials. We might give as ~~few~~ examples the following: Many introductions for priests and nuns to AMG sections and other sections of the Allied Forces have been given.

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We established liason with the Special Services Officer, PBS, to enable a representative of the Cardinal to discuss moving pictures for children in Naples. The request was for moving pictures Sunday mornings to help keep the children off the street. It was our suggestion that one of the Allied cinemas might be used for this purpose.

AMG was very glad to arrange with the radio section of the local Psychological Warfare Board for the rebroadcasting of the Christmas Pontifical Mass from Rome, and of the Pope's Christmas message to the world. Cardinal Ascalesi was personally interested in the matter and expressed his appreciation.

Publications

Keeping in mind the paper shortage in this area, AMG has refused a number of requests for minor church bulletins. Two other requests which seemed to be of some importance received our help. We urged consideration of publication of a church paper in Salerno Province in a letter to the SCAG, Salerno, and to PWB. The other recommendation was to PWB for publication of the Bulletin of the Naples Archdiocese because this paper is Cardinal Ascalesi's principal means of communicating important news throughout the Archdiocese. 2911

Social

AMG has participated in functions which help to

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promote friendly relations with the Church. These have been social, religious and diplomatic. AMG was officially represented at the first mass of Thanksgiving on 10 October 1943; at Pontifical masses on 17 October 1943; on 24 October 1943 when General Clark, Admiral Morse and General Granther were also present; the Memorial Mass for Italian dead on 4 November 1943, and at the Pontifical Mass on 8 December 1943, the Feast of Immaculate Conception.

Colonel Hume and his staff were guests of Monsignor Rubino, the other secretary of the Cardinal, at a private concert and dinner.

On 29 December 1943 His Eminence, Cardinal Ascalesi, made an official state visit to AMG Headquarters, Region 3, to present to Colonel Hume a letter of thanks and to express as a Prince of the Church, his gratitude for assistance which AMG had given. This visit was reported in the local papers and in the press of the United Kingdom and the United States.

The letter which the Cardinal presented to Colonel Hume said in part:

"We have had occasion during this period of time 3910 to make strong pleas to you regarding matters in behalf of our religious institutions and works. We have observed the noble sentiments with which you are moved towards the Catholic Church and it has been easy to note your sentiments of admiration for the good which the Church does among the people of all classes of society.

"...and we would like to thank you for your constant efforts in studying and solving these important problems.

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We would like to demonstrate to you the sentiments of our soul which is grateful for the good work which has been accomplished in behalf of the poor orphans of the various religious communities and charitable institutions. And we implore from God His special assistance in your work and blessings on you...

"Accept our regards and our pastoral blessing."

As a token of his gratitude His Eminence said that he would redouble his efforts and cooperate with AMG in the work which we are doing.

CONCLUSION

The work of several of the special staffs has not received special treatment in the general section of this report. All of these have accomplished most important tasks. Labor for example has supplied the Army with 34,596 civilian employees; Public Relations has relieved the RCAC of many problems and has done an excellent job in its field. The detailed reports of these staffs are appended as annexes.

The work of CACs with ~~Division~~ SCACs with Corps, Civil Affairs Officers in the sub-Districts of Provinces, and that of those officers serving on Province Staffs has not been specifically mentioned. These are the echelons of civil affairs charged with operations. They have done a most creditable job in executing the orders and directives issued by the Region Headquarters. This report represents the work of all these officers and men.

HEADQUARTERS
REGION 3, ALLIED MILITARY GOVERNMENT
FINANCE DIVISION
APO 394 U.S. Army.

4, January 1944.

SUBJECT: Report of Activities.

TO : Regional, Chief Civil Affairs Officer,
Region 3, A.M.G.

1. In compliance with letter order Hq. Region 3, A.M.G. dated 27, December 1943, attached hereto is report of activities of this Division to 15th. of December 1943, with attached Annexes.

DJN/AB
10 Inc.

David J. Nielson
DAVID J. NIELSON,
Lt. Col. A.U.S.,
Chief Finance Officer.

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HEADQUARTERS REGION 3
ALLIED MILITARY GOVERNMENT
FINANCE DIVISION

R E P O R T .

The Finance Division should be responsible for all currency and foreign exchange matters, control of funds, banks insurance companies, postal service, and other public and private financial agencies and enterprises, as well as state monopolies. In addition it should supervise and control financial assistance given to government and other agencies and enterprises; administration of tax and custom laws; receipts and expenditures of governmental agencies; problems relating to governmental budgets; receipts expenditures of A.M.G. and all accounting matters pertaining thereto. As a part of the Financial Division there is established under the C.F.O. (but staffed with personnel from AMFA., Hq. who are not included in the Region T.O.) the Allied Military Financial Agency (AMFA) the purposes of which are:

1. To provide a depository, clearing office, funding office, for the convenience of the Allied Military Forces, as well as to provide of funds from which advances approved by the F.O.'s, can be made. AMFA in Region 3 is generally referred to as AMFA Bank, Naples Branch.

The Finance Division was originally organized in Tizi Ouzou after appearing before the selection board consisting of the British and American Chiefs of Staff. Some were also interviewed

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by Brig. General Mc Sherry. The following were assigned:

Lt. Col. David J. Nielson (A.)
Maj. Walter C. Harris (A.)
Maj. H. Mead Rogers (A.)
Maj. M.H. Haigh-Wood (B.)
Capt. R.M. Pearson (B.)
Capt. Grady C. Durham (A.)
1st. Lt. Walter H. Gaedcke (A.)
2nd. Lt. Mario Ravarino (A.)

The name of Lt. Col. R.T.T. Barrett A. originally appeared on the list, but had been crossed out on the list given to Lt.Col. Nielson, and the latter was informed that Col. Barrett was assigned on paper only, that he would not be with the Region as he was detailed on a special assignment. Col. Barrett was never at Tizi Ouzou with the rest of the officers. Col. Nielson had previously been assigned as Chief F.O., Region 4 but on Aug. 31st. was without his knowledge transferred to Region 3 as C.F.O. ; the explanation given being that Gen. Mc Sherry in organizing Region 3 had priority in choosing all officers. Because of the necessarily hasty organization of the Division its officers had practically no opportunity to work together in the planning and instruction stage. None of the officers were at the school more than a month, but did however receive general instruction in A.M.G. plans procedures and policies. Col. Nielson, immediately after his assignment to the Region was ordered to Oran

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to receive from an arriving steamer 727 boxes of A.M. Lire, total value 1,242,688,000 Lire and consequently became separated from the rest of the Finance Division Officers. These lire were unloaded and temporarily stored in the vaults of the Bank of Algiers, but later part of these funds were turned over to C.F.O., 5th Army, part shipped to A.M.G., Palermo while, Col. Nielson subsequently brought L. 92,800,000 with him to Italy.

It was subsequently learned that the various other F.O.'s came in on various convoys, landing in Italy from D+2 to D+19. The first duties performed by a F.O., were at Salerno about Sept. 19th. when funds were obtained by taking over as a temporary loan from the only local bank whose officials were still in the city. Lt. Col. Barrett had reported there and had installed Maj. Haigh-Wood as F.O. for Salerno Province. Great difficulty was experienced in handling municipal expenditures in Salerno because of the absence of nearly all state, provincial and city officials, the city then being still under shell fire from nearby enemy batteries and many individual and group wage and salary payments had to be handled by the F.O., personally, acting as the Communal Treasurer. During part of this time the remainder of the group of F.O.'s had been assembled at Region Headquarters in Agropoli. Lt. Col. Barrett had been told he was to be C.F.O., while Lt. Col. Nielson had been told the same. Col. Hume Regional S.C.A.O., had no definite instructions. and stated that he had no chance to pick his staff, Col. Barrett had served as an F.O. in Sicily but was junior to Col. Nielson. It was finally decided that Col. Nielson would waive seniority and the following assignments were made:

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Lt. Col. F.T. Barrett (A) C.F.O.,
Lt. Col. David J. Nielson (A) D.C.F.O. and C.F.I.,
Capt. R.M. Pearson (B) C.A.,
Capt. Grady C. Durham (A) R.O.,
1st. Lt. W.H. Gaedcke (A) Asst. R.O.,
Maj. Walter C. Harris (A) F.O., Avellino Province,
2nd. Lt. Mario Ravarino (A) F.O., Benevento Province,
Maj. H. Mead Rogers (A) F.O., Naples Province,
Maj. M.H. Haigh-Wood (B) F.O., Salerno Province.

Col. Barrett in civil life had been for 14 years Manager of the Paris Office of a large New York Trust Co., had been a Civil Affairs Officer, in Casablanca, and Algiers and a F.O., with A.M.G. in Sicily. Col. Nielson was the official in charge of the Foreign Credit Department, of a large New York National Bank, before coming in the Army, and since entering the service graduated from the Army Finance School, served as C.F.O., Watertown Arsenal, was attached to II Corps - Finance Section in England coming to Algiers with that organization, later serving as Executive to the Chief F.O., Mediterranean Base Section, Chief F.O., 3rd. Inf. Div. in Tunisia and was

transferred to Military Government Section AFHQ. because of his experience in foreign banking. Majors Harris and Rogers and Capt. Durham attended the Military Government School at Charlottesville. Maj. Harris had been a professor at the Wharton School, asst. Treas. of the City of Phila. Pa., and a director of a Phila bank. Maj. Rogers experience had largely been confined to investment banking he having been at one time Mgr. of the Buffalo Branch of a large investment banking House. Maj. Haigh-Wood had at one time been employed by a British bank in Italy and was later identified with a stock exchange house in London.

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Capt. Pearson had previously been a member of the London Stock Exchange and had studied accounting, Capt. Durham had been engaged in revenue work for the U.S. Government and for the State of Louisiana. Lts. Gaedcke and Ravarino had but little previous business experienced but under the guidance of older officers proved willing and capable workers who learned rapidly. Lt. Ravarino especially did an excellent job considering his lack of business experience and low rank. Generally speaking the backgrounds of the officers served them well and this experience combined with the actual A.M.G. experience of Col Barrett in Sicily enabled the Finance Division to work well as a team. Lt. Ravarino was the only Italian speaking officer in the Division. While at Agropoli, about Sept. 27th. the following enlisted men were assigned to the Division:

- S/ Sgt. Italo J. Innocenti, (A)
- S/ Sgt. Vincent Gambardella, (A)
- Sgt. Henry S. Piper, (A)
- Cpl. Alfred Passaglia, (A)
- Cpl. Joseph Napoli, (A)
- Pvt. James L. Jarratt, (B)
- Pvt. Arthur A. Ives, (B).

All of the Americans were Italian speaking but except for Sgt. Piper not one had any previous training which would fit them for finance work. The British soldiers were qualified by virtue of their civilian background. Sgts. Innocenti and Gambardella subsequently proved themselves unable to grasp any details of finance work and were transferred, but to date no replacements have been received. The others were able to learn their duties reasonably well.

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It is a great asset to be able to speak the language but in the writer's opinion it is more important for both officers and men assigned to the Finance Division to have a broad civilian finance background, with foreign banking experience wherever possible. This especially applies to any officer who may be assigned to duty as C.F.I.

For about a week the Finance Division worked as a group at the Prov. Reg. 3 Hqrs. at Agropoli developing and defining appropriate divisional responsibilities. The A.M. lire brought over by Col. Nielson were temporarily stored there and during this time some funds were used for local needs and funds were delivered to the Provincial F.O.'s. The C.F.O. and D.C.F.O., during this time went to Salerno to discuss with the Salerno Prov. F.O., some of his current problems.

On Oct. 2, the C.F.O. and D.C.F.O. along with some of the other Reg. 3 Hqrs. Staff moved to Naples, the rest of the Division following within the next 2 or 3 days.

Region 3 headquarters were set up in a few days in the provincial administration building where the Financial Division was assigned quarters. In due course civilian typists were obtained it being found that a mass of Italian correspondence and memoranda was being received daily. A few days after Regional occupancy the Provincia building had to be abandoned because of the bomb explosion in the main Post Office building and the consequent forced evacuation of all buildings in that area for further checking for hidden mines. Region 3 was transferred to the Prefettura where insufficient space was available and the Financial Division moved into offices at the Banca d'Italia which had already been used temporarily as supplementary quarters. A large vault was obtained in the bank

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for the storage of currency.

Beginning October 2, the Financial Division commenced its work in Naples city. Initial supplies of Proclamations 3, 5 and 12 and General Order 1 and 2 were posted. These had meanwhile been posted in all the areas occupied so far by tactical and follow-up CAOs. The F.O. for Naples Province, in addition to having space at Naples Province headquarters, established an office in the Banca di Roma with vault space and a supplementary account at the Banca Commerciale Italiana (his principal account was established subsequently at the Banca d'Italia). In due course arrangements were made for frequent visits of the F.O.s in other province to the Financial Division and vice-versa.

On October 3 a conference was held with the Banca d'Italia officials who furnished approximate figures on their cash holdings in bank notes and those of their banks in Naples, totalling about 675,000,000 lire, of which about 575,000,000 was in Banca d'Italia itself, (Lire 250,000,000 in new currency had been received about 15 days previously from Rome.) and bank deposits in Naples city totalling approximately 3,200,000,000 Lire. Rough estimates were given regarding monthly State payrolls in Naples province paid through Banca d'Italia exclusive of Carabinieri and Police payrolls, and allotments to soldier's families. Appropriate preliminary information was given to them regarding AMG financial plans and policies. Other financial officials were contacted and a meeting held the following day with the heads of all important banks in the city at which were present financial officials of the State, Province and Municipality and Post Office, and copies of Proclamations 3, 5 and 12 and General Orders 1 and 2 were furnished each of them and thoroughly explained. Instruction letters were delivered to each bank

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and also shown to the public financial officials to demonstrate just what operations could be handled by the banks for their respective accounts. General instructions and authorization were given those present as to the classes of expenditure and payments that they could meet and methods of drawing cash advances through the AMG Finance Officer for Province of Naples, to be first cleared in the case of the Municipality, through the local CAO.

During our first week in Naples the question of State, Provincial and Municipal financing was discussed in other general meetings with financial officials, excluding bank officials, and in subsequent separate interviews with the officials of the commune, province and state respectively. A separate meeting was held later on with officials concerned dealing exclusively with revenue and taxes, and collection thereof. A preliminary rough examination showed total direct tax rolls in the Naples Province of Lire 95,000,000 per bi-monthly period (i.e. 1,140,000,000 Lire per year), based on estimate of figures in 1943 so far). Out of the Lire 95,000,000 Lire 15,000,000 was for account of Naples city alone. Lire 20,000,000 was represented by "contributi sindacali", abolished by our proclamations. The various officials consulted estimated that approximately one-third of the Lire 75,000,000 tax payments due in October were collectible, i.e. collectible relatively promptly. The AMG FO for Naples Province participated in conversations specifically affecting his activities and functions and the various specialist members of the AMG Region 3 Finance Division followed up general and smaller meetings with financial officials by frequent interviews on the details involved. Approximately 38,500,000 Lire Expenditure for account of the Municipality of Naples was approved by us, to be

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incurred in October, and about 4,000,000 for account of the Provincial Administration. Partial authorizations, subject to more detailed study for totals, were made with respect to expenditure for State account. The Royal Treasury Section of the Banca d'Italia was reopened as of October 6 to make payments at their windows of State salaries, as before, in accordance with authorization to be given through the FO of Naples Province direct or through the State Treasury Office in the Intendenza di Finanza.

Arrangements were made for the FO of Naples Province to take over part of, from the Banca d'Italia against receipt, Lire 150,000,000 in lire currency, which was placed to the credit of AM accounts at the Banca d'Italia for the use of the FO Naples Province and the remainder to the credit of the CAO Naples City for making advances to State and Provincial organizations on the one hand and Naples City on the other. This amount was later reimbursed and the receipt redeemed when sufficient supplies of AMG lire were received by Region 3.

Capt. Pomeroy of the staff of the CAO for Naples City was designed by the CAO, Naples City to handle financial matters for that CAO in addition to other duties and particularly to make advances to the municipality of Naples.

The foregoing covers the initial work of the Financial Division in a general way. The remainder of this report is devoted to the development and handling of some of the principal matters with which the division has been concerned.

BANKS

With regard to banks in Naples, general meetings and separate interviews were held with all bank managers from the outset. These meetings were handled by the Controller of Financial Institutions. Bank statements as required by AMG were completed and detailed studies were made on the question of

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partial or general bank reopening in Region 3 for operations with the public. The managers of the Naples branches of banks having their M.O. in Rome, Milan and Genoa and were appointed regional managers for all their respective branches in the four provinces of Region 3. A small working advisory committee of three bankers consisting of the General Manager of the Banco di Napoli, the Manager of the Banca d'Italia, both appointed by us, and a third member, the Manager of the Banca Commerciale Italiana, elected by all the other bankers, has been appointed to cooperate closely with the C.F.I. Steps were taken by us to facilitate communication of Naples bank managers and their branch managers throughout the Region, to the extent that and as rapidly as military exigencies permitted. Later it was realized that the small banks were not represented so the C.F.I. directed them to select a representative.

Approval was granted in the early part of October for certain large industrial companies to withdraw from their own safety deposit boxes in banks large amounts of cash for meeting back and current pay-rolls and dismissal allowances to employees and workmen no longer needed because of destruction of their plants, as there was no reason to keep this cash out of circulation and the deposits in the banks would not be decreased.

After thorough analysis of the numbers and classes of accounts and respective balances, it was found that, without a large additional supply of cash, reopening on any but a most restricted basis was either impossible or inadvisable even allowing for approximately 120,000,000 lire excess in cash found in other provinces of this region where it was not needed and brought into Naples. Due consideration had to be given to the large cash outflow on the part of the Banca d'Italia

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necessary to cover State pay-rolls and other State expenditures, and also to the desirability of providing, in any bank reopening for large withdrawals by industrial and commercial companies for pay-roll purposes. An amount of 1,000,000,000 lire was requested from AMFA, Palermo, in repeated cables, it being estimated that even half of this amount, if immediately available, would provide the necessary cash reserve for a limited bank reopening. On October 21st the amount of about 950,000,000 lire in AM currency was received from Palermo and an immediate unrestricted bank reopening was envisaged and studied with local bankers.

In the few days beginning October 25th, plans for a full bank reopening in Naples City and Province were rapidly matured. A branch of AMFA for Region 3, under the supervision of this division, was established on October 25.

The bankers were instructed to put their best tellers on the job to have plenty of money in sight and to do everything possible to instill confidence on the part of the public in the banks. A news article was prepared (copy attached as annex A.) for publication in the "Risorgimento" (a local newspaper published under the supervision of the P.W.B.) announcing the opening of the banks and stressing the fact that the public would have a place to deposit their funds in safety; in a further effort to give the public confidence in their banks. 3397
A deposit of L. 600,000,000 was made by AMFA in AMFA No. 2 account in the Banca d'Italia for the expressly stated purpose of advancing funds, if necessary, to other banks to cover their cash requirements for reopening. Emergency credit lines totalling L. 425,000,000 were granted by the Banca d'Italia to the other banks in Naples city under a credit agreement

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arranged by the C.F.I., by which bank guarantees thereunder the obligations of all others proportionately to the ratio of its deposits to the deposits of all. By this arrangement, which incidentally was new to Italian bankers, it was not necessary for AMG to make any advances to the banks individually.

The Banca d'Italia agreed with AMFA to keep on hand at all times cash sufficient to cover the amount of the AMFA No. 2 account less sums advanced to banks, and to furnish AMFA full figures of such advances requested.

Cash requirements of small independent banks elsewhere in the Province of Naples were advanced by the Banca d'Italia and requirements of branches of banks having offices in Naples were met by their respective Naples Offices.

The banks in Naples city were opened without limitations on withdrawals and the moratorium lifted in Naples City on Oct. 30th (attached as Annex B is copy of General Order No. 3 authorizing the opening - and as annex C, - letter of instructions to banks.)

Meanwhile the CFI had visited Avellino and Benevento accompanied by managers of the Banca d'Italia and the Banco di Napoli, to examine cash requirements for reopening in those provinces on the basis of bank statements accumulated through our province officers with allowances for cash requirements for financing Governmental, Provincial and Communal expenditure. Transportation was furnished to the Banca d'Italia for transporting cash to their branches in those cities and also to Salerno where preliminary arrangements had been made through the FO there. Transportation was likewise provided banks for transferring cash to Castellamare and Caserta in Naples Province. In Naples Province, outside of Naples city, banks, by mutual

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agreement, opened generally on Nov. 8 instead of October 30 as in Naples city, this time being required to shift money between various offices of the respective banks. The dates on which reopening took place in the three provinces of Campania were:

Avellino - November 5
Salerno - November 8
Benevento - November 9.

General Order, No. 3 as posted in those provinces was exactly the same as in Naples Province except for the appropriate changes in names and dates.

The banks in accordance with instructions, kept blocked all accounts of fascist organizations, prominent fascists and those of a government and semi government nature. For several days the banks reported their cash position daily, but after it was safe to assume that there would be no runs, this was discontinued.

Another problem in connection with the banks was the matter of Safe Deposit vaults of which there were some 19,650 in Naples City alone. Arrangements were made to have officers of AMG Finance Division present at the banks on especially designated dates from Nov. 29 to Dec. 9th. inclusive to witness the initial opening of the boxes. Notices were printed (copy attached as annex D) and posted and later published in newspaper. A form was improvised (copy attached as annex E) by means of which the bank officials certified that the box had not been previously opened since the occupation, and AMG Finance Officers certified that the box had been opened in his presence and granted the holder free access thereafter. The officers were instructed to take, and

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turn over to the bank for safekeeping, (the bank giving a receipt therefor) subject to AMG's orders, all gold or silver bullion, foreign exchange of any kind, foreign securities, or any suspicious looking documents especially anything written in German or showing any indication of having anything to do with fascism. Actually nothing of any real value was found, only a few U.S. Dollars bills some Hungarian bonds, some old Czarist Russian bonds, about 1/3 of the boxes were opened. Other openings will have to be arranged at a later date. In Naples and Salerno no damage was done to the banks by the Germans, but in both Benevento and Avellino, the safes of the Bank of Naples were dynamited, roughly L. 3,000,000 was taken, and other furniture wantonly destroyed.

One of the principal problems of the Division was the arrest and internment by C.F.I. of Giuseppe Frignani head of the Bank of Naples. He was known to have been prominent in the fascist party in the past and also believed to have been fairly active in promoting cooperation with the Germans. This fact was reported on arrival in Naples. On the other hand he was said to have more or less withdrawn from politics in recent years and devoted himself exclusively to banking. He was without a doubt the most capable banker in the Region, cooperated 100 % and was of considerable help to the Division. The Finance Division felt, looking at it from a banking; rather than a political viewpoint that the best interests of AMG would be served by allowing him to remain in office, especially as his bank would have to go through trying times and if anything should happen to the bank at a later date the Allies might be subject to criticism for removing the head of the bank. The Finance Division had no information which would indicate that he was a threat to security. It must be

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stressed that the Finance Division viewed the matter purely from the practical and not from the political viewpoint. This was especially so because he had no assistants trained to, or capable of, filling his shoes. To date no successor has been appointed, but steps are being taken to remedy this situation through C.F.O., 15th Army Group., C.F.O., A.C.C., and H.E. Guido Jung, Badoglio Minister of Finance.

As indicated above, considerable amounts of cash were taken out of Naples City just before the bank opening, not only from the Banca d'Italia but from the other large banks having large offices in Naples, to bolster cash in outlying towns throughout the region. Also many large employers, in addition to the government drew substantial amounts out to pay back salaries and dismissal allowances to their employees. Also prior to occupation many people purchased "assegni circolari" and "vaglia cambiari", some of which were permitted to be cashed after screening by F.O.'s on the recommendation of the banks. Consequently for about 10 days the cash position of the banks showed a decrease and then started to increase. Deposits, however, showed a decrease for only a very short time and then started to show a steady increase. The attached charts (annex F) show the cash and deposit position of the Naples City banks, from the date of opening to the end of November. Time and pressure of work has precluded the possibility of getting data for the whole region but the Naples bankers estimate that Naples represents at 90% of the deposits of all Campania and that these charts are fairly representative of the whole picture.

POST OFFICES

The task of reinstituting the Post Office Financial Services as governmental paying agent, handling of revenue Stamp sales and payments and collections on behalf of the

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Social Security Institution and also reins...tuting their banking department, was enormously complicated. The main office and many branches in Naples City were requisitioned by army units and many of their records dispersed and the explosion of enemy mines required closing of their premises for several weeks. Nevertheless contact was established in early October with the postal officials. and maintained through our Naples Province Officer and officials commenced preparing figures as stipulated in G.A.I. 14. Data regarding stamp supplies in Naples are contained in the attached memorandum from our Revenue Officer and are referred to later in this report. The Avellino Post Office had about 100,000,000 lire of stamps of all kinds. With the active cooperation of the P.O. of Naples Province the main Post Office set up a temporary paying office in one of the local banks to take care of the back pensions and salaries which it normally handles. The Post Office had on hand 10,000,000 lire in cash which it was able to use for this purpose.

By early November the Naples Post Office was re-established in its main office and was meeting all state pensions and payroll payments which it normally handles and all insurance collections and payment benefits on behalf of the Social Security Institution except for unemployment benefits handled separately by the latter (See below). Shortly afterwards arrangements were made to make available to the Post Office through the Banca d'Italia 22,000,000 lire to take care of its cash requirements in these respects.

The Postmaster was able to furnish complete figures of their operations and regarding their banking department in early November. These showed saving and current accounts deposits of about 822,000,000 lire and Postal Saving Bonds of about

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625,000,000 lire. For the latter item, instructions were given by us that no payment of interest or principal could be made until further notice and consequently no sales, the service on government debt being prohibited by AMG directive, but reopening of the banking department for savings and current accounts was tentatively agreed upon. Actual reopening was held up temporarily as it was believed that the Post Offices paid out against deposits originally made elsewhere in Italy, and consequently there might be a considerable drain on local cash. Investigation, disclosed, however, that normally such payments were made only on verification of balance by specific communication in each case with Central Administration, Rome. As that was not possible, the P.O.'s would only have to pay deposits made locally. The Finance Division arranged for L. 100,000,000 to be made available to the P.O., at the Banca d'Italia for the reopening. It should be explained that normally the Post Office pooled all its cash and its surplus intake, in the form of banking deposits, bond sales, etc over deposit withdrawals, bond payments, etc., are remitted to the Central Postal Administration at Rome through the Banca d'Italia, on which the Post Office draws when it requires funds in any period in which intake is less than outgo. Because of uncertainty regarding the possibility of having to meet deposits made elsewhere referred to above C.F.O., 15th Army Group had requested us to radio, just what the custom was. This was done and authority obtained to open the P.O., on an unrestricted basis for the payment of savings deposits and current accounts but, as stated above, no payments on bonds were permitted. The P.O. in Naples City was opened Nov. 20th.

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In other localities P.O.'s were opened as soon as possible, especially for the payment of pensions, but in some localities especially Benevento City the P.O., has not been opened fully yet, due to the fact that its records were scattered and destroyed by enemy action. Normally the P.O.'s also paid the "sussidi militari" (family allowances to those in military service) but payment of these was prohibited by AMG Manual (G.A.I. No. 3, par. 14 b). On Oct. 24th. the Finance Division was advised by C.F.O. 15th Army Group that a ruling had been obtained from AFHQ to resume payments and the Division was asked to look into the matter. The normal procedure is for the Podestà of each commune to give a list of those enlisted to the payments to the local P.O., which sends it to the P.O. at the Provincial capital with a request for the necessary funds, the latter then sending the lists for checking to the Prefect who authorizes payment. To the extent that the Provincial P.O. requires funds for making such payments, these are supplied through the Banca d'Italia, Treas. Section at the Provincial capital. The amount required for these payments in the past was about as follows:-

Avellino Province	L. 20,000,000 - monthly
Benevento "	" 15,000,000 "
Naples "	" 60,000,000 "
Salerno "	" 24,000,000 "
	L. 119,000,000 "

The mechanical details for payments were difficult for the Italian officials to work out and it was recognized that in resuming payment of "sussidi militari", there was some danger of payments to families not entitled to them due to lack of proper and adequate revision of lists under existing disturbed conditions no matter how carefully the local Italian

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officials attended to revise the lists. These payments, however, are quite important in the Italian economic picture, their resumption was greatly desired by the Badoglio government, so after authority to resume payment was obtained from 15th Army Group, instructions were given to start payments effective Dec. 15th.

SOCIAL SECURITY INSTITUTION AND PRIVATE INSURANCE COMPANIES

Discussions were held with officials of the National Social Security Institution and, in coordination with the AMG Labour Division, arrangements were made for the resumption of payment of unemployment benefits throughout Naples City to unemployed workers covered by this institution. These payments were made as usual, through special branch offices in Naples City. An advance of lire 5,000,000 was made by the F.O., Naples Province to the institute in connection with financing these payments. Collections of most of premiums as well as payment of other classes of benefits, other than those for unemployment, was dependent on the re-establishment of the principal Post Office and some of its branches in Naples City. This re-establishment has now been accomplished as outlined above.

The normal insurance benefits, such as Old Age Pensions, Marriage Payments, Tuberculosis Benefits, etc., for which premiums are paid, are now being made and also Family Allotments, for which the institute is simply the payment vehicle. Other classes of payments for which no premium is paid by employees and for which the institute was used as a vehicle of payment, are being studied in our Labour Division before whole or partial resumption is authorized.

Private Insurance Companies are again functioning since the lifting of the moratorium by General Order No. 3 to the extent that they have funds available; and premiums are

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being collected. This division has had frequent interviews with these companies.

NAPLES STOCK EXCHANGE

The reopening of the Naples Stock Exchange was thoroughly studied by the C.F.I. and the C.A. The President of the Exchange was directed to prepare a memorandum requesting permission to open stating therein how, if permission was granted the Exchange proposed to function, and why a reopening would be in the public interest. The C.F.I. appointed a committee consisting of the managers of the Banca d'Italia, Banca Commerciale Italiana, Credito Italiano and two judges of the commercial section of the Tribunale of Naples, the latter being recommended by the C.L.O. Advantages and disadvantages of opening were carefully weighed and the C.F.I. decided to keep the Exchange closed for the following reasons:- A large part of the transactions were in government bonds. Their price had previously been supported by the Bank of Naples with funds furnished by Rome. With service on government bonds being suspended it would be extremely difficult to appraise them, and the Finance Division did not think it wise to use AMG lire to support or make a market in Italian Government Bonds. Furthermore Italian Corporations did not have independent registrars or transfer agents and only four of the large corporations, whose shares are traded in on the exchange have head offices here, are in a position to record share transfer; the other six having their head offices in enemy occupied territory. It was also felt that if the Exchange was permitted to open under AMG supervision, transactions thereon might be regarded as official quotations by the public in general, as well as the outside world, and it would be poor propaganda if the Germans in occupied territory by supporting the market or other artificial means could claim that by reason

-20-

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of higher prices for shares and bonds, conditions were better in territory under their control than were conditions in territory under control of the Allies. It might be well to mention that the C.F.I., directed the President of the exchange to reinstate a former member who, because of Italian racial laws, had been forced out. This, of course was an empty gesture, without the exchange being opened but was in keeping with the Allied policy of no racial discrimination.

EXPENDITURES FOR STATE, PROVINCIAL AND COMUNAL ACCOUNT.

Our procedure for meeting State expenditure is as follows:

In the case of certain State organisations including railways our Finance Officer has advanced cash directly, taking receipt on Form F/12. However, in the case of most State expenditure, the F.O. examines requests made by the appropriate State Treasury official in the Intendenza's office, who, if he approves authorizes payment by the Banca d'Italia Treasury Section. The F.O. keeps careful records of all such authorizations. This last procedure requires that Governmental Departments formerly receiving funds direct from their respective ministries in Rome, usually in the form of Vaglia Cambiari issued by the Banca d'Italia, Rome and payable at its Naples office or any other office, must submit their financial requirements to the Treasury official just mentioned. Similar procedure to that in Naples is being followed by our Provincial Finance Officers. Provincial Administration requirements are met by direct advances from the respective F.O. against receipt on Form F/12, and amounts required by Communes by similar direct advances through the C.A.O. or Provincial F.O. Gradually we are requiring that Communes in all four Provinces request funds through the Prefect at the Provincial Capital and have him after examination arrange the advance through the respective F.O.

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One of the largest expenditures has been the Italian State Railways (their budget for December calls for L. 55,000,000 of which about L. 7,500,000) represents expenditures necessary in making repairs to roadbeds, equipment etc. As the use of the railroads is of vital necessity to the armed forces, special attention was given to the railroads to see that they had the needed funds. In connection with expenditures other than for salaries and pensions we arranged that an officer of AFHQ R.R. Division would check in a general way those expenditures as the Finance Division had no way of checking those figures.

By using this method of working through the existing Italian Government financial agency we have been able to conserve the use of AM Lire, and place more responsibility on the Italian officials. Due to lack of time, transportation, etc., figures for the total amounts authorized for the period covered by this report are not available but actual advances by AMFA have been as follows:-

Italian State Treas. and State Inst'tn's.	42,063,045
Provinces	10,618,666
Communes	57,095,855
Others	<u>110,966</u>
Total	109,888,562

This method of using existing Italian Government financial agencies meeting net deficits instead of making individual advances has been discussed with C.F.O. 15th. Army Group and has his approval and it is expected that written instructions to follow that method will be issued by 15th Army Group in the near future adopting that plan for all AMG organizations in that command.

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COLLECTION OF REVENUE, MONOPOLIES ETC.

Special attention has been given, in collaboration with the Provincial Finance officers, to revenue collections. Due to shortage of transportation and lack of communication in out-lying districts caused by blown bridges, impassable roads etc., complete figures as to tax collections are not available. The Revenue Officer visited the Provincial F.O.'s on several occasions to assist and guide them in getting the revenue collecting machinery. In the very beginning the C.F.I. when he obtained estimates of cash required for bank openings also, jointly with the Provincial F.O.'s had meetings with the Italian Government Officials and discussed the revenue problem impressing on them the necessity of collecting all possible revenue. Attached as annex G with exhibits 1-10, as explained therein show what was done in our efforts to collect all revenue possible.

AMFA CURRENCY AND ACCOUNTING

A branch of AMFA was established on October 25th in Naples under the jurisdiction of this division. Major John Meyer (A), who arrived with the shipment of about 950,000,000 lire, already referred to is now in charge. Requests for currency from U.S. Army Finance Officers, who fund all American troop disbursements in this area, have been met. AMFA has received deposits of proceeds of sales of goods by Civilian Supplies Division. It is also carrying into its books advances to AMG Finance Officers and other officers in the field and in due course other disbursements on the basis of returns to the Chief Accountant, after analysis by him. Due to the great sub-division of small funds, originally brought in by C.A.O.'s in the early assault operations, there has been considerable work in assembling accounting returns.

On December 2, Capt. E.E. Benson (B) was assigned to AMFA

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Naples Branch, while Sgt. Seymour Mandell was assigned on Dec. 8th. On the latter date Capt. R.W. Ponder (B) was attached from Region IV and Capt. O.F. Randall (B) from ACC, both for training. AMFA is really the banking part of AMG, having physical custody of the cash. It also arranges the opening of accounts by various U.S. Army organizations, such as organization funds, P.X.'s, etc. Its advances are made on the approval of the C.F.O. and it is generally under the latter's supervision but renders reports direct to AMFA Hqrs. and receives technical and policy directives from these Hqrs. Its personnel is not included in the Finance Division T.O., and is not charged against Region 3. Attached as annex H is copy of AMFA's balance sheet as of 14 Dec. and schedules pertaining thereto, which shows cumulative financial transactions of Region 3 to that date.

PAYMENT OF ITALIAN ARMED FORCES

Many questions arose in this connection. Original directives were to the effect that the pay of the Italian Army was not the concern of AMG. Funds were, however, released for the payment of civilian employees of both the Italian Army and Navy. Many requests for funds were received from Army officers themselves but also from Allied sources using those forces. Authority was finally obtained Nov. 28th. The writer immediately called on Gen. Basso in command of Italian Forces in Campania. The following arrangement was made and approved by C.F.O., 15th Army Group, the undersigned, Col. D'Ambrosio (Gen. Basso's Administrative and Finance Staff Officer) and H.E. Guido Jung Italian Minister of Finance:-
Each month Col. D'Ambrosio will forward direct to the Finance Minister a report showing funds on hand, and estimated requirements for the following month. A copy is also delivered to

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C.F.O. Region 3 to be checked and approved and also so he can be sure that the necessary funds will be on hand. The Finance Minister will have either payment orders on the Treasury Section of the Bank of Italy, Naples, or have "vaglia cambiari" drawn by banks in Bari or Brindisi on Bank of Italy Naples. The C.F.O., will authorize Bank of Italy, Treasury Section to pay either. January requirements were estimated at about L. 65,000,000. By following the above method which was instituted at the writer's suggestion it is not necessary for AMG to make any direct advances to the Italian Army. While authorization is given for funds to be obtained through the usual government channels for pay of civilian employees of the Navy, no authorization has been received for payment of any Italian naval armed forces; in fact it is the writer's understanding that the pay is being handled by the Royal Navy under whose control the Italian Navy is operating.

FRENCH ARMY PAY

With the arrival of French Army troops in Italy early in December came a request for funds. As the Finance Division had no authority to make such an advance the undersigned suggested to Lt. Marcel Santgermat, Disbursing Office 222, French Base Section 901, French Army paymaster to have his seniors in Algiers contact MGS, AFHQ and have the latter cable F.O., Region 3, authorizing advances to him. This was done and L.100,000,000 advanced December 11th. as shown in attached AMFA balance sheet. Estimated requirements for January due to expected increase in French forces L. 250,000,000. 2853

BRITISH ARMY PAY

To date no advances have been made to the British as their Field Cashiers operating in Region 3 were funded by Col. Roney Chief F.O., who received his funds from other sources. In the

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future Region 3 will be called upon to fund all British Field cashiers in this Region .

AMERICAN ARMY PAY

All U.S. Finance Officers in Italy now are funded through chief F.O. - P.B.S. Maj. V.S. Gafford, F.O. 47th. Finance Disbursing Section, funding officer receives his funds in turn from AMG. To date L. 2,585,472,000 has been advanced to the U.S. Army, as shown in attached AMFA balance sheet.

COOPERATION WITH OTHER ALLIED ARMY SECTIONS AND WITH THE ALLIED NAVY

This division has cooperated closely with many Allied Army and Navy Sections in matters in which they have been interested. More important examples have been:

- a - Securing office and vault space in banks for 3 U.S., 2 British, and 1 French Paymaster
- b - Securing office space in banks for ACC Finance Section AMFA, Hqrs, CIC, OSS and in buildings under control of tax collectors for the British Navy
- c - Authorized requisitioning of appropriate furniture intended for the use of General Eisenhower from a bank. Secured office space in bank for C.F.O., Region 4 (which was not used)
- d - Before formal opening of banks released funds for concerns working for the Allies
- e - Cooperation in financing operations of Italian State Railways in close cooperation with Brig. Gen. Carl Gray, Grand Ry. Division AFHQ.
- f - Cooperation with Col. Wickersham G.P.A. - P.B.S. in endeavouring to arrange bank loans for concerns working for P.B.S. In this connection, through C.F.O., 15th Army Group arrangements were made whereby the Italian Government has agreed to guarantee certain loans which may be made to concerns

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working for the Allies.

TRANSFER OF PERSONNEL

About December 2nd.; - 2nd. Lt. Eric H. Paige was assigned to this Division. He has had no previous AMG experience or training but his civilian background is such that he should be of value in Finance work. About that time also, as the announcement of the formation of the V Army AMG Mobile Group was announced, and as Lt. Col. Barrett and Capt. Durham were to be assigned to that group they started to work on V Army plans, and Col. Barrett went to Bari for a few days for conference with C.F.O. 15th Army Group. On Dec. 12th actual physical separation took place and Col. Barrett, Capt. Durham and Pvt. ^{JARRATT} Ives moved out of Region 3 Offices, and took office space downstairs in the same building. Col. Nielson took over as C.F.O. and continued as C.F.I. On Dec. 2nd. Salerno Province was transferred to the jurisdiction of Region 2 and Maj. Haigh-wood was transferred to that Region. The original J.O., called for 10 Officers, and 7 E.M., or O.R. As Salerno Province has been lost, presumably this would be reduced to 9 Officers. On that basis Region 3 is short 3 Officers in the Finance Division.

On various dates early in Dec. the following officers from Region 4, were attached, Maj. M.B. Phillipps and Lt. T.L. Holladay, Rev. Section Hqrs., Capt. V.A. Catozella Banks, Hq., Maj. L.V. Mc Ardle Naples Prov., Capt. H.W. Stone Avellino Prov., and 2nd. Lt. D.W. Hawkins Benevento Prov.

RECOMMENDATIONS

It is recommended that:-

- (1). Mature men be assigned to the Finance Division. Their work is such that they come in contact with the better class of business men and government officials and they should be old enough, have enough experince to be able to dominate

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the situation in interviews, handle men, and have enough rank to carry the proper prestige.

(2). In future occupations that Regions be organized sufficiently in advance, so that the officers can get together in the planning stage and have a definite plan, flexible enough to permit changes as the situation requires, before they are required to operate. Also before actually beginning to operate that other staff sections and CAO's be informed as to the Finance procedure, especially in keeping financial records, preparation of vouchers and making disbursements.

(3). That more definite instructions be issued, defining in greater detail just what constitutes legal disbursements or advances, some provision be made for auditing and checking of records in addition to that now done by the C.A. A Division such as the U.S., Inspector or Generals Division, should be included in AMG Hqrs. not only to inspect Finance Division records but also records of C.A.O.'s and other sections having property accountability or responsibility.

(4). Linguistic ability be considered. In Africa the writer found that his knowledge of French was a very great help, and found in Italy that his lack of knowledge of Italian was a great handicap. While it is true that technical knowledge is more essential than linguistic ability the writer believes that if more efficient use were made of officer personnel's knowledge of languages in addition to his technical knowledge AMG would benefit.

(5). Actual experience be used to better advantage. The writer believes that actual experience "on the spot" is much more valuable than lectures and conferences and that future operations would be handled more efficiently and with more confidence by AMG officers who have had actual experience. These experienced officers in the writer's opinion, have

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gained considerable confidence as a result of what they have done, as well as valuable experience, and this confidence and experience should be used to the best advantage by assigning experienced officers to new areas. They should be replaced by officers who have the background but not the experience. These replacements should, however, be assigned sufficiently ahead of the departure of experienced officers to permit them to become acquainted with the job they are to take over.

(6). More stenographic help be provided. AMG work of necessity requires considerable paper work even when it is kept to the absolute minimum. Lack of stenographic help requires considerable time to be used in writing out in longhand the necessary reports, memos, etc. that are required, especially in the Finance Division, that could be used to the better advantage. If male enlisted personnel cannot be obtained, W.A.C. stenos could be used to great advantage especially in static regions like this region now is. It has been impossible for this Division to locate an English speaking stenographer and English speaking typists have not been efficient.

(7). That more motor transport be assigned. In the Finance Division where not only the C.F.O. and D.C.F.O. are required to do considerable traveling, but the C.F.I., is required to visit banks, insurance companies etc., and the R.O., is required to visit various government fiscal and revenue offices, state monopolies, tax collectors etc., and AMFA is required to move money. Lack of adequate transportation, has been a great handicap and the work of the division could have been accomplished not only quicker but more efficiently had adequate transportation been available. While the writer has no figures to go by, it seems as though proportionately, the amount of transportation assigned to AMG in comparison with

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the amount assigned to other branches of the Army, non combattant organizations, is low. In finance work it is often necessary to have meetings not only in Naples but in the Provinces as well, which are attended by various groups of bankers, government fiscal officials etc., which must be arranged in advance. The motor pool system does not work as one can never be assured of receiving the transportation requested. This division originally had 3 cars assigned to it. Two have been taken away, leaving one civilian requisitioned car which is not dependable and which cannot be used outside of the city. It is also being shared with V Army AMG Finance Section. Additional assigned transportation is absolutely necessary for the efficient operation of the Division.

Attached as annex I is Organization Chart of the Finance Division Hq. Region 3, AMG. as of 15, December 1943.

The number of officer personnel assigned to this Division per T.O., i.e., 10 is in the writer's opinion insufficient. I believe that it should be increased to 11, which number assuming that they are efficient and properly selected would enable the Finance Division to function efficiently. I, also believe that the enlisted men assigned should be increased from 7 to 11; thereby allowing 1 clerk to be assigned to each Provincial F.O. These clerks should be well selected and have a financial background, at least 1 or 2 should be able to take shorthand. Finance work is a speciality, previous experience means a great deal. This Division now has 3 junior Lieutenants; i.e. 1/3 of its present officer strength consists of officers without a great deal of finance background, a business background of any sort, all are smart, and willing and have done exceptionally well considering some of the tasks they were

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faced with and their limited experience, they have required a great deal of supervision. It is difficult, in the actual operation stage to train officers. This is not meant to suggest that these officers should now be reassigned, or to be in any way critical of their work as they have all done well considering their experience, but this situation is brought out in this report, so that in future operations, such a large proportion of officers without mature experience will not be assigned to a special staff section.

DJN/AB



DAVID J. NIELSON,
Lt. Col. A.U.S.,
Chief Finance Officer.

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BANKS REOPEN

Many of the local merchants who have been concerned about the safety of the tremendous amounts of cash taken in as a result of spending of Allied troops will welcome the news of general reopening of banks in Naples City and Province. Allied soldiers have flocked to local stores in ever increasing numbers since their arrival to buy souvenirs and Christmas presents for their wives and sweethearts. This has been the second Christmas away from home for most of these men who, located in deserts and mountains in Africa last Christmas, were unable to send presents home then and they are therefore taking full advantage of the ample opportunities offered to buy the beautiful merchandise for which Naples is famed.

The Allied Military Government has issued an order permitting banks to reopen for general business with the public on an unrestricted basis as to withdrawals and deposits beginning October 30th. This is one of the most important steps yet taken in the direction of restoring, as far as the exigencies of war permit, the normal business life of Naples and surrounding territory. The order itself is published elsewhere in this issue. The banks have been closed less than a month and reopening will assist considerably in alleviating unavoidable cases of hardship caused by inability of industrial and commercial enterprises to withdraw funds from their accounts for payroll purposes.

In the first days of the Allied occupation it was necessary for evident reasons to close banks when fighting was still in progress and as is well known the Germans in some instances blew open bank safes and vaults and removed cash. In order to examine the position of the various banks and consider all aspect of their operations the managers of all local banks have had a long series of meetings with the Allied Military Government financial officials. As a result the entire requirements of the Naples banking system have been coordinated. There has been set up in the last few days in Naples a branch of the Allied Military Financial Agency and through this organization ample funds have been made available to bolster existing cash resources and meet requirements for general reopening.

It is anticipated that similar arrangements will shortly be made with respect to banks in other provinces of the Campania region.

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Per poter esaminare la situazione delle varie Banche e per poter vagliare gli aspetti delle varie operazioni, i direttori delle banche locali hanno avuto una lunga serie di colloqui con gli Ufficiali Economisti dell'A.M.G.

Questi colloqui hanno avuto per risultato la soluzione dei vari problemi bancari di Napoli. Nei giorni scorsi è stata istituita in Napoli una filiale dell'Agenzia Finanziaria Militare Alleata; e per tramite di questa organizzazione, grossi fondi sono stati messi a disposizione per sostenere le risorse finanziarie esistenti per fronteggiare i bisogni che la normale riapertura generale delle Banche verrà a creare.

Si ritiene che analoghi provvedimenti saranno presi nei riguardi del sistema bancario delle altre provincie della Campania.

3875

Article from the "RISORGIMENTO" on Sunday, October 30th 1943

LA RIAPERTURA DELLE BANCHE

Molti commercianti di Napoli più o meno preoccupati sulla sicurezza di grandi somme di denaro incassate per acquisti fatti dalle truppe alleate, apprenderanno con piacere la notizia della riapertura generale delle Banche nella Città di Napoli ed in provincia.

I soldati alleati sono andati sempre più affollando i magazzini e negozi, dopo il loro arrivo, per comprare oggetti e ricordi di Napoli come regali di Natale per loro mogli e fidanzate.

Per molti di questi combattenti è questo il secondo Natale di guerra che essi trascorrono lontano dalle loro famiglie. Il Natale passato essi erano tra deserti e montagne, in Africa e non potevano mandare alcun regalo a casa. Perciò ecco che colgono l'occasione di comperare tanta bella merce per cui Napoli va famosa.

Il Governo Militare Alleato ha opportunamente emanato un ordine che permette la riapertura delle banche per operazioni commerciali e per il servizio al pubblico, onde effettuare senza restrizione alcuna, versamenti e prelevamenti. L'ordine entrerà in vigore dal 30 Ottobre.

Questo è uno dei più importanti passi fatti verso una restaurazione della vita normale di affari, secondo che lo permettano le esigenze di guerra, nella Città di Napoli e nella Provincia.

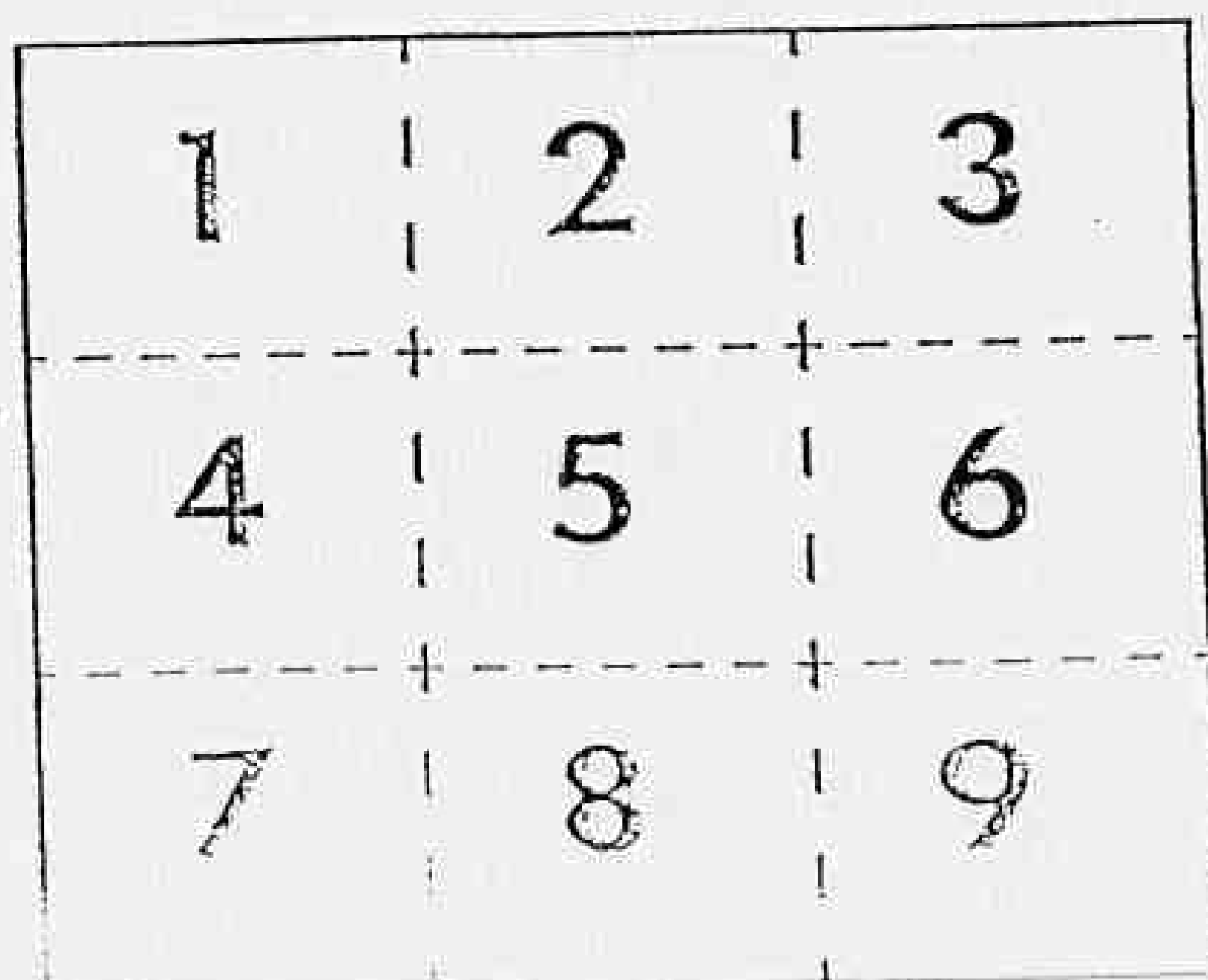
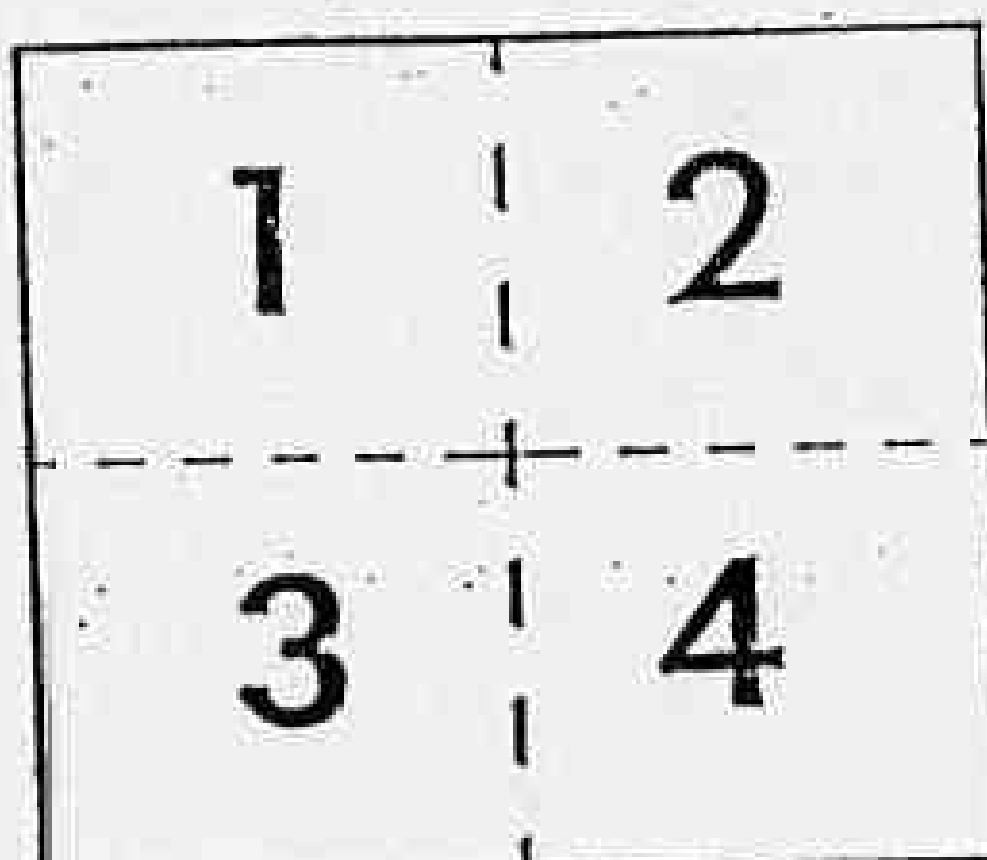
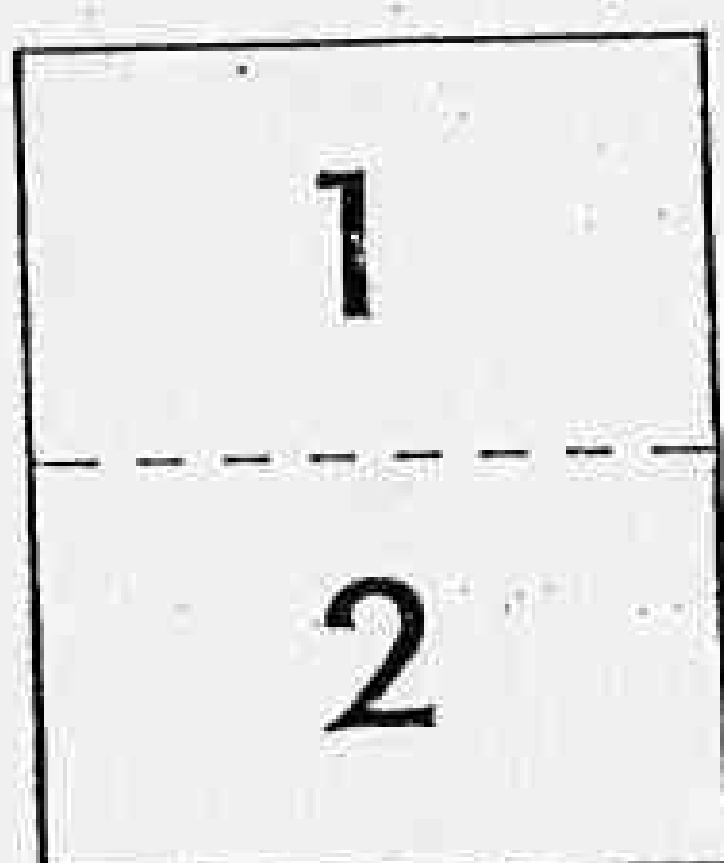
Il testo dell'ordine dell'A.M.G. è pubblicato nella altra parte del giornale.

Le Banche sono state chiuse per meno di un mese e la loro riapertura servirà a togliere dallo stato di disagio le aziende industriali e commerciali, impossibilitate sino ad ora a ritirare fondi dai loro conti per i pagamenti.

Nei primi giorni dell'occupazione Alleata fu necessario, per ovvie ragioni, chiudere le Banche; d'attorno c'era ancora la guerra e, come noto, in qualche caso truppe tedesche avevano fatto saltare casseforti e camere di sicurezza bancarie, per asportare danaro.

MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



ALLIED MILITARY GOVERNMENT

General Order No. 3

Re Opening of Banks and Financial Institutions and termination of the moratorium within the Province of Naples

Whereas by Proclamation No. 5 issued by the General Officer Commanding the Allied Forces in Occupied Territory, all financial institutions were closed and a moratorium was imposed, and

Whereas the Chief Civil Affairs Officer or any officer empowered by him was authorised to order the reopening of such institutions and to suspend or terminate such moratorium in respect to an obligation or class of obligations and to prescribe the conditions governing such reopening and suspensions or termination,

NOW, therefore, I, Edgar Erskine Hume, Colonel, General Staff Corps, United States Army, Regional Civil Affairs Officer, an officer empowered by the Chief Civil Affairs Officer, hereby ORDER as follows:

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GOVERNO MILITARE ALLEATO

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Ordinanza Generale N.° 3

Riapertura delle Banche e degli Istituti Finanziari e cessazione della moratoria entro la Provincia di Napoli

Premesso che con il proclama N.° 5 emanato dall'Ufficiale Generale in Comando delle Forze Alleate in Italia, tutti gli Istituti Finanziari erano stati chiusi e dichiarata una moratoria;

considerato che l'Ufficiale in Capo degli Affari Civili, o altro Ufficiale da lui facoltizzato, era autorizzato ad ordinare la riapertura di tali Istituti e la sospensione o la cessazione della moratoria nei confronti di qualsiasi obbligazione o gruppo di obbligazioni e di fissare le norme regolanti tale riapertura e la sospensione o la cessazione della moratoria;

in considerazione di quanto su esposto, io, Edgar Erskine Hume, Colonnello dello Stato Maggiore dell'Esercito Americano, Ufficiale Capo degli Affari Civili per Napoli e la Campania, debitamente investito dei necessari poteri dall'Ufficiale Capo degli Affari Civili, ordino quanto segue:

suspensions or termination,

NOW, therefore, I, Edgar Erskine Hume, Colonel, General Staff Corps, United States Army, Regional Civil Affairs Officer, an officer empowered by the Chief Civil Affairs Officer, hereby ORDER as follows:

Article I.

Re - Opening of Banks and Financial Institutions

The provisions of Proclamation No. 5 Article I, are hereby rescinded insofar as they applied within the Province of Naples, and all Banks and other financial institutions situated within that Province are permitted to resume their normal functions without any restrictions as to deposit withdrawals or other obligations to customers except that vaglia cambiari, assegni circolari, vaglia bancari, fedeli de credito, or polizzini di credito issued on or after 1st September 1943 in territory occupied by the enemy will not be honored.

Article II.

Termination of the moratorium

The moratorium on debts imposed by proclamation No. 5 Article II is hereby terminated within the Province of Naples only.

Article III.

Opening of safe deposit boxes

Within the Province of Naples all safe deposit boxes may be opened and all articles held in safekeeping may be released but only in the presence of an officer of the Allied

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riapertura e la sospensione o la cessazione della moratoria, in considerazione di quanto su esposto, io, Edgar Erskine Hume, Colonnello dello Stato Maggiore dell'Esercito Americano, Ufficiale Capo degli Affari Civili per Napoli e la Campania, debitamente investito dei necessari poteri dall'Ufficiale Capo degli Affari Civili, ordino quanto segue:

Articolo 1.

Riapertura delle Banche e degli Istituti Finanziari

Con la presente ordinanza sono abrogate le disposizioni di cui alle art. 1° del Proclama N. 5 per quanto riguarda la loro applicazione entro la Provincia di Napoli, e si permette che tutte le Banche e gli altri Istituti Finanziari situati entro tale Provincia riprendano le loro funzioni normali senza alcuna restrizione circa il prelievo dei depositi o qualsiasi altra obbligazione verso la clientela ad eccezione di quei vaglia cambiari, assegni circolari, vagli bancari, fedeli di credito o polizzini di credito che siano stati emessi a partire dal 1° Settembre 1943 in zona di occupazione del nemico, e che non verranno pagati.

Articolo 2.

Cessazione della moratoria

Con la presente ordinanza viene a cessare solamente entro i limiti della Provincia di Napoli la moratoria sui debiti dichiarata con l'art. 1° del Proclama N. 5.

Articolo 3.

Apertura delle cassette di sicurezza

Entro il territorio della Provincia di Napoli potranno

Termination of the moratorium

The moratorium on debts imposed by proclamation No. 5 Article II is hereby terminated within the Province of Naples only.

Article III.**Opening of safe deposit boxes**

Within the Province of Naples all safe deposit boxes may be opened and all articles held in safekeeping may be released but only in the presence of an officer of the Allied Military Government. The date of the initial opening of safe deposit boxes and releasing of articles held in safekeeping will be announced later.

Article IV.**Effective date**

This General Order shall be effective as of the 30th day of October 1943 and it shall become operative on that date.

EDGAR ERSKINE HUME

Colonel, General Staff Corps

United States Army

Regional Civil Affairs Office

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Articolo 2.**Cessazione della moratoria**

Con la presente ordinanza viene a cessare solamente entro i limiti della Provincia di Napoli la moratoria sui delitti dichiarata con l'art. 1° del Proclama N. 5.

Articolo 3.**Apertura delle cassette di sicurezza**

Entro il territorio della Provincia di Napoli potranno venire regolarmente riaperte tutte le cassette di sicurezza e ritirati i valori in custodia purchè alla presenza di un Ufficiale del Governo Militare Alleato. La data dell'inizio dell'apertura delle cassette di sicurezza e del ritiro dei valori in custodia verrà comunicata successivamente.

Articolo 4.**Data di entrata in vigore**

La presente Ordinanza Generale andrà in vigore a partire dal 30 ottobre 1943.

EDGAR ERSKINE HUME

**Colonnello dello Stato Maggiore dell'Esercito Americano
Ufficiale Capo degli Affari Civili per Napoli e la Campania**

ALLIED MILITARY GOVERNMENT
Headquarters Region 3
Divisione Finanziaria

Data _____

- 1°) Avrete rilevato dall'Ordinanza Generale N°3 che è stata abrogata la moratoria nella Provincia di _____
- 2°) Avrete rilevato che le banche possono nuovamente riprendere la loro normale attività, compresi il pagamento e l'emissione dei vaglia cambiari, assegni circolari, etc. eccezione fatta per i vaglia assegni circolari, etc. emessi a partire dal 1° Settembre 1943 in territorio di occupazione nemica che non saranno pagati. I vaglia, gli assegni etc. emessi nei compartimenti della Campania, Calabria, Lucania e Puglia fra il 1° Settembre 1943 ed il 15 Ottobre 1943, andranno considerati come emessi in territorio di occupazione nemica.
- 3°) Le banche dovranno accogliere qualsiasi moneta legale per l'accreditamento ai C/ in L. I dollari degli Stati Uniti muniti di timbro giallo ed i biglietti inglesi di occupazione andranno accreditati ai C/ in L. alle quotazioni di cambio fissate nel Proclama N°3 e tali dollari e biglietti inglesi dovranno essere trattenuti dalle banche in attesa di istruzioni dall'Ufficiale di Finanza della Provincia, AMG, e non già rimessi in circolazione.
- 4°) Rimangono tuttora in vigore sino a nuovo avviso tutte le istruzioni che avete ricevuto circa i conti bloccati.
- 5°) Al 15 e 30 di ogni mese dovrete inviare all'Ufficio di Finanza della Provincia AMG, un bilancio del vostro Istituto compilato secondo il sistema da voi seguito sino all'occupazione nell'invio dei vostri bilanci all'Ispettorato per la Difesa del Risparmio e per l'Esercizio del Credito. Contemporaneamente dovrete segnalare l'importo complessivo dei quantitativi di moneta inglese militare e di dollari a timbro giallo in essere presso le vostre Casse.
- 6°) Vorrete inoltre inviare all'Ufficio di Finanza della Provincia, A.M.G., nelle prime ore di ogni mattina, a partire dal 1° No-

vembre, i seguenti dati della chiusura degli affari del giorno precedente:

- 1°) Contante disponibile all'apertura delle operazioni
- 2°) Importo dei depositi ritirati per contanti
- 3°) Importo dei depositi ritirati in assegni circolari etc
- 4°) Importo degli assegni circolari etc. emessi contro contante
- 5°) Importo dei nuovi depositi in contanti
- 6°) Numero dei nuovi conti aperti
- 7°) Importo dei depositi nei nuovi conti
- 8°) Importo degli assegni circolari etc. pagati
- 9°) Importo delle disponibilità di cassa alla chiusura della giornata.
- 10°) Aumento o diminuzione netta nella disponibilità di cassa.

DAVID J. NIELSON
T. Colonnello A.U.S.
Controllore degli Uffici di Finanza

ALLIED MILITARY GOVERNMENT
HEADQUARTERS REGION 3
FINANCE DIVISION

TO : THE DIRECTOR

DATE _____

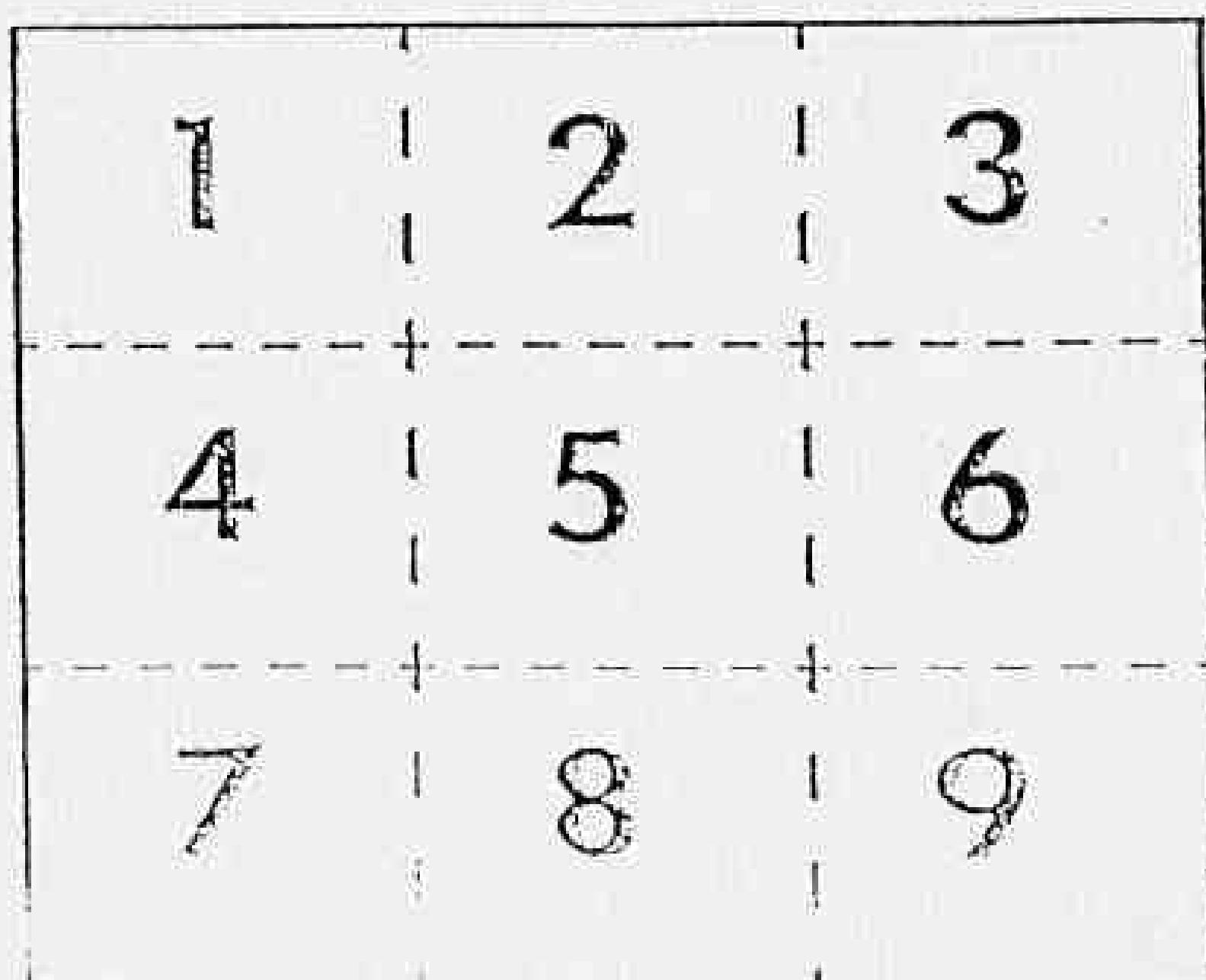
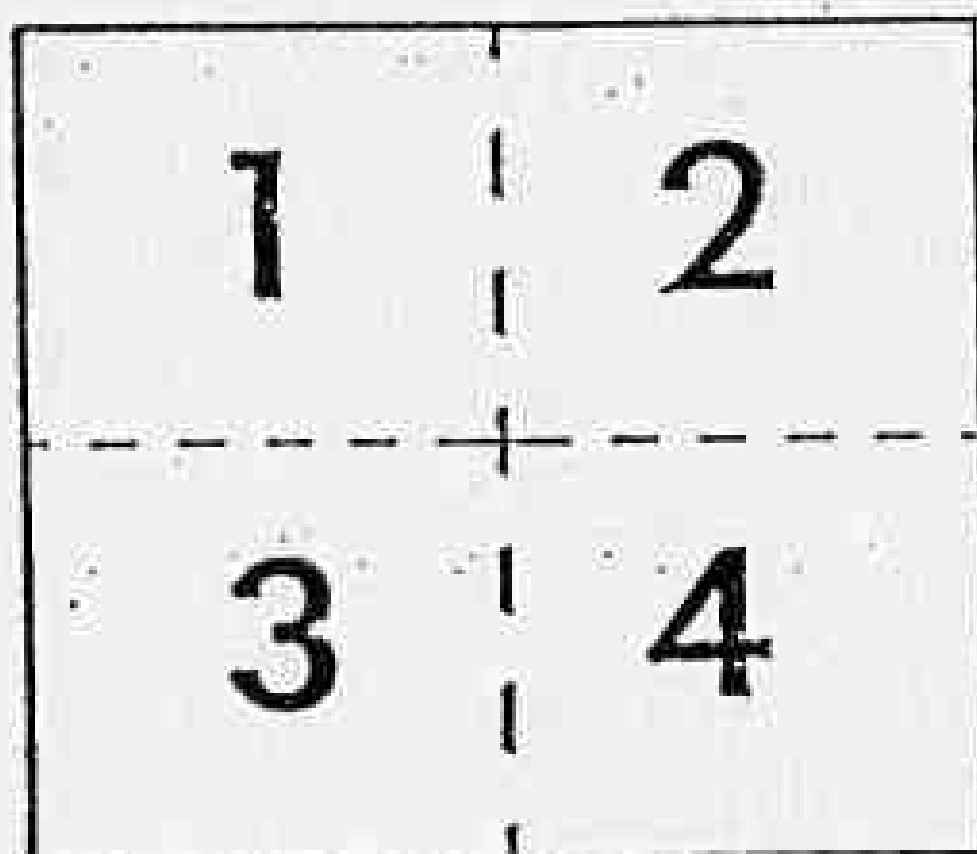
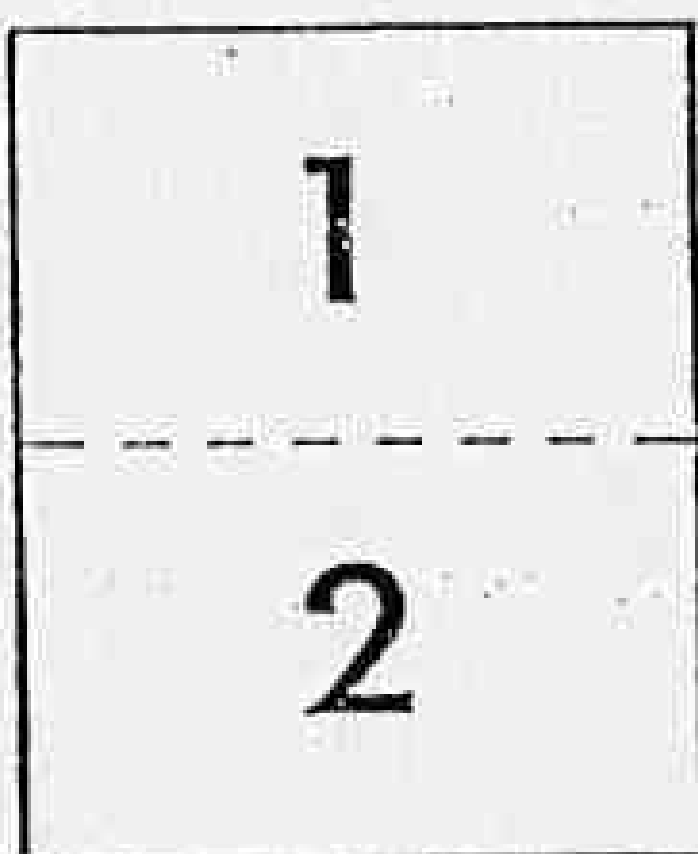
1. You will have seen from General Order #10 that the Moratorium has been abrogated in Naples Province.
2. You will notice that Banks can once again carry on their normal functions, including payments and issue of Vaglia Cambiari, Assegni circolari, etc., except the Vaglia, Assegni etc. issued since September 1st 1943 in enemy territory will not be paid. Those issued in the Compartimenti of Campania, Calabria, Lucania and Puglia between September 1st 1943 and October 15th 1943 should be regarded as having been issued in enemy territory.
- 3) The Banks should accept any existing legal tender for credit to lire accounts. U.S. yellow-seal dollars and B.W.A. notes should be credited to lire accounts at the rates fixed in Proclamation #3 and such dollars and B.W.A. notes should be held by the Banks subject to instructions from the Controller Financial Institutions and not paid out.
4. All instructions which you have received regarding blocked accounts remain in force until further notice.
5. On the 15th and 30th of each month you will forward to the Controller of Financial Institutions, A.M.G. Headquarters, Region 3, a balance-sheet of your bank drawn up on the form which you used prior to the occupation when rendering your balance-sheets to the Ispettorato per la Difesa del Risparmio e per l'Esercizio del Credito. At the same time you will report the aggregate amount of your holdings of A.W.A. currency and yellow-seal (U.S.A.) dollars.
6. You will forward to the office of the Controller of Financial Institutions A.M.G. the first thing each morning, commencing November 1st., the following information, as of the close of business, the preceding day.
 - 1) Cash on hand at the opening of business.
 - 2) Amount of deposits withdrawn in cash.
 - 3) Amount of deposits withdrawn in "assegni circolari" etc.

- 4) Amount of assegni circolari etc. issued against cash.
- 5) Amount of deposits in cash.
- 6) Number of new accounts opened.
- 7) Amount of deposits in new accounts.
- 8) Amount of "assegni circolari" exchanged for cash.
- 9) Amount of cash on hand at close of business.
- 10) Net gain (or loss) in cash.

DAVID J. NIELSON
Lt. Col. A.U.S.
CONTROLLER OF FINANCIAL INSTITUTIONS

MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



ALLIED MILITARY GOVERNMENT

FINANCE DIVISION

NOTICE

Nov. 22, 1944

On the dates listed below, holders of safe deposit boxes in Banks in the City of Naples may have access to them:

- Nov. 29 — BANCA NAZIONALE DEL LAVORO
- Nov. 29 — BANCO DI ROMA (at Head Office and 2 Branches)
- Nov. 30 — BANCO DI CALABRIA

VERNMENT

Governo Militar

DIVISIONE FINAN

NOTIZ

Nov. 22, 1943

in Banks in the

Nei giorni sottoindicati, i locatari di cassette
Banche della città di Napoli possono avere accesso

- 29 nov. — BANCA NAZIONALE DEL LAVORO
- 29 nov. — BANCO DI ROMA (nella Sede e nelle Agenzie)
- 30 nov. — BANCO DI CALABRIA

Governo Militare Alleato

DIVISIONE FINANZIARIA

NOTIZIA

22 nov. 1943

Nei giorni sottoindicati, i locatari di cassette di sicurezza esistenti presso le banche della città di Napoli possono avere accesso ad esse:

29 nov. — BANCA NAZIONALE DEL LAVORO

29 nov. — BANCO DI ROMA (nella Sede e nelle Agenzie)

30 nov. — BANCO DI CALABRIA

- Nov. 29 — BANCA NAZIONALE DEL LAVORO
- Nov. 29 — BANCO DI ROMA (at Head Office and 2 Branches)
- Nov. 30 — BANCO DI CALABRIA
- Dec. 2 — {
- „ 3 — } BANCA COMMERCIALE ITALIANA (at Head Office and 2 Branches)
- Dec. 6 — {
- „ 7 — } BANCO DI NAPOLI (at 2 Head Offices and 3 Branches)
- Dec. 9 — CREDITO ITALIANO.

Holders of boxes are directed to make arrangements immediately with their banks for access to their boxes on the dates indicated for their respective banks. Banks will be open on those days from 9 to 12 and from 2 to 4.

Once the holder of a safe deposit box has opened his/her box he may have free access to said box, thereafter.

DAVID J. NIELSON

Lt. Col. A. U. S.

Controller of Financial Institutions

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J. NIELSON

Col. A. U. S.

Financial Institutions

- 29 nov. — **BANCA NAZIONALE DEL LAVORO**
- 29 nov. — **BANCO DI ROMA** (nella Sede e nelle Agen
- 30 nov. — **BANCO DI CALABRIA**
- 2 dic. — {
- 3 dic. — { **BANCA COMMERCIALE ITALIANA** (nella
- 6 dic. — {
- 7 dic. — { **BANCO DI NAPOLI** (nelle 2 Sedi e nelle
- 9 dic. — **CREDITO ITALIANO.**

I locatari delle cassette di sicurezza debbono i
le Banche per avere accesso alle loro cassette nei gi
aperte nei giorni fissati dalle ore 9 alle 12 e dall

Aperta una prima volta la cassetta di sicurez
mente disporne liberamente.

Tenente C
Cont

nov. — **BANCA NAZIONALE DEL LAVORO**

nov. — **BANCO DI ROMA** (nella Sede e nelle Agenzie)

nov. — **BANCO DI CALABRIA**

dic. — { **BANCA COMMERCIALE ITALIANA** (nella Sede e nelle 2 Agenzie)

dic. — { **BANCO DI NAPOLI** (nelle 2 Sedi e nelle 3 Agenzie)

dic. — **CREDITO ITALIANO.**

I locatari delle cassette di sicurezza debbono immediatamente prenotarsi presso anche per avere accesso alle loro cassette nei giorni indicati. Le Banche saranno e nei giorni fissati dalle ore 9 alle 12 e dalle ore 14 alle 16.

Aperta una prima volta la cassetta di sicurezza il locatario potrà successivamente disporne liberamente.

DAVID J. NIELSON

Tenente Colonnello delle Forze Armate S. U.

Controllore degli Istituti Finanziari

BANCA COMMERCIALE ITALIANA
SEDE DI NAPOLI

Agenzia N. _____

Date
Data _____

I. This is to certify that
Attesto che il Signor _____

is the
è il _____

rightful lessee of Safe Deposit Box No.
legittimo locatario della cassetta di sicurezza N.° _____

and that
che non _____

it has not been opened since this bank was closed on Oct. 2nd, 1943.
è stata mai aperta dal giorno della chiusura di questa Banca, 2 ott. 1943.

Signature and title of bank official
Firma e qualifica dell'impiegato della Banca

ALLIED MILITARY GOVERNMENT

FINANCE DIVISION

(Governo Militare Alleato - Divisione Finanziaria)

This is to certify that above-named person opened the Safe Deposit
Attesto che la summinata persona ha aperto la cassetta di sicurezza

Box referred to above in my presence, and hereafter he / she is granted free access to this box.
di cui sopra in mia presenza, e in seguito a ciò le è concesso libero accesso alla medesima.

Finance Division
Allied Military Government
Divisione Finanziaria - Governo Militare Alleato

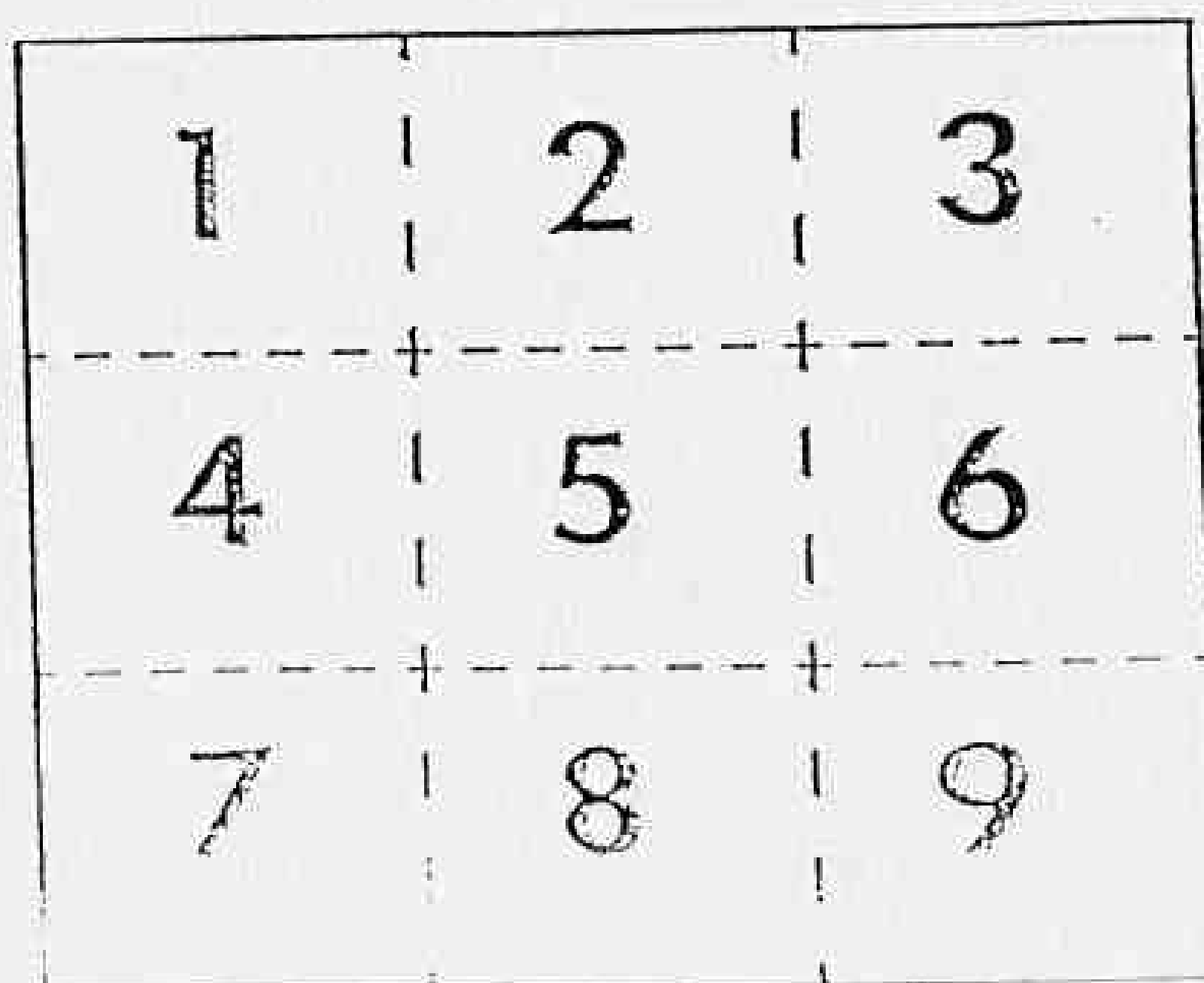
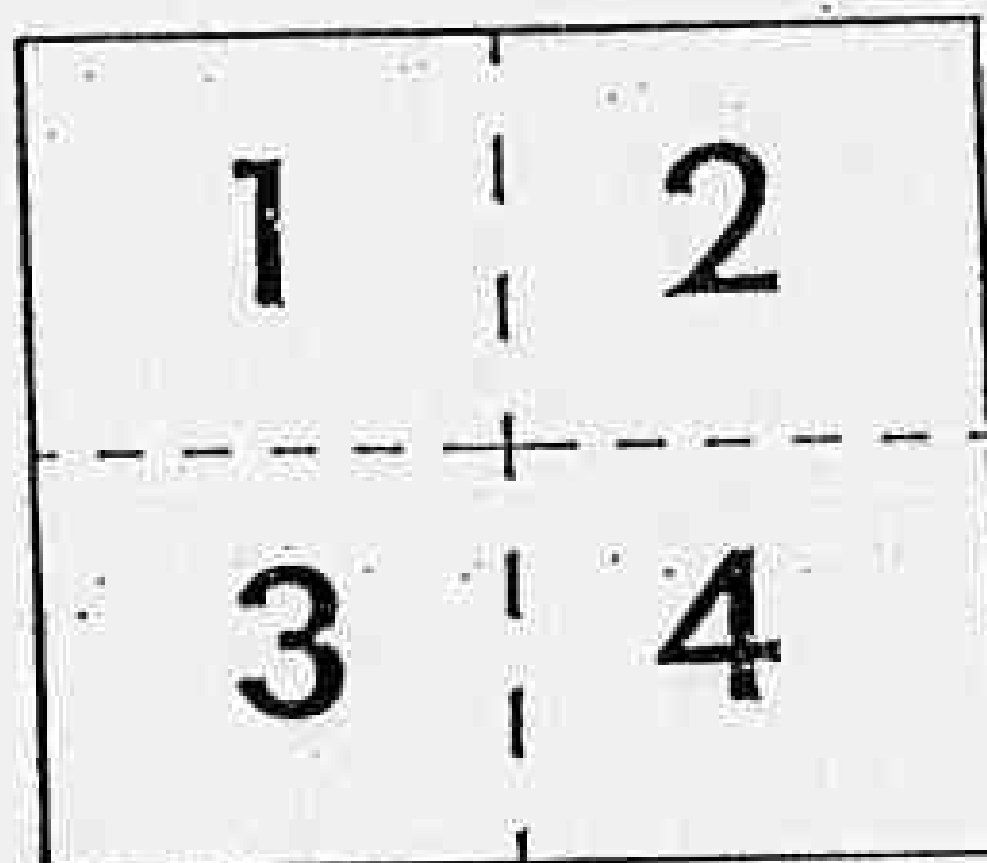
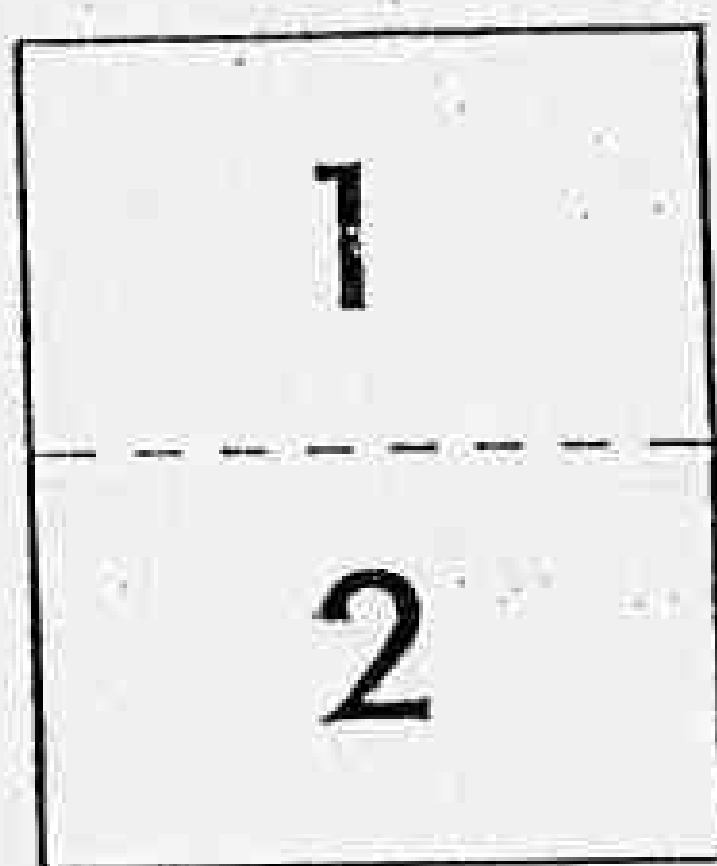
Nome del locatario _____
Cassetta di Sicurezza N.° _____
della Banca Commerciale Italiana

3886

N. B. - Conservare la presente attestazione che dovrà essere esibita ad ogni successiva richiesta di apertura.

MAPS AND CHARTS TOO LARGE TO FILM
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LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



BANCA D'IL JA - Sede di NAPOLI e AZ - DE DI CREDITO OPERANTI IN NAPOLI
DEPOSITI FIDUCIARI = NOVEMBRE 1943

(DEPOSITS OF ALL THE BANKS IN NAPLES)

£. 4.200.000.000

£. 4.150.000.000

£. 4.100.000.000

£. 4.050.000.000

£. 4.000.000.000

£. 3.950.000.000

£. 3.900.000.000

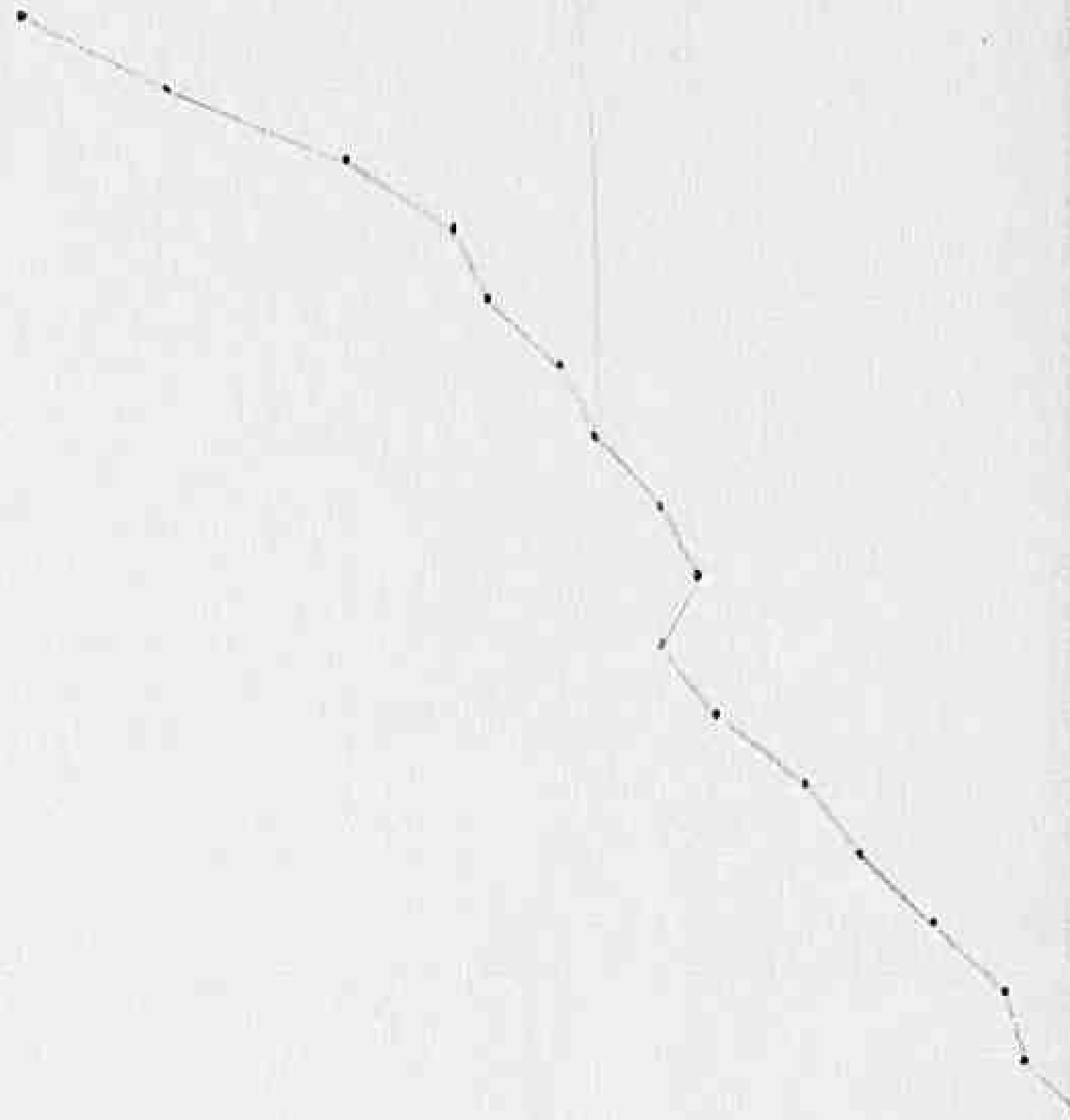
£. 3.850.000.000

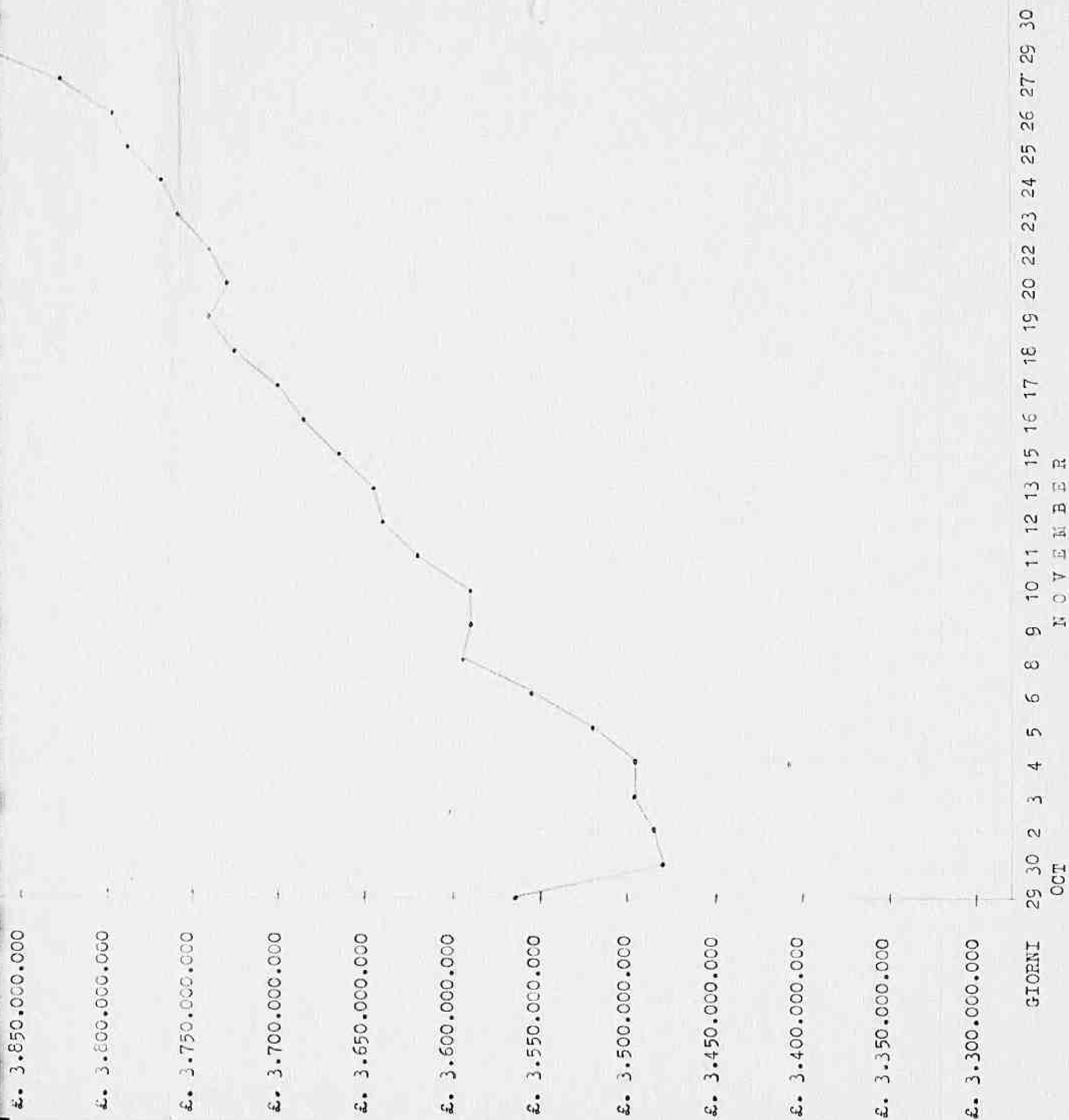
£. 3.800.000.000

£. 3.750.000.000

£. 3.700.000.000

£. 3.650.000.000





BANCA D'ITALIA - Sede di NAPOLI e AGENZE DI CREDITO OPERANTI
IN NAPOLI - DISPONIBILITA' DI CASSA - NOVEMBRE 1943
(CASH POSITION OF ALL BANKS IN NAPLES)

£. 1.700.000.000
£. 1.650.000.000
£. 1.600.000.000
£. 1.550.000.000
£. 1.500.000.000
£. 1.450.000.000
£. 1.400.000.000
£. 1.350.000.000
£. 1.300.000.000
£. 1.250.000.000
£. 1.200.000.000
£. 1.150.000.000



£. 1.300.000.000

£. 1.250.000.000

£. 1.200.000.000

£. 1.150.000.000

£. 1.100.000.000

£. 1.050.000.000

£. 1.000.000.000

£. 950.000.000

£. 900.000.000

£. 850.000.000

£. 800.000.000

GIORNI 29 30 2 3 4 5 6 8 9 10 11 12 13 15 16 17 18 19 20 22 23 24 25 26 27 29 30

OCT NOVEMBER

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The following is a summary of instructions given to the Intendente of Finance, Naples Province, since our occupation of this area:

1. Preliminary Instructions.

1. The Intendente was told to familiarize himself with General Order No. 2. He was directed to notify the Esattoria of Naples Province that collection of all direct taxes due Oct. 10th. to 18th. would proceed as usual, and was authorized to circulate a notice to the Esattoria, which is attached as Exhibit 1.

2. The Intendente was directed to collect Contributi Sindacali payments in arrears and up to Oct. 2nd., the date of posting General Order No. 2, but not thereafter, and to continue collection of Contributi Unificati in Agricoltura.

3. A memorandum was requested describing the operation of the lottery, and is attached as Exhibit II. The Intendente was instructed not to discontinue the lottery since it was a normal source of revenue. Until such time as communications with the rest of the province were reestablished, the Intendente was told to conduct the lottery in Naples City alone, extending it throughout the Province as communications permitted. A monthly accounting of lottery receipts was also requested.

4. A notice to the public regarding payment of taxes due Oct. 10 to 18th. was approved. See Exhibit III. a, b, c.

5. An accounting of revenue stamps and forms was requested of the Intendente. It was ascertained that he had approximately 100 million lire worth of stamps of various denominations and species, of which 75 million were revenue stamps, 20 million in stamped documents, and five million in drafts (cambiali).

6. Due to the absence of electrical power during the month of October, the Intendente was instructed to notify l'Amministrazione dell'Ente Italiano per le Radioaudizioni not to collect the tax on radio reception until such time as electricity was available.

- 2 -

7. The Intendente was told to submit a report of direct tax collections as of Oct. 15th., Oct. 22nd. and Oct. 31st., and of indirect tax collections as of Oct. 31st.

II. Monopolies

1. The Intendente was requested to submit memoranda on the salt, match and tobacco monopolies, disclosing their current inventories, estimated requirements, and condition of manufacturing plants. These were received and joint conferences held with the Chief of the Economics and Supply Section. As a result plans were laid for shipment of 6,000 tons of salt from Sardinia, reopening of the match factory, and the cigarette and tobacco factories in Naples. Maj. Toscani granted permission to the Intendente to remove cigarettes and matches from the warehouses and place them on sale in the "sali e tabacchi" stores.

2. Inspections were made of match and tobacco factories. The Intendente was told that every effort would be made to obtain enough electrical power for them to operate. Memoranda has since gone forward to proper offices concerning this matter.

III. Direct Taxes.

1. A meeting was held with the Intendente di Finanza and the Esattoria of the city of Naples (Banca dei Monti dei Paschi di Siena) at which certain mutual problems confronting the two offices were discussed. The question of seizure and sale of furniture for non-payment of taxes resulted in the following decision:

a) When the amount of the tax due is less than £. 100, suspension of the sale of furniture is left to the discretion of the Esattoria.

b) Where the amount of the tax due is less than £. 500, the suspensions of the sale of furniture is left to the discretion of the Intendenza di Finanza.

c) Taxpayers are not to be notified of the policy established.

The second question concerned the suspension of collection of taxes. The following policy was established:

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- 3 -

a) When the amount of the tax due is less than £. 25,000, suspension of collection for justifiable reasons is left to the discretion of the Intendenza. Once each month the Intendenza will report to the Regional Revenue Office the amount so suspended.

b) When the amount of the tax due is more than £. 25,000 and the Intendenza believes that suspension of collection of the tax is justified, he will refer the case to the Regional Revenue Officer for decision.

c) Any cases of willful refusal to pay taxes will be referred to Allied Military Tribunals, through the Regional Revenue Officer and by him to the Legal Division. All other cases, where nonpayments due to other reasons than willful refusal, will be referred to Italian courts in the Normal manner.

Copy of statement of these agreements furnished to Intendente and Esattoria, See Exhibit No. 4.

IV. Indirect Taxes.

1. The Intendente was directed to resume collection of the tax on radio reception during the month of November. A notice was run in the "Risorgimento" calling attention of the public to the requirements and telling them where and how to pay the tax. See Exhibit 5 and 6 for copies of notice and explanation of how radio tax operates.

2. Resumption of part of the function of the "Reale Automobile Circolo d'Italia" was authorized in order to collect the taxes and registration fees on automobiles. See Exhibit 7 for explanation of how this organization operates

3. Collection of taxes on gasoline sold for civilian consumption, even where the sources of such supply is controlled by the Allied Armed Forces, was authorized in letter to the "Ufficio Tecnico" delle Imposte di Fabbricazione" who operates under the general supervision of the Intendente. See Exhibit No 8.

4. The Intendente advised that theater managers in Naples were instructed by P.W.B. not to pay admission tax collections over to the Ente Italiano per il Diritto d'Autore (E.I.D.A.) This was cleared with P.W.B. and the Intendente directed to instruct E.I.D.A. to proceed as normally. P.W.B. in turn notified theater operators of this decisions.

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V. Social Insurance Contributions.

1. With respect to the Contributi Unificati in Agricoltura, the Intendente was instructed to reduce collections to 60 % of normal and to make distribution as outlined in the AMG manual. These instructions were placed in letter form to the Intendente covering the remainder of the calendar year and were renewed under date of 22nd. Nov. 43 covering the 1944 calendar year. See Exhibit No. 9.

2. Continuation of the "Unione Provinciale Agricoltura" and the "Unione Provinciale dei Lavoratori dell'Agricoltura" was authorized and the Intendente so notified. See Exhibit No. 10.

3. The Intendente was told that the Contributi Unificati in arrears (August and preceding months) constitute private credits to the Ente Impositore and cannot be turned over to the Cassa Mutua Malattie and the Istituto di Previdenza Sociale.

4. With respect to the contributi sindacali abrogated by General Order No. 2, the Intendente was told to turn over to the Cassa Mutua Malattie and the Istituto di Previdenza the 2/10 collected during the period from Oct. 9th. to 14th.

2851

Exhibit 1TranslationROYAL SUPERVISION OF FINANCE
OF ITALYINSTRUCTIONS & DIRECTIONS

The direct taxes due October 10 will be paid by the collectors on October 25 to the Provincial Receiver and to other units related to same. The Provincial Receiver will turn over on the 27th the sum received from the collectors.

The payment subsequent to the 18th of October will be turned over respectively on the 1st and 6th of December.

The remittance of all concerned - payers, collectors, and receivers - shall be made only in cash money. No other forms of payment will be accepted.

Commencing from above mentioned term the ayindio levy (contributi sindacali) is abrogated, with the exception of agricultural unified levy; social security; drainage of marshes (bonifici); and of levy for olive culture and wine culture.

Delinquent payments will be subjected to normal interest as penalty; e.g. 7 % within 3 days, and 5 % over 3 days. Those liable will be brought before the Tribunal for sentence to a fine, reclusion, or both penalties. However, penalty interest and sentence may be cancelled if the delayed payment can be justified by physical impossibility to reach the collector, or by evacuation.

To obtain the unpaid taxes ordinary forms of procedure will be employed, except when submitted to the judgment of the Tribunal.

Until the postal and rail road services are reopened the delegation of collectors will remain suspended.

Until the functioning of Civil Magistrates is resumed, third party in court cases (witnesses, etc), and judgments of deposition will remain suspended.

3850
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Annex G

Exhibit No. 2Translation

October 9th. 1943

N.B. (This memorandum concerns a weekly lotto game conducted normally in the Province of Naples)

The lotto game is administered directly from and by the Province. It consists of the weekly extraction or drawing of 5 numbers from among 90 in a drum.

It is a very old, popular and traditional game, in which every category of citizens participate. A winning on the part of the players is represented by the drawing of the 5 extracted numbers. Winnings depend upon the sum bet which the player declares at the moment he elects to play.

The game is played in localities open to the public called "Ricevitorie del Lotto". The Intendente di Finanza consigns to these offices the books of tickets in duplicate. They are of various types according to their value. Summing up the weekly collections there is returned an average commission of 10 % of the lottery offices. The personnel employed by the offices, as well as the expenses incurred by the administrator, excepting the stamped tickets, which are furnished by the State, are sustained by the Lottery Office. The number of offices in the City of Naples is 151, and that of the entire province is 165. The weekly collections in the City of Naples alone approximates L. 2,000,000; that of the Province about L. 1,500,000.

The winnings revolve around the sum of L. 1,000,000 weekly, excepting extraordinary winnings, which naturally lessen the amount collected. The annual sum collected in the entire province surpasses L. 100,000,000.

All of the complex service of all the personnel belonging to it, is under control of the Intendente di Finanza, who directly and by proper functional means, supervises and inspects the procedure throughout the city and province through the facilities at his disposal.

3559

L'INTENDENZA DI FINANZA DI NAPOLI

tenuto conto delle difficoltà contingenti, previ accordi col Comando Militare Alleato, avverte i cittadini che in linea eccezionale il pagamento delle imposte scadute il 10 ottobre, può essere eseguito, senza pagamento della indennità di mora, e senza la denuncia al Tribunale Militare Alleato, fino al 31 ottobre del corrente anno.

MONOPOLI

Comune di R. INTENDENZA DI FINANZA DI NAPOLI

Avverte i cittadini che si è iniziata presso le Rivendite di GENERI DI MONOPOLIO la vendita del **Sale comune, dei Sigari toscani, dei Sigaretti Roma, dei Cerini, e delle Cartine per Sigarette.**

E' altresì autorizzata la vendita di frasami di tabacco al prezzo di L. 20 è di L. 40 al chilogramma, per le due qualità minuto e grosso.

Le rivendite debbono osservare l'orario in vigore, nei confronti degli inadempienti sarà provveduto al ritiro della licenza ed alla denuncia al Tribunale Militare Alleato.

R. INTENDENZA DI FINANZA DI NAPOLI

IMPOSTE INDIRETTE

L'Intendenza di Finanza di Napoli avverte i cittadini che l'ammontare delle **tassee e delle imposte indirette (tassee di registro, successioni, imposta generale entrata, bollo ecc.)** deve essere sollecitamente versato presso i competenti uffici del registro.

Il ritardo sul termine di legge prescritto importerà, oltre che l'applicazione delle penalità previste dalle singole leggi, anche la denuncia al Tribunale Militare Alleato, ai termini dell'art. 6 dell'ordine generale N.° 2 del Governo Militare Alleato.

Annex G

Exhibit No. 4ALLIED MILITARY GOVERNMENT
HEADQUARTERS REGION 3
FINANCE DIVISION

18 Novembre 1943.

Il 17 Novembre 1943 è stata tenuta una riunione tra questo Ufficio, l'Intendenza di Finanza e l'Esattoria di Napoli, per discutere sulla situazione fiscale.

(A) Il primo argomento discusso è stato il sequestro e conseguente vendita di mobilio, come penalità in caso di mancato pagamento delle tasse. È stato anche discusso il problema della sospensione di vendita del mobilio, allegato N° 1), ad avvenendo ai seguenti adattamenti:

- 1°) Quando l'ammontare delle tasse è inferiore alle 100 lire, la sospensione della vendita di mobilio, rimane a facoltà dell'Esattoria.
- 2°) Quando l'ammontare delle tasse è inferiore alle 500 lire, l'Intendenza di Finanza assume la facoltà della sospensione della vendita di mobilio.
- 3°) Sono anche state date istruzioni affinché non vengano portati a conoscenza dei contribuenti i provvedimenti adottati.

(B) Secondo argomento discusso è stato quello della sospensione dei pagamenti delle tasse (allegato n° 2). All'uopo sono stati stabiliti i seguenti provvedimenti:

- 1°) Quando l'ammontare delle tasse è inferiore alle 25.000 lire, la sospensione di pagamento è lasciata in facoltà della Intendenza di Finanza. Mensilmente l'Intendenza di Finanza segnerà all'Ufficio Capo della Sezione Fiscale di questo Ufficio, il totale ammontare delle tasse sospese.

E. B. G.

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- 2 -

./.. Exhibit No. 4

- 2°) Quando l'ammontare delle tasse supera le 25.000 lire e l'Intendenza di Finanza ritiene che la sospensione debba essere autorizzata, esporrà il caso all'Ufficiale Capo della Sezione Fiscale di questo Ufficio per la decisione finale.
- 3°) E' stato inoltre citato all'attenzione dell'Intendenza di Finanza e del Direttore dell'Esattoria di Napoli che ogni caso di doloso mancato pagamento, verrà deferito ai Tribunali Militari Alleati, come stabilito dai proclami esistenti.

Tutti gli altri casi (quelli in cui non esiste dolo nel mancato pagamento), verranno giudicati dal Tribunale Italiano nella maniera normale.

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We render notice that the payment for radio audition subscriptions, is put in effect, as in the past by means of service forms of postal C/A held in the personal subscription licence booklet, or by means of forms obtained by the Postal Offices.

All those who have not yet paid by the required date must immediately advise the Post Offices or Postal Agencies E.I.A.R. Via Roma, 29 - Naples.

Your attention is called on Italian Laws and also Art. VI in General Order N°2 of the Allied Military Government, describing the penalty for non payment.

7836

POMER 6

Exhibit 5

Si rende noto che il pagamento dell'abbonamento alle radio-audizioni dovrà essere effettuato, come per il passato, a mezzo dei moduli ~~di~~ servizio di conto corrente postale contenuti nel libretto personale di iscrizione o degli appositi moduli rilasciati dagli Uffici Postali.

Tutti coloro che alla data odierna non hanno ancora provveduto al pagamento dei regolari canoni dovranno mettersi immediatamente in regola effettuando il versamento presso gli Uffici Postali o presso l'Agenzia Postale E.I.A.R. - Via Roma, 429 - Napoli -.

E' richiamata l'attenzione dei trasgressori alla vigente legge italiana ed anche all'Art. VI. dell'Ordine Generale No. 2 del Governo Militare Alleato.

Annex 8

Exhibit No. 6E. I. A. R.

The Administration of the Italian Unit for all around broadcasting (l'Amministrazione sull'Ente Italiano per la Radio-audizioni) E. I. A. R. has stipulated an agreement with the Minister of Finance, General Administration for Taxes and Indirect Imposts on Business, based on which the Office of Registry is in charge of the collection of "rents" for the renewal of annual licences for radio listeners.

The payments take place as follows:

- (1) In order to subscribe, the first payment of the rent is paid at the Post Office to the account of the Office for New Subscribers in Montecatini Terme (Ufficio Nuovi Abbonati in Montecatini Terme), which submits the corresponding amount to the Office of Registry in charge of Subscriptions, this is providing for the enrollment of said party in the proper files or rolls (Mod. 104), and furnishes the subscriber with a licence-book for listening to radio broadcasting.
- (2) With this book, using the forms therein, the subscriber pays the annual rent on a semi-annual basis at the Post Office, to the current account of the Office of Registry, from whom the book was sent to the subscriber.
The Provincial Office of the postal accounting division submits part of the form to the office of Registry, where the subscriber is then properly credited with payment.
Anyone not meeting the payment promptly is subject to being charged with default.
- (3) For the Postal Service as well as the Finanzia a remuneration is granted based on a percentage of payments.

Annex 8

Exhibit No. 7

REALE AUTOMOBILE CIRCOLO D'ITALIA - NAPOLI -

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The Provincial Office of the Royal Automobile Club of Italy, founded in 1902 with address at Via Chiatamone No. 65 - where it has 20 rooms (half of these rooms have been requisitioned by the Royal British Navy).

This office has a President (Honorary appointment), a Manager, a Provincial Collector of Automobile taxes, 12 employees, and 10 hired labourers.

The office of R.A.C. has the following activity:

Public Automobile Registrar - At this office are kept all the purchase and deeds relating to the privileges lying on the automobiles.

The ownership of an automobile can be documented through this office.

At said office are also released licence plates.

Collection of Taxes in circulation - This service collects taxes to the owners of automobiles, motor-cycles and trailers in favour of the Ministry of Finance. Besides it looks to collect government duties charged to all drivers.

Said collections take place every three or four months and also every year.

The amount of taxes collected aggregates several million a year.

Benzine distributors and balance service - In the principal squares and city streets the R.A.C.I. has planted many place that look after autovehicle and bicycles, in order to garantes them from being stolen.

This service is occupied by personnel purposely prepaired and provided with a uniform.

The members of this club are available for this service, free of charge, while the others pay from L. 3, according to how long they are posted.

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- 2 -

././ Exhibit o. 7

The R.A.C.I. also possess many benzine distributors in the city, the bestowal of benzine, carburetting, and lubricant to their members and to all authorized to circulate.

Tourist and street information service - The office of R.A.C.I. has an office purposely appointed to furnish, free of charge, all information, turistic and street-ways, and prepair routes through-out Italy and foreign countries.

Annex 8

Exhibit No. 8HEADQUARTERS REGION III
ALLIED MILITARY GOVERNMENT -
FINANCE DIVISION

November 17th. 1943

Dott. Ing. Mangiaracina Pietro
L'Ingegnere Capo Compartimentale
Ufficio Tecnico delle Imposte
di Fabbricazione
N a p o l i

Under General Order No. 2 the payment of all national provincial and municipal taxes, imposts, etc. payable in the occupied territory is made mandatory, and willful failure to meet any such payment is made a violation of such Order.

It is the interpretation of this office that such order with respect to the continued payment of taxes applies with equal force and vigor to any taxes or imposts that may accrue under Italian law in connection with the sale of gasoline, fuel oil etc. for Italian civilian consumption, even though such sale is made from sources controlled by the Allied Armies.

You are therefore instructed and directed to take such steps as are necessary to collect such taxes on any future sales of gasoline, fuel oil, kerosene, etc. for civilian purposes.

It is understood, of course, that under the terms of international law, no such taxes accrue against any of armed forces of the United States, Great Britain, or their Allies.

By direction of the Chief Finance Officer

3849

Annex 6

Exhibit No. 9HEADQUARTERS AMG
REGION 3
FINANCE DIVISION

Napoli, 22 Novembre 1943.

All'Intendenza di Finanza della Provincia di Napoli
N a p o l iOggetto: "Contributi Unificati in Agricoltura"

1. Come da nostra conversazione questo Ufficio vi autorizza a proseguire l'incasso e la distribuzione dei Contributi Unificati in Agricoltura, come stabilito precedentemente nelle allegate istruzioni.

2. Nessun cambiamento nelle operazioni dovrà essere fatto fino a nuovo avviso di questo Comando.

Annex 8

2°) Contributi Unificati in Agricoltura.

Gli Esattori hanno richiamato la nostra attenzione sul fatto che i Contributi Sindacali per i settori della agricoltura sono incassati e frammischiati simultaneamente con la riscossione dei diritti dovuti a certe istituzioni di assicurazioni sociali a beneficio dei lavoratori agricoli. Questi contributi uniti e dovuti sono chiamati Contributi Unificati. Allo scopo di eliminare il pagamento di contributi sindacali, gli esattori saranno guidati dalle seguenti norme nell'esazione dei Contributi Unificati.

(a) Tutte le rate dei contributi Unificati in Agricoltura che sono arretrate (come dall'Ordine Generale N° 2) fino al 10 Ottobre devono essere pagate per intero agli Esattori.

(b) Dopo il 10 ottobre, nessuna rata di Contributi Unificati in Agricoltura sarà esigibile o pagabile dai Coltivatori Diretti o Proprietari con Terre affittate eccettuato quanto previsto nel comma (a).

(c) Tutte le rate di Contributi Unificati in Agricoltura, pagabili da qualunque affittaiolo che impiega lavoro o dal proprietario terriero di qualunque podere che dà in affitto tale podere in considerazione di ricevere una porzione del raccolto a titolo di rendita, saranno ridotte al 60 % dell'ammontare di tali rate che sarebbero pagabili soltanto per le disposizioni di questo secondo paragrafo, provvedendo che tale affittaiolo non deduca dalla paga di qualunque lavoratore agricolo impiegato da lui più del 60 % dell'ammontare che sarebbe autorizzato a dedurre da tali paghe all'infuori di quello citato dal 2° paragrafo.

(d) I Ricevitori Provinciali devono pagare tutti gli ammontari dei Contributi Unificati in Agricoltura in loro possesso e d'ora innanzi dovranno essere ricevuti da loro negli appositi Uffici della Cassa Mutua Malattie e dallo Istituto di Previdenza di ciascuna Provincia nelle seguenti proporzioni, cioè:

- 2 -

./.Contributi Unificati in Agricoltura

- (i) Alle Casse Malattie nell'interesse della
Assistenza Malattie 28½ %
- (ii) All'Istituto di Previdenza Sociale . . . 71½ %

(e) Dette percentuali di denaro ricevute secondo le disposizioni del secondo paragrafo dall'Istituto di Previdenza Sociale saranno divise come segue:

- (i) Invalidità e vecchiaia 11½ %
- (ii) Tubercolosi 10½ "
- (iii) Muzialità e Natalità 12½ %
- (iv) Disoccupazione 37 %

Annex 8

Exhibit No. 9

HEADQUARTERS AMG
REGION 3
FINANCE DIVISION

Naples, November 22, 1943

TO : The Intendenza of Finanza of
the Province of Naples.

SUBJECT: "Contributi Unificati in Agricoltura"

1. As per our conversation in this Office you are authorized to accept and distribute the "Contributi Unificati in Agricoltura" as established by the attached instructions.

2. No change in your modus operandi need be made until further notice by this Office.

Annex 8

CONTRIBUTI UNIFICATI IN AGRICOLTURA .

Esattori have called our attention to the fact that the Contributi Sindacali for agricultural groups are collected simultaneously with, and are intermixed with, the collection of dues owed to certain social insurance institutions for the benefit of agricultural workers. These combined contributions and dues are called Contributi Unificati. In order to eliminate the payment of contributi sindacali, Esattori will be guided by the following rules in the collection of the Contributi Unificati.

- (a) All instalments of Contributi Unificati in Agricoltura which are in arrears as from October 10th (the date of G.C. No. 2) shall be paid in full to the Esattori.
- (b) After October 10th, no instalment of Contributi Unificati in Agricoltura shall become due or payable by Coltivatori Diretti or Proprietari con Terre Affittate except as provided by (a).
- (c) All instalments of Contributi Unificati in Agricoltura payable by any farmer who employs labour or by the landlords of any farm who leases such farm in consideration of receiving a share of the harvest by way of rental shall be reduced to 60 % of the amount of such instalments which would be payable but for the provisions of this paragraph 2, provided that no such farmer shall deduct from the wage of any labourer employed by him more than 60 % of the amount which he would be entitled to deduct from such wages but for this paragraph 2.
- (d) Ricevitori Provinciali shall pay all amounts of Contributi Unificati in Agricoltura in their possession or hereafter to be received by them to the appropriate offices of the Cassa Mutua Malattie and the Istituto di Previdenza for each Province in the following proportions, namely:
 - (i) To Casse Malattie on behalf of the Assistenza Malattie 28 1/2 %
 - (ii) To Istituto di Previdenza Sociale 71 1/2 %

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- 2 -

././ Contributi Unificati in Agricoltura.

(e) The said percentage of monies received under the provisions of this paragraph 2 by the Istituto di Previdenza Sociale shall be divided as follows:

(i)	Invalidità e vecchiaia	11½ %
(ii)	Tubercolosi	10½ %
(iii)	Nuzialità e Natalità	12½ %
(iv)	Disoccupazione	37 %

Annex 5

Exhibit no. 10ALLIED MILITARY GOVERNMENT
HEADQUARTERS REGION 3
FINANCE DIVISION

4 November 1943

TO: S.C.A.O. Salerno Province (Information copies to S.C.A.O.'s
Naples, Benevento and Avellino
Provinces)SUBJECT: "Unione Provinciale Agricoltura" and "Unione
Provinciale dei Lavoratori dell'Agricoltura".

Your enquiry of 29 October 1943 concerning the status of the "Unione Provinciale Agricoltura" and the "Unione Provinciale dei lavoratori dell'Agricoltura", has been given careful consideration by this office. It is noted that you point out, quite properly, that continued operations by these two organisations are essential to orderly agricultural functions in your area.

While General Order No. 2 abrogates the payment of syndicate contributions, instructions from higher authority on social insurance require the continued collection of "Contributi Unificati in Agricoltura". Instructions further outline the manner in which these contributions shall be distributed. We attach hereto a copy of such instructions for information and guidance of all concerned.

The assessment and collection of the "Contributi Unificati in Agricoltura" is dependent upon the "Unione Provinciale Agricoltura". That agency assesses the contributions, which are paid by agricultural groups to the Esattoria. Normally the Esattoria turned the funds over to the Minister of Corporations, who in turn paid the administrative expenses of the Union. Part of the funds went to agricultural benefit payments and welfare benefits. The Unione Provinciale lavoratori dell'Agricoltura recruits labourers for farms, stabilizes wages and provides welfare benefits.

3642

- 2 -

./.. Exhibit No. 10

While it is admitted that these two organizations are creatures of the Fascist State, their operation is so essential to the administration of the Contributi Unificati in Agricoltura that it would be unfeasible to continue the contributions without continuing the administrative machinery which they constitute.

It is therefore the opinion of this office that the "Unione Provinciale Agricoltura" and the "Unione Provinciale dei Lavoratori dell'Agricoltura" should be regarded as essential governmental agencies and should be permitted to draw on their bank accounts or be financed through the Banca d'Italia upon authorization by the Finance Officers of your province in order to meet their operating expenses.

CHIEF FINANCE OFFICER.

SCHEDULE IALLIED MILITARY FINANCIAL AGENCY
NAPLES OFFICE

Schedule to Statement of Assets and Liabilities as at the
close of Business on 14 December 1943.

CASH ON HAND AND IN BANKS

(a) Current Cash - Lire	2.382.961	
Total Current Cash		L. 2.382.961
(b) Reserve Cash -		" 4.591.552.000
(c) Bank Current Accounts		
1. Banca d'Italia No. 1 a/c		" 67.583.982
Total Cash on Hand in Banks		L. 4.661.518.943
		=====

Signed:

R.M. PEARSON
CAPT.

Chief Accountant

Signed:

JOHN F. MEYER
MAJOR A.U.S.

AMFA - NAPLES

SCHEDULE IIIALLIED MILITARY FINANCIAL AGENCY
(A M F A)
NAPLES OFFICE

Schedule to Statement of Assets and Liabilities as at the
close of Business on 14 December 1943

PAYMENTS ON ACCOUNT OF AMG ECONOMIC & SUPPLY DIVISION

(a) Purchases in Italy of Supplies for Export to

(1) _____ = _____

(2) _____ = _____

(3) M A L T A _____

L. 36.000

Total Payments for a/c of AMG E.S.D. L. 36.000
=====

Signed:

R.M. PEARSON

CAPT.

Chief Accountant

Signed:

JOHN P. MEYER

MAJOR A.U.S.

AMFA - NAPLES

SCHEDULE VALLIED MILITARY FINANCIAL AGENCY(A M F A)NAPLES OFFICE

Schedule to Statement of Assets and Liabilities as at the
close of Business on 14 December 1943

PAYMENTS ON ACCOUNT OF OCCUPATION COSTS

(a) To American Army	=	L.	2.585.472.000
(b) To American Navy	=		
(c) To British Army	=		
(d) To French Army	=	"	100.000.000

(e) AMG EXPENDITURE, less Revenue:

(1) A M F A L. 5.555

(2) Other Divisions " 22.374 " 27.929

Total payments on account of occupation

Costs L. 2.685.499.929

Signed

R. M. PEARSON

CAPT.

Chief Accountant

Signed

JOHN P. MEYER

MAJOR A.U.S.

AMFA - NAPLES

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SCHEDULE IVALLIED MILITARY FINANCIAL AGENCY(A M F A)ADVANCES TO OTHERSBalance as at 31 October 1943

<u>Major Lippucci</u> - C.A.O. Torre del Greco	
18 Oct. 43 - St. Rosario Orphanage - Torre del Greco	30.000
<u>Major Lippucci</u> - C.A.O. Torre del Greco	
23 Oct. 43 - Agostino Hospital - Torre del Greco	17.160
<u>Major Haigh-Wood</u> - P.O. Salerno Province	
22 Oct. 43 - Unione Professionisti e Artisti - Salerno	6.336
<u>Other Advances</u>	
Allied Citizens	17.500
Sig. Nobile - Ad. H.Q. A. Force (To be repaid)	40.000
	<u>110.996</u>
	=====

Signed

R. M. PEARSON

CAPT.

Chief Accountant

Signed

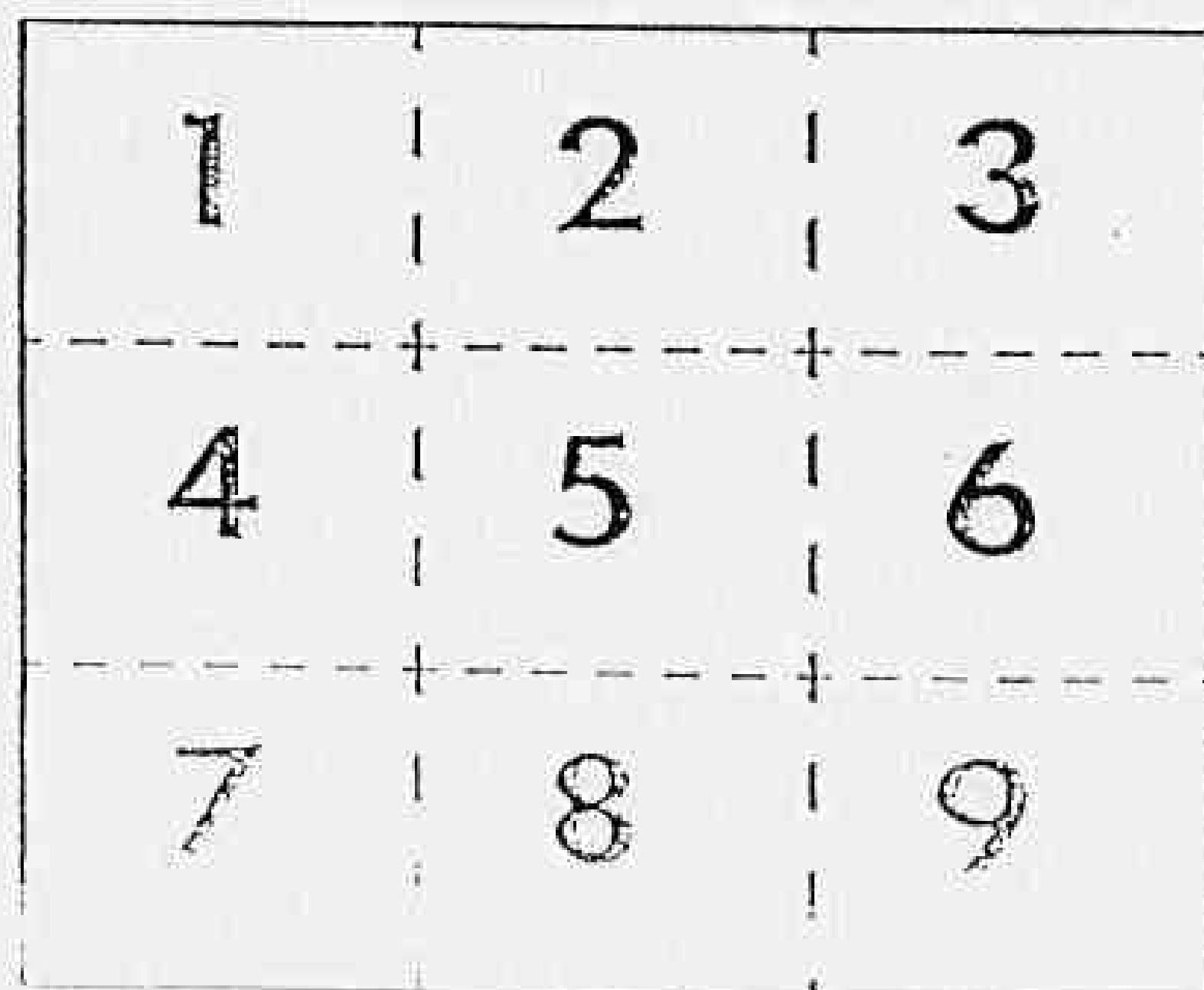
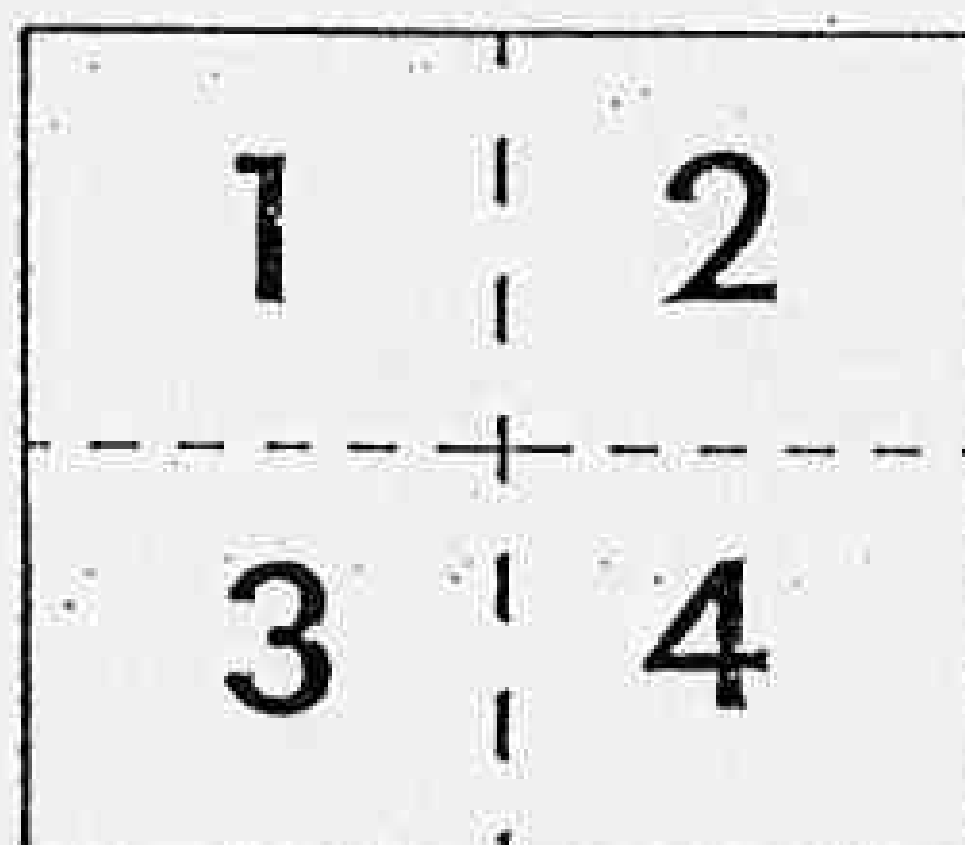
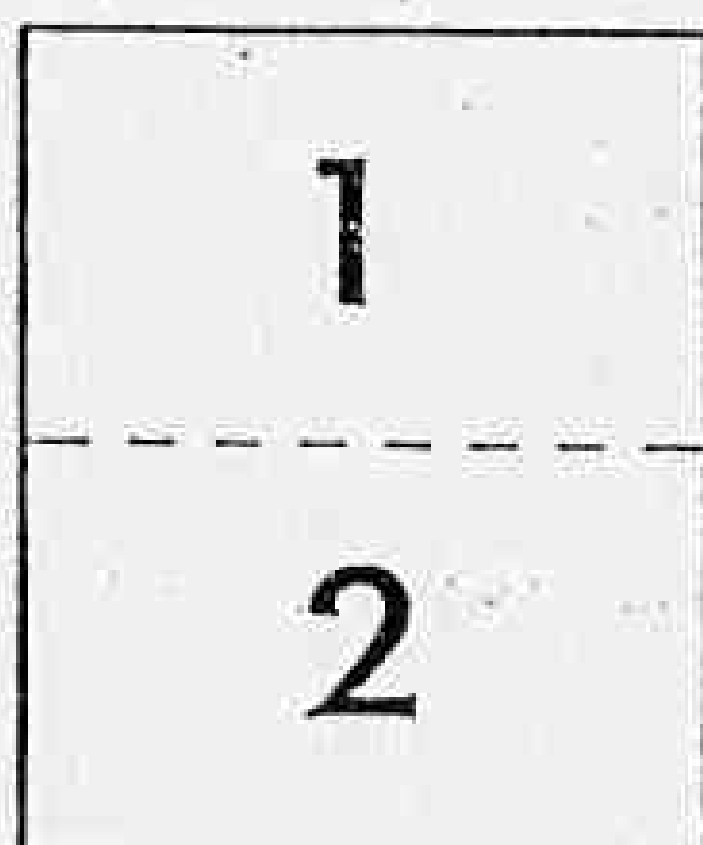
JOHN P. MEYER

MAJOR A.U.S.

AMFA - NAPLES

MAPS AND CHARTS TOO LARGE TO FILM
ON ONE EXPOSURE ARE FILMED CLOCKWISE
BEGINNING IN THE UPPER LEFT CORNER,
LEFT TO RIGHT, AND TOP TO BOTTOM.

SEE DIAGRAMS BELOW.



ALLIED MILITARY FINANCE

NAPLES OFFICE

STATEMENT OF ASSETS AND LIABILITIES AS AT THE CLOSE OF (EXPRESSED IN LIRE)

A S S E T S				PREVIOUS MONTH
PREVIOUS MONTH				
158.221.777	1. CASH ON HAND AND IN BANKS (Schedule I)		4.661.518.943	
	2. OTHER BALANCES WITH BANKS:			
	(a) Provision against Unutilised Credits totalling			
	L. granted to Banks by			
	AMFA (see also item 7a)			
600.000.000	(b) Funds Deposited by Banks with AMFA (see 12a)	600.000.000	600.000.000	3.398.471
	(c) Banca d'Italia			
215.829.139	3. FUNDS HELD BY ACCOUNTING OFFICERS IN THE			
	FIELD (pending allocation to expenditure or other ac-		243.585.328	
	counts) — (Schedule II)			
	4. A. M. STAMPS:			183.498
	(a) Reserve			99.200.000
	(b) Delivered to Italian Post Office			99.383.948
	5. PAYMENTS FOR ACCOUNT OF A.M.G. ECONOMIC			
	& SUPPLY DIVISION (Schedule III)		36.000	9.016.616
	6. ADVANCES (No date specified for repayment and no			
	interest rate fixed in advance):			
73.210	(a) To Italian Armed Forces			
	(b) To Italian State Treasury and State Institutions	42.063.045		
252.535	(c) To Provinces	10.618.666		
	(d) To Communes	57.095.855		
	(e) To Others	110.996		1.045.000.000
325.745	(f)		109.888.562	
	7. LOANS (Date of repayment or interest rates specified):			
	(a) To Banks (drawn against credits — see 2a)			
	(b) To Others			
	8. AMFA HEADQUARTERS GENERAL ACCOUNT (in-			
	cluding transactions with AMFA Branches in other Re-			
	gions) — (Schedule IV)		5.615.028.833	
182.422.374	9. PAYMENTS ON ACCOUNT OF OCCUPATION COSTS		2.685.499.929	
	(Schedule V)			
1.156.799.035				

F/F 20

ARY FINANCIAL AGENCY

NAPLES OFFICE

AS AT THE CLOSE OF BUSINESS ON 14th. DECEMBER
(EXPRESSED IN LIRE)

1943

		LIABILITIES		
	PREVIOUS MONTH			
661.518.943		10. DEPOSITS BY A.M.G. DIVISIONS (pending allocation to revenue or other accounts):		
		(a) Economic & Supply Division	44.642.364	
		(b) Public Health Division		
		(c) Others	50.277	44.692.641
600.000.000	3.398.471	11. FUNDS OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING OFFICERS IN THE FIELD .		4.992.247
243.585.328		12. DEPOSITS:		
	183.498	(a) By Banks with AMFA (see 2b)		
	99.200.000	(b) By Controller of Property	185.848	
	99.383.948	(c) By others	298.026	483.874
36.000	9.016.616	13. RECEIPTS FOR ACCOUNT OF A.M.G. ECONOMIC & SUPPLY DIVISION (Schedule III)		
		14. RECEIPTS FOR ACCOUNT OF A.M.G. PUBLIC HEALTH DIVISION - Sales in Italy of Medical Supplies Imported from the United States of America .		
109.888.562	1.045.000.000	15. AMFA HEADQUARTERS (including transactions with AMFA Branches in other Regions) - (Schedule IV):		
		(a) New A. M. Lire Notes Account	8.250.360.000	
		(b) New A. M. Stamps Account		
		(c) General Account		8.250.360.000
615.028.833				
685.499.929				

600.000.000	2. OTHER BALANCES WITH BANKS: (a) Provision against Unutilised Credits totalling L. granted to Banks by AMFA (see also item 7a) (b) Funds Deposited by Banks with AMFA (see 12a) (c) Banca d'Italia	600.000.000	600.000.000	3.398.471
215.829.139	3. FUNDS HELD BY ACCOUNTING OFFICERS IN THE FIELD (pending allocation to expenditure or other ac- counts) — (Schedule II)		243.585.328	
	4. A. M. STAMPS: (a) Reserve (b) Delivered to Italian Post Office			183.498 99.200.000 99.383.948
	5. PAYMENTS FOR ACCOUNT OF A.M.G. ECONOMIC & SUPPLY DIVISION (Schedule III)		36.000	9.016.616
73.210	6. ADVANCES (No date specified for repayment and no interest rate fixed in advance): (a) To Italian Armed Forces (b) To Italian State Treasury and State Institutions (c) To Provinces (d) To Communes (e) To Others (f)	42.063.045 10.618.666 57.095.855 110.996		
252.535			109.888.562	1.045.000.000
325.745				
	7. LOANS (Date of repayment or interest rates specified): (a) To Banks (drawn against credits — see 2a) (b) To Others			
	8. AMFA HEADQUARTERS GENERAL ACCOUNT (in- cluding transactions with AMFA Branches in other Re- gions) — (Schedule IV)		5.615.028.833	
182.422.374	9. PAYMENTS ON ACCOUNT OF OCCUPATION COSTS (Schedule V)		2.685.499.929	
1.156.799.035	Signed R. M. PEARSON CAPT.	LINE	8.300.528.762	1.156.799.035

REGIONAL CHIEF ACCOUNTANT

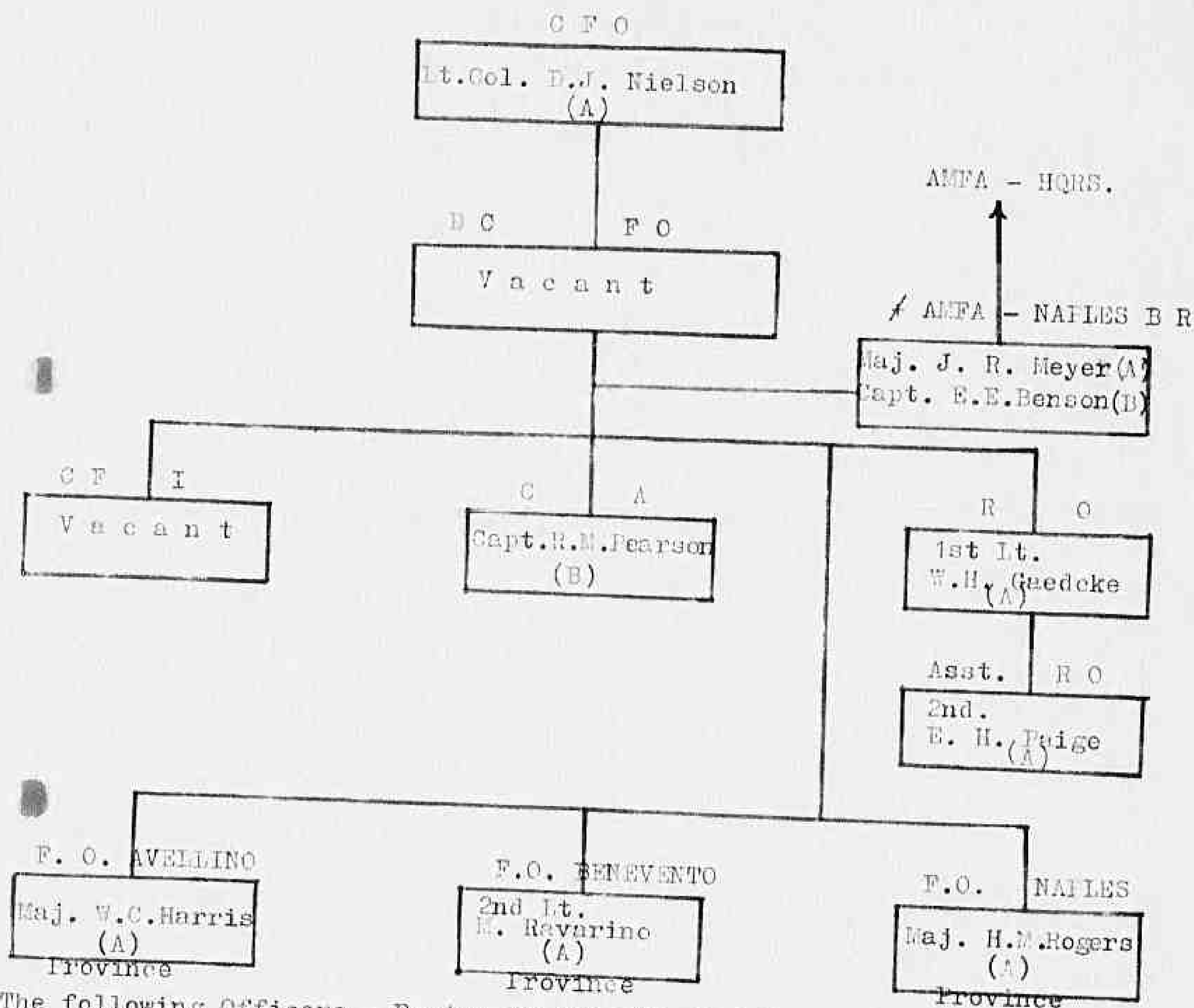
		tion to revenue or other accounts):		
		(a) Economic & Supply Division	44.642.364	
		(b) Public Health Division		
		(c) Others	50.277	44.692.641
000.000	3.398.471	11. FUNDS OBTAINED FROM BANKS AND OTHERS BY ACCOUNTING OFFICERS IN THE FIELD		4.992.247
585.328		12. DEPOSITS:		
	183.498	(a) By Banks with AMFA (see 2b)	185.848	
	99.200.000	(b) By Controller of Property	298.026	483.874
	99.383.948	(c) By others		
36.000	9.016.616	13. RECEIPTS FOR ACCOUNT OF A.M.G. ECONOMIC & SUPPLY DIVISION (Schedule III)		
		14. RECEIPTS FOR ACCOUNT OF A.M.G. PUBLIC HEALTH DIVISION — Sales in Italy of Medical Sup- plies Imported from the United States of America		
	1.045.000.000	15. AMFA HEADQUARTERS (including transactions with AMFA Branches in other Regions) — (Schedule IV):	8.250.360.000	
888.562		(a) New A. M. Lire Notes Account		8.250.360.000
		(b) New A. M. Stamps Account		
		(c) General Account		
028.833				
499.929				
0528.762	1.156.799.035			8.300.528.762

Signed

JOHN P. MEYER
MAJOR. A.U.S.

LXXX

ORGANIZATION OF FINANCE DIV. REGION 3. AMG AS OF DECEMBER 5th, 1943



The following Officers - Region IV are attached for training: - Maj. M.B. Phillipps, Lt. T.L. Halliday, Rev. Sec. Hq., Capt. V.A. Catozella, Bank Hq., Maj. L.V. Mc Ardle Naples Province, Capt. H. Stone Avellino Province, and Lt. Hawkins, Benevento Province.

Enlisted Men:- Sgt. H.S. Piper (A) Chief Clerk, Cpl. A. Passaglia (A), Cpl. J. Napoli (A) Clerk Interpreters, Pvt. A. Ives (B) Bookkeeper - Sgt. Seymour Mandell (AMFA).

7 Civilian Employees AT. Hq., 3 translators, 2 typists, 1 Bookkeeper, 1 Chauffeur.

* Not in Region 3 - T.O. Is under C.F.O. insofar as operations are concerned but also receives policy and technical instructions direct from AMFA H.Q.R.S.

Copy No. 1

SECRET
(Equals British SECRET)

HEADQUARTERS
REGION 3, ALLIED MILITARY GOVERNMENT
APO 304, U. S. Army

INTELLIGENCE DIVISION (G-2)

SUBJECT: Activities of the Intelligence Division (G-2),
Region 3, HQ, During the Period 21 September
to 15 December 1943, inclusive.

TO: P. C. A. O.

I. Activation

1. Pursuant to verbal directives from FCAO (Col. HUMF),
Region 3, HQ, (Temp.) at ACROPOLI, on 22.9.43 (the day follow-
ing landing of party under Col. FORSTER on the SALERNO
beaches), an Intelligence Division was formed and composed
of the following:-

a. Intelligence Division (G-2)

Officer in Charge: Capt. A.F. HEATH, Int. Corps (B)
Chief Clerk: S/Sgt. Hugo GELARDIN, M.I. (A)
Security Clerk: Cpl. A.J. GELARDIN, M.I., (A)

b. Translation Section

1. Cpl. Frank P. CHIELLI, Translator
2. Cpl. Angelo A. GREGO, "
3. Sgt. Dante BROCETTI, Typist
4. Cpl. Luca G. CONTE, "

2. The Intelligence Division (G-2) was primarily re-
sponsible for

- a. Internal Security,
- b. Investigation of civilian employees,

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Activities of G-2.
2 January 1944 . contd.

c. Collation of intelligence reports.

3. For reasons not known, there was an almost complete dearth of appropriate reference books (including Suspect Lists, Basic Handbooks, ISIS, PWE, etc.) and the EM available for this specialized type of work lacked the proper qualifications, were young and inexperienced, though nearly all were qualified linguists.

II. Activities (1st Phase)

1. During the initial phase, it was noticeable that internal security was never fully appreciated nor practised. No provision had been made for the security of confidential papers (i.e., safes, etc.)

2. With the transfer of Region 3, HQ, from AGROPOLI to the Province Building, NAPLES, on 2 October 1943, this G-2 was instructed to arrange for the security of the HQ and the investigation and interview of prospective civilian employees. In addition, reports from CAOs in the field and those from Security Departments of the Allied Forces were handled by the G-2.

3. With the subsequent transfer of Region 3, HQ, to the Prefettura (Piazza del Plebiscito) on 9 October 1943, this G-2 again assumed responsibility for the internal security of these HQ.

III. Activities (2nd Phase)

1. From 9 October 1943 to date, various changes in the number of the staff attached to the Intelligence Division have taken place. The present staff consists of:-

Activities of G-2.
2 January 1944. contd.

G-2.

- 1) Officer in Charge: Capt. A.E. HEATH, Int. Corps (B)
- 2) Cpl. A. A. GRECCO (A)
- 3) L/Cpl. F. JONES (B)

Translation and Reception Section

- 1) Cpl. Hugo BELARDIN (Translation)
- 2) Cpl. F. R. CHIELLA (Reception)
- and 3 civilian employees.

2. Since 21 September 1943 to date, more than 3,000 individual cards on suspects and/or Fascists and prominent civilians have been compiled and some 300 prospective civilian employees personally interviewed by G-2 prior to checking. Furthermore, 5 Confidential Lists have been prepared and submitted to Region 3 Divisions for information and guidance.

3. This G-2 maintains personal contacts with:-

- a. C.I.C.;
- b. F.S.S.;
- c. S.I. (b);
- d. "A" Force;
- e. P.W.B.

There is an especially close collaboration with C.I.C. and F.S.S. relating to politico-security checks. Exchanges of information have been found very valuable and of reciprocal interest.

4. The Reception Section (Cpl. F.P. CHIELLA) for the screening of all civilian visitors, has been found to be 3832

Activities of G-2.
2 January 1944. contd.

invaluable for the recording of all names, addresses, etc.

5. Individual claims to "A" Force, HQ, in respect of aid to Allied Officers have been prepared and forwarded. Two such claims have already been settled involving a sum of Lit. 52,000.

IV. Recommendations

1. It has been very noticeable how very little information of a general character has been made available to these HQ. and more especially to CAOs in the field. Adequate maps and handbooks, guides and technical books, etc. are found with great difficulty and are frequently scanty in details.

2. It is suggested that A.M.G. Officers should be requested to furnish the Intelligence Division with short notes on the various officials and all civilians with whom they are in daily contact, outlining their capacity and political status and adding any personal notes which can assist this G-2 to put forward objective recommendations based on official records and the observations made by individual Allied Military Government Officers. This is particularly important by virtue of the fact that in the past certain elements or potential dangers to Allied security and the common cause in general, have been encouraged or tolerated in their official dealings with A.M.G. officials without previous reference to existing records, or without requesting scrutiny by this G-2 or other Security Departments.

This fact has frequently hampered the efforts of the Security departments in subsequent investigations, as

Activities of G-2.
2 January 1944. contd.

a result of signed denunciations or anonymous letters, a large number of which were occasioned by political envy or personal vendetta.

It is felt that such information, if properly recorded, will be of immense value, not only to the present, but to any future authorities whose task it is to maintain law and order and render justice to the population throughout Campania.

A. E. Heath
A. E. HEATH,
Capt. I. C.,
G-2.

2 January 1944.

SECRET
(Equals British SECRET)

HEADQUARTERS
MIG FIFTH ARMY
A.I.C. 464 U. S. ARMY
Refugee Field Section

14 January, 1944.
R/R-9

SUBJECT: Report of Activities up to 15 December, 1943.

TO: Region 3.

1. The handling of refugees and displaced persons of allied nations, other than American and British, is the function of this subcommission.

2. Lt. Tessa, a representative of this Sub-commission, arrived in Naples on the 17th of November with no other personnel to handle this work.

3. During the period of 17 November to 15 December, with the cooperation of the American Red Cross, an organization for the handling and shipping of refugees to Southern Italy was set up. The Italian Red Cross was contacted to supply some aid, which was done by them. A school building was taken over in Naples, at 5 Piazza Paceella, for the care of refugees while awaiting transport to southern Italy.

4. Information was received that the Army had 208 refugees to handle and arrangements were made for their care. Transport was arranged to bring them to the school on the 17th of December.

L. R. Mullis
L. R. MULLIS
Lt. Col.

REMOVAL OF FASCIST OFFICIALS

One of the most difficult tasks of the Allied Military Government of Naples and the Campania has had to face is the decisions as to which officials should be removed from office on account of Fascist leanings. We have tried to keep in mind two principles: first, we are a military unit and must do all in our power to aid in defeating the enemy. As a part of the Fifth Army, it is our function to assist our Commander, in attaining his mission. To a nation at war, all else is secondary. Second: At the same time our country and our Allies are fighting the pernicious Fascist and Nazi system, and we must put it down and remove its proponents whenever practicable.

It is obviously difficult to decide just who is a Fascist. At one extreme there are individuals who were always active leaders in the Fascist Party administration, holders of high office in the Fascist fabric, many of whom have been continuously connected with the Party since the "March on Rome", and other events of its earlier days. At the other extreme, there are people who held nominal membership in the Fascist Party merely because any failure to do so would have prevented their holding positions of any kind or ever drawing pensions which their prior service had earned. Between these two extremes there are all gradations. It is a simple matter to remove men who have always been Fascist leaders, but to remove everyone possessed of a Fascist membership card would be equivalent to removing every office bearer and functionary from civil or military office. Any such extreme step must, in the end, have been embarrassing to our military Commander because administration of civil public office would thereby have been practically paralyzed.

Bearing all these facts in mind, AMG has had to study each case individually and make its decisions as to removal both on the man's past record and on his present performance. In some cases an efficient officer, who was a Fascist in little more than name, has been retained rather than replaced by a less efficient person who was always an anti-Fascist.

In performing the difficult task of selecting those officials to be removed, AMG has made use of a board of officers drawn from its staff on the basis of experience, judgment and position. Valuable information has been received from various official Italian sources, civilian and military, including the records of the police. The Counter-Intelligence Corps of the U.S. Army and the Field Security Service of the British Army have both given information in many instances.

Since it is a policy of AMG to supervise administration by the Italian officials rather than to do the work outright, we have, wherever practicable, conferred with Italian Prefects and other senior officials in the removal of Fascist officers. Whenever the removal could be effected by the Italians themselves, this has been facilitated. This is, obviously, a rational procedure on the part of any government maintained by an army of occupation. In the list which follows, there are included the names of a certain number of persons who escaped. Some of the office bearers that we had tentatively marked for removal, even prior to our entrance into Naples and other cities, to avoid capture have fled with their German colleagues or otherwise. While this obviated the necessity of our removing them, the same end was obtained. The office being vacated, we could appoint appropriate substitutes.

Some of the officials removed were merely put out of office and no further action taken on our part. In other instances, actual arrests have been carried out. Our house-clearing has only begun, but the task will be less difficult in the future because during the period of our occupation of Naples and the Campania, we have developed many sources of information which render it easier to make decisions as to removals in the future. Moreover, we now have the records of a month's performance of all office holders since the time of our occupation.

In order to make a systematic study of the present and past records of office bearers, functionaries, and other public servants, a questionnaire has been prepared. We require that each individual complete this questionnaire and sign it under oath. Thus, any statements found to be made the bases for trial. On the returns given by the officers themselves, we are able to initiate further studies of present and past activities which might be held objectionable from our stand point. A copy of this questionnaire is attached.

Trials for persons arrested will take place in the proper Italian courts. Among the charges which will be considered are those of graft, peculation, and malfeasance in office.

ARMY

General Commanding the XIX Army Corps, Lt. General Pentimalli arrested

General Commanding the Territorial Defense of Naples Area,
Major General Del Tetto arrested

Major General Radice, of the Carabinieri Regali, Chief of
the Investigations Office at Headquarters of the
Territorial Defense of Naples Area.....fled on our arrival.

Brigadier General Martino, Artillery Commander of the
Territorial Defense of Naples Area fled on our arrival.

Colonel di Stefano, Liaison officer between Italian
and German forces at Naples.....fled on our arrival.

I. PREFETTURA

Province of Naples.

1. Domenico Soprano, Prefect when the Allied forces entered
Naples, was removed on 3 October. The office was administered by an
acting Prefect, Nicola Spirito until 1 November when Ernesto Cavallieri
was appointed. Spirito was known to have cooperated with the Germans,
particularly in the matter of forcing Italians between 17 and 25 to serve
in German military labor units.

2. A signed statement dated 5 November 1943 was received from the
new Prefect, Cavallieri, stating that all other personnel of the Prefettura
are at their respective posts and anxious to cooperate with Allied author-
ities. AMG will judge on performance.

II. PODESTA' (MAYORS)

Province of Naples.

A. The following well known Fascist Podesta' were removed from
office by the Badoglio Government between 25 July 1943 and 1 October 1943.
Thus AMG did not have to do so. The dates of removal are given.

Naples.....Giovanni Orgera, 26 August 1943
Atella di Napoli Ferrara Luigi, 11 September 1943
Aversa Ing. Filippo D'Ambrosio, 9 August 1943
Cascoli Francesco Gasperi, 26 August 1943
Capri Comm. Stanislao Di Somma, 6 September 1943

Capua	Vincenzo Giannotta, 18 August 1943
Caserta.....	Comm. Pasquale Cantore, 18 August 1943
Frigignano	Giuseppe Serao, 27 August 1943
Ischia	Comm. Marino Turchi, 7 September 1943
Massalubrense	Carlo Caracciolo, 26 August 1943
Mondragone	Avv. Giovanni Schiappa, 29 August 1943
Monte di Procida	Dr. Roberto Tozzi, 6 September 1943
Mugnano di Napoli.....	Salvatore Chianese, 18 August 1943
Pignatone Maggiore	Gustavo Fusco, 3 September 1943
Sessa Aurunca	Dott. Giuseppe Patrone, 2 September 1943
Sorrento	Avv. Giorgio Viterbo, 2 September 1943
Villaricca.....	Malone Gioacchino, 25 August 1943

B. Podesta removed since entrance of Allied Forces into Naples and in which AMG played a direct part.

Casalnuovo di Napoli Avv. Silvio D'Amore, 31 October 1943
Fertilia Paolo Gallo, 26 October 1943
Frattamaggiore Lt. Col. Domenico Pirozzi, 5 November 1943
Grumo Nevano.....Antonio Aversano, 7 October 1943
Marano di Napoli Raffaele Chianese, 26 October 1943
Marcianise Avv. Benedetto Tartaglione, 5 November 1943
Marigliano Giovanni D'Alessandro, 30 October 1943
Poggioreale.....Antonio Iossa, 2 November 1943
Pompei Giuseppe Balsano, 5 November 1943
Qualiano Carli Decio, 26 October 1943
Roccarainola Avv. Antonio del Bene, 20 October 1943
San Giuseppe Vesuviano Enrico Auricchio, 14 October 1943
Santa Maria a Vico Avv. Giuseppe Bernardo, 24 October 1943
Santa Maria Capua Vetere Avv. Francesco Troiano
Torre Annunziata Avv. Carlo Emanuele Maresca, 5 November 1943
Resina Marco Sannini, 2 November 1943
San Sebastiano al Vesuvio Avv. Francesco Sparano, 8 November 1943
Castellammare di Stabia name of removed Podesta' not available
San Giorgio a Cremano Francesco Sparano, 8 November 1943
Portici Giorgio Mele
Afragola Angelo Cerbone, 17 October 1943
San Vitaliano name of removed Podesta not available
Maddaloni Antonio Brancaccio
7 other important municipal officials*
Valle di Maddaloni Giulio Lignori
Cervino Pietro Iadecola

not Podesta

Acerra Chief Medical Department Luigi Montano,
and 4 other senior municipal officials.

*NE...There have been such changes in other towns which will appear in later more complete report.

BRANCHES OF CENTRAL GOVERNMENT RESPONSIBLE DIRECTLY TO ROMEINTENDENZA DI FINANZA

The Head of the sub-treasury (Intendenza di Finanza), Alberto Paladini, was removed by the Badoglio government prior to our occupation of Naples.

BONIFICIA DELLA CAMPANIA (Land reclaiming around the Volturno)

The Director, Domenico Rizza, has fled.

GUARDIA DI FINANZA (Naples - Vesuvius Sub-Division)

{ non-commissioned officers and enlisted men have fled.
(names available in AMG Region III files)

Commander of XI Zone, Camicia Nera Antonio Moscato has fled
 Chief of Staff XI Zone, Camicia Nera Salvatore Grassadonio ... has fled
 Chief Mobilization Section XI Zone
 Camicia Nera Giuseppe Mastracchia has fled
 Commander of local 138th Legion
 Camicia Nera Giuseppe Onofaro has fled
 Commander of Naples Group of Legions
 Camicia Nera Giovanni Cuoco has fled
 Federal Secretary of Fascist Party,
 Naples Province up to 25 July 1943 Fabio Milone has fled
 Federal Secretary of Fascist Party,
 Naples Province during German
 occupation September 1943 Francesco Siniscalchi.... has fled

RAILROAD MILITIA

Naples Commanding Officer Roberto Turrini arrested

PORT MILITIA

Naples Commanding Officer Roberto la Nave removed

POST AND TELEGRAPH MILITIA

Naples Commanding Officer Ugo Simeoni removed

ROAD MILITIA

Caserta "Centurione" Pasquale Granzo removed
 14 other members removed; names
 available in AMG Region III files.

ANTI AIRCRAFT MILITIA

Commanding Officer Col Igino Prinzivalli has fled
 2d in command Lt Col Iulio Andreoli has fled

There have been, in addition, removal of office holders in other
 centers outside of Naples. Full returns are not yet available.

UNIVERSITY OF NAPLES

Professor Guido Andreoli removed
 Professor Rodolfo Bottachiari removed
 Professor Nicola Castellino removed
 Professor Carmelo Ottaviano removed
 Professor Francesco Pentimalli removed

Polyclinic

Director of Eye Clinic Dr. Girolamo Iocascio has fled
 Director of Section handling occupational
 disease & accidents Dr. Nicola Castellini has fled
 Director of Pediatric Clinic Dr. Luigi Aurichio has fled

COURTS

1st President Court of Appeals Giovambattista Ferri removed
 Judge of the Tribunale Giuseppe Ameleo has fled and
 been killed

On 17 October 1943, the Counterintelligence Corps, U.S. Army, gave a
 provisional clean bill of health to all other members of the local
 judiciary. AMG is now watching performance.

NAPLES MUNICIPAL ADMINISTRATION

NB. The Podesta's functions are being fulfilled by Dr. Giuseppe Solimena,
 Commissioner extraordinary for the city, named by the Badoglio government
 on 6 August 1943. He has given complete satisfaction to the AMG since the
 occupation of Naples.

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The following officials and employees were removed as ardent fascists following a political inquiry conducted by the municipality at the request of AMG:

Secretary General of Municipality Avv. Alfonso Lambert
 Director of Department of Street Cleaning Roberto Carloni
 Comptroller of the City Baldassarre Conforti
 Engineers, supervisors, & senior personnel. 9, names and positions available in AMG Region III files.
 Accountants, investigators, 1st class
 clerks and skilled employees 12, names and positions available in AMG Region III files

NAPLES PROVINCIAL ADMINISTRATION

The following officials and employees were removed as ardent fascists following a political inquiry conducted by the Prefettura at the request of AMG:

Under Commissioner Avv. Francesco Sparano
 Naples Headquarters 3 minor officials, names and positions available in AMG Region III files
 10 employees, names and positions available in AMG Region III files

NAPLES PROVINCIAL ECONOMIC COUNCIL

Vice President Paolo Signorini removed 2 Nov. 1943
 President Industrial Section Franco Spinelli removed 2 Nov. 1943
 President Agricultural Section ... Carmelo Tagliatela . removed 2 Nov. 1943
 President Commercial Section Ercole Avella removed 2 Nov. 1943
 President Maritime Section Achille Lauro removed 2 Nov. 1943

PROVINCIAL FOOD ADMINISTRATION (Sezione Provinciale dell'Alimentazione)

Head of canned section Capt. Mario Venere
 Head of fodder section Paolo Bagnulo
 Head of fats & vegetables department... Raffaele Sedini
 Head of meat service Roberto Paladino
 Head of cheese service Ermano Barozzi
 Head of fish service Giuseppe Ventrella
 Head of cereal service Raffaele Pierro

(all removed since the Allied occupation of Naples in the course of an investigation demanded by AMG.)

57 other minor officials or employees, whose names and positions are available in AMG files, have been removed since the Allied occupation of Naples in the course of an investigation demanded by AMG.

Vincenzo Tecchio, Vice President Provincial Council of Corporations has fled.

NAPLES PROVINCE SYNDICATES AND UNIONS

The following office bearers have been removed and their substitutes named during the last few days. The new Prefect, Cavalieri, is continuing the investigation in close liaison with AMG.

Union of Agricultural Workers Fernando Campagnoli, Commissioner
Union of Workers, Commercial Enterprises....Eduardo Tarifarone, employee
Provincial Union of Industrialists Giuseppe Gensato, Commissioner of
the Union
Provincial Union of Professional Men
and Artists Prof. Arturo De Amicis, Commissioner
Credit and Insurance Union Mario Camardella, Commissioner
(National councilman for above, Francesco Picone, has fled)
Neapolitan Auto Transport Consorzio Pier Vincenzo Ferrelli, Commissioner
Medical Syndicate Prof. Arturo De Amicis, Commissioner
(Dr. Urbano Sorrentino, Predecessor of above, has fled)
Syndicate of Lawyers & Solicitors.
(Bar Association) Nicola Sansanelli, Commissioner
Syndicate of Pharmacists Dr. Giovanni Guacci, Commissioner
Provincial Committee of National Agencies
of Assistance to War Veterans Dr. Eugenio Franceschi
Union of Industrial Workers 10 individuals at union head-
quarters. Names and positions
available in AMG Region III
files.
Consorzio Provinciale Economia e Commercio,
(Provincial Economic & Commercial
Association).....3 minor officials or employees
names and positions available
in AMG Region III files.

PROVINCE OF BENEVENTO

On arrival of AMG Senior Civil Affairs Officers Lt. Col. THE LORD FORESTER in the Province on Oct 5 it was found that the following officials had been dismissed by the Badoglio Government since July 25:

Emilio De Santis
 Emilio Rucchi
 Avv. Ernesto Pierro
 Carmine D'Agostino
 Francesco De Iulias
 Nazzareno Caporaso
 Dr. Goffredo Chiavelli
 Matteo De Simone
 Giovanni Petrucciani
 Vincenzo Procaccini
 Lucio Caracciolo D'Aquara
 Nicola Bonavita
 Notar Gustavo Rocchini
 Avv. Gaetano Cerza
 Pasquale Vitale
 Nicola Mattei
 Emilio Collenea
 Nino del Piero
 Augusto Iguori
 Angelo Miranda
 Gabriele Palmieri
 Serrone Felice Gramignazzi

Podesta of Ailano
 " Arpaize
 " Benevento
 " Bonea
 " Buonalbergo
 " Campoli del Monte
 " Castelvenero
 " Forchia
 " Fragneto Monforte
 " Guardia Sanframonti
 " Melizzano
 " Pago Veiano
 " San Giorgio del Sannio
 " San Martino Sannita
 " Santa Croce del Sannio

Alimentazione
 Ospizi Riuniti
 Ispettore accertamenti agricoli
 " " "
 " " "

Cereagricola
 Coproma

Since that date the following have been dismissed by the AMG and the Prefect working together:

Vincenzo Laudanna
 Michele Canfora
 Antonio Marsullo de Colellis
 Raffaele Corbo
 Mattia Campagnano
 Giovanni de Vicariis
~~Avv.~~ Antonio Simeone
 Saverio Zatrelli
 Avv. Nicola D'Andrea
 Avv. Vincenzo Palmieri
 Assunto Perruna
 Mario Argenio
 Luigi Napolitano
 Pasquale Guglielmi
 Rag. Domenico Rosa
 Rocco Petroccia
 Carmine Agostino
 Nicola Fusco
 Alfio Benedetto
 Roberto Simeone
 Adolfo Colesanti
 Carmine Paradiso
 Roberto Parrella
 Mario Ielardi
 Luigi Cerza

Podesta of Airola
 " Arpaia
 " Baselice
 " Casalduni
 " Castelcampagnano
 " Castelfranco in Miscano
 " Castelpoto
 " Cautano
 " Cerreto Sannita
 " Colle Sannita
 " Durazzano
 " Foglinaise
 " Frasso Telesino
 " Montesarchio
 " Morcone
 " Paduli
 " Peolisi
 " Paupisi
 " Petreccina
 " Ponte
 " Pontelandolfo
 " San Giorgio La Molara
 " San Lucio del Sannio
 " San Marco dei Cavoti
 " San Nicola Manfredi

Giovanni Perlingieri
 Eugenio Napolino
 Giovanni Leone
 Alberto Arcemone

Pasquale Meomartini

Anacleto Cassella

Edoardo Minieri

Caetano Cerza

Renato Sgroso

Nicola Mattei

Mario Santosuosso

Podesta of Solopaca

" Tocco Caudio

" Vitulano

Alimentazione

(Provincial Food Administration)

Preside Amministrazione Provinciale

(President Provincial Administration)

Vice Preside Amministrazione Provinciale

(Vice President Provincial

Administration)

Unione Provinciale degli Industriali

(Provincial Union of Industrialists)

Unione Provinciale Agricoltori

(Provincial Union of Agriculturists)

Unione Provinciale Commercianti

(Provincial Union of Merchants)

Consorzio Agrario Provinciale

(Provincial Agricultural Syndicate)

Vice Preside Consiglio Provinciale

Economica

(Vice President Provincial Economic

Council)

To this list must be added about a hundred minor officials such as Secretaries of Communes and Ammassi heads.

The Counterintelligence Corps has interned some Fascists, but has left no record. The names could be got through Army channels.

PROVINCE OF SALERNO

Information has not yet been received from Lt Colonel Robertson, SCAG, of Salerno Province, excepting in the following summary form.

a.	Podestas removed directly by AMG	23
b.	Podestas removed by Prefect of Salerno in agreement with AMG	15
c.	Podestas removed by local action and not yet confirmed	8

Total

46

The following officials were arrested by FSS in agreement with AMG.

Gabriele Del Mondo.....	Capo Gabinetto di Pubblica Sicurezza, 7/10/43
Nicola Maggio	Ex-director of SADAC, 17/10/43

In addition to above two, thirteen minor officials have been interned by FSS in accord with (a)

Giovanni Esposito.....Maresciallo di Pubblica Sicurezza, 7/10/43
 Pellegrino De Girolano.....Maresciallo di Pubblica Sicurezza 7/10/43
 Elio Galli.....Agenti di P. S., 10/10/43
 Emanuele Revilacuta.....Employed in Office of Public Works, 15/10/43
 Enrico Pionca.....Employed in Office of Public Cleaning, 16/10/43
 Gennaro Trevisone.....Employed in Office of Civil Records, 18/10/43
 Pasquale Santons.....Employed in Office of Rates & Taxes, 16/10/43
 Felice Del Galdo.....Employed in Health Dept., 10/10/43
 Virginia Cavallo.....Employed in Office of Food Supplies, 21/10/43
 Origionano Vasce.....Employed in Office of Milk Supplies, 21/10/43
 Renato Buonaventura.....Employed in Food Office, 21/10/43
 Mario De Falco.....Employed in Food Control, 21/10/43
 Giuseppe De Falco.....Employed in Food Control, 1/11/43

FSS has interned 94 other persons on security grounds.

Finally, 5 other persons have been arrested by FSS and released upon further investigation.

Names of all concerned will be forwarded to this office from Salerno within the next 48 hours and the AM for Salerno Province is working on the same kind of general report which is being prepared for Naples Province.

AVELLINO PROVINCE

Because of the difficulties of communication, no information has yet reached this office on specific action taken in Avellino Province.

From conversation with Major Sisson, SCAG of the province it is gathered that action taken is quite similar to the action taken in Benevento Province.

REPORT OF MAJ CHARLES P. SISSON, SCAG, OF PROVINCE OF AVELLINO

PRESIDENT OF THE PROVINCE

Alfredo de Marsico fled about 20 August 1943

The following Podesta fled before the arrival of AMG.

Altavilla Michele Magnotti
 Andretta Raffaele Miele
 Ariano Mario Fratola
 Avellino Giuseppe De Conciliis
 S. Martino Valle Caudina Arnaldo Giuliani
 Torrella dei Lombardi Mario Natale

3818

The following Podesta were discharged by the Italian Government before the arrival of AMG.

Giovanni Maglio

Grottolella Giovanni Maglio
Mugnano Tommaso D'Apolito

The following Podesta were removed by AMG after Allied Occupation
The reason for their dismissal was their fascist leanings.

reason for their arrest	Attilio Meloro
Magnoli	Camillo Miletto
Bonito	Ernesto Rossi
Cassano	Annibale Cioffi
Cervinara	Guido Gamberini
Montecalm	Bernardino Maffucci
Marzano	Vincenzo Bruni
Montella	Giuseppe Spirito
Montemarino	Vincenzo Iobbraccio
Rotondi	Giuseppe Capozzi
Salza Irpina	Emilio Fischetti
S. Angelo dei Lombardi	Angelo Giorgio Iorizzo
Villa Nora del Battista	

The following Podesta were removed by AMG for reason other than Fascism:

Monocalzati	Felice del Mauro	Inefficiency
Serino	Golfredo Cerino.....	Ill health and salinity

FOOD ADMINISTRATION

ADMINISTRATION
No replacements have been made because no strong Fascists are known.

SYNDICATES AND UNIONS

All known Fascists have fled.

No replacements have been made by ANG.

MINOR OFFICIALS

Arilino

Secretary
2 Municipal Guards.

RECEIVED BY OFFICIALS 15 NOVEMBER 1963 01 NOVEMBER 1963

RECEIVED BY OFFICIALS

5
01
15
16

COMMITTEES

ORGANIZATIONS

PERSONS AND DATES

DATE

1) Commissione di Istituto per Cancer Myles

Law. Lello della Pietra Prof. Giuseppe Tropeano 21 November

2) Pio Monte della Misericordia Naples

Donna Elisabetta Cattaneo Eng. Luigi Scinella 21 November

3) L. Maria della Graciosa Criciense Caserte

Law. Francesco De Vitis Law. Pasquale Caputo 21 November

4) Apicelle Hospital Pollens Trochia

Dr. Giuseppe Riccioli Dr. Riccardo Del Racio 21 November

5) Hospital De Luca and Rosarno Vico Equense

Rev. Rev. Armando Castelli Dr. Gennaro Andrei 21 November

6) Agostino Marasco Hosp. Torre del Greco

Dr. Giuseppe Liguori Dr. Donatello Grivina 21 November

7) Conservatorio S. Anna e S. Gennaro Aversa

Dr. Ciro Parise Law. Luigi Della 21 November

8) Orfanotrofio Villetta di Napoli

Dr. Giovanni Adornato Gen. Ubaldo Corda 21 November

9) Orfanotrofio S. Mariadella Grete

Dr. Francesco Pirino Rep. Antonio Bion 21 November

10) Experimental Station Suorofilattive di Casagrande

Dr. Giovanni Vanni Mr. Alfredo Della 15 November

11) Tourist Ass'n

Law. Libero Garzia Mr. Gennaro Corbi 8 November

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HONORARY MEMBERS

RECORD OF CONTRIBUTIONS TO NOVEMBER 1943

CONTRIBUTORS

ORGANIZATION	CONTRIBUTORS	PERSONS RECEIVED	DATE
12) Royal Auto Club Italiano	Enzo Pio Avanti	Law. Luigi Zironi	14 November
13) Istituto Case Popolari di Napoli	Law. Alfredo Florio	Mr. Luigi Azzurro	18 November
14) Royal Conservatory of Music S. Pietro a Miele	Mr. Franco Michele Papalardo	Mr. Adriano Lupatini	18 November
15) Concorso Provinciale di Chimica Istruzione	Rag. Giuseppe Mirco	Dr. Antonio Sacchetti	22 November
16) Ass'n of Factory Owners	Rag. Renato della Torre	Law. Franco Spinaelli	22 November
17) United Colleges for Ed. of Prof. women	Law. Amador P. Turchi	Law. Francesco S. Rossetti	22 November
18) Mostra delle Terre d'Oltremare (approved as Liquidation)	Det. Francesco Verdine	Law. Vincenzo Tardito	26 November
19) Prov. Concorso for Vitt. culture	Mr. Guindro Rinaldi	Mr. Ades Bacchella	18 November
20) Chief of Office Volturno del- l'Opera Nazionale dei Combattenti	Eng. Alfonso Cuoco	Eng. Carlo Crestipese	8 December
21) Istituto Provinciale della Croce Rossa Italiana	Prof. Bernardino Rosati	Mr. Rocco Ianna	4 December

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RECORD OF ORGANIZATIONS IS SUBMITTED AS AT JANUARY 1963

MADEIRA PROVINCE

7186

ORGANIZATIONS

INDUSTRIAL

ORGANIZATIONS	PERSONS INVOLVED	DATE
22) Scuola di Magistero Professione della Ditta Dente	Dr. Francisco Simalla	20 December
23) Asilo Francisco Serralle Naples	Dr. Serralle	22 December
24) Industrial Reconstruction	Not existing originally 18 December	
25) Industrial Reconstruction	Not existing originally 18 December	
26) Industrial Reconstruction	Not existing originally 18 December	
27) Sub. Comm. Prov. Adm.	Law. Francisco Serralle	28 December
28) Sub. Comm. Prov. Adm.	Port 111 not exist	3 November
29) Sub. Comm. Prov. Adm.	Port 111 not exist	3 November
30) Prov. Adm. Ditta Serralle	Dr. Serralle	7 November
31) Prov. Adm. Ditta Serralle	Dr. Serralle	24 November
32) Prov. Adm. Ditta Serralle	Law. Francisco Serralle	10 November
33) Prov. Adm. Ditta Serralle	Law. Francisco Serralle	16 November
	Law. Serralle	18 November

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REMOVAL OF MEMBERS IS NOW BEING SO 31 DECEMBER 1943

REMOVAL OF MEMBERS

1943

ORGANIZATIONS

- 34) Prov. Am. Giunta
- 35) Prov. Am. Giunta
- 36) Prov. Am. Giunta
- 37) Adm. Centrale Municipale del Lazio
- 38) Scuole Tecniche Industriali Lorenzo Bernini
- 39) V. Pres. Prov. Economic Council
- 40) Segreteria Provinciale della Federazione degli Artigiani
- 41) Dir. Segreteria Interprovinciale dell'Ente delle Cooperazione
- 42) Ente Autonomo Volturno
- 43) Società Editrice Meridionale (Organization not approved)
- 44) Ente Nazionale per la Protezione degli Animali Naples sect.

COMMITTEES

- Law. Giovanni Casilli
- Law. Gaetano Vecellione
- Law. Giuseppe Zevola
- Mag. Ernesto Chiaro

- Prof. Vincenzo Reale
- Mr. Camillo Ricciardi

- Mr. Salvatore De Pascalo

- Law. Gaetano Ruota
- Prof. Luigi D'Amelio

- Prof. Giovanni Cascardi
- Mr. Ernesto La Greca

PERSONS REMOVED

- Law. Emilio Borja
- Law. Mario Marino
- Ass. Guido Vellano

- Law. Vittorio Garzone

- Law. Roberto Maggi

- Mr. Angelo Provenzano

- Prof. Giuseppe Spicciotto

- Mr. Francesco Amicelli
- Ex. Roberto Monticelli

- Dr. Achille Lauro

- Mr. Ernesto Vuoto

DATE

16 November

16 November

16 November

4 December

4 December

16 December

16 November

16 November

4 December

9 December

10 December

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REMOVAL OF RESERVATIONS 15 NOVEMBER TO 31 DECEMBER 1944
MILANO PROVINCE
CONTINUATION

ORGANIZATIONS	EXPLANATIONS	PERSONS INVOLVED	DATE
45) Società Italiana Americani del Controllo	Mr. Scolorio Cassarolo	Private Film Ordinarily	15 December
46) Unione-Ind. Italiana del Petrolio ex Affini	Mr. Gaetano Dole	Private Film Ordinarily	15 December
47) Raffineria di Napoli S/A	Mr. Roberto Cicconcelli Mr. Umberto Praticano	Private Film Ordinarily	15 December
48) Ramona S/A	Eng. Muscarelli In Scoria Eng. Carlo Pirelli	"	15 December
49) Società Ital. Indiridicanti Bedetti	Eng. Felice Loccio Mr. Gaetano Dole Dr. Angelo Perversi	"	15 December
50) Società Impresazioni Olivi	Mr. Roberto Cicconcelli Mr. Ottavio Bianco	"	15 December
51) S/A Indiridicanti Emilio Tolter	Mr. Gaetano Dole Mr. Gaetano Dole	"	15 December
52) Compagnia Generale Re-secatori Rapolatori	Acct. Galvani Comm. Giovanni Alf. Pettison	"	15 November
53) Navalmeccanica	Comm. Giovanni Alf. Pettison	Private Film Ordinarily	22 November
54) Silarificio Italiano	Comm. Giovanni Alf. Pettison	"	22 November
55) Alpha Romeo	Eng. Mario Della Gude	"	22 November
56) Industrie Neco. Marid.	Eng. Leopoldo De Lieto	"	22 November

NAMES PROVINCES

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REMOVAL OF OFFICIALS 15 NOVEMBER TO 31 DECEMBER 1943

COMMISSIONERS

ORGANIZATIONS

NOMINATIONS

PERSONS APPROVED

DACS

57) Cellulosa-Chloro-Soda	Mr. Aldo Sacchetti	Private Law Originally	22 November
58) Synthetic Engineers	Mr. G. Munzenta	Eng. Vincenzo Sianturco	4 November
59) Syndicate of Ship-owners	Mr. E. Ventralis	Mr. Achille Lacro	4 November
60) Union Workers of Credit and Insurance	Mr. Aristide Emilio Vespini	Mr. Ugo Terralini	18 November
61) Union of Industrial Workers	Mr. Benigno Zigno	Law Paul De Luzemburger	8 November
62) Union of Agriculturists	Mr. Giuseppe Diano	Law. Giuseppe Losca	18 November
63) Union of Merchants	Dr. Giuliano Balbi	Comm. Carlo De Luca	18 November
64) Union of Workers for Merchants	Mr. Giuseppe Canonico	Mr. Alfredo Sorrentino	18 November
65) Istituto RR. Giuristi	Prof. Guido della Valle	Mr. Vincenzo Spadenta	26 December
66) Istituto Probationario	Law. Vincenzo Cianfiere	Mr. Vincenzo Spadenta	26 December
67) Consorzio Riforma di Roma		Mr. Mario Linguiti	31 December
68) Cases Maritime Infortuni	Capt. Roberto Indelo	Mr. Achille Lacro	31 December
69) V. Istituto Universitario Orientale	Prof. Francesco Baglioni	Prof. Michelangelo Guidi	31 December

HABERS PROVINCE

REMOVAL OF OPERATIONALS 15 NOVEMBER TO 25 DECEMBER 1948

- 7 -

COMMISSIONERS

ORGANIZATIONS	COMMISSIONERS	PERSONS INVOLVED	DATE
70) Opera Pia Perguminate Comune di Mercianese	Law. Unipersonale Edilizia	Mr. Cesario Buccio	31 December
71) Consorzio di Bonifiche della Conca di Legnano	Mr. Mario Greco	Mr. Arturo Giorgio	31 December

NUMBER CHANGES IN OFFICIALS UP TO 31 DECEMBER 1943

BERREVENTO PROVINCE

REMOVAL BY DICTATORIAL GOVT.
PRIOR TO AND ASSASSINATION.
OF AUTHORITY

4 2 3 56 3 3 2

ORGANIZATION

Provincial Administrations
Alimentation
Institutes
Comunes
Alons
Consejo
Provincial Council

TOTALS

22

77

Recapitulation:

Removed by Dictatorial Govt.
" " ANG

22

77

99+

+IN ADDITION

About 100 Minor Comuna Officials
CIC Interned some fascists but left no record.

REMOVAL OF OFFICIALS 5 NOVEMBER TO 31 DECEMBER 1943

COMMISSARI PREPETTUZI BENEVENTO PROVINCE

COMUNES	NOMINATIONS	PERSONS REMOVED
1) Amorosi	Prof. Romano Attalio	Mr. Adalgiso Pacelli
2) Apice	Mr. Antonio Montenegro	Law. Ettore Perriello
3) Benevento	Law. Antonio Cifaldi	Dr. Felice De Pasquale
4) Bona	Mr. Giampietro Quarantelli	Mr. Luigi Barbato
5) Bucciano	Law. Alberto Lombardi	Mr. Salvatore De Masi
6) Buonalbergo	Law. Mario Pellegrini	Dr. Alessandro Rocco
7) Campolattaro	Dr. Maria Guido	Mr. Carlo Pagliuca
8) Castello D'Alife	Conte Gaetano Antonio	Law. Carlo Grillo
9) Castellfranco in Miscano	Mr. Alessandro Ricci	Mr. Luigi del Vecchio
10) Castelvetere Valfortore	Mr. Filippo Gammata	Mr. Francesco Iarossi
11) Casano Mutri	Luigi Simeone	Mr. Rinaldo De Nigris
12) Faicchio	Law. Luigi Pascale	Mr. Francesco Canestrini
13) Fragneto L'Abate	Dr. Vittorio De Martino	Mr. Antonio Pilla
14) Ginestre degli Scialvoni	Mr. Ernesto Pignone	Mr. Donato Nigro.
15) Melizzano	Law. Giuseppe Zanelli	Mr. Niccolò Anzovino
16) Molano	Mr. Augusto Iodice	Mr. Carlo Pace
17) Molinara	Mr. Luigi Zazo	Mr. Roasti Vittorio
18) Morcone	Dr. Vincenzo Nobilia	Mr. Domenico Rosa
19) Pago Veiano	Mr. Nazareno Casalbore	Dr. Alfio Benfatto

1683

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REMOVAL OF OFFICIALS 5 NOVEMBER TO 31 DECEMBER 1943

COMMISSARI PRESENTIFICIBERGAMO PROVINCE

COMUNES	NOMINATIONS	PERSONS REMOVED
20) Pescolamazza	Law. Michele Vetere	Mr. Giuseppe Viglione
21) Piana di Caltizzo	Law. Domenico De Francesco	Mr. Domenico Fussichen
22) S. Bartolomeo in Caldo	Dr. Giuseppe Rode	Law. Giuseppe Gabrielle
23) S. Lorenzello	Mr. Mattei Manfredi	Mr. Raffaele Di Lucrezia
24) S. Nicola Manfredi	Mr. Carlo Parrilla	Dr. Luigi Cerza
25) S. Agata dei Goti	Dr. Silvestro Iannotta	Mr. Mosera Michele
26) S. Angelo a Cupolo	Mr. Carlo Parrilla	Mr. Gennaro Milano
27) Sassimoro	Law. Vincenzo Mobilia	Mr. Luigi De Sisto
28) Torrecuso	Mr. Francesco Fiorito	Mr. Vincenzo Pasani
29) Telesse	Mr. Giuliani Francesco	Law. Carlo Salvatore
30) Vitulano	Mr. Mennato Melillo	Mr. Giovanni Leone

NUMBER CHANGES IN OFFICIALS UP TO 31 DECEMBER 1943

AVELLINO PROVINCE

REMOVED BY A.M.G.

Prov. Administration	1
MVSN - Railroad	16
MVSN - Road	5
Comunes	44
Civil Engineer	1
Carabinieri	1
Consortio	1

TOTAL	69
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1988

1943

REMOVAL OF CITIZENSHIP IS POSTPONED TO 31 DECEMBER

COMING INSTEAD FROM THE

AMERICAN PEOPLE

CITIZENS

- 1) Andretta
- 2) Arisano
- 3) Calabritto
- 4) Calicari
- 5) Candide
- 6) Carrigella
- 7) Carife
- 8) Castelvetera sul Golfo
- 9) Fiumeri
- 10) Fontanarosa
- 11) Forino
- 12) Frigento
- 13) Gesualdo
- 14) Grottolella
- 15) Guardia Lombardi
- 16) Lauro
- 17) Lioni
- 18) Luogosano
- 19) Manocalzati

NOMINATIONS

- Mr. Agostino Delesse
- Mr. Irene Vinciguerra
- Mr. Tommaso Oliafio
- Mr. Salvatore Agrosso
- Mr. Michele De Martinis
- Mr. Vincenzo De Martino
- Mr. Giuseppe De Amici
- Mr. Salvatore Noccia
- Mr. Arturo Ranneci
- Mr. Clemente De Rosa
- Mr. Francesco Patella
- Mr. Agostino Testa
- Mr. Leopoldo d'Ambrosio
- Mr. Agostino Pacifico
- Mr. Nicola De Biasi
- Mr. Francesco Rege
- Mr. Tommaso Santaniello
- Mr. Michele Buono
- Mr. Beniamino Mauro

PERSONS REMOVED

- Mr. Nicola Labriola
- Mr. Giovanni Iacchei
- Mr. Annibela Berardirelli
- Mr. Salvatore Campagnione
- Mr. Filippo D'Amore
- Mr. Ugo Spindello
- Mr. Pietro Grimaldi
- Mr. Domenico Lanzetta
- Mr. Emilio Tarantino
- Mr. Ernesto Ciampi
- Mr. Francesco Iacuso
- Mr. Guido Schettino
- Mr. Girolamo Nocera
- Mr. Vincenzo Prichione
- Mr. Antonio De Simon
- Mr. Giovanni Russo
- Mr. Giuseppe Valmieri
- Mr. Tommaso Sarno
- Mr. Melice del Mauro

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REMOVAL OF CRIMINALS IN NOVEMBER TO 31 DECEMBER 1943

COMMISSIONERS PROSECUTION

AVULSING F R O V I H O S

NOMINATIONS

- 20) Montecalvo Irpino
21) Monteforte Irpino
22) Montefusco
23) Montella
24) Torre De Sanctis
25) Ospedaletto d'Alipino

Mr. Felice Caccese

Mr. Antonio di Stefano

Mr. Alberto Consoli

Mr. Felice Ciannatelli

Mr. Nicola De Riga

Mr. Filippo De Colaninno

Mr. Antonio Oliviero

Mr. Filippo De Ietris

Mr. Francesco Nolloni

Mr. Gaetano D'Andrea

Mr. Angelo Rossi

Mr. Antonio Iurato

Mr. Alfonso Giuseppe Giallombardi

Mr. Giovanni Morina

Mr. Pasquale Petrone

Mr. Pasquale Anziano

- 26) Perolise
27) Pistrorsina
28) Quindici
29) Poccabascera
30) S. Angelo dei Lombardi
31) S. Mango sul Calore
32) S. Nicola Baronia
33) S. Paolina

PERSONS REMOVED

- Mr. Guido Catterini
Mr. Carmine Santulli
Mr. De Nizia Felice
Mr. Gennaro Abiosi
Mr. Angelo Compicchio
Mr. Rocco di Mastro
Mr. Pasquale Carmo
Mr. Leopoldo Iermano
Mr. Aloise Prezzaroli
Mr. Carmine Miranda
Mr. Alfredo Bartolomei
Mr. Giuseppe Ferrara
Mr. Nicola Sciaraffa
Mr. Epifanio De Spirito

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REMOVAL OF OFFICIALS 15 NOVEMBER TO 31 DECEMBER 1942

COMMISSIONED OFFICERS

AVALLENO PROVINCE

COUNTIES

- 34) S. Eufidio Ultra
- 35) S. Soesio Baronia
- 36) Sirignano
- 37) Solofra
- 38) Sperone
- 39) Teurasi
- 40) Teora
- 41) Trevisio
- 42) Vallata
- 43) Villanova del Battista
- 44) Avellino

NOMINATIONS

Mr. Gerardo Miranda
Mr. Arturo Contardi

Mr. Giuseppe Capace Minutolo, P. Di Napoli

Mr. Vincenzo Napoli

Mr. Giovanni Battista D'Anna

Mr. Marciano Capriano

Mr. Michele Caprio

Mr. Carlo Petrilli

Mr. Adelchi Cornacchia

Modestino Giacomino

Dott. Vincenzo di Tondo

PERSONS REMOVED

Mr. Nicola Imastucci

Mr. Alfredo Pelicci

Mr. Domenico Gaudale

Mr. Costantino De Maio

Mr. Domenico Barba

Mr. Ezio degli Uberti

Mr. Alfonso Sibilia

Mr. Vittorio Montieri

Mr. Angelo Giorgio Iorizzo

Dr. Giuseppe De Concilio

REMOVED OF OUTSTANDING IS NOVEMBER 10 11 DECEMBER 1943
 AVELLINO PROVINCE

ORGANIZATIONS

- 1) Comando Gruppo C2.RR.
- 2) Civil Engineers
- 3) Preside Prov. Administration
- 4) President of the Consorzio Agrario

POPULATIONS

Lt. Col. Carmine Senso
 Eng. Salvatore Nocola
 Eng. Alfredo De Martino
 Dr. Maccone De Centuria

PERSONS REMOVED

Major Mario Martino
 Eng. Nicola Vetrano
 Law. Francesco Amato
 Gen. Carlo Scimone

5088

ALLIED MILITARY GOVERNMENT
PROVINCE OF AVELLINO

10 January 1944.

SUBJECT: Report on Activities to 15th December, 1943.

TO : Headquarters Region 3 AMG.

1. Inasmuch as the undersigned assumed command of this station on 27 December, 1943, reports requested are confined to those made by chiefs of special staffs sections and S.C.A.O.s who have been in this province prior to 15th December, 1943. These reports are attached.

2. Major Charles P. Sisson, A.C., at present attached to Region 3 Headquarters, was S.C.A.O. of this station from its establishment to 27th December, 1943.

/s/ Edmund A. Ball,
/t/ EDMUND A. BALL,
Major F.A.,
S.C.A.O.

A TRUE COPY

Douglas N. Batson
DOUGLAS N. BATSON
1st Lt., CMF,
actg Asst Adj Gen

3803

ALLIED MILITARY GOVERNMENT
REGION 3
AVELLINO PROVINCE

Avellino,
3 January 1944.

SUBJECT: Report on activities to 15th December 1943.

TO: AMG Headquarters Region 3.

1. When stationed at AMG School and Holding Center North Africa was allocated to Region 3 as C.A.P.O. On September 14th 1943, I arrived in Italy with a contingent under the command of Lt. Col. Krsage. After some days at Salerno I was transferred to Arropoli where I worked in the surrounding area with Major Stevens on general C.A.O. work.

2. On 23rd September was assigned with a section under the command of Major Sisson to report to 6th Corps for C.A.O. work. Up to the 26th of September did general work with 6th Corps visiting several towns in the Province of Salerno and carrying out C.A.O. duties following Division.

3. On 26th September was instructed to take over control of Collina and Valva in the Province of Salerno and Senerchia, Calabritto and Canosa in the Province of Avellino. Remained in charge of this towns until 1st October. I then received instructions to proceed to Lioni where I joined up with Major Sisson and under his instructions came on the city of Avellino.

4. At this stage the officers attached to Divisions were just moving out of the city and there was a very big problem in the clearing up of the city which had received severe aerial bombardments. Streets were entirely blocked. None of the public utility services was functioning and many bodies were lying about the streets in advanced stages of the decomposition.

At this stage it was quite impossible to direct one's attention to a single branch of the service and everyone had to carry out general duties. For some weeks I was sent out

- 2 -

taking up the preliminary reports left by Divisional C.A.O.s and reorganizing administrations and getting the CC.RR. working again. Owing to lack of adequate transport, lack of personnel and the terrible state of the communications this was a very slow process. The major problems encountered were: 1. Lack of food; 2. Lack of water; 3. Interrupted communications.

Dealing with these in more detail it was found that:
1. The entire scheme of the amassment of grain had ceased. Where it had been carried out the Germans had looted the Amassai or else the grain had been distributed back to the farmers to prevent the Germans getting it. This resulted in the non-producing peasant getting no ration of flour or bread. With the closing of banks and the post office the farmers thought that they would not be paid for their grain and no more was sent in. In many places where grain was available there lacked the facilities for grinding. There was no power for the electric mills and owing to a very dry season no water for the water mills.

This also is linked up with No. 2 lack of water. With the demolition of practically all of the water mills were destroyed leaving many communes without water. This has been relieved in some cases but there has to be a long-term policy for the re-establishment of adequate water supplies in many parts of the province.

The 3rd problem - interrupted communications - is a result of the extensive German demolitions. This is very acute in a province which is entirely of a mountainous nature with many streams, rivers and ravines. It is stated that 700 bridges were demolished in this province. As the season was very dry, few bridges were built and extensive use made of bye-passes. This sufficed for military needs at the time but as the rainy season came on many of the detours were rendered impossible and the small temporary bridges were either washed away or sank and were unusable.

One peculiar situation that I encountered during this C.A.O. work was a large area of the province that had not been occupied by either the 5th or 8th Armies. These people were not visited by any Divisional C.A.O.s and were completely in ignorance of the general situation or of the issuing or enforcement of any proclamations. They had been completely isolated without news for three or four weeks but fortunately they were in an area where there was not a great shortage of food.

- 3 -

One of the great problems experienced all along was that of feeding the population of the city of Avellino and a good proportion of time was spent in visiting all the communes in the grain producing areas re-establishing the smashes and arranging transport of grain to the city.

At a time when the problem was a little easier a situation began to develop in the Province which was of a political nature. Backed by either former anti-Fascists or else by former Fascists trying to re-establish themselves committees began to be formed in communes under various titles. They incited the people against the local administration and in several cases riots occurred in which records, receipts and tax records were destroyed. The Carabinieri seemed to have either lost confidence in their powers or else were afraid for their lives, for many cases they made little or no attempt to interfere with the rioters. The head of the communications made reports very late in arriving at H.Q. and little could be done to prevent them occurring. However many arrests were made and the leaders put in prison.

Whilst this work was being carried out by myself in the Province the routine but very important work of interviewing Police Agents issuing of motor passes, petrol, ration passes, control of enlisted men was being carried out by Lt. Toss who is the second member of the C.A.P.O.s Dept. of this Province. This work involves long office hours, great order that no few illicit passes etc. are issued. The sound English Police knowledge of the Lt. Toss has made him a very efficient, successful officer and is quite indispensable in this branch of work.

At the same time that this re-organization etc. was being carried out we became very aware of the very large field of "black market" which was developing. The C.A.P.O.s and Agents of the Quertura were endeavouring to combat this but with little success. Innumerable small operators were stopped and the grain, oil, fats, etc., confiscated but none of the large operators were stopped. Very urgent instructions were given to the Police Agencies and control points set up with no better result. We became aware that most of the large scale operators were using Allied military transport so that the Italian Police were helpless. Owing to the acute shortage of personnel we were not able to deal with the situation adequately. With the arrival of officers attached to Region 4 the assistance we required was available and aided by Military Police a control was set up. Large quantities of contraband were discovered being trans-

- 4 -

ported on military vehicles. This check was maintained every day and after a time the movement of contraband decreased. A proper check point has since been established at a point on the boundary between the provinces of Avellino and Foggia.

With the operating of Italian Police agencies against the "black market" and violations of proclamations large numbers of reports were arriving at JMC H.Q. and it became imperative that Military Courts should be opened. Captain Gold had been working on this problem and I had to stop acting as C.A.O. and C.A.P.O. and take up the control of reports, issuing of summons and the prosecuting of offenders. The first court was opened on November 5th at the Tribunale building in Avellino. Many difficulties have been encountered in obtaining the efficient service of summons, warning of witnesses and the presence of Police witnesses. With the large number of violations of proclamations the court work has so increased that more than 50% of daylight working hours is occupied in court. This is gradually increasing with the opening up of three other courts in the province. Up to the 15th of December, 82 cases have been tried involving 103 defendants. This number is increasing very rapidly each week.

/s/ T. Goodacre,
Captain,
C.A.P.O.,
Avellino.

A TRUE COPY

Douglas N. Batson
DOUGLAS N. BATSON
1st Lt., GMP,
Actg Asst Adj Gen

2799

ALLIED MILITARY GOVERNMENT
 Headquarters Avellino Province
 Office of the Senior, Civil Affairs Officer

January 4th, 1944

I. Oct. 1 - Nov. 15.

The immediate tasks confronting A.M.G. in Avellino centered around problems of military concern or arising from military action. The following outlines the major activities of this period :

A. Assistance to transient military units :

1. Location of facilities and sites for bivouack and operations.
2. Locating and arranging for acquisition by military of available civilian materials and supplies.
3. Informational service.
4. Preparation and distribution posters and arrangement of sales for military units.
5. Arranging recruitment of civilian labor.

B. General Military matters :

1. Location and salvage of military equipment and supplies (abandoned German or Allied as well as Italian).
2. Running down reports of German and hostile Italian activities.
3. Arranging for clearance of debris and otherwise opening highways.
4. Reporting mines, unexploded bombs, etc.

C. Civilian Affairs :

1. Visiting communes to make preliminary survey and report and to adjust problems discovered and post proclamations :
 - a. 112 communes in all, of which most seriously affected were visited first. (14 covered by Carrilio, remainder by Goodacre and myself).
 - b. Arranging for continuance of comune operation as required by:
 - I. Instructing Podestà to carry out duties.
 - II. Appointing Commissario.
 - III. Instructing comune officials as to responsibilities and regulations under proclamations, etc. 3798
 - IV. Arranging for collection and distribution of food, operation of mills, supply of water and similar essential needs.
 - V. Arranging for burial of killed and care injured civilians securing medical supplies from army sources during early

- 2 -

phases.

- VI. Survey of industrial (leather and cement) production facilities and reporting requirements for continuing operations to H.Q. Reg. 3.
- VII. Reviewing and adjusting timber cutting contract of Torino.

II. Nov. 15 to Dec. 15.

By mid November, combat and supporting units had progressed beyond Avellino. Also, a town major was assigned at about this time to handle the problems arising from quartering the Canadian troops assigned to this area. Consequently, A.M.G. activities became less directly military in purpose and more toward the objective of military safety and support thru civilian supervision and control. The main tasks were:

A. Food conservation and distribution (Provincial resources).

1. Control issued by producers to the masses of grain, chestnuts, potatoes ordered.
2. Allocation to communes and rationing to individual consumers according to traditional Italian system.
3. Prohibition of export except by A.M.G. permit.
 - a. Conducted road block and ordered confiscation by C.C.R.R. of foodstuffs being transported without permit.
4. Prohibition of trading, slaughter, sale, ecc., except on ration or other valid authorization.
 - a. Investigation and arrest of millers and butchers violating this rules.

B. Political supervision :

1. Review of accusations and statements of maladministration against Podestàs, Secretaries, ecc.
2. Investigation of Commune affairs and problems.
3. Dismissal of Podestàs and appointment of Commissaries.

C. Legal and Police Activities :

1. Personally act as judge several weeks.
2. Investigated several crimes - forgery - sale of public documents - theft - illegal trade and transport - bribery - contraband grinding and sale of grain, ecc.
3. Investigated riots in several communes, collected evidence and instructed C.C.R.R. and Podestàs in action to be taken.

/s/ OF CAMPBELL Capt
Avellino, A.M.G.

A TRUE COPY

Douglas N. Batsin
DOUGLAS N. BATSON
1st Lt., CMC,
Actg Asst Adj Gen.

3797

ALLIED MILITARY GOVERNMENT
Headquarters Avellino Province
Office of the Senior Civil Affairs Officer

Avellino, Italy.
4 January 1944

SUBJECT: Report on activities to 15 December 1943.

TO: H.Q. AMG Region 3, Naples. (through S.C.A.O.).

1. September 22 - December 15, 1943

The immediate tasks confronting AMG in Avellino centered mostly around problems of military concern or problems arising from military actions. The following outlines the primary and major activities for this period:

A. All possible assistance to transient military units:

1. Location of facilities and sites for bivouac and operations.
2. Locating and arranging for acquisition by military of available civilian materials and supplies.
3. Distribution of posters and proclamations.
4. Arranging recruitment of civilian labor, both to military and for burials and excavations of civilian dead.

B. General Military matters:

1. Location and salvage of military equipment and supplies (abandoned), Enemy, Allied, and Italian.
2. Investigating reports of enemy and hostile Italian activities.
3. Arranging for clearance of debris and opening highways.
4. Reporting mines, unexploded bombs etc.

C. Civilian Affairs:

1. Visiting communes to make preliminary survey and to adjust problems, appoint commissaries and post proclamations.
 - a) My zone consisted of some 15 communes, and I administered my Headquarters at Montella. These I administered

- 2 -

until January 3, 1944.

C. Civilian Affairs (contd):

b. Arranging for continuance of comune operations as required by Italian law.

- i. Instructing and supervising Podesta's to carry out their duties.
- ii. Appointing Commissarios.
- iii. Instructing comune officials as their responsibilities according to regulations under proclamations.
- iv. Arranging for collecting and distribution of food, operations of mills, water and supply, and supervising price lists.

D. Food conservation and distribution:

1. Consignment by producers to the armazzi of grain, Chienuts ordered.
2. Allocation to comunes and rationing to individual consumers according to Italian system.
3. Prohibition of export except by authority.

E. Political supervision:

1. Review of accusations and statements of maladministration against podesta's, secretaries etc.
2. Investigation of comunes affairs and problems.
3. Dismissal of Podesta's and appointment of Commissarios.

/s/

CARL J. CARRILLO,
Major E.A.,
Civil Affairs Officer.

JL.

A TRUE COPY

Douglas H. Batson
DOUGLAS H. BATSON
1st Lt., GMP,
Actg Asst Adj Gen.

3795

Report of Finance Officer of Avellino Province from 3 Oct to 15 Dec 1943 inclusive.

1. The activities of the Finance office include:-
 - a. Safeguarding and accounting for receipts of funds of the Allied Military Government, and making and accounting for loans and other authorized expenditures.
 - b. Supervision of banks, insurance companies, postal savings and other financial institutions, including the treatment of blocked accounts, and the initial opening of safe deposit boxes.
 - c. Supervision of payrolls and other expenditures of communes, provinces, Prefettura, Courts, Schools, Inspector of Agriculture and Forest Guards, Carabinieri, post-office, Genio Civile etc.
 - d. Supervision of tax collections.
 - e. Collection of statistical information concerning above.
 - f. Making of loans, where necessary, to communes, to province, departments of the State and Social Welfare Institutions.
 - g. Making loans to internees of American and British nationality.

2. The Finance Office has been operated by one Finance Officer, a civilian interpreter Michele Madori, and since 16 Nov. 1943 a civilian interpreter typist, Mrs. Rosa Pugliese. The office started operations on 3 Oct. 1943.

3. Activities:-

Banks: The banks in Avellino Province are as follows:

Bank of Italy, at Avellino

Bank of Naples, main provincial office at Avellino;

four agencies at Arripolis, Ariano Irpino, Solofra and S. Angelo Tombardi. Seven representatives at Montella, Soriano, Tivoli, Teora, Mirabello, Montecassino and Calitri. Thirty one correspondents located in 31 smaller communities in the province.

Branch of the Bank of Pescopagano, located in Avellino.

Bank Rossi Bartoloni and Romano, a small private bank at Sant'Anna Irpino. This bank acts as one of the 31 correspondents of the Bank of Naples. These bank were subject to advance collection of A.S.G. This office obtained statements of conditions from the Bank of Italy and the Bank of Naples, together with lists of deposits of the Fascist Party and Fascist Organizations to be blocked. While the banks were closed, communes, province and state accounts were maintained for the payment of approved communal, provincial and state department payrolls. On 3 Nov. 1943, the banks in the province were opened for regular business. Daily statements of cash positions were obtained until it became evident that conditions were stabilized. Safe-deposit boxes have been opened in the presence of the Finance officer, but no foreign currencies, foreign securities or other contraband were discovered.

Post Office: The main Post Office at Averina had a direct cash list which carries some of the sales and returns. As they were exhausted statements of cash, stamps etc were obtained. The Post-Office are not opened and no financial transactions of deposit or withdrawal, sale or redemption of postal savings bonds have taken place.

Expenses etc: All payments made by the province and the various departments of the State are submitted to the Financial Officer, and when proper and in order are approved. Most of the payrolls of State departments are presented by the appropriate Tare and Assistant of Finance with their certification, but some are presented independently, as for example the school payrolls, which are certified by the Superintendent of Schools and his chief accountant. Individual approval of certain payrolls has not been made, due to the impossibility of making such a list. Their payments are made by check and are subject to audit by the Prefect.

The Transport: For the billing and distribution of transportation were collected the collect of drivers. In consultation with the Prefect of Finance these persons for payments, returns and appeals have been examined and some penalties levied.

Deficit: Of loans totaling 4,200,000 were made some 300,000 of the Governor of Avellino Province. Most of the amounts were a proprietary deficit, ordinarily made up by advances from the State. Statements have been obtained from the borrowing, however, for the amount of the deficit certified by the Prefect.

Loans totaling 2,500,000 have been made to 120 ex-interns of Allied Army units.

Detailed statements of receipts and expenditures with vouchers have been filed each month with the Chief Accountant.

a. The Finance Office does not operate by its own department or under a government. It exercises close supervision over expenditures as detailed above.

b. c. The principal offices and departments with which the Finance Officer has contact are (1) The Prefect - Head of the Prefecture, in charge of general budget, the Director of the Province, payment of public salaries etc. Financed by payment orders drawn on State of Italy. Funds come from tax revenues. (2) Intendence of Finance and Public Treasury and Tare. These officials are in charge of tax collection and the payment of salaries and etc for workers of the State departments. Financed by payment orders on bank of Italy. Funds are derived from tax revenues. (3) Director of various independent State departments operating directly under the jurisdiction of these officials, in the absence of direct contact with their ministerial offices etc. the Prefect.

(4) Provincial Council. The school system is under its own budget and is financed by payment orders on bank of Italy against funds derived from tax revenues.

- 3 -

(4) Director of Post and Telegraph Office. Payrolls have been met directly from Postal Funds to date. These officers are adequately staffed with normal sized personnel. They have experienced some difficulty in operation thru looting of their premises, and relocation of their offices by military units. Other quarters have in each case been found and all of the offices are operating with reasonable efficiency. (5) Civil Service Funds for repair of bridges - star workers etc, have been obtained from the Bank of Italy.

- D. No civilian committee was organized to assist the Finance Office.
- E. None
- F. None

Problem: The major problem in the financial administration of the province has been lack of adequate transport. Most of the bridges in the province were destroyed and civilian cars cannot travel over many of the by-passes. This situation has resulted in:-

- (1) Delay in return of taxes to the Receiver of Taxes in Avellino (The lack of money)
- (2) Delay in paying farmers for grain turned over to the Ammuni. Some of Napier officials could not get the money to the region involved until an American Master vehicle was furnished.
- (3) Delay in the payment of penitence-assistance - Sordani Militari etc. Throughout the province, with resulting discontent and in a few cases riots. Two more Jeeps and drivers would go far in solving the financial problems of Avellino Province.

WALTER C. HARRIS
Major, F.O.

3782

In 1914

Aiello	40,000	Lecce	90,000
Altavilla	90,000	Longosave	35,000
Ariano	15,000	Mancorizati	25,000
Avellano	70,000	Marone	60,000
	70,000	Mirabella	80,000
	150,000	Montefalcone	40,000
	60,000	Monteforte Imp.	40,000
	100,000	Montefusco	30,000
	150,000	Montemiletto	40,000
	150,000		40,000
	400,000	Parolise	20,000
	200,000	Paternopoli	60,000
	400,000	Pietraroja	22,000
	170,000		70,000
	200,000	Pietrastornia	50,000
	50,000	Prata P.S.	10,000
	400,000		35,000
Bonito	30,000	Prato S. G.	70,000
Campello	20,000	Roccamare	20,000
Capriano Imp.	25,000	Rocca S. Felice	12,000
Casale	12,000	S. Angelo Imp.	40,000
Castelbarone	25,000	S. Angelo L. B. S.	35,000
Chianche	20,000	S. Angelo Lombardi	40,000
Conversano	25,000	S. Arcangelo	25,000
Frignano	50,000	S. Angelo sul T. S.	70,000
Genusio	30,000	S. Paolo	40,000

Insert A contd.

Grotteninara	20,000	S. Petillo Ultra	20,000
	20,000		
Grottslella	22,000		
Solofra	50,000		
Starno	50,000		
Teora	1,500		
Torre de Nocelle	22,000		
Trevino	40,000		
Turo	20,000		
	15,000		
Volata	22,000		
Villanfilino	18,000		

LEGAL OFFICES

The Legal Office for Avellino Province opened on 14 October 1943. The activities of this Office to 15 December 1943 are described under the headings below.

A. ITALIAN CIVIL COURTS.

1. General Statement.

There are three Circondari in Avellino Province, namely those of Avellino, Ariano Irpino and S. Angelo dei Lombardi. Each Circondario consists of a Tribunale Court and dependent Pretura Courts.

The Circondario of Avellino consists of the Tribunale of Avellino and dependent Pretura Courts at Avellino, Lusco, Chiusano, Montoro Superiore and Cervinara.

The Circondario of Ariano Irpino consists of the Tribunale of Ariano Irpino and dependent Pretura Courts at Ariano Irpino, Castelbarone, Grottaferrata and Mirabella Eclano.

The Circondario of S. Angelo dei Lombardi consists of the Tribunale of S. Angelo dei Lombardi and dependent Pretura Courts of S. Angelo dei Lombardi, Calabritto, Calitri, Frigento, Lacedonia, Montella, Paternopoli.

2. Reopening of Italian Civil Courts.a) GENERAL STATEMENT.

During the period from 14 October to 30 October 1943, conferences were held with the Presidents of the three Tribunale Courts and the Procuratori del Re of Avellino, Ariano Irpino and S. Angelo dei Lombardi, who exercise general supervision over the dependent Pretura Courts in their respective Circondari. Also present at such conferences were many of the Tribunale judges and Pretori.

These officials without exception agreed that it was important for the order and stability of the Province that the Courts be permitted to reopen, at least for the disposition of criminal business, with the least possible delay.

It was recognized that the transportation difficulties would hamper the work of these Courts, but it was agreed that they could at least function within a limited geographical area which would gradually widen as transportation improved.

It was ascertained by personal inspection that the Tribunale buildings at Avellino, Ariano Irpino and S. Angelo dei Lombardi were undamaged, and the Procuratori del Re stated that the buildings where the dependent Pretura Courts were held, were also undamaged.

It was also ascertained that the personnel of the Courts remained substantially intact, and that few vacancies which existed, would not hamper their work.

Confidential inquiries were made in each locality as to the Fascist tendencies and honesty of the judges and other officials of the Courts and so far as could be ascertained in the limited time and by limited means available, none of the judges and officials

were known to be ardent Fascists or dishonest.

b) REOPENING OF THE COURTS FOR THE DISPOSITION OF CRIMINAL CASES.

Authorizations were prepared and transmitted 30 October 1943, permitting the Tribunale and dependent Pretura Courts to reopen for the disposition of all cases within the criminal jurisdiction of such Courts. The Courts were also authorized to take necessary action in 15 specifically described civil proceedings of an emergency nature.

Certain conditions were made applicable to the disposition of criminal cases, the most important of which were (1) that cases where the accused were imprisoned be given precedence over all other cases; (2) that "no person shall be arrested and or tried for any acts or omissions which were made offences for the benefit, protection or furtherance of the interests of the former Fascist party or for acts of a purely political nature, including acts or omissions predicated upon racial or religious discrimination to which penalties were imposed under Italian law"; (3) that the Courts could impose sentences less than the minimum required by Italian law if they were of the opinion that such minimum sentence under the circumstances of a particular case would be excessive; (4) that it be assured that all Italian police agencies comply strictly with articles 238 and 244 of the Italian Code of Penal Procedure, and that the cases of all persons arrested upon suspicion or without a warrant be referred to the Procuratore del Re or Pretore judge within 24 hours after arrest; (5) that all judgements or other process be issued in the name of the law.

In accordance with such authorization, all the Courts reopened for the disposition of criminal cases and are now functioning. Most of the Courts reopened during the period between 3 and 6 November 1943, a few not until 3 or 4 days later.

c) REOPENING OF THE COURTS FOR THE DISPOSITION OF CIVIL CASES.

In accordance with a directive from the Regional Senior Legal Officer, dated 7 November 1943, authorizations were prepared and transmitted, 11 November 1943, reopening the Italian Civil Courts for the transaction of all civil business, subject to the single condition that the Courts would be without power to order the transfer of lands or buildings, in view of Article 3 of Proclamation 5 which remained in effect; however in the event that a Court in a particular case considered the matter an urgent one, application might be made to the Regional Civil Affairs Officer for authorization to effect such transfer.

In accordance with such authorization, all the Courts reopened for the disposition of civil business and are now functioning.

Most of the Courts reopened during the period between 16 and 23 November 1943; a few not until 6 or 7 days later.

d) SUPERVISION OF THE WORK OF ITALIAN CIVIL COURTS.

A general supervision has been maintained over the work of the Courts by means of reports and personal and written contact with the Presidents of the Tribunali and the Procuratori del Re.

The Tribunale and Pretura Courts are required to file with the Legal Officer of the Province a weekly return in triplicate of all criminal cases disposed of during the week giving the following information:

Case number; name of accused; age; sex; address; description; charge; plea; findings; and sentence. A return is also required of all cases pending trial separating those persons arrested and incarcerated and those persons not incarcerated.

Due to difficulties of transportation, some of the Pretura Courts were slow in transmitting such reports but, 5 December 1943, reports were being received regularly from all Courts in the Province.

Periodical reports are not required of civil cases but the Legal Officer makes personal and written inquiries from time to time in order to ascertain the amount of civil business being transacted and the general condition of the civil calendars.

The reports thus far received, both as to criminal and civil business, disclose marked differences among the Courts in the number of cases disposed, undoubtedly due to differences in means of transportation. Although it must be admitted that the work of the Courts is still far from normal, the reports disclose a steady improvement in the dispatch of business, particularly in the disposition of criminal cases where the accused are incarcerated.

Generally speaking the judges and other Court officials have recognized the need for speeding up the judicial process and have worked and are working cooperatively to that end.

Particularly worthy of note in this connection has been the untiring labor of the three Procuratori del Re.

B. MILITARY COURTS

1. SUMMARY MILITARY COURTS.

Prior to 15 December 1943, a Summary Military Court sat only at Avellino. It was soon discovered, however that it would be necessary to establish such courts in other centers. Conferences were held with representatives of the police agencies of the Province and it was agreed that it would be desirable to make plans for a Summary Military Courts to sit, at stated intervals, at Ariano Irpino, S. Angelo dei Lombardi and Mirabella Eclano. The plan agreed upon was based upon population and means of transportation.

The attached schedule, marked A, was drawn up and distributed.

The first of such Courts, that at Ariano Irpino, will be held on the first Thursday of the months (beginning from the 6th January, 1944 and thereafter); other Courts also will be held, on the first Friday of the months at Mirabella Eclano and on the second Thursday of the months at S. Angelo dei Lombardi.

If and when the need develops, sessions of the Court at these places will be held at more frequent intervals.

2. SUPERIOR MILITARY COURT.

The need for a Superior Military Court for the Province did not develop until after 15 December 1943.

On first January 1944, the S.C.M.G. established a Superior Military Court to consist of one Judicial Officer of the Allied Military Government, and appointed the Legal Officer of the Province, who also sits as a Summary Court Judge, as such Superior Court Judge.

3. SUMMARY MILITARY COURT AT AVELLINO.

The first session of the Summary Military Court for Avellino was held 7

November 1943. Sessions are held on Tuesday of each week. Material statistics covering the work of the Court, 15 December 1943, are as follows: Number of cases: 82; accused persons: 103; pleas of guilty: 50; trials: 35; persons found guilty after trial: 28; persons acquitted after trial: 15; withdrawn by prosecution: 10; prison sentences: 8; fines imposed: 141,475 lire; fines paid: 74,375 lire. Note: some of the fines are to be paid after prison sentences have been served.

C. PROVISIONAL LIBERTY

On the authorization permitting the Italian Civil Courts to reopen for the disposition of criminal cases, the right of the Procuratori del Re to grant provisional liberty was considerably broadened by removing the restrictions contained in section 253 of the Italian Code of Penal Procedure. It was provided, however, that in certain types of cases, provisional liberty could be granted only with the approval of the Legal Officer after receiving a written report from the Procuratore del Re recommending such action. Due to the condition of the Prisons in the Province and the necessary delay in the functioning of the Italian Civil Courts, the Legal Officer adopted a policy of liberality in approving recommendations for provisional liberty. During the period from 15 October to 15 December 1943, recommendations for provisional liberty by Procuratori del Re were approved in 72 cases, and disapproved in only 1.

D. MISCELLANEOUS

1. CLAIMS

Prior to the opening of the Legal Office, claims by civilians against the Allied Forces were filed with the Finance Officer. Soon after the opening of the Legal Office, such claims were transferred to that Office and all subsequent claims have been filed there. During the period from or about 3 October to 15 December 1943, 152 claims against the Allied Forces were filed. These include claims based on requisitions, purchases, damage to property, accidental injury and death, etc.

2. TRANSFERS OF REAL PROPERTY AND LEASES FOR MORE THAN ONE YEAR.

Under Article 3 of Proclamation 5, transfers of real property and leases for more than one year are invalid without the consent of the Chief Civil Affairs Officer. The present practice is to submit to the Regional Civil Affairs Officer for his approval the proposed purchase price or agreed rent, represents the approximate reasonable or rental value of the property.

The Legal Officer reports that such proposed transfers and leases are increasing, and is of the opinion that it might be desirable to confer upon the S.C.A.C. the authority to grant or withhold consent.

3. OTHER LEGAL QUESTIONS.

The Legal Office has been constantly importuned by lawyers and litigants to interfere with the jurisdiction of the Italian Civil Courts in cases of purely Italian concern, to correct alleged errors and injustice and, in many cases, to enjoin the execution of judgement and decrees.

These requests seem to be based upon the theory, surprisingly widely

held, that the Allied Military Government is actually operating the Government of Italy and, therefore, has and should exercise the power not only of supervision but of direction even in the judicial field.

The legal officer, of course, has consistently refused to interfere except in cases where the claim is made that the judgement, decree, or other judicial action, was based upon hostility to the Allied Forces or upon purely political grounds, that is either because the particular court or judge was influenced by Fascist leanings or because the complaining litigant was an anti-Fascist. Such claim has been made a few cases but upon investigation has been found to be groundless.

DOUGLAS N. BATSON
1st Lt., CEF,
Actg Asst Adj Gen

3785

HEADQUARTERS
ALLIED MILITARY GOVERNMENT, REGION 3
APO 394
U.S. ARMY

7 January 1944

TO: RCAO, AMG REGION 3

SUBJECT: Report of Public Relations Officer to 15 December 1943

1. The Public Relations Officer's duties are divided generally into those concerned with news for the world press and radio, and those concerned with news and information for dissemination in the region. All formal releases of news and information should pass through him. All other division heads should make any and all information available to him and give him the benefit of their views as to its proper use. Policy concerning it, however, should be on direct authority of the RCAO to the PRO. The PRO should also be available to the RCAO and other chief officers of the region for consultation on all public relations matters.

a. In order to interpret AMG activities clearly and fully to the press, the PRO must keep fully informed of events within the region. He can best do so by close, direct contact with the RCAO, with provincial SCAOs, with staff officers and heads of divisions, by access to all reports made by such officers, by attendance at staff meetings and conferences on matters affecting public relations, and by visits to provincial headquarters and officers in the field. At the same time, he should be familiar with all available news outlets and facilities. He must be informed on transmission arrangements, locations and deadlines, must know where and when correspondents can be contacted, how news material may be placed readily before censors. 8784

1. News of principal importance, for which widest distribution is desirable, should be given out most often in direct releases. These should be prepared by the PRO in conjunction with the staff or division heads concerned and released with approval of the RCAO, direct or not,

...2...

as the RCAC may order.

2. Press conferences are often advisable for announcement of important news. These are best for releases on which off-the-record background is desired by correspondents, or when a variety of questions may be raised which are unsuited for answers in a ~~formal~~ press release.

3. The basic origin of news will be in direct contact with correspondents developing special stories for their papers. This is in line with the U.S. War Department policy of preferring that stories be written by correspondents rather than by PROs. The PRO should provide correspondents a clear picture of AMG's role and activities, should establish contact between correspondents and officers with source information, thereby assuring, insofar as possible, that a full picture of AMG is available to the press.

b. Under conditions existing in AMG Region 3, the PRO should handle directly all matters concerning AMG for release to the press or radio within Italy. He should also handle directly, or supervise the handling of such matter for news posters, placards or other means of contact between AMG and the public.

c. Through his knowledge of events in the region, the PRO should note outstanding news possibilities, and should develop coverage of them, especially bearing in mind those that would most directly aid the Allied cause.

d. In all matters, the PRO should make every effort to coordinate his activities with those of other PROs of AMG, AFHQ and other Allied agencies.

2. a. Prior to 1 December 1943, two officers functioned, each for a brief period, as PRO in the region, one on a loan basis from AFHQ PRO Advance Echelon. The need of a full-time office was recognized, however, and on 1 December, Captain Coleman A. Harwell was assigned to the region from AMG Headquarters on authority of AFHQ. On the same date, 2/Lt. Gene Caprio was temporarily attached to the region and ~~assigned~~ to the division. On the basis of his work, assignment of Lt. Caprio

...3...

to the division was recommended by Capt. Harwell and on 14 December he was so assigned. On 13 December, Major James J. Hanrahan was appointed chief of the division succeeding Capt. Harwell, who had been designated PRO, AMG 5 Army. Subsequent to this date, Captain Richard W. Welling was assigned temporarily to the Public Relations Office to supervise preparation of the report of which this is a part.

b. Under circumstances existing at the time of this report (15 December) the three officers in the Public Relations Office were sufficient to perform its duties properly. Conditions affecting the number of officers required are: The importance and size of the region and its principal city, the number of publications existing therein, the number of correspondents in the locality. Naples dominates the region in news interest and in the importance of propaganda resulting from AMG activities in the city and area. The existence of two major PRO echelons within the area attest to this importance. These are PRO AFHQ Advance Echelon and PRO 5 Army, both of which are centers for large groups of correspondents. PRO X Corps also is the center for a number of correspondents in the region. There also is a major PWB office here, operating an Italian language newspaper, Risorgimento, and a radio station, and there are several other army PROs, such as Peninsular Base Section. In performing the duties of PRO AMG in this area under present conditions, certainly no fewer than three officers are necessary, especially with one of them assigned to full time duty on this report.

c. The officers assigned to the division in this period were equipped for PRO duties by civilian experience and all but one had had specific military training for AMG. Major Hanrahan, president of an important group of radio stations prior to entering the army, was graduated from the School of Military Government, Charlottesville, Va.; Captain Harwell, vice-president and executive editor of a newspaper in a principal southern ^{U.S.} city, also was graduated from the S.M.G.; Captain Welling was a faculty member of the University of Virginia Law School, assistant secretary of the S.M.G., and a graduate of the latter; Lieutenant Caprio was a newspaperman several years before

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entering the army. Both Major Hanrahan and Captain Welling had had field experience as Civil Affairs Officer before coming to Region 3 Headquarters. With no reflection on any member of this staff, belief is expressed that, in selecting officers for the public relations staff in the largest city yet to come under AMG control, a British officer with proper qualifications would have been of considerable benefit to accomplishment of the job. On matters of policy and in contacts with the numerous British correspondents in the region, such an officer would have been of great value.

3. a. Public relations problems in Region 3 first began to present themselves when the city of Naples was occupied. This was the biggest story thus far in the field of AMG activities for the world press, there were numerous public relations problems, immediate and developing, in AMG's sphere of influence over the civilian population. Fortunately, there were several officers, including the RCAO, who had had considerable experience in public relations matters in the past. Region 3 benefitted by this experience in its relations with correspondents and in shaping its policy on internal matters through PWB and other agencies. The Region also benefitted considerably during this period by the advice and aid of the PRO 5 Army. However, the need of a full-time specialist on AMG public relations was recognized and an officer was assigned to these duties. This did not result in a consolidation of such functions and this officer was assigned to other duties.

b. In the period prior to 1 December, numerous stories went out on AMG activities in Naples. These were secured by correspondents from the RCAO and from division officers concerned with the subject matter of such stories. With the establishment of Risorgimento, Italian language paper, by the PWB, numerous announcements were published by arrangement of various division chiefs either with PWB or directly with the local 'editors' of the publication. The same was true as to publication of articles in Stars and Stripes and Union Jack, service papers.

Several correspondents were in regular contact with Regional officers on matters in which they were particularly interested. This

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was especially true on political matters. On 15 November, a press conference was held at which the RCAO announced the removal of a number of Fascists from office under AMG. A statement was issued giving full details on those removed. Two press releases on AMG accomplishments were prepared by the officer loaned by PRO AFHQ Adv. Ech., one for release 28 November on resumption of funicular service in Naples, the other for 1 December on resumption of the postal service.

c. While familiarizing himself with the organization and activities of AMG in the Region upon arrival in Naples 1 December, the PRO became acquainted with the personalities and functions of PRO 5 Army and PRO AFHQ Adv. Ech. Arrangement for distributing releases to correspondents through these offices was made, censorship officers were consulted on their availability, times were noted when correspondents could most suitably be reached, deadlines for newspaper and radio distribution were listed. Through these offices, and directly, correspondents were advised of the availability of a PRO AMG, Region 3.

1. Several releases were distributed through these PRO channels in the period 1-15 December, the first principal one being on the resumption of gas service in Naples. On 13 December, in cooperation with the administrative officer and the Labor Division, a press conference was arranged for announcement of the abolition of Fascist labor syndicates. At this conference, a group representing the "workers of Naples" presented the RCAO with a statement to deliver to workers of Great Britain, America and Russia, offering support in achieving victory. A press release was distributed explaining the abolition of the syndicates and the RCAO and Labor Division officials answered a number of questions concerning the syndicates, ~~problems~~ problems relative to their abolition and the importance of the move.

2. A number of correspondents, British and American, as well as representatives of the Stars and Stripes and Union Jack, were aided in securing information they desired on AMG activities. Several stories resulted, the basis for many others apparently ~~were~~ ^{was} laid. Correspondents and Region 3 officers expressed belief that the presence of

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a PRO was benefited in these contacts; the latter generally welcomed the coordination of press relations matters and the availability of an officer to advise them on press policy.

3. A pool photographer, accredited through PRO AFHQ, expressed interest in available pictures on AMG activities in the area. He was acquainted with the possibilities and this office took considerable time to arrange for him to make pictures on the reopening of the post office, resumption of gas service, operation of the funicular, care of refugees, courts in operation, bank services and other subjects.

d. On internal matters, the PRO's principal relations were with the press officer, PWB, and the radio officer, PWB, as well as with the local PWB head. Activities of various PWB officers in their relations with AMG extended to public relations matters. This was especially true of the Naples Regional Officer, PWB, who was in contact with AMG on political matters as well as on other problems of policy. The relationships between AMG and PWB in this field (public relations) were not sharply fixed, thus it was advisable for the PRO to maintain several contacts with PWB until his responsibilities in this field should be set.

1. AMG divisions and officers were notified that all announcements and news for local publication or ^{radio} distribution should pass through the PRO. There were minor instances of releases being made directly from other AMG offices to PWB, some directly to the Risorgimento 'editors'. This, however, was clarified and all releases were distributed by the PRO. Some of them had origin in this office, some originated in other AMG offices.

2. It had been ordered earlier by the RCO that no publication was to be made by PWB on any matter affecting AMG without proper AMG authority. It was subsequently fixed that authority for such publication should rest with the PRO.

3. Broadcasting on the PWB-operated radio being under a separate department of that organization, the PRO arranged directly with

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the radio officer WB, when broadcast of news or announcements was desired. In one instance, announcement appeared in Risorgimento that a broadcast was to be made by a local citizen on the food situation in Naples. Investigation indicated this had been the result of a misunderstanding, as AMG did not wish to approve such a broadcast at the time. The broadcast was cancelled and PWB agreed that no broadcast affecting AMG, nor news announcement thereof, would be made in future without AMG authority.

4. It was seen in the first days of this officer in Region 3 that the designation of this division as "Information" was misleading to AMG personnel as well as to those outside AMG. On 7 December the RCOA approved its being designated thereafter the Public Relations Office.

5. This division would benefit, it is believed, by:

a. Transportation. Much time has been lost because it was lacking. Trips of importance could not be made, nor contacts maintained which were urgently beneficial to AMG and its operations.

b. Contact with other PROs of AMG. This as well as other public relations offices, and through them all elements of AMG, would benefit by such an integration as exists in the PRO AFHQ organization. Advantages of this would be in the exchange of experience data, and coordination of PRO policy in general and on individual announcements.

c. Clarification of authority of AMG regarding local publications and broadcasting. Creation of the Allied Publications Board, being activated during the period of this report, should go far in ^{accomplishing} ~~accomplishing~~ this. This move is expected to make clear (see 3 d. above) authority for publication on such matter as political subjects.

Coleman A. Harwell
Capt. AUS
PRO, AMG 5 Army
(Formerly PRO, AMG Region 3)

D/P

HEADQUARTERS

ALLIED MILITARY GOVERNMENT REGION III

A. P. O. 394, US.Army

January 18, 1944

Subject: Report on Activities to 15 December 1943

To: R.C.A.O. Allied Military Government, Region III

1. This Section has been compelled by the force of circumstance and limitation of personnel to consider the scope of its activities in two phases: namely the strictly City of Naples problem, and then the Region III problem. Every attempt has been made to keep the two problems separated, although for nearly two months one officer and five enlisted men had to do both jobs.

The scope of the section on either basis was to provide the civilian personnel involved with the direction and energy to restore as rapidly as possible all means of transportation, all methods of communications and all types of Public Utilities to their maximum efficiency. This was started and continued with the first requirements of Military Government always in mind; that is, that all of these companies and departments must be of assistance to the Army. Of course the restoration of normal civilian life is of great assistance to the prosecution of the war. Another essential of good Military Government was followed in that all of the work was performed by the civilians themselves. This Section provided only direction. It was necessary to coordinate Army requirements and demands to prevent duplications of effort and to avoid confusion. It is difficult for the civilian companies to receive orders from more than one source. There are many ramifications to each problem, as for instance in the case of the Electric Power Company where it was necessary to provide curfew and travel passes, trucks, and inspection passenger cars, with proper licensing, attempt to provide cement, glass, electric light wire, flash lights, telephone communications, gasoline, oil, transformer oil etc. These problems take one section well into the scope of other sections.

Complete cooperation between sections is absolutely necessary. In this connection it is essential that each section understand in principle if not in detail the work of the other sections. In the beginning, in this case, in the early days of October, it was necessary that this Section overlap the work of some other Sections such as Economics and Civilian Supply to be certain that the supplies urgently required for a Public Utility be obtained without consideration of the overall supply question at the moment. This overlapping ought not to continue any longer than necessary.

2. The attached charts indicate the personnel involved in this section from the beginning and include civilian personnel. There is no question that the Army personnel for this Section's work has always been insufficient, but this is expected and unavoidable. In this particular case the Section was fortunate in securing the services of three exceptionally well trained and energetic enlisted men. During the early days from approximately October 2nd to the 15th, this Section also was charged with the responsibility of handling the enormous crowds of civilians attempting to reach various Allied Military Government Officers. The Italian speaking enlisted men who helped in this work were tried and proven at this difficult task. In view of this added work it may be permissible to state at this point that adequate and proper provision for the reception of the large number of civilians must be made in the very beginning if the organizational work is to be carried on efficiently. Expert interpreters must be engaged at once and most important of all is the provision of a capable Officer who understands thoroughly the work of all Sections, who can act as the screening element for the organization.

This Section actually started on the morning of the 2nd of October when the Head of the Water Company was found and asked for a report on the water supply. The following morning the Section found that the heads of all Public Utilities, Transportation and Communication Companies had been meeting at the request of the mayor each day during the recent emergency. These meetings were continued daily and formed the basis of the organization through which most of the restoration work was carried on. The first meeting was a very large one at which many non-essential Company representatives attended and who had to be eliminated from subsequent meetings. As the report continues it will be seen what a large part this so called Industrial Board Meeting played in the work. The gathering together of the heads of all the important utilities gave them an opportunity to see each others problems as they never had seen them before, and in the case of Naples this open discussion of the city's utilities questions enabled

several long standing problems to be solved for the first time. Another important point about the meetings was the constant assistance that all remarks be made in Italian, so that it was impossible for any one person not to understand completely everything which was said.

W A T E R

The water situation in Naples upon our arrival can be briefly stated as:

1. People were obtaining water from wells and various springs.

2. There was no other source.*

We immediately established 5 water points to relieve this condition. In two cases, these points were supplied by water tanks; the other 3 were taken care of by piping in from small nearby reservoirs.

* The water supply was cut off completely for the following reasons:

1. The main Acqueduct Bridge furnishing water to Naples, plus many water mains were cut off by having sections of the Acqueduct blown by the Germans in their retreat.

2. The Germans had mined many houses and sections of the roads so that secondary feed lines were also destroyed.

3. Electric service was lacking.

The restoration of water was accomplished with the help of Army Engineers, by by-passing the Acqueduct completely and running the water line around it through the river bed and to the other side.

This work was completed in four days.

If we had tried to repair the Acqueduct Bridge at once the water supply to Naples would have been delayed 3 months; the estimated amount of time given by civilian engineers to do the repairs.

Subsequent repairs to the rest of the line followed, all executed by the Civil Engineer and Acqueduct Company. Much of the initial investigation and liaison work between

this department and the Acqueduct of Naples was done by both Captain Griswold and Captain Macfarlane; Civil Defense Officers of Naples city, because they too were vitally interested in water as regards the possibility of fire.

As a result of the work from October the 2nd to December, the water system was adequate for wartime Naples.

Engineer Walfrido Negri and Engineer Giovanni Betta attended, as representatives of the Water Company, our Industrial Board Meetings from the 2nd of October on.

E L E C T R I C I T Y

The electrical situation in Naples on our arrival can be quickly summed up as follows:

1. There was no source available for immediate use.
2. One unit of the Volturmo Power Plant could furnish some current, but not until repairs to it had been made.
3. The Tusciano Hydro-electric Plant was in the same condition as the Volturmo.
4. The Capuano Steam Plant and the Matise Hydro-electric Plant would involve some time before energy could be supplied.
5. The plants at Pescara were out of the question, because they were and still are behind enemy lines.

In order to get current to pump water into the city we had to:

1. Draw from two Italian submarines in the harbor of Naples, the desired amount of current needed. This was done at once.
2. We immediately contacted the "Societa' Meridionale di Elettricit " to get the Volturmo and the Tusciano sources in working order as fast as possible.

Allied Military Government worked in conjunction with the Base Engineer's Office to coordinate both Army and civilian needs.

When we were ready to turn on electricity, we were faced with another difficulty; the Germans were suspected of

mining a complete zone. These mines were supposedly adjusted so as to go off the minute current was turned on in this zone. It should be emphasized that this information was not of the usual "Neapolitan type of gossip" but rather from respectable rational sources, such as business executives and directors of Naples Public Utilities, obviously men of judgement and sobriety.

The following steps were taken to energize this zone.

1. Army Base Engineers, Allied Military Government, Transportation, Communications and Public Utilities Section, Passive Air Defense Section, and the Electrical Companies involved, determined the extent of the area so suspected.

2. The means of restoring electric current to that area was then determined. The amount of electrical energy the Army could secure was of course the controlling factor.

3. The area from which all inhabitants were to be evacuated was then determined. This was made greater than the actual area to receive electric service, for safety purposes.

4. Notification to all Army Personnel was arranged.

5. Advanced notification to the civilian public through the newspaper was arranged.

6. Arrangements made with Army Military Police and local Carabinieri to police the evacuated area.

7. Public address system installed in an Army which loaned from the Psychological Warfare Board patrolled the area assisting in the evacuation itself and in keeping the populace quiet along the edges of the evacuated area during the test.

8. Copies of an overlay showing the area were furnished to Army units, all Allied Military Government units, Military Police units, and Electric Companies involved.

9. Fire detachments were posted at two points within the zone and one large detachment stood by at the main fire station which is situated just outside the zone.

10. Rescue parties (7 in number) were stationed at the same points of fire service, and two Red Cross Ambulances were also posted at the same point. Great difficulty was experienced in establishing proper communications; we had

to depend entirely on bicycle messengers.

The zone was energized without mishap.

Since the electric supply was limited, the public was prohibited to use it in large quantities. A system was set up to ration the current so that Army priority and civilian priority could be given first consideration, and at the same time get as many enterprizes functioning as was possible. For this, Allied Military Government coordinated with the Base Engineers Office so that hospitals, morgues and anything with a direct affect on Public Health came first. This system is still in effect; Allied Military Government approves civilian enterprizes from a standpoint of their importance to Army and civilian needs, and then passes these on to the Base Engineer Section.

The area is constantly enlarging by establishing electricity to as many Public Utilities as possible, all on a priority basis.

It might be of interest to point out that the Volturno Electric Company and the "Societa' Meridionale di Elettricit " Company work side by side for the first time in many years and despite the disparity as regards the size of the Companies (Societa' Meridionale di Elettricit  being a much larger concern with an area extending as far south as Sicily) the complete cooperation between the two companies assured the early restoration of electrical current to the City of Naples.

Mr. Giuseppe Cenzato, Engineer Girolamo Maglione, Engineer Augusto Sinibaldi and Engineer Aldo Sacerdote of the "Societa' Meridionale di Elettricit " Company and Mr. Mario De Falco of the Volturno Company attended from the beginning and still are attending our Industrial Board Meetings.

Temporary increases in rates were authorized pending long term studies by the Economics Section, based upon which the companies presented their complete financial picture to arrange for company financing with the Provincial Finance Officer. Due to the greatly increased cost of living, the Electric Companies' employees demanded and received increased wages and other benefits in an attempt to help them meet the cost of living.

This Section acted as liaison with the financial and Labor Section of Allied Military Government and with the P.B.S. Engineering Section in all of the above work.

Requests for automobiles, special equipment and supplies, such as flashlight batteries, trucks, tires, field telephones,

cement, glass were consolidated by this Section and obtained from civilian or Army sources whenever possible.

TELEPHONES

The City of Naples was served by three main telephone central offices; Borsa, Nolana, and Amedeo.

The Borsa Central Office was completely blown up by the Germans before their retreat. Nolana and Amedeo, remain intact, together with their small isolated dial satellite systems. Borsa served 20,000 dial telephones and contained some important toll, information, and testing switchboards and associated equipment. This central office served the downtown business area of the city of Naples, and the complete destruction of the central office and its equipment will prevent adequate telephone services for this Section of Naples for at least 1 year and probably longer.

From the beginning, there had been planned to provide telephone service to the civilian subscribers of Nolana and Amedeo on an approximate 50-60% basis as soon as practical, retaining the remaining equipment for Army and Allied Military Government essential telephone service. The minimum essential business telephone service and Army and Allied Military Government service for the business area is being served on a strict priority by the use of the trunk line conduit conductors which formerly connected the Borsa central office with both Amedeo and Nolana. This is a tremendous job, because of incidental damages to these cables and requires the construction of a complete new cable terminal frame installed in a little butcher shop next door to the old Borsa building.

Count Pellogrini President of "Societa' Esercizi Telefonici" and his engineers and all the employees have cooperated to the utmost with Col. Buchanan who has charge of communications for the Army for Italy; and with this section for the restoration of telephone service to as many subscribers as possible.

Temporary revised rates have been put in effect, and a complete financial statement furnished to the Provincial Financial Office of Allied Military Government. In connection with the revised rates, it was possible to institute for the first time in the city of Naples, message rate service.

Nolana with its satellite systems had prior to our arrival 4643 subscribers. When service has been given to as many civilian subscribers as possible the amount will be approximately 1000.

Amedeo with its satellite system had prior to our arrival 4722 subscribers. When service has been given to as many civilian subscribers as possible the amount will be approximately 1200.

Through Borsa, it will be possible to serve only about 500 civilian business subscribers.

Liaison has been maintained constantly with Lt. Col. Reynolds and Major Purkheiser of the P.B.S. Signal Office and with Col. Buchanan for R.C.O.S.

Toll net works have been established but are retained for Army use only.

Allied Military Government Region III and IV and Allied Military Government Province and City of Naples Officials none received telephone service on an intercommunicating basis by the use of the Municipio dial P.B.X to which also Borsa exchange trunk lines were connected for exterior service.

The primary cables running north and south of Naples connecting the principal towns in the various southern regions are run by the Azienda di Stato per i Servizi Telefonici, which is a state organization.

The amount of subscribers at the end of May 1943 for the entire southern area was 72,636. This area is roughly bounded by a line going from Gaeta to Termoli including Sicily. The above subscribers were divided into these categories:

NAPLES.....	28,423
PALERMO.....	9,222
CATANIA.....	5,448
MESSINA.....	2,821
BARI.....	3,884
TARANTO.....	1,548
SECONDARY NETS.....	24,440
TOTAL	72,636

We received the fullest and best cooperation from Count Ugo Pellegrini director of the Societa' Esercizi Telefonici throughout the entire project in addition to representing his company at our Industrial Board Meetings

COMMUNICATIONS (WIRELESS & CABLE)

The outstanding wireless and cable company is called the "ITALCABLE", which is associated with the Western Telegraph-Cable System and the Commercial Cable Company, agent of the American Shipping Company of New York. The manager of ITALCABLE is Augusto Piccoli. The sub-manager is Alfredo Aloj.

The Naples Office of ITALCABLE has its organization in perfect order, ready to start telegraphic service, as soon as the Central Telegraphic Office of the Italian Administration is able to give lines and special electrical power for the apparatus, as in the past.

On obtaining a line from Naples to Messina, a special fast service "Lampo" can be secured, as the ITALCABLE has offices in Messina, Palermo, Catania, Siracusa, etc. in Sicily; and as soon as Allied Military Government occupies Rome, telegrams can be accepted for the United States and throughout the world. (Through the Italcable office which is located in Rome).

There is a cable running from Messina to Malra, which can be attached to the ITALCABLE system from Messina, if this cable is not cut or damaged, thereby being able to send cablegrams all over the world from London.

Reports on other telegraphic companies show that they have been badly damaged, therefore a definite date for service cannot be set at this time.

Engineer Augusto Piccoli represented the firm ITALCABLE at our Industrial Board Meetings giving his support and cooperation whenever needed.

TRANSPORTATION

Engineer Francesco Saggese is the Inspector and Overseer of Railroads and Civil Motorization for Naples and its provinces.

Engineer Luigi Eller is the Director of Tramways, Filobus, and Autobus Companies.

Engineer Ivo Vanzì, is the Director of the Circumvesuviana Railroad.

Engineer Luigi Brancato is the Director of the Piedimonte d'Alife Railroad.

Engineer Mario De Falco is the Director of the Cumana Railroad.

All the above mentioned men worked in conjunction with one another with one basic thought in mind; to get transportation in working order in Naples and its provinces as quickly as possible. They also attend our Meetings offering their suggestions and support at all times.

Railroads are divided into 2 categories:

State and City and province. Since the State Railroad has been taken over by Army, and is being used for Army purposes only, we as a Section worked with Naples and Naples province.

Liaison had to be constantly kept up between this Section and Peninsular Base Section Transportation, so that our work would not conflict with Army plans in any way. Their basic requirements were as follows: No Railroad line could conflict in any way with Army convoy routes, or dangerously cross any of their routes. In the very few cases where the train did cross, satisfactory arrangements to Army were made, so that civilian guards were posted at these points for 24 hours a day. In addition to this, the train came to a complete halt before crossing these points.

Electric energy, needed for these trains was also approved by the P.B.S. Transportation Section, so that our rationed system of Electric Energy was adhered to in every way. This same Section made a survey of the train route, so that they could be assured that the operation of this train would be beneficial to both Army and Civilian use.

The Circumvesuviana Railroad which runs from Naples to Pompei, Naples Castellammare, Naples to Torre Annunziata, Nola Baiano, Poggioreale Sarno, has been activated. Although this line is classed as a secondary line, it is one of the most important accomplishments of Public Utilities. This

line makes available all the workers, skilled and unskilled who live in the Provinces and heretofore were unable to work due to the lack of transportation. It relieves the living congestion in Naples somewhat, by making accessible to many, houses outside the city. It enables foodstuffs to be brought into the city thereby helping the food scarcity somewhat.

An inspection trip was made over these lines, and it was found that the equipment was all first class. The whole system in normal times was of the very best modern type. The Director of Railroads has done a most remarkable work in restoring service on these lines inasmuch as they were seriously damaged by bombardments.

2. A Red Cross Hospital train has been running from the front lines to Naples taking in wounded soldiers. This train makes 3 runs a week. Naturally most of its activity is shrouded in secrecy, however this office verified its run, checking at the different station stops as were possible under the circumstances.

3. At the Central Railway, where the train runs from Naples to Bari twice a week, there was a deplorable situation which we were called upon to adjust.

Price jockeying of tickets was being carried out, selection of passengers by dishonest guards, no delousing system, and complete disorder.

We went to the station with one of our officers, we contacted the station master, Sig. Valentino, and notified him that he was responsible for the following:

- a. Control of crowds
- b. Issue of permits
- c. Order of his staff
- d. Jockeying of prices
- e. Supervision of crowd control; that is, passage of ticket holders to the platforms
- f. To see that people did not leave the station after being deloused.
- g. Notification to the people when the train capacity had been reached and no other tickets could be given out.

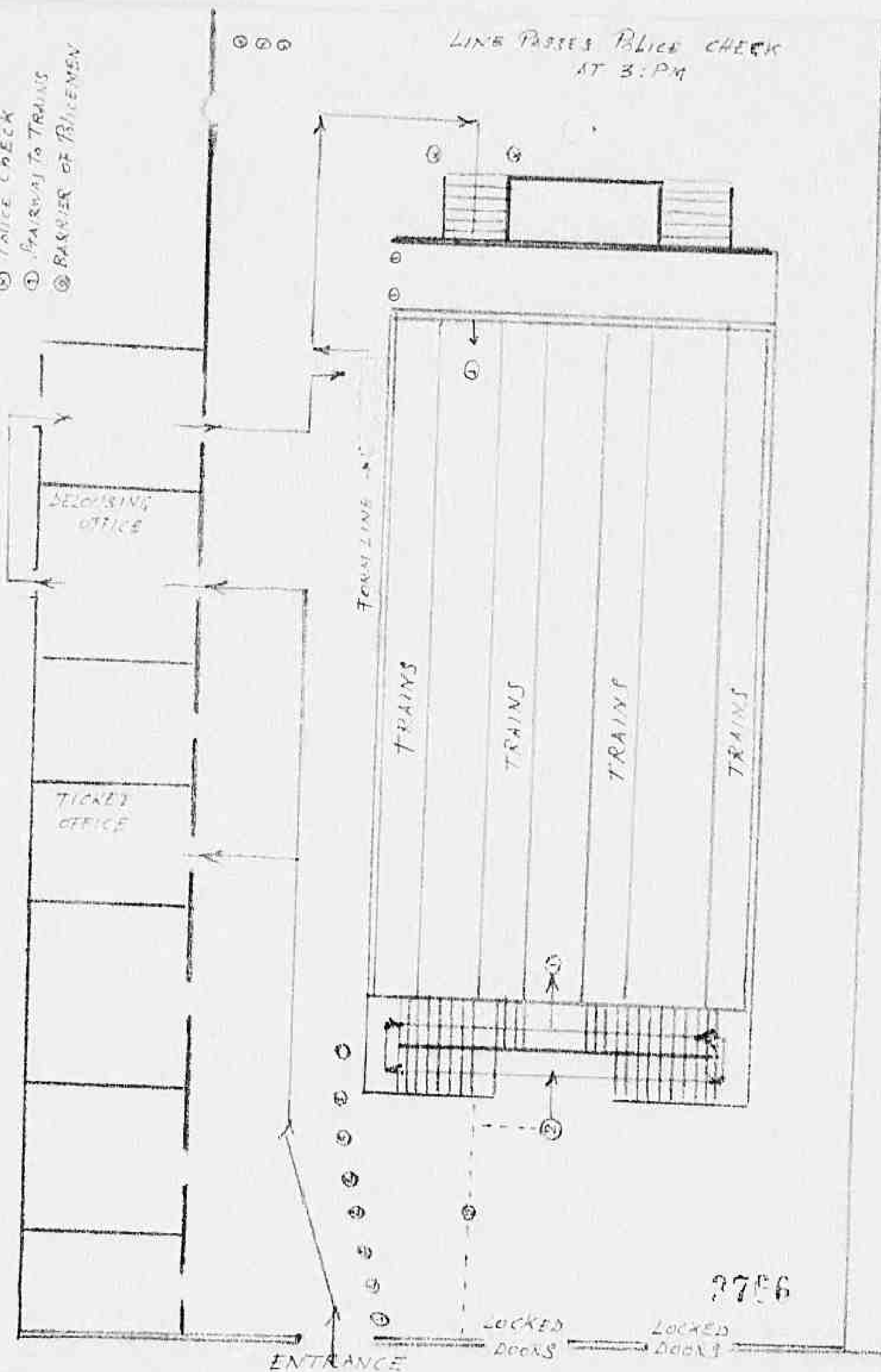
We set up a program which called for the main gate being closed until noon, when they will then be opened allowing only a limited amount of people to enter. The people will then proceed to the delousing room to be deloused; after which they will go to the platform to form a line.

3787

CENTRAL RAILWAY STATION

LEGEND

- ② POLICE CHECK
- ① PASSAGE TO TRAINS
- ③ BARRIER OF POLICEMEN



At 3 o'clock the passengers will be spot checked at the stairway leading to the loading platform.

This system has been put into effect with the best results. Attached is an overlay as to the plan of the loading system.

The State Railroad is operating an interurban service from the Central Station to Bagnoli. The service is hourly, and restricted to daylight hours only. The first schedule included two trains per day each way, and has been increased to the present schedule as facilities and equipment permitted. This Railroad also runs a passenger service to Potenza and Baia twice a week under direct Army Supervision and operation.

Motor Bus Service is not possible to any great extent due to enemy action, tires, and the lack of spare parts. There is one line operating from Avellino to Balano, running three buses per day.

The Tramways within the city are preparing their equipment and tracks for operation. Some lines are now complete, but the lack of Electric Power prevents the starting of service.

The Consorzio Auto Trasporti Napoletano, headed by Prof. Giuseppe Patrino, has been assembling information and organizing the truck transport within Naples Province. His organization has cooperated with us during the critical period in October and November, when no other transportation was possible. The trucks were used to the maximum for clearing the streets, hauling materials for the repair of Public Utilities, and the distribution of food and water. The actual control of trucks is in our hands. We set up a dispatched system, controlling all their movements. However it is expected that the Consorzio Auto Trasporti will take over control as soon as this Section feels it is capable of taking over this responsibility.

The four Punicular services have been activated and are now operating. (see chart)

SHIPPING

About November 15, 1943, this department was notified by Major Higginbotham of the Allied Control Commission that we were to procure as many ships as possible in order to supply provisions to other regions.

This was done because it was considered an Allied Military Government responsibility through transportation to carry on this work.

5785

TECHNICAL CHARACTERISTICS OF NAPLES FUNICULARS

NAMES OF THE FUNICULARS	YEAR IN WHICH THEY WERE BUILT	HORIZONTAL LENGTH	LENGTH ON THE INCLINE	SLOPE	PERCENTAGE OF SLOPE	PASSENGER CAPACITY	NUMBER OF CARS
Chiaia - Vomero	1889	541	564	161	298	120	2 vet.
Montesanto - Vomero	1891	849	868	181	231	120	2 vet.
Via Roma - Vomero	1928	1234	1253	174	152	300	3 vet.
Napoli (Mergellina) - Posillipo Alto	1931	547	573	155	465	60	1 vet.
(1) Funicolare del Vesuvio	1880	727	822	383	550	24	1 vet.
Capri Marina - Grande	1907	630	648	136	375	45	1 vet.

(1) The funicular destroyed in 1906 by the eruption of mount Vesuvio was rebuilt in 1911

(2) The song "Funiculi, Funicula" was published in the year 1880 by the musician Denza Castellammare di Stabia.

(3) The majority of these funiculars run every 15 minutes for an average of 12 hours a day.

All these Funiculars have been energized and are now running.

We worked in conjunction with Mr. Ian Campbell and Mr. Robert Nicol, chairman and assistant chairman of the War Shipping Administration.

Major Watson, Major Clark, from the Allied Control Commission lent their support to us also.

We went to the ports of the surrounding islands to get all the schooners in good working order.

On the 28th of November we loaded our first schooner with fertilizer for Salerno.

Rates were fixed on a temporary basis paid on receipt of goods, at 40 lire per ton per day; half of which was to be paid at the loading port and the balance when the material was unloaded. We instructed the schooner captains to proceed to Baia where we set up an Allied Military Government pool for all our vessels.

On the 9th December a meeting was held at the Mediterranean Board controlling shipping and it was decided that all schooners be lined up and inspected. Mr. Nicol of the War Shipping Board was to be informed of the name of the ship, the captain, tonnage etc.

Each ship was to have painted on both sides in black letters A.M.G., followed by a serial number.

We transported 190 tons of flour from Allied Military Government Region III warehouses at Ciro to Calabria for Allied Military Government Region II.

Through 15th Army Group and the Allied Control Commission, an advancement in pay was made to all owners of schooners at our pool in Baia.

At present, there are 1200 tons of shipping in Baia. The first priority of these schooners is ordered by General Robertson for Rome planning.

This office kept constant liaison between the War Shipping Board and the Allied Control Commission.

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S U M M A R Y

Attached is a proposed Table of Organization for any future planning of this type of Section.

This Section has always been hopelessly understaffed. We have constantly run against the difficulty of not having a high enough ranking officer who could exert his influence to get work done without having to repeat our requests over and over.

Work was crowded on to enlisted men. In every case the few enlisted men we had were doing officer's work, and they too had the same difficulties contacting other Sections. In many cases we had enlisted men who were working with Military units and we found that their rank was a handicap in obtaining results.

Leslie Hensley - Lt. Col. - C.E.
Transportation Communications and
more utilities Region II

LABOR DIVISION
AND REGION III.

4 January 1944.

SUBJECT: Report on Activities of Labor Division, Region III
A.M.G. to 15 December 1943.

TO : Headquarters, Region III, A.M.G.

The outline suggested will be followed insofar as is possible.

1. Describe fully your conception of the scope of activities in which your echelon, staff, etc. should engage.

A short answer to this question would be a listing of the Sections of this Division:

LABOR SUPPLY, armed forces first; involving establishment of registration and collocamento (or employment office) system.

LABOR RELATIONS, involving supervision of inauguration of free labor movement, establishment of new Italian labor offices, supervision of labor organizations, conciliation, arbitration, fixing of wages and working conditions.

SOCIAL INSURANCES, involving supervision of all agencies in the field.

A fuller description of that conception follows: 3761

Of first importance is the Supply of Labor to the armed forces. No attempt is made, in the listing of other activities, to arrange them in order of importance; nor is the

list intended to exclude related activities not specifically mentioned. Some of the more important are:

Abolition of Fascist Corporative Syndicate System with correlative duty of establishment of new Italian Labor Office.

Creation of confidence in and understanding of a "free labor movement" by employers and employees.

Establishment of controls of wages and hours bearing in mind the relation of these factors to cost of living, food supply, black market, transportation and the like.

Consideration of and supervision of Social Insurance System involving unemployment, sickness and accident insurance.

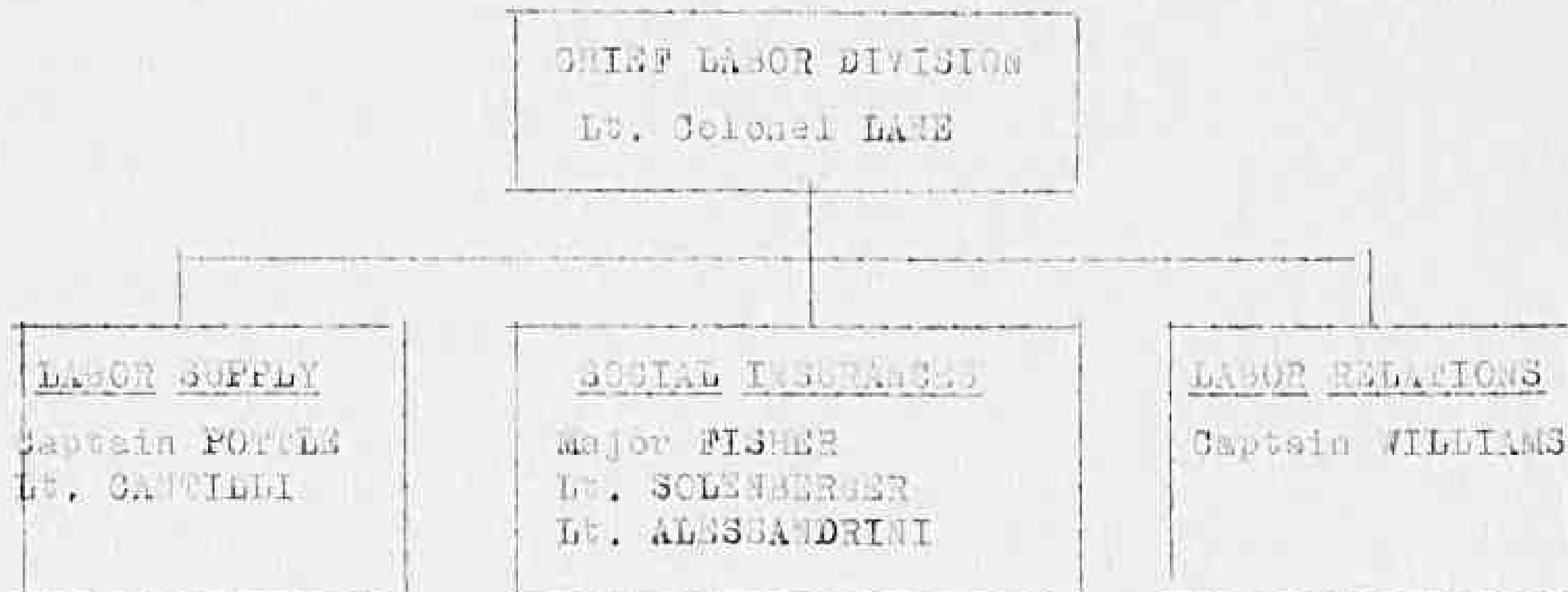
Handling problems involving conciliation, arbitration of disputes and the like pending the complete establishment of an arbitration section in the new Italian Labor Offices.

Careful and judicious selection of top personnel for Labor Offices, and close supervision of their functioning, coupled with a conscious effort to make their personnel self-reliant.

Creation of confidence in A.M.G. and this division of A.M.G. as being offices which are ready to hear all sides of all questions and to render fair decisions, bearing in mind always that military necessity is paramount.

Co-operation and collaboration with all of the military and with all sections and divisions in A.M.G. Region 3, in particular.

2. Prepare a chart of your organization, including names.



See answer to question three for discussion of agencies supervised by this division.

Transfers to and from this division:

Lt. Colonel LANE	- 3 October '43 to present.
Major FISHER	- 23 December '43 to present.
Major LOIS	- 3 October '43 to 8 December '43 (British)
Major KEMAY	- 1 November '43 to 20 December '43 (loaned by Region 4)
Captain REAR	- 3 October '43 to 10 October '43.
Captain POTTE	- 21 October '43 to present.
Captain WILLIAMS	- 3 December '43 to present. (loaned by Reg.4)
Lt. D'ARCONIC	- 3 October '43 to 22 October '43.
Lt. ALESSANDRINI	- 3 October '43 to present.
Lt. CANTILLI	- 15 October '43 to present.
Lt. SOLEMBERGER	- 3 December '43 to present. (loaned by Reg.4)

Transfers of enlisted men to and from this division.

Pvt. MARSHALL	- 10 October '43 to present.
Pvt. DEPAFFILIS	- 15 November '43 to present.
Pfc. GIOLLA	- 18 November '43 to present.
Pvt. GIBSON (SN)	- 10 October '43 to 10 November '43

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Express your opinion as to whether the commissioned and enlisted personnel assigned to your section was sufficient and of the proper qualifications.

At no time has there been an adequate number of officers or enlisted men to perform the various functions of this division. The quality of the men furnished was and is excellent. The need of Italian-speaking, as well as Italian-translating personnel in this division, which is constantly in contact with big groups of the Italian population, is apparent. As early as 31 October '43 this division requested the assignment of five additional officers. This request was renewed on 21 November 1943.

State the time at which your section or staff commenced its operation.

Although operation in Naples began on 3 October 1943 with a survey of Labor Offices, operations during the period 23 September - 2 October '43 included the setting-up of five labor offices to supply the armed forces with workers at Paestum, Capaccio, Agropoli etc. Three thousand laborers were furnished to the landing forces at Paestum alone.

3. Describe in reasonable detail your activities during the period, adopting a subject rather than a chronological method of treatment; how your job was accomplished. Make recommendations for the future.

Supplying labor to the armed forces. Job accomplished by: immediate survey of Labor Offices (Sunday 3 October '43); complete utilization of Italian Labor Office personnel found upon arrival for work of registration, classification; immediate publication of classification list of jobs with minimum and maximum wages; furnishing all British and American agencies

(army and navy) employing civilian personnel with such lists; working completely with armed forces to extent of preparing payrolls for fighting units' civilian workers; firmly establishing a labor supply section in this division to supervise whole field of labor supply to service needs of British and American Armies and Navies and to establish uniform procedures and standardized practice for request and supply. Co-operating with 6th Port Labor Supply Office (20,000 port workers furnished during period); inaugurating disciplinary procedures for failure of workers to accept works when referred I.E. system of denial of unemployment benefits etc.; establishing twenty labor supply offices in outlying districts; establishing, under supervision of this division's labor supply section, a collocamento system (employment office system) in Regional and Provincial Italian Labor Offices, all coordinated to the job of meeting labor needs of armed forces.

The following statistics attest to the efficiency of the methods employed.

PORT WORKERS	app. 20,000
OTHER WORKERS	14,595

RECOMMENDATION: workers for armed forces should be given additional flour or bread ration, as has been done for Carabinieri.

Abolishing Fascist Corporative Syndicate System.

Job accomplished when Regional Order no. 1 - Labor Relations was signed on 12 December '43 by R.C.A.G. and issued on 15 December '43. This division urged issuance and is meeting dissolution problems which arose and which are not treated in this report because of its 15 December '43 cut-off date. Rules and Regulations under Order no. 1 were issued simultaneously with the order.

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Establishing Temporary Wage Adjustment.

Job accomplished by issuance of Regional Order No. 2 - Temporary Wage Adjustment effective 11 December '43. This Order was urged by Labor Division after study and survey.

Establishing New Italian Labor Offices. This job still in progress on 15 December '43 following issuance of Regional Order No. 1 requiring their establishment and defining their functions and powers.

Supervising Social Insurance Agencies. Job accomplished by survey and study; constant conference with Public Welfare Division and with heads of various agencies concerned; dismissal of fascist elements such as "Squadrismo" etc.; establishing contact between agencies and labor supply section to insure acceptance of work by mole needed.

Handling Labor Relations in General. Job accomplished and being accomplished by constant hearing of delegations, of individuals - both employer and employee; by conferences; by acting as arbitrators; by performance of liaison work as between petitioners and A.M.S. Divisions; by close collaboration with Army and Navy personnel using and requiring civilian labor.

a. To what extent were you engaged in operation of Italian Departments and Branches of Government; Supervision.

This division engaged in complete operation of all collocamento functions previously performed by Fascist Syndical System; since was necessary immediately to supply labor to armed forces.

Supervision over whole of Italian Social Insurance System immediately began but shortage of officers and shifting of officer personnel made job difficult.

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Supervision of syndical-corporative units, a tremendous number, necessary pending addition of system by Regional Order No 1.

u. List the departments of Italian Government with which you worked, their functions, operations, and personnel available, normally and during this period.

Strictly speaking, the cooperative syndicate system (consisting of hundreds of units and agencies) was not a department of Italian Government though the functions performed were in large part governmental as we understand the word. This answer therefore confines itself to a listing of the Social Insurance Agencies:

1. Istituto Nazionale della Previdenza Sociale
2. Istituto Nazionale per l'Assicurazione Contro gli Infortuni sul Lavoro
3. Istituto per l'Assistenza Medica ai Lavoratori
4. Ufficio Contributi Agricoltori Unificati
5. Cassa Meritum Meridionale

These organizations concern themselves with the Social Insurance program of unemployment compensation, sickness insurance, tuberculosis insurance, accident insurance, workmens compensation and the like. Figures as to personnel normally available are not compiled; nor is it possible to do more than estimate the number of employees during the period of this report. This is because adequate personnel to gather such statistics was not available. At the end of the period covered by this report it is estimated that there were 400 employees in the Previdenza and a total of 400 in the other agencies named.

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Reports on personnel of the dissolved corporative syndicate units were being gathered at the end of the report period. An idea of the large number of employees in these fascist units may be gathered from the fact that in one of them, the Unione Provinciale Fascista Lavoratori dell'Industria, which was taken over by this division, the number of employees was reduced from more than 300 to 90.

C. How did these branches finance themselves: taxes or loans, if the latter, from whom obtained, with a description of the procedure followed and the machinery employed. Were requisitions of any party made: civilian or military, from what classes of owners and for whose use.

The Social Insurance branches (mentioned in c. above) were financed by contributions from employers and/or employees. The Corporative Syndicate System was financed by members' dues.

In the case of the Corporative Syndicate property A.M.S. requisitioned sites for employment offices. Other properties of these organizations have been requisitioned by Army units and by Red Cross. Full details in answer to this question not available because Regional Order No. 1 and Rules under it place custody of such property in Property Controller who was, at the end of this report period, receiving through this division, detailed reports from the dissolved unions.

D. Were Civilian Committees organized to assist you: Names, Activities and Results.

No.

E. With what agencies do you maintain liaison relations: Civilian and Military, Procedures and Programs.

If supervision of governmental agencies is involved in this question, it is answered in b. above. Insofar as liaison

with the military is concerned, the answer to this question is given in the answer to 3. above.

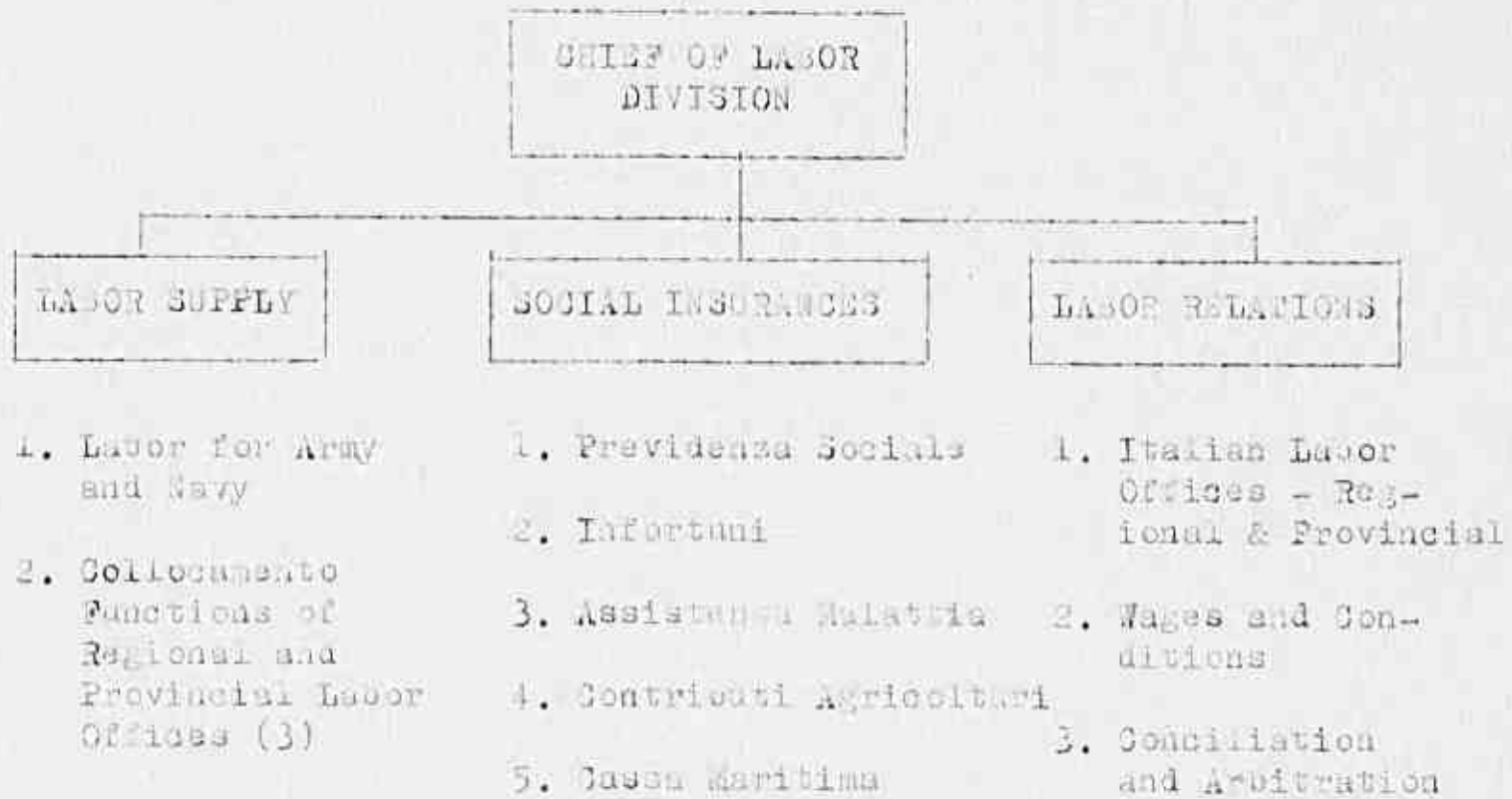
f. What requests were made by you on other branches of the Army; request of such branches on you.

Primary request made by this division was for transportation. Request likewise made for telephone lines to outlying labor supply offices.

Requests to this division involve whole problem of supplying labor to American and British Armies and Navies treated above.

Thomas A. Lane
THOMAS A. LANE.
Lt. Colonel U.S.
Chief, Labor Division
A.M.G. Region III.

CHART SHOWING SUPERVISION EXERCISED BY FUNCTIONAL SECTIONS OF
LABOR DIVISION



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